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The entrepreneur of the self beyond Foucault's neoliberal *homo oeconomicus*

Tim Christiaens
KU Leuven, Leuven, Belgium

Abstract

In his lectures on neoliberalism, Michel Foucault argues that neoliberalism produces subjects as 'entrepreneurs of themselves'. He bases this claim on Gary Becker's conception of the utility-maximizing agent who solely acts upon cost/benefit-calculations. Not all neoliberalized subjects, however, are encouraged to maximize their utility through mere calculation. This article argues that Foucault's description of neoliberal subjectivity obscures a non-calculative, more audacious side to neoliberal subjectivity. Precarious workers in the creative industries, for example, are encouraged not merely to rationally manage their human capital, but also to take a leap of faith to acquire unpredictable successes. It is this latter risk-loving, extra-calculative side to neoliberal subjectivity that economists usually designate as 'entrepreneurial'. By confronting Foucault with the theories of entrepreneurship of the Austrian School of Economics, Frank Knight, and Joseph Schumpeter, the Foucauldian analytical framework is enriched. Neoliberal subjectivation is not the monolithic promotion of utility-maximizing agents, but the generation of a multiplicity of modes for entrepreneurs to relate to oneself and the market.

Keywords

creative industries, entrepreneurship, Foucault, neoliberalism, subjectivity

Corresponding author:

Tim Christiaens, KU Leuven, Andreas Vesaliusstraat 2, Pedagogisch Instituut, Leuven, 3000, Belgium.
Email: t.christiaens@kuleuven.be

> Il sacro entusiasmo da cui si sente non è forse il segno che lui solo è l'eletto, il toccato dalla grazia, lui solo a meritare le profluvie dei beni traboccanti dalla cornucopia del mondo?
>
> – Italo Calvino

In his 1890 novel *Hunger*, Nobel-prize laureate Knut Hamsun tells the story of an unnamed writer down on his luck and struggling for survival. He wanders through the city of Kristiania (renamed Oslo in 1925) malnourished, looking to sell his articles or find a menial job. Slowly, the protagonist's mental state becomes unhinged. He even contemplates the possibility of eating his own precious pencil and his index finger. Today, since the descaling of social security and labour protections under neoliberalism, one can readily imagine similar scenarios among the creative workers of contemporary London, New York, or Berlin. Who knows how many fingers are being sacrificed for the sake of creative success. Labour in the creative industries displays worrying levels of precarization, impoverishment, and exploitation. And yet, where Hamsun's protagonist eventually chooses to leave Kristiania and enlist as a sailor, today's aspiring writers, dancers, and fashion designers choose to stay in the creative industries despite all the disadvantages. This is even more surprising if one confronts this behaviour with the standard theory of neoliberal subjectivity elaborated by Michel Foucault in his lectures on *La Naissance de la Biopolitique*. Foucault (2004: 271–4) relies heavily on Gary Becker's theory of the utility-maximizing subject of human capital. According to Foucault (2004: 232), neoliberal governmentality produces individuals as 'entrepreneurs of themselves' in the sense that it incentivizes them to rationally calculate the costs and benefits of each choice they make in order to maximize the returns on their efforts.[1] Given the precarious labour conditions, the Beckerian model would predict workers should opt for other jobs to optimize the revenues from the human capital investments. Both monetary and psychic incomes would likely be higher elsewhere. Workers apparently refuse to weigh the costs and the benefits of their actions, because they are confident that they will succeed in the future, despite the odds being stacked against them. A supposedly non-calculative element disrupts the cost/benefit-analyses of today's creative workers. Have they lost their minds like Hamsun's protagonist or is something else involved in the production of their subjectivity?

Taking a second look at Becker's writings, one notices that he does not use the term 'entrepreneur' for the utility-maximizing agent. He hardly uses the term at all. Furthermore, economists in general do not use 'entrepreneurship' in reference to calculative rationality. They rather wish to distinguish this from narrow utility-maximization (Baumol, 1968: 66–7; Casson, 2010: 140; Gane, 2014). The entrepreneur is not the individual conforming to statistical norms like everyone else, but is rather the exceptional outlier. Her subjectivity and role in the economy are unique compared to that of the general population. What distinguishes successful entrepreneurs from the rest has little to do with their ability to rationally weigh the costs and benefits of each action, as everyone else supposedly does. They perform something other than cold calculation, but Foucault does not deliver the toolbox to describe this. Though Foucault might be right that neoliberal dispositifs frequently attempt to reconfigure self-conduct along the lines of utility-maximization, this is not the whole story. The analytical framework of Foucauldian neoliberalism studies is hence incomplete.

I wish to render the conduct of creative workers intelligible through a broadened conception of the ‘entrepreneur of oneself’. By confronting Foucault with the major theories of entrepreneurship in twentieth-century economic thought (the Austrian School of Economics, Frank Knight, and Joseph Schumpeter), I aim to delineate a multifarious notion of neoliberal subjectivity that allows for more forms of self-conduct than calculative action. These thinkers provide models of subjective conduct that circumvent the rationality of the utility-maximizing agent. They construct an analytical framework of neoliberal subjectivity in the creative industries that allows for different modes of behaving like an entrepreneur, respecting the diversity of conducts in this sector.

Taking Foucault into the creative workshop

During the last few decades, a shift has occurred in Western economies from material to immaterial labour (Lazzarato, 1996; Boltanski and Chiapello, 1999; Negri and Hardt, 2000: 284–300; Moulier Boutang, 2011: 31–7). Firms are focusing less on the production of material commodities and more on the marketization of affects, communication, personal networks, etc. In the production process as well, workers are expected to be more communicative and creative. One could assemble a car with limited social skills or creative talent, but one cannot build an advertising campaign, do scientific research, or open a day-care facility without some ‘*virtuosità*’ (Virno, 2001). Creative talent has hence become a key asset in one’s human capital today (Bröckling, 2016: 112).

This implies that the traditionally creative industries – art, music, fashion design, media, etc. – and their version of the creative imperative have become paradigmatic for the global workforce (McRobbie, 2016: 70; Lazzarato, 2017: 157; Reckwitz, 2017: 89–90). The picture of the working conditions of many young creatives is, however, rather bleak: they have to migrate to a few global cities with vibrant art scenes and compete for a minuscule number of jobs; most work multiple low-wage jobs on the side to fund their artistic projects; access is acquired via quasi-clientelist networking and unpaid internships; many freelance and temporary jobs give no access to social security; because employment in art projects is temporary, when it comes to job offers, workers are at the mercy of a few employers who pick and choose the most exploitable; sexual harassment is rampant (Gill and Pratt, 2008; Arvidsson et al., 2010; Lorey, 2015; McRobbie, 2016: 33–59; Hennekam and Bennett, 2017; Bridges, 2018). Curiously enough, however, young creatives do not necessarily find their precarious position disempowering (Morgan et al., 2013; Bridges, 2018). In the calculus of a Beckerian utility-maximizing agent, it would seem irrational to stay in the creative industries. The labour supply by far exceeds the demand, so if these young creatives want maximal returns on the investments of their human capital, they should quickly move to another sector. One way economists attempt to salvage the Beckerian framework is by broadening the kinds of utility under consideration. One could argue that the personal satisfaction of ‘doing the work one loves’ or ‘fulfilling one’s childhood dreams of being an artist’ (McRobbie, 2016: 35) counts as a psychic income that compensates for the monetary costs. Though it might be true, to some extent, that artists do tend to value the non-monetary gains of their activities more than in other professions (Throsby, 1994; Steiner and Schneider, 2013), it does not explain why so many artists stay in the sector even when they feel miserable. This response misses the large psychic costs involved. Many young creatives are depressed and even suicidal (Ehrenberg, 1991: 271; Berardi, 2009: 99–102; Micali, 2010: 386). It is not self-evident that the joys of creative work exceed the costs of permanent insecurity and harassment. As Rehmann (2013: 287) argues, an insurmountable contradiction seems to haunt neoliberal work dispositifs:

> [Neoliberalism] mobilises its subjects by permanently interpellating them to be active and creative, to show initiative and to believe optimistically in the success of their efforts. At the same time, it calls upon the subjects to submit to the fateful order of the market that regularly and increasingly fails and frustrates the efforts of the many.

The obvious question is hence why people choose to work in such precarious conditions. According to McRobbie (2016: 4), young creatives choose precarity because they live on ‘the euphoria of imagined success’. Every day, thousands of aspiring actors audition to become the new Hollywood star, each one believing fervently that they are ‘the one’. Young creatives subsequently embrace a discourse that celebrates risk, flexibility, and permanent self-reinvention as necessary steps on the road to success (Ehrenberg, 1991: 211; Morgan et al., 2013: 402; Scharff, 2016: 113). ‘The true victors do not suffer from fragmentation. Instead, they are stimulated by working on many different fronts at the same time; it is part of the energy of irreversible change’ (Sennett 1998: 62–3). The future appears as a hazy mist of uncertainty, but the young creatives are confident that, if they diligently cultivate their virtuosity, they are destined for extraordinary achievements. So, instead of listening to the sound advice of economists pleading for prudent cost/benefit-analysis, they hope to create their own future out of thin air *in spite of the odds*. In the creative industries, people know the chances of success are slim, but they confidently believe that the future is not just a calculative input to which they should rationally react, but above all an ‘exhilarating opportunity’ (Amoore, 2004: 178) within reach. Instead of adapting to the market, they hope to seize their future and make it their own. ‘The artistic career designed according to this kind of template becomes a symbol for the high-risk career pathways that are also normalized across the new cultural industries’ (McRobbie, 2016: 76). This obviously does not imply that rational self-management is completely thrown out of the window (McRobbie, 2016: 69–70; Scharff, 2016: 108–9). Young creatives still calculate how much time and energy they should invest in building specific networks of loose contacts for job opportunities, how to manage a portfolio of skills to become eligible for multiple job opportunities, getting university accreditations, etc. The aim of creative subjects is not to do away with all forms of utility-maximization, but there is an aspect in their behaviour that undercuts these cold calculations with the warm glow of imagined success. They do not strive to become flexible to market conditions, but to become ‘agile’ individuals who generate their own market demand (Gillies, 2011). The aim is to create their own job *ex nihilo*.

Though crucial to some modes of subjectivation in neoliberalism, this non-calculative, risk-loving side to the ‘entrepreneur of oneself’ is absent in Foucault’s characterization of the neoliberal *homo oeconomicus*. Three elements might have misled Foucault into overemphasizing Becker’s utility-maximizing agent as an ‘entrepreneur of oneself’. First, one month before his encounter with Becker, Foucault (2004: 152–5) talked, in the same lecture series, about the German Ordoliberal promotion of an *Unternehmungskultur*. He subsequently interpreted Becker along the lines of the Ordoliberal call to conduct one's life as an enterprise (Lazzarato, 2015: 107). The Ordoliberals were, however, not necessarily talking about utility-maximization, but about the encouragement of small-scale enterprises and business owners (Rüstow, 1942: 280; Dardot and Laval, 2013: 96). Second, around the time of his lectures on neoliberalism, Foucault (2001: 1186–202) frequently expressed critiques of the welfare state that were reminiscent of neoliberal concerns for individual freedom (Behrent, 2009; Dean, 2014; Audier, 2015). He argued that the welfare state tended to homogenize the population by imposing disciplinary norms on individuals. The neoliberal *homo oeconomicus*, on the other hand, seemed more tolerant toward minoritarian forms of life (Hamann, 2009: 53; Dean, 2013: 66; Newheiser, 2016: 6; Lorenzini, 2018: 8). As long as one can turn a profit, one can be as socially deviant as one likes. There is hence a controversial possibility that Foucault was somewhat enamoured by the non-disciplinary character of rational utility-maximization. Third, Foucault's attention was drawn to Becker because his vision of subjectivity fitted well into Foucault's history of governmentality. The neoliberal *homo oeconomicus* is '*éminement gouvernable*' (Foucault, 2004: 274), which makes Becker eminently relevant to Foucault's narrative. Because the utility-maximizing agent solely acts upon calculative inputs, it is easy for governmental institutions to steer his behaviour by manipulating the subject's environment. If an individual, for example, only commits a crime if the criminal gains outweigh the costs, then the government can reduce crime rates by augmenting the probability of capture and the severity of punishments (Becker, 1976: 56).

Economists agree that the utility-maximizing agent is mostly reactive and hence easily steered by governmental incentives (Baumol, 1968: 67; Kirzner, 1973: 35n2; Emmett, 2011: 1140), but they would not use the word 'entrepreneur' for this kind of subject. The latter supposedly cannot be so easily manipulated or produced. 'An entrepreneur cannot be trained. A man becomes an entrepreneur in seizing an opportunity and filling the gap. No special education is required for such a display of keen judgment' (Mises, 1998: 311). What Foucault was thus talking about was less an 'entrepreneur of the self', but more a 'manager of the self as enterprise'. This is an important side to the production of neoliberal subjectivity, but it should not blind us to other aspects. The Foucauldian analytical framework has the unfortunate side-effect, however, of obscuring the non-calculative side of young creatives' conduct. Instead of passively reacting to external stimuli, these individuals actively reshape the market and reinvent themselves. They take a leap of faith and forego the calculative management of human capital. It is for these kinds of self-conduct that the label of 'entrepreneurship over the self' seems more suitable. To construct positive descriptions of the different possible forms of entrepreneurial conduct, I propose to trace the dominant narratives on entrepreneurship in twentieth-century economic theory overlooked by Foucault.[2]

Entrepreneurial subjectivities in neoliberalism

To introduce the role of the entrepreneur in neoliberal economics – and its absence in Foucault's lectures on neoliberalism – it is crucial to realize that Foucault takes Becker's assumptions about markets and subjectivity for granted (Duménil and Lévy, 2018: 117). Most importantly, Becker presupposes market equilibrium in a situation of perfect competition. For Becker (1976: 5), all economic agents maximize utility and minimize disutility so that eventually prices reflect the value of commodities under ideal conditions. Markets collect all the subjective valuations of commodities and transform them into one aggregated price, the level where overall supply and demand meet. The market is consequently in equilibrium; there is no price change imaginable that would satisfy more people. This kind of market, however, does not actually exist, because the underlying assumptions are unrealistic. It assumes that there are no monopolies, no transaction costs, that all agents have access to all price information, etc. According to economists, these abstractions are not to be taken at face value, but serve as necessary simplifications to render market behaviour intelligible and predictable.[3]

A major problem with the model of perfect competition, however, is that it counterintuitively eliminates the possibility of profit-making (Kirzner, 1973: 75–6; Mises, 1998: 252). If someone attempts to sell their products for a price higher than production costs, their competitors would notice and sell their products more successfully at a lower price (Knight, 1971: 18–19; Schumpeter, 1987: 36–7). Prices are consequently always pushed down to their lowest possible level. The market is then in equilibrium, but also static. The model of perfect competition does not explain how markets change or grow. To hence explain the origin of profits, economists have to drop one or more of the model's assumptions to allow for disequilibrium and growth. Entrepreneurs are, in this view, the individuals able to benefit from market imperfections and take the profits home. Within neoliberalism, three approaches to entrepreneurship and profit have been influential: (1) the Austrian School of Economics is the only movement to completely reject the theory of perfect competition (Hayek, 1980: 11). They locate the origin of profit in arbitrage opportunities caused by human ignorance; (2) Frank Knight refines the model of perfect competition (Van Overtveldt, 2007: 63; Cowan, 2016: 28) by designating profits as incomes from uncertain future outcomes; and (3) Schumpeter, finally, restricts the applicability of the model of perfect competition to so-called 'stationary economies' (*statische Wirtschaften*), i.e. economies under normal circumstances, but adds that profit derives under exceptional circumstances, from innovations that disrupt stationary economies.

The Austrian School: entrepreneurial alertness and human ignorance

The Austrian School of Economics is a collective of predominantly Austrian twentieth-century economists whose teachings can be traced back to Carl Menger, but who are especially influential in the American libertarian movement. The main proponents are Eugen Böhm-Bawerk, Ludwig Mises, Friedrich von Hayek, Israel Kirzner, and Murray Rothbard. Hayek (1980: 80) argues that knowledge of market conditions is dispersed among market participants. Whether the price of inner-city real estate will go down after the elections, how potential customers are best persuaded to consume ice-cream, or at what time of the day restaurants make most of their profits, is knowledge that could never be gathered by one institution (Hayek, 2013: 15). No single mind could possibly process all the relevant information to discover the ideal price of goods and services (Hayek, 2013: 13). Individuals instead use the limited and local information they possess to try out transactions at specific prices. Afterwards, everyone evaluates the success of their choices and recalibrates them accordingly (Kirzner, 1973: 10; Mises, 1998: 259; Hayek, 2013: 275–6). An individual salesperson of fur coats, for example, knows how to hire competent employees, how many coats he usually sells on Mondays, what coats best to sell to old ladies, etc. but he does not know whether fur will be in fashion next year, how many old ladies will visit his shop tomorrow, whether his provider plans to invest in new machinery, etc. He will hence set his price ignorant of many variables influencing consumer demand and production costs. If he sells his stock too quickly, it means his price was too low; if he is unable to sell all coats, the price was too high. He will hence have to re-adjust the fur coat price accordingly. Every individual action has, in this optic, an entrepreneurial element, insofar as people listen to price signals and reform their behaviour to improve their own lot (Kirzner, 1973: 31; Mises, 1998: 253).

Human ignorance thus generates possibilities that market participants have not yet taken into consideration. 'Because the participants in this market are less than omniscient, there are likely to exist, at any given time, a multitude of opportunities that have not yet been taken advantage of' (Kirzner, 1973: 41). Pure entrepreneurs are, in the Austrian view, people able to live off their alertness to the business opportunities generated by imperfect pricing (Dardot and Laval, 2013: 111). They search for situations where they can buy low and sell high without having to put in any extra effort (Kirzner, 1973: 16). The fur coat salesperson could, for instance, notice that the price of coats in Vancouver is a lot higher than in Toronto and hence opt to buy the coats in Toronto and sell them in Vancouver. Entrepreneurial action is here essentially the exploitation of arbitrage opportunities (Kirzner, 1973: 85; Hayek, 2013: 413; Bröckling, 2016: 68). The surplus gains to whomever is able to take advantage of them are what the Austrians call 'profit' (Kirzner, 1973: 51; Mises, 1998: 288). They are the entrepreneur's reward for finding and instrumentalizing arbitrage opportunities. Such gains do not come from the usual calculation of costs and benefits, but from the alertness to act successfully within the constraints of many unknowns. What differentiates the entrepreneur from the rest, is the speed and spontaneity with which he can intuit new business opportunities (Kirzner, 1973: 67–8; Mises, 1998: 256).[4]

Once an entrepreneur starts arbitraging a price differential, others will notice and imitate him. This extra competition will push down prices until they again equal production costs (Mises, 1998: 293). Once the fur coat salespeople notice how one of them is making profits by buying in Toronto and selling in Vancouver, they will do the same, effectively augmenting the fur coat supply in Vancouver until the price declines to the same level as in Toronto. The entrepreneur is hence an agent who equilibrates the market (Kirzner, 1973: 73; Mises 1998: 297). Markets start from a situation of uneven distribution of knowledge, but any time an entrepreneur spots an incongruity among prices, subsequent competition ensures the outcome is one step closer to a perfect state. Locating and eliminating one small imperfection at a time, entrepreneurs optimize the coordination of prices.

Frank Knight: bearing responsibility and control in uncertain markets

Frank Hyneman Knight was one of the first economics professors at the University of Chicago and the doctoral supervisor of many key figures of the subsequent Chicago School of Economics, such as George Stigler and James Buchanan.[5] His magnum opus, *Risk, Uncertainty and Profit* of 1921 develops a view similar to that of the Austrian School a few decades later. He also locates the opportunity for profit in differences between actual and ideal prices exploited by entrepreneurs, but instead of blaming the limitations of human reason, he finds the cause of these differences in the objective uncertainty of the future. Not humankind, but the world itself lies at the origin of the market's imperfections.[6] According to Knight (1971: 237), business decisions are future-oriented, so producers have to assess future consumer demand and production costs to rationally organize their operations (Bröckling, 2016: 72). They are bound to make some mistakes (Knight, 1971: 198). Some of these mistakes are, however, amenable to the rational analysis of the *homo oeconomicus*, whereas others are not. Knight explains this divergence by distinguishing between two ways human beings experience the future: (1) some events carry 'risk', whereas (2) others are 'uncertain'.

Risks are the kind of future outcomes to which an objective probability can be ascribed (Knight, 1971: 224–5; Runde, 1998: 543; Jarvis, 2010: 10–12). Knight (1971: 213) mentions the case of a champagne manufacturer who risks losing money because some champagne bottles burst after production (Jarvis, 2010: 6–7). Luckily, however, the manufacturer can completely insure herself against these costs (Cowan, 2016: 60). An experienced producer would be able to infer from previous experiences how many bottles are going to burst and how much that will cost. She can subsequently introduce those costs into the price for the other remaining champagne bottles. This risk can be treated just like any other production cost, so potential losses can be reduced to a measurable variable that co-determines the actions of the *homo oeconomicus* (Cowan, 2016: 59). 'If the numerical probability of its occurrence is known, conduct in relation to the situation in question may be ordered intelligently' (Knight, 1971: 213).

There are, however, some future contingents for which no objective probability can be ascertained. Knight (1971: 20) classifies them as 'uncertain'. The champagne manufacturer could accurately calculate the ultimate costs of bursting bottles, but there are other events imaginable where manufacturers would not be able to agree upon one single, publicly verifiable probability (LeRoy and Singell, 1987: 400). Usually this occurs when the future event cannot be related to a homogeneous group of prior observations (Knight, 1971: 225; Langlois and Cosgel, 1993: 459; Runde, 1998: 541; Jarvis, 2010: 13; Cowan, 2016: 57). 'In the case of uncertainty . . . it is impossible to form a group of instances because the situation dealt with is in a high degree unique' (Knight, 1971: 233). The champagne manufacturer could calculate the probability of bursting champagne bottles, because she could rely on a homogeneous set of observations that serve as the reference class for this future event. But how can one calculate the probability of champagne becoming unfashionable in five years, the impact of anti-alcohol campaigns on consumer demand, or declines in production costs thanks to new machinery? These uncertainties are uninsurable (Brooke, 2010: 227; Jarvis, 2010: 12) because the manufacturer has no fixed way of calculating the probable effects on the basis of previous observations. One can safely infer the bursting of future champagne bottles from prior knowledge; it is far less obvious that, if champagne has been more fashionable than gin in the past 20 years, it will remain so next year.

In instances of uncertainty, individuals have to rely on subjective probability judgements, or ‘estimates’ (Knight, 1971: 233; LeRoy and Singell, 1987: 397; Langlois and Cosgel, 1993: 460). People will hence make mistakes (Knight, 1971: 225; Brooke, 2010: 226). They sometimes over- or underestimate the production costs and consumer demand for certain commodities. These errors introduce differences between ideal prices under a situation of perfect competition and real prices devised from crude estimates. If someone estimates well, this difference will work to her advantage and she will earn a profit; if not, she will incur a loss (Knight, 1971: 20). In this way, Knight refines the model of the *homo oeconomicus*. People can only rationally calculate costs and benefits up to a certain level. Some variables are simply unknown and hence require subjective judgement instead of cold calculation. According to Knight (1971: 268), some people will specialize in making these estimates and hence in bearing the uncertainty that these decisions try to master. These people constitute the entrepreneurs of an economy. In every firm, employees know exactly in advance what they stand to gain from the energy and time they invest in their work. Their rewards are contractually stipulated in the form of fixed wages. The firm’s entrepreneurs do not get such guarantees. Their income is the residual profit, i.e. whatever is left of the gains after all costs are deducted (Kirzner, 1973: 82; Brooke, 2010: 252; Cowan, 2016: 38). Their only source of income is the estimates that attempt to master future uncertainties. The owner of the champagne factory can only profit if she correctly estimates how many bottles she has to produce and for what price. For that, she has to rely on her judgement about, for instance, the fashionableness of champagne in the future. If she judges correctly, she will collect sizeable profits; if not, she will take high losses. Only she bears the costs of failure if future events take an unfortunate turn. Knight’s entrepreneurs are hence supposed to ‘have skin in the game’ (Emmett, 2011: 1143). In Knight’s view, successful entrepreneurs are people who have the capacities to thrive under this uncertainty (Bröckling, 2016: 72). ‘The personality trait of an entrepreneur is one of being a successful uncertainty-bearer and a judgmental decision-maker’ (Cowan, 2016: 36). Entrepreneurs are not only ‘confident and venturesome’ (Knight, 1971: 269) enough to deal with the pressure, but also excel at making good estimates and ensuring they are adequately carried out (Brooke, 2010: 229). They can, in short, assume ‘responsibility and control’ (Knight, 1971: 271) over uncertainty.

Joseph Schumpeter: the creative destruction of innovation

Joseph Schumpeter was a twentieth-century Austrian economist who taught in the Austrian School, but was mostly an individual figure in the history of economic thought. Though his influence is immense, he did not belong to any school nor form one of his own – a trait particularly apt for an economist who celebrated the entrepreneur as a nonconformist hero of modernity. Schumpeter would have agreed with Becker that there is a place for rational economizing and equilibrium economics, but he adds that this is insufficient to explain profit and economic development. He starts from the assumption that all goods are combinations of two means of production: land and labour (Schumpeter, 1987: 20). In a stationary economy, i.e. under normal circumstances, markets tend towards equilibrium, i.e. a stable allocation of land and labour throughout the production system (Schumpeter, 1987: 94). Here, individuals act rationally (Schumpeter, 1987: 11) – though mostly out of habit and custom, not because they actually are rational (Medearis, 2009: 42) – so that real prices gravitate towards ideal prices under conditions of perfect competition. There are no profits because competition pushes prices down to the level of production costs (Schumpeter, 1987: 38; 2008: 31).[7] In a stationary economy, there is also no economic development (Schumpeter, 1987: 75; Dardot and Laval, 2013: 117). Since all goods and services are already optimally allocated, there is no room for substantial improvement. There might be '*blosse Wachstum*' (mere growth) (Schumpeter, 1987: 96) when, for instance, consumer demand grows because of population growth, but this does not constitute a real reconfiguration of the allocation of the means of production that would shift the market's gravitational centre. With mere growth, the overall quantities of land and labour grow, but their relative combination in commodities does not change. The same tendencies remain, only on a slightly larger scale. 'Simply adding another stagecoach to an existing fleet [of trains] was an example of ordinary equilibrating adjustment to such external changes as population growth' (Medearis, 2009: 43). It does not constitute a significant recombination of the allocation of land and labour.

Schumpeter (2008: 32), however, postulates the existence of a small minority of extraordinarily visionary individuals responsible for profoundly disrupting the economy (Kirzner, 1973: 72). These 'entrepreneurs' introduce innovations in the market by pushing through new combinations (*neue Kombinationen*) of land and labour (Schumpeter, 1987: 100; 2008: 31; Roncaglia, 2005: 424; Negri and Hardt, 2017: 140). (1) They establish a market for a completely new product; (2) they find a new, more efficient method of production; (3) they discover a new market for an already existing product; (4) they acquire a new natural resource; or (5) they implement a new way of organizing production more efficiently (Schumpeter, 1987: 100–1). What these five modes of innovation have in common is that they necessitate a recombination of land and labour. The entrepreneurs do not adapt to the market and its rationally prescribed combinations of the means of production, but permanently reshape it. The first industrialist to build a railroad, for instance, replaced many workers with machines, which liberated labour that could be used elsewhere. He also made new land resources easily accessible. These changes shift the economy toward a new gravitational centre so that everyone has to re-evaluate their calculations for what to produce and consume. Once the railroad is built, firms in the city might choose to employ cheaper workers from the countryside or import land resources from abroad. This revolutionizes the whole allocative framework of the means of production.

Innovations are not exclusively a beneficial source of economic development. They come in waves of 'creative destruction' (Schumpeter, 2008: 83; Medearis, 2009: 49; Bröckling, 2016: 70). The construction of a new mode of transportation such as railroads implies the collapse of other industries, like the market in horse-drawn carriages. The competitors who fail to adapt to the new circumstances will perish. In the short run, many businesspeople in the antiquated industries will go bankrupt and cause mass lay-offs, but, in the long run, there will be efficiency gains and hence new businesses and jobs will appear (Roncaglia, 2005: 426; Schumpeter, 2008: 85).

> In capitalist reality as distinguished from its textbook picture, it is not [competition within a rigid pattern of invariant conditions] which counts but the competition from the new commodity, the new technology, the new source of supply, the new type of organization (the largest-scale unit of control for instance) – competition which commands a decisive cost or quality advantage and which strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives. This kind of competition is as much more effective than the other as a bombardment is in comparison with forcing a door. (Schumpeter, 2008: 84)

Schumpeter hence postulates two kinds of competition. One is the competition under normal circumstances – the focus of the Austrian School and Knight – where rivalling producers struggle to slightly raise efficiency to push down prices. Schumpeterian competition, on the other hand, is so all-pervasive that most producers simply become obsolete. The carriage industry's efforts to boost efficiency are useless when someone builds a railroad, effectively undercutting the carriage's *raison d'être*. The extraordinary competition from entrepreneurs generates, according to Schumpeter (2008: 87), temporary monopolies. As long as competitors have not caught up with the entrepreneur, the latter can demand higher prices because there are no rivals yet to force his prices down. The first provider of railroads can ask much more for train tickets than would be justifiable under conditions of perfect competition. These gains constitute, in Schumpeter's optic (1947: 155; Medearis, 2009: 45), entrepreneurial profits. Of course, such a monopoly is only temporary because competitors will eventually imitate the entrepreneur and nibble away at his profits until prices are again close to production costs (Schumpeter, 2008: 93; Medearis, 2009: 46).

Schumpeter clearly views entrepreneurs as a small minority of heroic individuals (Schumpeter, 1987: 119; 2008: 16; Medearis, 2009: 44; Negri and Hardt, 2017: 141). They are not motivated by rational utility-maximization or even by profit (Schumpeter, 1987: 134). Even though they earn profits, they are generally not interested in leading luxurious lives, according to Schumpeter (1987: 136). They are visionary individuals motivated by their desire to revolutionize the world, driven by an almost instinctive sense of duty (Schumpeter, 1987: 133). They innovate not because they care for monetary gains, but because they want to display their excellence to the world. The force that pushes them to great heights is hence less rational calculation of costs and benefits – a quality everyone equally possesses, according to Becker – but sheer will-power (Schumpeter, 1987: 129; Medearis, 2009: 43; Bröckling, 2016: 70; Reckwitz, 2017: 97). If it were only rational calculation that drove innovations, it would be arbitrary who would become an entrepreneur and who would not. Schumpeter, on the contrary, believes that only people of specific character can acquire this level of success.

> And the motivation that adequately captures [the entrepreneur's] behaviour is to be located close enough: there is firstly the dream and the will to found a private empire, preferably,

> though not necessarily, even a dynasty. An empire, the afforded space and sense of empowerment that, in principle, cannot exist in the modern world, but that most approximates the position of medieval lordship within the limits of today's possibilities. . . . There is also the will to win, including both the will to fight and the will to succeed for the sake of success itself. Economic results in themselves are meaningless. The amount of profit functions as an index of success – often entailing losses for others – and as a hallmark of personal victory. Economic action as a sport: financial races, or rather boxing matches . . . The joy an entrepreneur experiences in establishing something is a third kind of motivation, which also occurs elsewhere, but only here constitutes the main principle of conduct. This could be the capacity to find pleasure in merely being busy: The property-owner quite simply laboriously manages his day's labour, while our type of person exhibits an energy surplus. (Schumpeter, 1987: 138, my translation).

The creative industries' manifold entrepreneurial subjects

As noted, there is a tendency among students of neoliberalism to identify the neoliberal subject as 'entrepreneur of oneself' with the calculative *homo oeconomicus*, Becker's utility-maximizing agent. This is largely due to the influence of Foucault's lectures, but a look at the history of economic thought reveals diverse forms of entrepreneurship deviating from Foucault's account. A critical confrontation of Foucault's analytical framework with neoliberal thought that he claims to present, exposes a far from monolithic notion of entrepreneurship. It is simply not true that 'neoliberalism equates freedom with the ability to act on one's own calculations' (Gershon, 2011: 540). The three aforementioned sources stress the presence of subjects or aspects of economic subjectivity that move beyond rational utility-maximization. An upgraded version of neoliberalism studies should thus emphasize the diversity of entrepreneurial subjects. Being an entrepreneur of oneself can mean many different things.

This provides an opportunity for researchers in creative industries to enrich the Foucauldian analytical framework. In this field of study as well, the prevalence of Foucault's approach biases researchers to identify creative workers' neoliberal conduct with the predominance of calculative rationality (McRobbie, 2016: 75; Scharff, 2016: 108–9; Moisander et al., 2018: 379). Maurizio Lazzarato writes, for instance, about creative workers that

> Capitalization is therefore one of the techniques that must contribute to the transformation of the worker into 'human capital' that must ensure for itself the formation, the growth, the accumulation, the improvement, and the valorization of the 'self' to the extent that it is also 'capital', through *the management of all its relations, choices, and conduct according to the logic of costs and benefits*, and the law of supply and demand. (Lazzarato, 2017: 20–1, my emphasis)

The observation from the first section throw doubt on Lazzarato's claim. There are also emphatically *non*-calculative elements in young creatives' behaviour that encourages them to move beyond mere cost/benefit-analyses. This 'passionate attachment' (McRobbie, 2016: 36) is not a mere side-effect. It a crucial factor in the social reproduction of the creative industries (Arvidsson et al., 2010: 308). If workers were really just calculate the revenues from their human capital investments, they would probably move to other sectors. The kind of conduct that allows these people to stay and thrive in the creative industries is hence not of a purely calculative nature. Instead of defining this side to neoliberal subjectivity negatively as ‘non-calculative’ and be done with it, the alternative models of entrepreneurship provide an analytical framework that can positively distinguish between different forms of non-calculative entrepreneurial conducts. One can illustrate this for all three discourses on entrepreneurship:

1. The Austrian perspective identifies successful creatives as people who find business opportunities where no one else has looked before, profiting from general ignorance. The focus of the Austrian entrepreneur is on alertness for arbitrage opportunities. In the creative industries, some forms of art are not yet adequately ‘priced’ and so provide an opportunity for young creatives to ‘profit’ from them. Landscape paintings, for instance, might be ridiculed by art school teachers and critics so that many artists think this activity is valueless and choose not to invest any effort in producing landscape paintings. An artistic entrepreneur might, however, intuit that the critics have misjudged the public’s tastes. He might possess local information inaccessible to others. If he is right, he can profit considerably from exploiting an opportunity that all his competitors have ignored. Success will hence depend on how expertly he is able to sell himself as ‘the next big thing’ in landscape painting. ‘The cheerful, upbeat, passionate, entrepreneurial person . . . is constantly vigilant in regard for opportunities for projects or contracts’ (McRobbie, 2016: 74).
2. For Knight, an entrepreneurial subject is someone who is capable of bearing the costs and profits from betting on future uncertainties. This individual knows that whether a specific art project will be a big breakthrough or a humiliating flop is uncertain. She does not know whether abstract expressionism will be in vogue in five years, or whether exhibition costs in her artistic neighbourhood will go up significantly and put her out of business. The instance is so unique that there is no reliable set of previous observations to calculate the chances of success. That, however, does not stop the Knightian entrepreneurial artist. She dares to bear this uncertainty and is business-savvy enough to correctly estimate the effects of her decisions. She had good judgment about the public’s demands and can carry her actions through until the end. At a certain moment, she decides to go for abstract expressionist projects, not knowing in advance whether they will pay off. She cannot insure herself against failure, but if she is lucky, the future turns out better than expected and she takes the profit home.
3. Schumpeter would stress the heroic character and will-power of entrepreneurial subjects. The Schumpeterian entrepreneur desires to display her personal prowess. She does not care for what people generally regard as rational investments, but wishes to win the economic game for its own sake. Her entrepreneurial spirit reveals itself in her success in establishing a new style or form that will dominate the field for years to come. She is, for instance, the first performer who chooses to ignore the usual platforms for creative talent and, instead, try her luck on

> YouTube. She founds a channel and thanks to her monopoly position, her views and ratings go through the roof. The artists still touring community centres or small stage shows become obsolete once consumers can see performers from the comfort of their home computer. The entrepreneur becomes more famous than she could ever have been in the traditional performance industry. Many 'outmoded' artists will subsequently be ruined by the innovation the entrepreneur brings about, but this is the necessary destructive aspect of innovation. Eventually imitators will follow and a new industry is born. Community centres will empty and YouTube becomes a vibrant platform for new talent. The focus here is on how an individual's ingenuity introduces innovations in the creative industries that completely overhaul the sector.

A superior analytical framework for the study of neoliberal subjectivity in the creative industries takes these three forms of entrepreneurial subjectivity into account, in addition to the rational utility-maximizing agent. Instead of dismissing the factors that disrupt cost/benefit-analysis as 'non-calculative elements', this upgraded approach discloses multiple modes of neoliberal subjectivation. The young creative meticulously weighing costs and benefits enacts a Beckerian style of neoliberal subjectivity, but someone who foregoes careful calculation and takes a leap of faith for a neglected, but undervalued venture is not necessarily any less neoliberal. This could, for instance, be an Austrian entrepreneur looking for an arbitrage opportunity. This analytical framework allows researchers to delineate at least four forms of 'entrepreneurial' self-conduct: utility-maximization, arbitraging, uncertainty-bearing, and innovation.

Conclusion: learning to see neoliberal subjectivation anew

In a recent interview, Saskia Sassen laments the blind spots of today's social sciences:

> We humans are essentially theoretical beings. I mean that in the Aristotelian sense of *theôria*, that is, knowledge as a way of seeing intellectually . . . This makes me argue that at least some of our social-science propositions and theories are no longer enough or adequate to identify particular shifts and transformations. Consequently, we may fail to see or factor into our research, measurements, or interpretations that we ought to notice. (2018: 115–16)

She was mainly talking about official economic statistics like GDP measurements or financial data, but one should wonder whether critical theory might not suffer from a similar myopia.[8] From the perspective of Foucault's studies of neoliberalism, one frequently criticizes neoliberalism because it purportedly imprisons human creativity in the iron cage of free market competition. Individuals are supposed to adapt to market circumstances, not to autonomously shape their conduct. As entrepreneur of oneself, the neoliberal subject is supposedly a utility-maximizing agent that manages his human capital according to the strict laws of cost/benefit-analysis. This emphasis on the utility-maximizing agent might, however, blind us to other sides of neoliberal subjectivity. In the orbit of the neoliberal thought-collective, three versions of entrepreneurship move in other directions. The Austrian School focuses on the role of human ignorance to generate arbitrage opportunities for alert individuals; Knight praises the individuals who can bear responsibility of and control over their estimates of future uncertainties; Schumpeter explains economic growth with the presence of a minority of almost superhuman individuals striving to innovate economies. There are hence more models of human conduct in neoliberalism than Foucault at first imagined. Building an optimal analytical framework for neoliberal subjectivation might demand a strategy of de-theorization and subsequent re-theorization.

We can see this multiplicity of subjective figures at work in the creative industries today. Although many agree that this sector has experienced extensive neoliberalization, creative workers do not necessarily act as utility-maximizing agents. Even those at the bottom of the labour market persist in the industry, fueled by the euphoria of imagined future success. They confidently believe they will eventually succeed *despite the odds*. As noted, one can explain this conduct not through the model of utility-maximization, but with the help of the other three notions of entrepreneurial subjectivity. Creative workers might be flawed 'entrepreneurs of oneself' in the Foucauldian-Beckerian sense of the term, but their conduct eminently illustrates the personality of the entrepreneur found in the works of the Austrian School, Knight, and Schumpeter. Although this observation enriches our understanding of neoliberalism as a conduct of conducts, it considerably complicates the project of neoliberalism critique. The grievance that individuals' creativity is constrained by free market competition, to which people are expected to adapt, loses some of its force if it applies to only one of at least four modes of neoliberal subjectivation. The entrepreneurial forms of subjectivity emphatically encourage individuals to creatively revolutionize the market. Human creativity or potentiality is hence not an exclusively critical resource. It is also part of the logic of neoliberal economic growth itself. By learning to see neoliberal subjectivation anew, it will be possible to put these criticisms in their rightful context. Since neoliberal subjectivation is not a monolithic advance of calculative rationality, but a network of diffuse and multifarious tactics in the production of subjectivity, the critical apparatus adapted to counter it should be just as mobile and flexible. The new weapons of critical theory will be forged in conceptual guerilla warfare.

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ORCID iD

Tim Christiaens https://orcid.org/0000-0002-8676-1980

Notes

1. The literature on Foucault and neoliberal subjectivity has become quite sizeable in recent years. The majority of these writings follow his emphasis on the Beckerian utility-maximizing agent. See, for example, McNay (2009); Read (2009); Brown (2015); and Lorenzini (2018).
2. In two instances, Foucault comes close to disclosing the entrepreneurial element in the neoliberal *homo oeconomicus*. On the 28th of March (2004: 272), he claims that Ludwig Mises' book *Human Action* triggered a debate on the usefulness of the *homo oeconomicus* lens, but he merely uses this statement to launch his close reading of Becker's model. On the 14th of March, Foucault even mentions Schumpeter's concept of innovation (2004: 237–8), but almost immediately equates entrepreneurial profits with human capital investment revenues, as if incomes from innovation were merely the result of rational cost/benefit-analysis.
3. Underlying Becker's economics is Milton Friedman's defence of unrealistic assumptions in economic methodology (Becker, 1976: 7n11). Friedman (1984) admits unrealistic assumptions like perfect competition or economic rationality are absent from real-life markets, but, for Friedman, these assumptions are to be taken as necessary simplifications to generate scientific predictions. Reality is too complex and chaotic to allow for useful models, so scientists have to abstract from some information to generate understandable data. Whether these abstractions work depends on how well the resulting models predict market behaviour.
4. In *Human Action (1998)*, Ludwig Mises uses this observation to dismiss the notion of a *homo oeconomicus* in favour of a *homo agens* (Kirzner, 1960: 146–85; 1973: 84–7; Gane, 2014: 6–12; Bröckling, 2016: 67). His so-called science of 'praxeology' states that individuals do not simply aim to quantitatively minimize disutility and optimize utility, but that they make choices between different ends and only then start calculating what the most efficient means would be to reach those ends (Kirzner, 1960: 161–2; Bröckling, 2016: 68). This requires considerable creativity and indeterminism that are absent in the Beckerian model (Dardot and Laval, 2013: 107) because individuals make their choices not solely on the basis of known information, but also in a situation of irredeemable ignorance.
5. Becker (1964: 91–2) acknowledges Knight's theory of uncertainty as a disruptive factor of rational utility-maximization, but Foucault does not address this adjustment.
6. Kirzner (1973: 81–4) has a hard time distinguishing both approaches. His claim that Knight's theory of entrepreneurship misses a notion of active alertness is, however, too crude, since the Knightian entrepreneur requires good judgement to make pertinent estimates (see above). The main difference is that, for Knight (1971: 219), the uncertainty intermingled with business decisions is not the effect of human fallibility, but of the nature of the world itself. He can hence keep the model of the *homo oeconomicus*, but restrict its applicability to situations without uncertainty.
7. Schumpeter (1987: 42–3) identifies a kind of Knightian uncertainty in the stationary economy, but he does not consider it a relevant source of profit. The changes stemming from uncertainty would, purportedly, on the whole cancel each other out and would hence not cause any genuine development in an economy.

8. A similar blind spot emerges in the research concerning the link between neoliberalism and financialization, where the Foucauldian approach neglects the role of finance in neoliberalism (Lazzarato, 2015; Christiaens, 2018).

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Author biography

Tim Christiaens is a PhD Researcher at the Institute of Philosophy, KU Leuven, Belgium. He is currently working on a project concerning neoliberal governmentality in Michel Foucault and Giorgio Agamben. His work has been published in, among others, *Theory, Culture & Society*, *Critical Sociology* and *Philosophy and Social Criticism*.