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## **Competition: A Critical History of a Concept**

### Abstract

This article expands Michel Foucault's genealogy of liberalism and neoliberalism by analysing the concept of competition. It addresses four key liberal conceptions of competition in turn: the idea of competition as a destructive but progressive and thus necessary force (roughly 1830–90); economic theories of market equilibrium that theorize competition mathematically (1870 onwards); socio-biological ideas of competition as something natural (1850–1900); and sociological arguments that see competition as adding value to the social (1900–20). From this starting point, the article considers the ways in which three main trajectories of neoliberal thought that emerged from the early 1920s onwards – Austrian, German and American – developed and responded to these conceptualizations of competition. In conclusion, it is argued that this history of the concept of competition leads to a new understanding of the tensions that lie at the heart of neoliberal thought, and which are largely missing from Foucault's account.

### Keywords

competition, equality, equilibrium, evolution, liberalism, neoliberalism

At the heart of Michel Foucault's lectures on biopolitics lies a distinction between '18th-century liberalism', which identified exchange as the central principle of the market, and neoliberal conceptions of the market that emerged in the mid-20th century, which questioned this 'original and fictional situation' of exchange and claimed instead that competition is the 'essential thing' of the market (Foucault, 2008: 118). This argument, perhaps surprisingly, has received little attention within the extensive literature that now exists on Foucault's lectures on biopolitics, and the concept of competition, more generally, has been neglected within postcrisis theories of neoliberalism that addresses its politics (Hall, 2011; Stedman Jones, 2012), history (Peck, 2008; Mirowski and Plehwe, 2009) and epistemology (Gane, 2014a). In view of this, this paper will look closely at Foucault's claim that neoliberalism can be explained in terms of 'a shift from exchange to competition in the principle of the market' (Foucault, 2008: 118). It will be argued that this shift is, in fact, far from straightforward, for the attempt to conceive of markets as sites of exchange and competition is not simply neoliberal in basis, and instead can be traced to the period between the late-18th century and the mid-20th century. This period is largely absent from Foucault's genealogy of liberal and neoliberal reason but is crucial as it is here that different conceptions of competition

emerged within distinct but in some ways intersecting bodies of political-economic, economic, and sociological work. This paper will look in detail at the emergence of concepts of competition within these different disciplinary settings through this historical period. This exercise will show that competition is by no means a 'universal principle' (Dardot and Laval, 2013:4), but rather a concept that is complex in form, and which has been, and continues to be, contested and divisive not just within classical liberal thought but also within different strands of 20th-century neoliberalism.

This paper, then, will seek to add to and extend the history of neoliberalism advanced by Foucault in his lectures on biopolitics by addressing the emergence and operation of one of its key governmental concepts: competition. This exercise will not be concerned explicitly with whether or not Foucault sympathized with the neoliberal ideas and concepts in question (see Zamora and Behrent, 2015), as this is an issue I have addressed elsewhere (see Gane, 2018), but rather with using Foucault's work productively as a means for advancing a more detailed and nuanced history of neoliberalism that extends into the present. This work will centre on the concept of competition, not what Kenneth Dennis (1975: 3–7) has called 'the phenomenon of competitive striving as it happens in the real world', or with other words or 'linguistic labels' that may have been used in the past in the attempt to describe such activity. The aim of this approach is to examine concepts of competition from the late-18th century onwards, and to consider their role in emergent forms of economic, political and sociological knowledge that deployed these concepts for descriptive, analytical and, in some cases, normative purposes. This paper identifies and, in turn, considers four key conceptual understandings of competition: first, political-economic ideas of competition as a destructive but progressive and thus necessary force (roughly through the period 1830–90); second, more formal economic theories of market equilibrium that sought to theorize competition mathematically and, for the most part, use it as a heuristic device (mainly from 1870 onwards); third, socio-biological conceptions of competition as something that is natural and thus desirable (from 1850–1900); and finally, sociological work that questions whether competition is natural or social and, beyond this, the normative value it adds to the social world (from 1900–20).

This historical work is by no means exhaustive. It does not cover, for example, ideas of competition that emerged in late-19th-century economics that have been addressed in detail by Morgan (1993), and which are only of marginal significance to the consideration of later forms of neoliberal thought. Instead, the task is to expand Foucault's genealogy of neoliberal reason by examining the role of concepts of competition within 19th and early-20th-century liberal discourse, and to consider, in turn, their life within different trajectories of neoliberalism that followed. In so doing, this paper will problematize Foucault's neat contrast between liberal and neoliberal

forms of governmentality, which are said to be grounded in market principles of exchange and competition respectively. It will do so by questioning the normative status of concepts of competition within liberal and neoliberal thought; an exercise that will draw on the work of Will Davies in order to question the paradoxical basis of competition as something that 'hovers' in the space between justice and violence (2014: 66). This consideration of the normative basis of competition will be central to the second half of this paper, which extends Foucault's genealogy of neoliberal reason by analysing the ways in which the main trajectories of neoliberalism – Austrian, German and American – developed and responded to prior conceptualizations of competition in quite different ways. This analysis will show that Foucault's account of different national trajectories of neoliberalism needs to be broadened to include a wider range of work and figures (many of which changed their positions over time), and, more than this, to consider the ways in which the concept of competition divided key liberal and then neoliberal thinkers over its potential usages and limitations.

### **Competition: Destructive or Progressive?**

The first problem to be confronted in tracing the history of the concept of competition is where to begin. One possibility is to begin where Foucault concludes his lectures on biopolitics, with the work of Adam Smith. This is the preference of George Stigler (1957), the neoliberal economist and president of the Mont Pelerin Society from 1976–8, who in one of the few existing histories of competition argues that *The Wealth of Nations* provides both a definition of this concept – the idea that competition takes the form of a 'rivalry in a race' – as well as a way of thinking about its role in the economy as both a 'process of responding to a new force and a method of reaching a new equilibrium' (1957: 1–2). This paper, however, takes a different view: that beyond arguing that any exercise of governmental privilege through the mercantile system will necessarily lead to the creation of monopoly positions and a reduction in competitiveness (the East India Company is his main example; see Watson, 2017, for a useful overview; on the pre-history of Smith's position and the influence of the physiocrats see Dennis, 1975: 43–90), Smith says very little in this text about the concept of competition and its workings. He simply states that markets are characterized by competition over price between buyers and sellers in relation to the supply of and demand for particular commodities. Smith's understanding of competition in markets is commonsensical and yet enduring: that where there is competition between buyers over a commodity (i.e. where there is scarcity) price will go up, and where there is competition between sellers (i.e. where there is oversupply) it will go down (see Smith, 1986: 159). There is little that goes beyond this basic

understanding of competition in relation to price in early 19th-century political economy. For while David Ricardo made reference to a general law of competition in correspondence with Thomas Malthus in 1811 (see Dennis, 1975: 113), and subsequently addressed the role of competition in money markets as well as the potential for labour to sit in competition with machinery, he adds little to the concept of competition beyond that already advanced by Smith. There is, for example, no attention to the idea of competition by Ricardo in his *On the Principles of Political Economy and Taxation* (1817), and, elsewhere, Thomas Malthus does little more than repeat Smith's conception of competition in *Principles of Political Economy* (1820). Thus, while it is possible to identify the seeds of a more formal or 'scientific' approach to the question of competition within the field of political economy at the outset of the 19th century (see Dennis, 1975: 116), this development is only realized in any significant way at least 50 years later with the emergence of mathematical forms of economics (see section on perfect competition that follows).

To trace the emergence of the concept of competition, it is thus necessary to look not to Smith's writings on the division of labour and the human propensity to 'truck, barter, and exchange', or to figures such as Ricardo and Malthus, but elsewhere: to early forms of socialist thought (some of which were inspired by Ricardo) that questioned the competitive and divisive nature of industrial capitalism from the 1830s through to the 1840s. One of the earliest such statements is John Gray's essay *Human Happiness* (1825), which declares that competition limits the productivity of labour and, with this, the capacity for tradesmen [sic.] to make profits. Gray's appeal for a community based on principles of mutual co-operation is articulated, in due course, in greater detail by the Welsh social reformer Robert Owen. Indeed, Owen's 1842 *Manifesto* advances a thoroughgoing critique of the destructive effects of competitive wage labour, arguing that competition 'necessarily creates a covered civil warfare between the individuals who are engaged in the same profession or business' (1991: 358) and, more damningly, that 'individual competition is productive of evils of every description' (1991: 359). Against the commercial spirit of modern capitalism, Owen calls for a world motivated by principles of truth and justice; principles to be directed by a sense of kindness rather than competitiveness.

He was not alone in questioning the morality of a society dominated by divisive forms of competition. Karl Marx later developed a critique of competition that had been advanced earlier by the cooperative movement, and by figures such as Charles Fourier and Henri Saint-Simon in their writings on socialism. In *Capital*, he describes competition as a coercive law that exercises power over individual capitalists, and adds that under conditions of capitalism commodity producers 'acknowledge no other authority' (1976: 477). While the intricacies of Marx's position cannot be

explored in detail, the key point is that attention to the concept of competition did not come, in the first instance, from classical liberal economics (for example, the work of Adam Smith), but out of dissent against industrial capitalism and the accompanying destruction of traditional forms of social solidarity and cooperation.

It would be a mistake, however, to draw a simple line of continuity from early forms of cooperativism through to Marx's critique of competition as a core principle of capitalism, as to do so misses a key liberal intervention out of which the concept of competition is first formalized: John Stuart Mill's critique of early forms of cooperative socialism. Mill, while neglected by Foucault in his biopolitics lectures (see Gane, 2014b), is a key figure within the history of liberal and neoliberal thought, and in *Principles of Political Economy* (1848) advanced one of the first conceptual statements on the question of competition. Mill's position is complex for, on one hand, he is sympathetic to the cause of early socialism as he argues that the cooperative movement distributes goods more efficiently than any rival system and, to a point, makes labour more productive. This sympathy for cooperativism placed him out of favour with later libertarian thinkers such as Von Mises (see below). But, on the other hand, Mill openly stands against what he calls the 'most conspicuous and vehement part' of early arguments for socialism: 'their declamations against competition' (1965: 792). Mill's position is that innovation in trade and commerce is born out of competition between individual capitalists rather than from co-operative societies, which are averse to taking risks and only adopt practices once their success in the marketplace has been proven. He argues that it is only out of competition between 'capable persons', or in more contemporary terms entrepreneurs, that 'improvements' are made to trade and commerce. For this reason, Mill takes a position against socialism as he declares that the restriction of competition 'is an evil, and every extension of it, even if for the time injuriously affecting some class of labourers, is always an ultimate good (1965: 793). Mill's argument, on balance, is that competition is something to be embraced: it prevents idleness and the emergence of monopolies within the system, and, ultimately, is 'indispensable to progress'.

This idea of progress is central to a distinction Mill draws between competition and custom (see 1965: 242–8). Mill argues that the success of the concept of competition lies in its 'pretension' to give political economy the character of a science. For if competition can be assumed to be the 'exclusive regulator' of rents, profits, wages and prices, then laws can be assigned to each of these domains and, on this basis, they can be explained according to 'principles of broad generality and scientific precision' (1965: 243). But Mill argues that it is a mistake to presume that competition holds 'unlimited sway' over all human affairs as economic ties and relations are still, to some degree, determined by more traditional

forms of custom. For this reason, he argues, it is important to understand competition historically as it is a distinctly modern phenomenon that emerged through the Industrial Revolution and transformed relations between 'land-owner and the cultivator' (1965: 243). Competition is, for Mill, a modern and modernizing force as it rationalizes earlier forms of customary agreement by subjecting rents, wages and prices to the play of free market forces. While Mill is keen to point out that the 'maximum of competition' should never be presumed as it can be regulated either by custom or modern forms of law, he nonetheless treats this movement as a form of progress. Mill thus stands against early forms of cooperativism as well as the work of Marx by treating competition as a positive force for change that, for the most part, it is a mistake to resist.

### **Perfect Competition**

The latter half of the 19th century saw a movement to redefine economics as a 'pure' form of mathematical science against more traditional forms of political economy, and, with this, to conceptualize 'perfect' forms of competition that can be proven, at least in theory, through the application of mathematical techniques. Competition, in this conception, was no longer tied to the concrete political concerns of the cooperative movement or to an assessment of the rights and wrongs of capitalist society more generally, but took ever more abstract and in this sense 'perfect' forms. The history of the idea of perfect competition, which has been of particular interest to neoliberal economists such as George Stigler (1957), can be traced to figures such as Augustin Cournot (1801–77), who saw market equilibrium emerging out of the competition over the volume of production, and to William Jevons (1835–82), who, in *The Principles of Political Economy* (1871), advanced an idea of 'perfectly free competition' in exchange and argued that competition provided an answer to the emergence of monopolies within different markets. The idea of perfect competition was developed more fully, in turn, by figures such as Francis Edgeworth (1845–1926) and Leon Walras (1834–1910). Edgeworth's *Mathematical Psychics* (1881), his key work on this subject, attempts to demarcate a 'perfect field of competition' by addressing the freedom of the individual to contract and re-contract relations with other economic partners, both with and without the consent of other parties. The main contribution of this work is its argument that 'Equilibrium is attained when the existing contracts can neither be varied without recontract with the consent of the existing parties, nor by recontract within the field of competition' (Edgeworth, 1881: 31). This leads Edgeworth to advance a general principle: that while a contract without competition is indeterminate as it involves settlements that cannot be varied through the introduction of other parties, a contract with competition is perfectly determinate because it can be explained through

the application of a mathematical calculus that presupposes the indefinite 'multiplicity and dividedness' of the competitive field (see 1881: 16–19 for further explanation of this distinction).

Whereas Edgeworth's writings have occupied something of a marginal position within the history of economics, Walras's theory of general equilibrium remains central to contemporary neoclassical economics and is an important epistemological point of departure for different strands of neoliberal thought. This is perhaps surprising as Walras's work, and in particular his *Studies in Social Economics*, is in many ways politically progressive in outlook. In *Social Economics*, for example, Walras attempts to work beyond despotism (the overarching authority of the state) on one hand, and anarchy (the unbridled freedom of individuals) on the other, by applying a synthetic method to the analysis of both in order to develop their relative strengths into a new position. This 'method of reconciliation' calls for a reconsideration of the powers of society in relation to those of the individual, and argues that, in key respects, we should work to 'correct the encroachments of the individual' into territory that should be occupied by the powers of the state. Walras calls this position 'my socialism' (2010: 107) – a position that clearly distances him from the raw individualism of later forms of neoliberalism, alongside any project for the redesign of the state to support the economic interests of the market.

Walras's work, unfortunately, is read less today because of its underlying politics than because of a quite different argument: that politics and ethics need not be part of economics per se. In *Elements of Theoretical Economics*, Walras follows Kant (without acknowledgement) in dividing economics into three branches: a 'pure' mathematical science concerned with abstract questions of truth; an art that has prescriptive value and is judged by its 'usefulness'; and an ethics that addresses matters of justice (see Walras, 2014: 11–19 for an overview). While Walras's *Studies in Social Economics* concerns questions of ethics and justice, *Theoretical Economics* stands against the field of political economy, including the work of Adam Smith, by defining economic theory as 'a physicomathematical science' that must always precede applied forms of analysis (2014: 27). Walras argues that the purpose of this form of theory is 'the determination of prices in a hypothetical regime of perfectly free competition' (2014: viii). Contrary to Edgeworth, for Walras perfect competition is dynamic rather than static (or perfectly determinate) in basis as equilibrium is achieved through the trial and error or *tattonnement* (for a detailed consideration of this concept see Walker, 1987; Dennis, 1975: 205–18) of individual agents. A key reason for this is that while value is something that 'occurs naturally in the market under the regime of competition' (2014: 42), its origin does not lie in labour (as argued by Smith and Ricardo) or utility (Condillac and Say) but rather scarcity, or what he terms *rarete*. This notion of *rarete* is important as it underpins the law of



effective supply and demand and what he calls the 'determination of equilibrium prices' in the exchange of commodities. Indeed, it is because of rarete that there is competition over price, and competition is here seen to be crucial as it is, for Walras, the 'practical solution' by which it is possible to resolve the mathematical problem of exchange (2014: 66).

Walras addresses precisely this problem in *Theoretical Economics*, which in turn is based upon an important assumption: that there exists a market that can be perfectly organized under the regime of competition. On the basis of this assumption, he employs an array of supply, demand, utility and price curves to demonstrate the mathematical possibility of price equilibrium, moving from comparatively simple situations, such as the exchange of two commodities for each other, through to more complex cases, such as the exchange of several commodities for one another. In each case Walras proposes a mathematical solution to the problem of perfect competition, but acknowledges nonetheless that equilibrium is an ideal rather than real state (2014: 209), and that in reality 'free competition is impeded by an infinity of disturbing factors' (2014: 248) or what might be called, in more recent terms, externalities. This recognition of the ideal-typical rather than descriptive or politically normative basis of equilibrium theory is important, and through the course of *Theoretical Economics* Walras struggles to maintain a separation of pure mathematical economics from its artistic and ethical forms. Towards the conclusion of this book, for example, he declares that free competition is not the only possible system of economic organization (2014: 438), and that 'an economic society' cannot function without the intervention of the state (2014: 456). Not everyone, however, agreed with this introduction of political concerns into theoretical economics. Indeed, through the mid-20th century, key proponents of theoretical economics, such as Kenneth Arrow and Gerard Debreu, revisited these boundaries between pure and applied economics, and, by way of response, formulated ever 'purer' mathematical proofs of perfect competition and general equilibrium distanced from the practical and political problems of the empirical world (for an overview of this new attempt to 'find equilibrium' see Duppe and Weintraub, 2014).

## **Competition as Natural**

The 19th century also saw the emergence of new approaches to the question of competition that drew on the science of biology rather than mathematics. The key text here is Charles Darwin's *Origin of Species*, first published in 1859, in which natural selection is treated as something that unfolds through competition between and within different species. Darwin summarizes the main theoretical argument of this book in the following passage:

As the individuals of the same species come in all respects into the closest competition with each other, the struggle will generally be most severe between them; it will be almost equally severe between the varieties of the same species, and next in severity between the species of the same genus. (1960: 433)

Darwin's work on natural selection and competition not only transformed the emergent discipline of biology but was also a key influence on the development of evolutionary approaches to the study of society, economics and culture through the second half of the 19th century. The main figure to advance such evolutionist thinking was Herbert Spencer, who after reading *The Origin of Species* coined the term 'survival of the fittest' in his 1864 book *Principles of Biology*. While the term competition rarely features in this work on biology, it is a concept that Spencer developed subsequently in his writings on sociology, politics and justice, and this, to some extent, marks a break with previous key works such as *Social Statics* (1851), which do not address questions of evolution and competition explicitly.

For Spencer, evolution is a universal phenomenon that involves a movement from the simple (undifferentiated) to the complex (heterogeneous) in every form of lived existence. Spencer argues that this movement towards ever higher levels of individuality and complexity is not destructive but brings about new forms of harmony as individual parts of discrete organisms have to work in cooperation with each other in order to ensure the survival of the greater (social) body (on the influence of such evolutionary ideas on late-19th-century American economics see Morgan, 1993: 579–87). Chris Renwick provides a neat summary of this argument in relation to the question of competition:

The destructive mode of competition that characterizes lower forms of life should gradually disappear, he argued, as highly specialized organisms tend naturally to cooperate. Spencer's reasoning on this point was based on his belief that the result of greater complexity is a higher level of integration and mutual dependence. (Renwick, 2012: 74)

In some ways, Spencer's theorization of competition is similar to that of Mill, as it is depicted as a rationalizing force for change, or, crudely put, a driver of progress. But, for Spencer, progress is not the same thing as evolution (which can lead in some cases to dead ends) which involves a movement of differentiation from 'lower' (simple) to 'higher' (more complex types). In *Political Institutions*, for example, Spencer declares that in the natural world 'competition among individuals of the same kind, survival of the fittest, has from the beginning furthered production of a higher type'. This same principle applies to what he calls 'social organisms': 'We must recognize the truth that the struggles for existence between societies have

been instrumental to their evolution . . . Social cooperation is initiated by joint defence and offence; and from the cooperation thus initiated, all kinds of cooperations have arisen' (1882:13). In these terms, competition is seen not only to be a natural part of human societies (see Spencer, 1969: 72–6) but a driving force for adaptation and integration, the mechanisms of which themselves change over time. Spencer, for example, describes an evolutionary movement of societies from lower, military forms in which violence predominates to higher forms of industrial society that are largely peaceful in basis. In his work on ethics, he explains:

The welfare of humanity at large will be achieved by the prosperity and spread of the best varieties. After there has ended the predatory stage of progress – after there has come the stage in which the competition among societies is carried on without violence, there will, other things equal, be an increasing predominance of societies which produce the greatest numbers of the best individuals. (1896: 221)

And later in this work, he goes a step further by arguing that higher levels of competition are both peaceful and altruistic in basis, for, in line with his broader evolutionary framework, competition can work not just for the good of the individual but for the good of all.

Throughout Spencer's writings, the idea of competition is only ever referred to in favorable terms. Spencer describes it, for example, as a 'stimulus', as something that 'impels' us to improve, and argues that without it 'social intercourse' would lose its 'salt'. It is of little surprise, then, that Spencer's writings on biology are accompanied by a broader political position which stands against socialism and the regulation and/or restriction of market-based forms of competition. In 1891, Spencer introduced an edited volume entitled *A Plea for Liberty: An Argument Against Socialism and Socialistic Legislation*, through the course of which he declares, in similar vein to Mill, that those who revile competition 'strangely ignore the enormous benefits resulting from it' (1891: 4). In other works, such as *Principles of Ethics*, he argues against governmental regulation of the workings of free competition as 'restraint' should be internal (individual) rather than external (state or governmental) in basis. This is a theme he returns to in his famous essay *The Man versus the State*, in which he declares that government interference into the 'law of supply and demand' produces more evils than it cures (1940: 60). He insists that we nurture our 'best', for it is through 'the survival of the fittest' that 'superiority' is 'perpetually fostered and further advances caused' (1896: 5). Spencer's key point of concern here is thus not equality but rather the improvement of the species by nurturing and rewarding the talents of those he calls the 'best individuals'. Indeed, he argues, this is the role of education: to employ principles of competition to hold 'the promise of future perfection' (1940:

120). Competition, then, is seen to be both a generative principle and a natural sorting mechanism.

## **The Sociology of Competition**

Spencer's work, in turn, prompted the formulation of quite different sociologies of competition, particularly at the outset of the discipline in Germany in the early 20th century. The two key figures here are Georg Simmel and Max Weber who, respectively, advanced a socio-cultural theory of competition that in important respects retained an evolutionary approach, and an ideal-typical conception born out of an engagement with the epistemological underpinnings of Austrian economics. In terms of the former, an implicit response to Spencer can be found in Georg Simmel's 1903 essay 'The Sociology of Competition'. This essay, in part, takes an evolutionary approach to the analysis of competition as, like Spencer, it treats it as part of a broader societal shift away from physical forms of violence that characterize lower forms of animal life. Simmel states: 'What we are dealing with here are stages of evolution in which absolute competition of the struggle for existence among animals changes gradually toward relative competition' (2008: 970). Indeed, for Simmel, competition is both a driver and a measure of human evolution as it requires energies previously invested in physical violence to be transferred into higher forms of cultural activity such as scholarship. Competition is thus a mechanism for integrating individuals into social groups (as it is for Spencer), or, to use Simmel's words, a meeting point for the subjective and objective dimensions of human culture. But while Simmel's essay is underpinned by a broadly evolutionary framework, clearly it is quite different in tone and content to the work of Spencer. First and foremost, Simmel treats competition as something that is part of the fabric of the social. He writes: 'Modern competition, which has been called the struggle of all against all, is after all at the same time the struggle of all to gain the attention of all' (2008: 962). Competition is not a relation of force or violence but rather a nuanced struggle for the recognition by, or approval of, a third party or a 'customer' that holds a 'prize'.

Such struggle, Simmel argues, is best conceptualized as a form of 'indirect fighting', as in many cases competitors need not devote any energy to or even 'touch' each other in order to win. Competition is premised on a desire to better an opponent rather than destroy them, and, for Simmel, this spirit of betterment can only add value to social life. For while acknowledging that competition is part of the 'tragedy' of the modern world as it pits individuals against each other, he insists that it is a positive force that has an 'incredible effect of socializing people' (2008:961). In a key passage, he writes that the 'negative entries in the social balance sheet of competition pale beside the incredible synthetic power of the fact

that competition in society is competition for human beings, a struggle for applause and attention, for acceptance and devotion of every kind' (2008: 962). For Simmel, competition is a social good: it is an animating force that promotes socialization and integration by forging new relationships and 'connections' between competitors and the 'third' parties who are the subjects of their attention. Simmel concedes that, in principle, it is possible for modern societies to be organized upon communal grounds, but that in practice socialism must 'yield to free competition' whenever it offers 'the more practical and appropriate means' (2008: 968). For Simmel, competition is more than simply a market form but a principle of social organization that should, wherever possible, be embraced. Indeed, Simmel returns to this point in his later work in which, he argues that conflict, of which competition is one form, can act as an 'integrative force' both between and within social groups (see Simmel, 1971: 74–6).

A more schematic analysis of the sociality of competition was advanced, in turn, by Simmel's contemporary, Max Weber, whose sociological method was born, in part, out of an engagement with the epistemological principles of Austrian economics in the final decades of the 19th century. Weber was concerned not with the theories of perfect competition discussed above, but with debates central to Austrian marginalism and psychophysics – in particular, the fundamental question of whether value is something that is psychological or social in basis (see Weber, 1975). While Weber is more concerned with issues arising from the *Methodenstreit* than Simmel, his conceptualization of competition nonetheless uses the terms of evolutionary biology as its starting point. Indeed, the first chapter of *Economy and Society* can be read as a veiled response to Spencer as it draws out a set of ideal-typical distinctions between conflict, competition and selection. Weber starts by defining conflict as a situation in which an actor attempts to impose his or her will against the resistance of other parties, or, in other words, one that involves the exercise of power. Competition is one such form of power as, for Weber, 'it consists in a peaceful attempt to attain control over opportunities and advantages that are also desired by others' (1978: 38). And this is to be distinguished from selection, which involves a struggle 'for advantages and for survival' that is not necessarily orientated in a meaningful way towards others (and therefore lies at the limits of social action). More than, this selection can be of two types: 'social selection', which refers to the 'relative opportunities of individuals during their own lifetime', and 'biological selection', which 'concerns differential chances for survival of hereditary characteristics' (1978: 38). Weber has little to say about biological forms of selection except that they are inevitable and thus unavoidable, even in utopian states that seek to eradicate all 'manifest' forms of competition. Weber's interest lies, rather, in the regulatory basis of different types of competition – from 'unregulated' forms (the competition of

‘suits for the favour of a women’) at one end of the spectrum, through forms regulated to lesser or greater extent by the powers of government (‘competition for economic advantages in exchange relationships’), to ‘strict’ forms of regulation (‘the struggle for victory in election campaigns’) at the other. Beyond this, he calls for analysis of the ways in which a social order creates the particular conditions that enable social selection to proceed.

Weber advances a position quite different to that of Spencer (and Simmel) as he declares that ‘The fact that a given specific social relationship has been eliminated for reasons peculiar to a particular situation, proves nothing whatever about its “fitness to survive” in general terms’ (1978: 40). Weber responds by arguing that it is one of the tasks of interpretive sociology to explain the survival or success of particular social actions or social relationships at the cost of other, competing forms. This, he claims, has less to do with the ‘biological chances of survival’, or the selection of human types in either the ‘social or biological sense’, than with the ‘relative opportunities’ for different individuals and groups that are created by any particular social order. In these terms, social forms of ‘selection’ are not to be treated as principles of causality, but rather as something that themselves have to be explained.

### **Expanding the Genealogy of Neoliberalism**

The above section demonstrates that the concept of competition emerged in different disciplinary settings throughout the 19th century – a historical period that barely features in Foucault’s lectures on liberalism and neoliberalism aside from brief attention to the work of Bentham. The concept of competition was born out of debates in the 1830s and 40s over the impact of new forms of capitalist wage-labour on traditional forms of community and cooperation, and subsequently was conceptualized in four main ways within different traditions of economic and sociological thought: as a force of creative destruction that rationalized customary practices of fixing prices, wages and profits; as a means for establishing value or price which, under ideal conditions, can bring market equilibrium and be quantified mathematically; as a generative process of adaption and change that has its roots in biology; and as a social phenomenon that either adds value to social life or which promotes new forms of social selection that are tied to underlying power relations rather than to biology. These different conceptions are important because they demonstrate the central role that debates over competition played across political economy, economics and sociology through this period, and, perhaps more importantly, indicate that what was meant by the term competition, let alone how it might be championed politically by liberals of different kinds, was deeply contested while Foucault argues that liberal discourse was characterized by an

understanding of the markets as sites of exchange rather than competition, it is not clear, on the evidence of the above, that this is in fact the case, as concepts of competition through this period are characterized by complexity and dissonance. This has important consequences for understanding the history of neoliberal thought, for neoliberalism cannot, as a result, simply be thought of as a reversal of the governmental logic of classical liberalism, which is said to be centred on understanding mechanisms and processes of exchange (Foucault, 2008: 116).

'Competition' did not simply appear with the advent of neoliberal discourse, and different conceptual understandings of competition from the 19th century continue to be problematic within and between different trajectories of neoliberal reason. To show this, the second half of this paper considers the ways in which three main trajectories of neoliberal thought – Austrian, German and American – have developed and responded to liberal ideas of competition. This analysis will not cover all aspects of these branches of neoliberal thought exhaustively, but will address the work of key neoliberal figures within each of these movements in order to show that while the idea of competition is a core concept around which neoliberal thought has coalesced (as argued by Foucault), the idea of competition itself has been divisive, as these figures align themselves with one or more of the liberal conceptions of competition analysed above while at the same time dismissing the value of the others. In each case, tensions emerge between and within each national trajectory of neoliberalism as different liberal conceptions of competition are hybridized into new forms that are, in fundamental respects, incompatible with each other.

### *Austrian Neoliberalism*

Foucault's lectures on biopolitics centre on German and American forms of neoliberalism at the cost of looking at the work of key Austrian thinkers such as Ludwig von Mises and Friedrich Hayek in any detail (see Gane, 2014b). An important step in broadening Foucault's genealogy of neoliberalism reason is thus to take the ideas of such thinkers seriously (see Gane, 2014a) and to examine their respective positions on the value of core concepts such as competition. While Mises is a libertarian thinker who advocated market freedoms rather than a neoliberal reprogramming of the state, his critique of state socialism and associated defence of private property was hugely influential on later neoliberal thinkers such as Friedrich Hayek. In his early work, Mises develops a position that responds, implicitly, to the four conceptions of competition addressed in the first half of this paper. From the outset, for example, Mises sees little of value in the work of John Stuart Mill, including his view of competition, as he argues that Mill, under the influence of his wife Harriet Taylor (Mises, 2005a: 153), corrupted classical liberalism by introducing socialistic ideals into his

political economy in his later years. While Mises dismisses Mill's work pretty much out of hand, he pays closer attention to neoclassical ideas of equilibrium, which, in his view, are concerned with a purely imaginary or ideal-typical state and so do not address the real-life dynamics of market forms. Mises gives this argument a political twist as he states that the ideal of equilibrium underpins the 'social utopia' of centrally planned economies (1981: 142), and against such a 'utopia' he declares the need for a free market society based upon a principle of competition that is to be distinguished from the commonly associated ideas of 'conflict' and 'fighting'. In a passage that is remarkably similar to the work of Simmel (although this is never something he acknowledges), Mises proposes that whereas fighting or 'battle' leads to destruction, competition is quite different as it is a constructive force and a 'fundamental principle of social collaboration' (on the broader meeting points between Simmel's work and Austrian economics see Liljenberg, 2005). For whereas fighting is anti-social as it makes co-operation between participants impossible, competition, by contrast, is said to be 'an element of social collaboration, the ruling principle within the social body (Mises, 1981: 286). Like Simmel, Mises conceptualizes competition as a form of non-violent conflict that adds value to the social and acts as a force for the integration of individual within collective concerns. But unlike Simmel, Mises translates this directly into an economic idiom as he argues that human action is fundamentally economic in basis (Mises, 1960: 80) and that the market is the model of competition that brings cohesion to the social. Indeed, he argues that social competition is 'catallactic' competition: competition based on the monetary calculations of market actors that leads, in the last instance, to an agreement over price that then makes exchange possible (see Mises, 2007: 273–9).

Mises argues that this form of market-based competition is not biological in form as, for the most part, it is not about a life or death struggle for survival but rather 'the striving of individuals to attain the most favourable position in the system' (2007: 273). He addresses the broader question of social evolution in detail in *Socialism* (see Mises, 1981: 249–333) and develops his position further in *Theory and History: An Interpretation of Social and Economic Evolution*. In this work, he argues that 'man [sic] is unique in the ability to substitute social cooperation for biological competition through the exercise of reason' (2005b: 26). Mises objects to the organic analogy used by Spencer and Durkheim as he argues that whereas the position of cells within the body is determined by necessity, 'individuals spontaneously choose the way in which they integrate themselves into social cooperation'. He adds: 'Men have ideas and seek chosen ends, while the cells and organs of the body lack such autonomy' (2005b: 168).

Mises refuses to adopt an evolutionary account of history (2005b: 143) but nonetheless holds onto a strong view of human nature. Indeed, he



aligns himself with Ricardo and Malthus (and also, implicitly, Spencer), who reject the presumption of biological equality and instead 'take fully into account the fact that there are innate biological differences among various groups of men as well as among individuals belonging to the same group' (2005b: 27). Mises here stands against any theory of natural justice as he sees inequality to be a fact of nature, and adds that the state of nature is not characterized by happiness but by scarcity, or, in his words, 'extreme poverty and insecurity' (2005b: 115). The success of the capitalist system, he argues, lies in its capacity to overcome nature, which is not 'bountiful but stingy' (2009: 81), and does so by raising the general prosperity of all to a degree never seen before throughout history. For this reason, he positions himself against what he calls the 'anti-capitalistic mentality' of those on the political Left (see Mises, 2009).

Friedrich Hayek develops and responds to all of the above aspects of Mises's work. Hayek objects to mathematical theories of perfect competition on the grounds that they presuppose three main things: a large number of small buyers and sellers (rather than monopoly forces), free entry into the market, and complete knowledge of all factors that can affect market prices (Hayek, 1948: 95). Like Mises, he argues that competition is a dynamic process that cannot be captured by a static, equilibrium-based analysis of the market that has a tendency to see market actors as little more than 'passive price takers' (Morgan, 1993: 566). However, Hayek goes beyond this point by attempting to establish the idea of competition as both a political and an epistemological principle. He argues that competition is a 'discovery procedure' (see Hayek, 2002), and that knowledge 'comes through competition' as it coordinates the decentralized understandings of individual actors. Like Mises, Hayek sees competition, and with this the market, as a force of integration, but he takes a quite different view of the role of government in making competition possible. For while Mises advances a predominantly libertarian, laissez-faire position that seeks to keep government out of the economy, Hayek argues that government and the state can be reprogrammed to promote competition in parts of society where it is suppressed. This is a key motif of his 1947 inaugural address to the Mont Pelerin Society, which centres on the proposition that 'competition can be made more effective and more beneficent by certain activities of government than it would be without them' (1948: 110). Hayek's argument is that government should work to produce a 'competitive order', rather than to leave market dynamics to emerge naturally – something that, because of the interference of political forces, might never in fact happen.

These arguments are central to Hayek's two main texts: *The Road to Serfdom* and *The Constitution of Liberty*. In the former, Hayek argues for a market model of social organization based on planning for and through competition: one that stands against centralized controls on price

formation, on one hand, and 'a dogmatic laissez-faire attitude', on the other. In relation to the latter (which is effectively Mises's position), Hayek declares: 'The liberal argument is in favour of making the best possible use of the forces of competition as a means of co-ordinating human efforts, not an argument for leaving things just as they are' (Hayek, 1944: 37). However, while Hayek departs from Mises by advocating the refashioning of the state and government to make competition possible, he retains Mises's position on social evolution and human nature. In *The Constitution of Liberty*, Hayek takes an unusual line on the former as he argues that evolutionary ideas were initially advanced by social scientists (it is unclear exactly who) prior to their development in the field of biology, and that the social sciences were mistaken in importing evolutionary ideas back into their accounts from figures such as Darwin (the finger of blame here seems to point at Spencer). Against such a move, Hayek advocates the theory of 'adaptive evolution' that was developed by his fellow Austrian, Carl Menger (see Hayek, 1960: 53–5) – a theory closely allied to Hayek's own idea of spontaneous market order. Hayek's theory of human nature is more straightforward as it all but repeats Mises's position. Hayek writes: 'individuals are very different from the outset . . . From the fact that people are very different it follows that, if we treat them equally, the result must be inequality in their actual position' (1960: 77). But Hayek adds an important qualification to this statement: that by nature the capacity for knowledge of any human being, and by extension any form of human government, is limited. For this reason, he argues against the rationalist model of homo economicus and instead declares that the market is the 'marvel' that coordinates the lay, partial knowledges of individuals, and in so doing has the capacity to overcome the limitations of being human.

### *German Neoliberalism*

German neoliberal thought, and in particular that associated with the Freiburg School of Economics and the journal *Ordo* (founded by Walter Eucken in 1948), advances similar ideas about the role of government in making market-based forms of competition work, but differs markedly from Mises and Hayek in its attention to the social and moral limits of this process. Foucault argues that the main contribution of this strand of neoliberalism, also known as ordoliberalism, is to reconceive the state as an economic rather than a political entity, and to do so by inverting the formula of classical liberalism so that the market becomes the organizing and regulating principle of the state, in particular, and the social more generally. As in Austrian neoliberal thought, competition is conceived of as something that is not natural but which has to be made and thus requires government in some form. But, in the case of ordoliberalism, Foucault detects the influence of phenomenology, and in particular the work of

Husserl, as he argues that competition is understood as an essence that becomes the objective of a new 'governmental art': 'Competition is an essence. Competition is an eidos. Competition is a principle of formalization. Competition has an internal logic; it has its own structure' (2008: 120). On the basis of this, Foucault argues that, within German ordoliberalism, competition is no longer something tied to the 'naïve naturalism' of laissez-faire liberalism, but is something that becomes 'an objective' that presupposes 'an indefinitely active policy', and with this a particular 'governmental art' (2008: 120).

There are, however, problems with this account. First, it is not clear, on the basis of the above, that a 'naive naturalism' does underpin all liberal understandings of the market that emerged from the mid-19<sup>th</sup> century onwards, and hence that the break from previous conceptions of competition as natural starts, as Foucault suggests, with ordoliberalism. Second, it is also not clear that ordoliberals' thought was influenced in any meaningful way by the phenomenology of figures such as Husserl (see Gane, 2012: 72–94). And third, there are important differences between key members of the ordoliberal school and Austrian economists such as Hayek, and many of these differences emerged over time as different ordoliberal thinkers refused to follow a path of raw market fundamentalism.

It is not possible to address the subtleties of different positions within the ordoliberal school but, for the purposes of the present paper, the work of Wilhelm Ropke can be used to illustrate this point. For while it is possible to turn to other figures such as Franz Bohm or Leonhard Miksch, Ropke was a founder member of the Mont Pelerin Society and its president from 1961–2, before he split acrimoniously with Hayek (see Burgin, 2012: 123–51), and one, if not the, key ordoliberal addressed by Foucault in his biopolitics lectures. Foucault rightly observes that during and after the Second World War, Ropke wrote a trilogy (*The Social Crisis of Our Time*, *Civitas Humana*, and *International Order and Economic Integration*) that became 'a kind of bible' of German neoliberalism (Foucault, 2008: 104). But many of Ropke's ideas, when looked at closely, contradict Foucault's broader characterization of this movement. Like Mises and Hayek, Ropke dismisses mathematical ideas of equilibrium, as he argues, first, that there is a 'close affinity' between the 'scientific mathematical engineer mentality' and 'collectivism' in the form of planned economies (1996: 17); and second, that competition is never abstract but always 'active' and 'workable' and based on the 'continuous striving of the producers for the favour of the consumers' (1963: 162) – a position that is not far from Simmel. But unlike Austrian neoliberalism, there is little emphasis in Ropke's work on social evolution, except for a notion of 'spontaneous adaption' that appears fleetingly in *Civitas Humana* (see 1996: 220). More importantly, Ropke's work centres on the moral and social basis of market society – a point that is missed by Foucault in his biopolitics lectures.

In *Civitas Humana*, Ropke argues vociferously for a pure market economy that is based on 'unvarnished and genuine competition' rather than monopolies that lead to the freezing of the capitalist system (1996: 5). He adds, in similar vein to Hayek, that the answer is not *laissez-faire*, as institutions are needed to create and enforce the legal framework of competition and to ensure that players follow the rules of the game. Ropke, however, goes further than this: there must also be moral and social foundations to market society in order for competition to work. Foucault portrays ordoliberalism as a doctrine within which there are no apparent boundaries to the reach of the market. But this is not the case for Ropke, who, particularly in *A Humane Economy*, addresses this question in detail. He declares that competition has two meanings: first, it is 'an institution for stimulating effort', and second, 'a device for regulating and ordering the economic process' (1960: 95). Free market societies, he argues, are based on competition in both these senses, while planned economies only in the former. But even in market societies, he argues, the 'ordinary man' is not reducible to the fictional economic subject known classically as *homo economicus*, for in practice there are many diverse motives that can drive people toward economic success. More than this, there are real limits to competition and to what markets can and should do. Drawing on Adam Smith's *Theory of Moral Sentiments* (rather than his *Wealth of Nations*), Ropke insists that the market and competition presuppose and consume 'ethical reserves' that come from 'family, church, genuine communities, and tradition', and which are needed before people 'go to market and compete with each other' (1960: 125). In a striking passage, he declares that:

The truth is that competition, which we need as a regulator in a free economy, comes up on all sides against limits which we would not wish it to transgress. It remains morally and socially dangerous and can be defended only up to a point and with qualifications and modifications of all kinds. A spirit of ever alert and suspicious rivalry, not too particular in the choice of its means, must not be allowed to predominate and to sway society in all its spheres, or it will poison men's souls, destroy civilization, and ultimately disintegrate the economy. (1960: 128)

This position, which is quite different to the one portrayed by Foucault in his lectures on biopolitics, starts with the moral and the social underpinnings of market capitalism and then moves to the analysis of economic phenomena, and in this sense is different to that advanced by Mises and Hayek. Against Foucault's account of ordoliberalism, competition, for Ropke, is not something to be embraced tout court. Rather, it is seen as a positive and potentially destructive force that must be underpinned by an underlying

sense of morality and contained within limits, even if it is not exactly clear in his account where these limits should lie.

### *American Neoliberalism*

The other main trajectory of neoliberalism (after ordoliberalism) that Foucault considers in his biopolitics lectures is that associated with the Chicago School of Economics. Foucault focuses almost exclusively on the work of Gary Becker, and draws a line of continuity from Mises through to Becker on the grounds that both apply economic principles to the analysis of all domains of human life. A key point that Foucault skips over, however, is that contrary to ordoliberals such as Röpke, competition is not a key concept for Becker, especially in his work on human capital (the focal point of Foucault's attention). Competition is mentioned in passing by Becker in his early lectures, published as *Economic Theory*, through the course of which he argues that Walras's theory of general equilibrium was 'the greatest achievement of nineteenth-century economics' (1971: 5). Becker initially follows Walras in spirit if not form or substance by addressing questions of competition and monopoly through the mathematical analysis of supply and demand curves that produce what he calls 'the stability of equilibrium' (see 1971:89–102). Becker's interest in Walras was not enduring, but another early work – a paper on 'Competition and Democracy' – is important as it reveals his long-standing political interest in the concept of competition. In this paper, Becker draws out similarities between an 'ideal democracy' and the 'free enterprise system' on the grounds that both 'are efficient and responsive to the preferences of the "electorate"' (1958: 108). Becker's argument is that in both cases competition is restricted by monopoly, and for this reason it is a mistake to support government intervention into the economy as this can only replicate the structural problems of the political sphere. He explains: 'It may be preferable not to regulate economic monopolies and to suffer their bad effects, rather than to regulate them and suffer the effects of political imperfections' (1958: 109). The implication here is that politics should be kept out of economics, although seemingly not vice versa.

One of the problems of Foucault's account of Chicago School neoliberalism is that it focuses almost exclusively on Becker, and more specifically on his work on human capital. The Chicago School, however, is by no means a uniform entity, and views on the question of competition differ markedly between different thinkers and across generations (for an overview of this school see Peck, 2010: 82–133). The disparity of Chicago School thought can be demonstrated by paying brief attention to the work of Frank Knight (1885–1972). For while Hayek described Knight as one of the 'intellectual leaders' of the Mont Pelerin Society (Hayek, 1960: 360) who taught three of its presidents (Milton Friedman, James Buchanan and

George Stigler), in practice Knight sat on the margins of this society and, for reasons we shall see below, rejected many of the neoliberal principles that were held by its members (for a detailed account of the relation of Knight to figures such as Friedman and Stigler see Burgin, 2009).

Knight's key work is *Risk, Uncertainty, and Profit* (1921), through the course of which he confronts Walrasian theories of market equilibrium by distinguishing between perfect and actual competition, or what can otherwise be called market competition in theory and in practice. He does so by drawing a conceptual distinction between risk and uncertainty: the former refers to threats that are, in principle, measurable and the latter to externalities that are singular in basis and thus impossible to quantify with any guarantee of certainty (for further elaboration of this point see Knight, 1921: 313). Because the world is constantly changing and is full of such externalities, Knight argues that the price mechanism can never be perfect in a mathematical sense, and, as a consequence, markets always involve speculation or wagering on the unknown.

Knight expands many of these points in a collection of essays published under the title *The Ethics of Competition* (1935). In this work, Knight implicitly responds to Walras by arguing that while economics and ethics address questions of value, the former, as a pure science, can only address matters of fact, and the latter normative questions of 'ought'. He develops this neo-Kantian position further by arguing that not all human action is economic in basis because economics, as a science, can only address the means of want satisfaction rather than extend itself into judgements about desired ends. He writes: 'All ends and motives are economic in that they require the use of objective resources in their realization; all are ideal, conventional, or sentimental in that the attempt to define objective ends breaks down' (1935: 33). For this reason, Knight objects to the idea of *homo economicus* on different grounds to Hayek, as he argues that individuals do not act according to abstract laws (including the law of marginal utility) or on the basis of biological 'instincts'. Indeed he objects to Spencer's idea of the survival of the fittest on the grounds that it explains little about the culture of capitalist society and says little about the ethical problems to be confronted in choosing between different kinds of life (1935: 71). For Knight, a society based upon principles of market-based competition is not a biological necessity but one choice among many, and even then perhaps not the most desirable one.

One of the most appealing features of Knight's work is that it questions the normative basis of a society organized upon the principle of competition. In so doing it problematizes the formal separation of economics and ethics outlined above – a separation which Friedman (1953) was later to give new form in his distinction between positive and normative economics. In a key section of *The Ethics of Competition*, Knight lists some of the main problems of reconciling competition with ethics

(1935: 49–54), and observes that the measurement of products or contributions in terms of price ‘does not correspond closely with ethical value or human significance’ (1935: 55).

The question, for Knight, is not simply whether competition is a generative force but of the ‘ethical quality’ of what is achieved through competition as well as the motives that shape its outcome. Like Ropke, Knight is concerned with the ethical foundations of market-based competition. He observes that in the modern world such ethical concerns have largely evaporated as, increasingly, virtue is reduced to two forms: ‘The greater virtue is to win; and meticulous questions about the methods are not in the best form, provided the methods bring victory. The lesser virtue is to go out and die gracefully after having lost’ (1935:67). The worry here, for Knight, is that competition is now so enmeshed in the basic fabric of life that, to a large extent, it is beyond question. This worry is absent from later generations of Chicago School thought, which instead, as Foucault notes, seeks ‘to use the market economy’ in order to analyse ‘non-market relationships and phenomena which are not strictly and specifically economic but what we call social phenomena’ (2008: 240). At this point, any concern for ethics, at least in Knight’s sense, all but disappears.

## **Concluding Remarks**

This article has sought to expand Foucault’s genealogy of neoliberal reason by analysing different liberal conceptions of competition that became key points of departure for the development of different strands of neoliberal thought. This exercise has been by no means exhaustive: liberal political economy, classical sociology, and Austrian, German and American variants of neoliberalism are complex and diverse bodies of thought that are impossible to consider in full within a single paper. While a wider range of thinkers and texts could be addressed, this article has sought, nonetheless, to extend the historical scope of Foucault’s analysis by showing that competition is a key concept within 19th-century liberal thought, and a concept around which three main strands of neoliberalism, to lesser or greater degrees, subsequently coalesced. The question that this undertaking prompts, in turn, is how to assess the normative value ascribed to competition within liberal and neoliberal thought and, more than this, whether competition is the concept that enables a meaningful distinction to be drawn between the two. For this purpose, as indicated at the outset of this paper, the work of Will Davies is instructive, and will be considered here in brief.

In *The Limits of Neoliberalism*, Davies (2014: 38) argues that there are two main sources of authority that are ‘afforded’ by the concept of competition: first, a ‘quasi-liberal one’ that is concerned with the fairness of

a contest; and second, a 'quasi-violent one' that is more concerned with winning the game and hence the production of inequality at all costs. Davies suggests that the move from liberalism to neoliberalism involves a shift from the former to the latter, for, under conditions of neoliberalism, formal equality is less of a concern as 'contingent inequality of outcome' becomes 'the critical feature and test of a competitive system' (2014: 42). Davies argues, however, that neoliberalism is never simply about raw violence (hence the use of the prefix 'quasi-'), as instead it 'hovers' between fairness/justice at one pole and inequality/violence at the other. One reason for this is that competition needs rules that, at least in principle if not in practice, prevent participants from undermining its basic dynamics. These rules, he explains (Davies, 2014: 60), must do two things: first, 'uphold the central norm of all competitions, which is that the contestants may not cooperate'; and second, 'define the limit to acceptable inequality' so that some competitors cannot simply rewrite the rules of the game or force out rivals permanently (anti-trust legislation is cited as an example). But, increasingly, under conditions of neoliberalism the abstract ideal of equality (fairness not only of competition but of its consequences) is seen to hinder the spirit of competition or what Davies calls 'the pursuit of victory' (2014: 62). As a consequence, the point of the game instead becomes victory or supremacy 'almost regardless of how it is achieved': 'The rules and referee can be relied upon to impose minimal constraints of equality; the task of the competitors themselves is to maximize inequality in ways that benefit themselves' (2014: 64). This explains the neoliberal response to anti-trust laws found in the work of Hayek and Milton Friedman: that monopoly results from governmental policies designed to enforce the rules of competitive game rather than empower free market processes. In this view, only 'minimal constraints of equality' are needed because competition itself will act as the necessary regulatory force.

But how do these questions of fairness and inequality connect to the history of liberal and neoliberal governance outlined by Foucault in his biopolitics lectures? While Foucault tends to portray different national trajectories of neoliberalism as characterized largely by internal unity, this article has shown that between and within these trajectories there are continuities and divisions. Davies's work is useful because it constructs an ideal-typical matrix – competition between justice and violence – through which it is possible to consider the political tensions at play within and between different strands of liberal and neoliberal thought by questioning the normative role assigned to different concepts of competition. The positioning of these strands of thought within this matrix, however, is perhaps not as straightforward as Davies suggests. To begin with, the 'quasi-liberal' position that is oriented more towards fairness (equality) rather than violence (inequality) is fairly easy to map onto the work of 19<sup>th</sup>-century cooperatists and Saint-Simonian socialists, who were staunchly



opposed to the inequalities created by the competitive basis of industrial capitalism. But things are more complex with Mill, who, while sympathetic in some respects to the socialist cause, saw competition as a violent but necessary force, without which progress (through an assault on custom) would not be possible. And with the decline of political economics in the late 19th century and the emergence of new forms of mathematical economics, competition as a political principle largely disappeared. Instead, this concept was used in abstract ways and for heuristic purposes. This decline of political economy was also accompanied by the emergence of new sociological positions. Spencer, for example, pioneered an evolutionary approach that embraced competition as something natural and thus normative regardless of the inequalities it produced (which he largely celebrated). At the turn of the 20th century, such evolutionary commitments within the discipline had begun to wane, leading Weber to distinguish between competition and selection, and to employ both as ideal-typical concepts rather than normative ideas. Simmel's work, meanwhile, is more complex as it acknowledges the violent potential of competition as a form of 'indirect fighting' while also celebrating it as a socially positive and thus, contrary to Weber, normative force.

These positions illustrate the complexity of liberal conceptions of competition that emerged through the 19th century and can be used to extend and refine the analysis of liberal governmentality provided by Foucault in his biopolitics lectures. They can, more specifically, be used to problematize Foucault's suggestion that the passage from liberalism to neoliberalism can be understood in terms of a shift from exchange to competition as the organizing principle of the market in particular, and of market-based society more generally. One reason for this is that concepts of competition emerged at the outset of classical liberalism and were developed subsequently through the trajectories of political economy, economics and sociology that followed – not later, with the emergence of neoliberalism. By extending the scope of Foucault's account to cover this missing ground, it is possible to consider not only the ideas to which different forms of neoliberal thought sought to respond, but also the extent to which these take competition to their key normative principle. Again, the work of Davies is useful here, for while it might be true that equality and the fairness of the game become less of a concern for neoliberal forms of governance, the ways in which these 'hover' between justice and violence, along with the very meaning of these terms, vary considerably between and within each trajectory of neoliberalism outlined by Foucault.

In the case of Austrian neoliberalism, for example, Mises and Hayek dismiss ideas of perfect competition and distance themselves from notions of social evolution. At the same time, they present inequality as something natural and desirable, and thus as something that should not be moderated by the rules of the game. While Davies argues that competition and

cooperation are, in principle, incompatible, Mises and Hayek provide a twist on this position by implicitly agreeing with Simmel and claiming that competition adds value to the social precisely because it produces cooperation and cohesion. In this view, competition has a strongly normative basis. Indeed, where Mises and Hayek depart from each other is not on questions of fairness and inequality but on whether markets and competition are natural (the libertarian position) or have to be made (the neoliberal one). The question here is not the value of competition (which is not disputed), but rather the role the state is to play in making competition, at least in principle, possible.

Ordoliberal theory picks up on precisely this point by addressing the role that the market should play in redefining the form and purpose of the state, and with this the normative framework that is needed to create and maintain economic freedoms. But ordoliberal thought does not simply follow the lead of Mises and Hayek by upholding competition as a normative principle (both epistemically and politically) at all costs, as it is also concerned with the violence that can be done by competitive social dynamics not kept within limits. This again takes us beyond the account provided by Foucault's biopolitics lectures, which characterizes ordoliberalism as seeking to make markets and competition the formative powers of society. For key figures such as Ropke this was certainly not the case as he argues that the very notion of society presupposes strong moral (in particular religious) foundations that cannot be purely economic in basis (whether he upheld this position in practice, however, is another question, especially given his position on apartheid in South Africa. On this question, see Slobodian, 2018:146–181).

This question of the ethics of competition is raised within the Chicago School, which again is a diverse body of thought that shifts in tone, focus and intent between thinkers and across generations. Becker, for example, does not position competition as a key normative principle in his later work (which is more concerned with the concept of human capital) but does begin his career by standing against political intervention into the free play of competitive market forces. Meanwhile, Knight is sceptical of many of the claims of both neoclassical economics and neoliberal theory. For on one hand, he attacks Walrasian notions of equilibrium on the grounds that there are externalities or uncertainties that are incalculable and thus destabilizing to the price mechanisms of the market. And on the other, he contests the possibility, again proposed by Walras, of separating out pure economics from ethics, and, like Ropke, asks fundamental questions about whether, from an ethical point of view, competition should be celebrated as the organizing principle of society. For this reason, among others, Knight, in spite of his early association with the Mont Pelerin Society, cannot be characterized in simple terms as a neoliberal.

Given these complex differences between key figures in the neoliberal canon, does it still make sense to speak of 'neoliberalism' as a body of ideas that has any kind of internal consistency? I would still answer yes. The 'neo-' of this term signifies an attempt to respond to and, in key ways, break from the tenets of classical liberalism, which itself is far from homogeneous in basis. Where exactly these lines of continuity and departure should lie has been the source of disagreement between neoliberal thinkers that can be traced back to the Walter Lippmann Colloquium that was held in Paris in 1938 (see Gane, 2016; Foucault, 2008: 160–1). The concept of competition is important because it can be used to illuminate the differences and tensions within and between the trajectories of neoliberalism outlined by Foucault in his biopolitics lectures. For in each of these trajectories it is assigned a different meaning and status: for some it is a master concept that is normative in basis (as for example, Hayek), while for others it should be normative within limits (Ropke) or operate alongside or beneath other concepts that are given greater prominence (such as human capital in Becker).

In each case, this article has shown that these different neoliberal conceptions of competition build upon and break from the core arguments of 19th-century liberalism in different ways. As Will Davies observes, neoliberalism, depending on its form, lies somewhere between a liberal concern for the fairness of the competitive game and a new norm that promotes winning at any cost. The success of the neoliberal project lies in its ability to operate under the sign of the former, even if, in practice, the forms of competition it engenders deliver neither fairness nor justice. Neoliberalism constantly moves between these poles to justify the inequalities it produces, and does so by oscillating between seemingly contradictory positions: the market is a perfect and an imperfect pricing mechanism; human actors are both rational and irrational economic agents; and competition is natural but also needs to be manufactured. Philip Mirowski (2013: 69) rightly argues that many such 'contradictory conceptions' sit under the surface of neoliberal thought, and that, because of this a key challenge is to confront its 'proliferation of straddles'. This paper has sought to contribute to this task by advancing a critical history of the concept of competition – a history that uses this concept in order to expose many of the epistemological and political tensions that lie at the heart of the neoliberal project and which continue to play out in the present.

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