A Foucauldian analysis of development banking lending practices: a case study of the Fiji development Bank (FDB) 1967-1997

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CHAPTER 3: A FOUCAULDIAN THEORETICAL FRAMEWORK.

Foucault comments on the multiplicities of tactics of 'power' that fulfil three criteria. These are as follows:

... first, to obtain the exercise of power at the lowest possible cost (economically, by the low expenditure it involves, politically, by its discretion, its low exteriorisation, its relative invisibility, the little resistance it arouses), second, to bring the effects of this social power to their maximum intensity and to extend them as far as possible, without either failure or interval, third, to link this "economic" growth of power with the output of the apparatuses (educational, military, industrial, or medical) within which it is exercised; in short, to increase both the docility and the utility of all the elements of the system.

(Foucault, 1984, p. 207).

3.1. INTRODUCTION.

In this chapter the Foucauldian theoretical framework (methodology), which has been adopted for this development banking (lending) research study will be discussed. The FDB, 1967-1997 is used as a case study. The chapter has been organised to discuss the Foucauldian historical emphasis which is brought about through the incorporation of archaeology with an overlapping concept of genealogy. This results in a new way of historical thinking. The work of Michel Foucault, a socio-social-historical philosopher, has contributed greatly towards the concepts of power and knowledge relationships and because they form an integral part of the historical formations within the development banking (lending) context, his theoretical framework is used to disclose the relationship fully.

Discussions in this chapter also highlight research studies undertaken using a Foucauldian framework which brings out the unique dimensions from a methodological analysis. These are the Foucauldian concepts of archaeology and genealogy, with an added emphasis, within the framework, in which power and knowledge relationships are closely intertwined, interconnected and dovetailed into the boundaries of the Foucauldian methodology.

Interrelated issues of discursive formations, which have provided the Foucauldian methodology with a disciplinary surveillance, come from within the boundaries of a disciplinary regime. These are also captured through a panopticon eye which provides a
disciplinary framework that can be identified. It allows for the banking culture, and the individuals who use the banking system, to be examined from different perspectives from those of the mainstream research studies.

The Foucauldian framework provides three explanation to the power and knowledge relationships: quasi-scientific knowledge, the overall discursive practices and finally, effects of power and knowledge relationships (Danaher, 1997; Foucault, 1977, 1984; Hopper and MacIntosh, 1992; Grey, 1994; Hoskin and Macve, 1986; Stewart, 1992; Dreyfus and Rabinow, 1982). These power and knowledge relationships are also seen, in this banking research as providing a subjective analysis. This allows for a better understanding than the traditional mainstream approaches towards the banking (finance) discipline.

The Foucauldian power and knowledge relationship also provides an interaction with the social, economic, political and organisational (ideological) context. It brings out the complicated social factors which form part of the development banking (lending) boundary or framework for this case study. A Foucauldian surveillance mechanism, for example, within the FDB 1967-1997, brings out the complicated nature of the development bank’s (lending) operations within the Fijian context. It is seen to be heavily regulated. The government, through its structural mechanism such as the RBF, provides a continuous disciplinary surveillance (panopticon eye) in relation to the development (lending) operations of the FDB.

The Foucauldian theoretical framework was used to evaluate the objectives of the FDB which were to promote development, agricultural and industrial lending. It also provided assistance to the indigenous Fijians, through its Special Loan Schemes, to encourage them into the Indian dominated commercial areas. However, it was seen that during the course of history, for example, with the introduction of the bank’s corporate plan (1994), the whole concept of motivation changed, and a new corporate culture emerged. This had huge implications to the development (lending) operations of the FDB.
It was seen that there was a need for the FDB to capture loans that were previously handled by commercial banks, for example, home loans, motor-vehicle and commercial instruments finance, such as bills of landing and letters of credit. The bank was seen to be at a cross-roads where it either incorporated philosophies which were profit motivated, or carried on the high risk, development lending role which it currently undertook in its overall development banking (lending) operations. The next section will discuss further the concepts of old versus new dimensions of historical research, using a Foucauldian methodology.

3.2. HISTORICAL EMPHASIS: OLD VS NEW HISTORY.

A number of recent Foucauldian historical research studies have been undertaken, for example, in relation to radical modernity and history of sexuality (Cryle, 1997) and a notion of history with its political ontology (Dean, 1997). Implications of Foucault's historical writings can be seen as a paradigm change (Mackay, 1997) and the questions of reality, as a disciplinary gaze, within organisations (Hillier, 1997). Research studies have also included overall implications of governmental studies with a historical focus (Kendall, 1997, Henman, 1997, Miller, 1990, Miller and Rose, 1990, Rose and Miller, 1992), within an ideology and social context (Danaher, 1997) and overall implications of art and politics in relation to a historical change (Wallgren, 1997).

The Foucauldian historical approach is also seen by its panoptic view of art history and its ultimate dilemma (McNamara, 1997) and with power and knowledge discussions (Petelin, 1997). Anthropology questions of truth and history were investigated by Holmes (1997), a genealogy of income application has been researched by Alagiah and Gaffikin (1997), history's relation to colonialism has been explored by Sukoharsono and Gaffikin (1993) and finally, implications of power, social theory and organisation have been examined by Booth and Cocks (1990), Clegg (1979), (1989), (1997), Hopper and MacIntosh (1992), Hoskin and Macve (1986), Knights and Collinson (1987), Petelin (1997), Robson and Cooper (1989), (1990), Rose and Miller (1992) and Willmott (1990). The central theme of all of these research studies can be applied to this development banking (lending) research case study.
History, therefore, from the above research studies, can be seen to incorporate the Foucauldian concepts of archaeology and genealogy. These can be linked to the power relationships which are the means of bringing out a new way of thinking about development banking (lending) research. In most cases, the evolution of historical ideas has in the past been seen as a narrative exercise, and the explanations that historians have arrived at are inductive. Thus the actual historical movement of events over time, has been researched to gather evidence in order to reach a particular conclusion. However, there are questions about the lack of reliability of historical theory construction, where assumptions about society or subjective interaction to a historical research is taken for granted.

The issue of old versus new historical perceptions needs to be considered from historical and political ontology dimensions. History of the present is not about the emergence of modernity, but is an unity of discrete but interdependent events (Abrams, 1982, Rose, 1994, Dean, 1994, pp. 51-52). History, therefore, is considered here as a multiplicity of the present. There is a multiplicity of ways of experiencing the present which leads to the way we, who are involved in particular subjective experiences, interpret those chain of events.

These historical multiple ontologies are different ways of seeing ourselves in our social world. The issue here is not about people in a historical context, but of various consequences of discourses that are seen to question the truth of a historical era. These are discourses of truth from a historical investigation which can be applied to a governmental concept and government at a distance (Rose and Miller, 1992, pp. 187-9; Miller and Rose, 1990, pp. 14-23).

This concept of what can be called a new development of banking history, has a much wider scope than the parameters of traditionally viewed history. For example, in the emergence of administrative power in (banking) organisations (Miller and O'Leary, 1987), or the professionalisation of (banking) discipline (Loft, 1986). Also, the role and the implications of the state as a means of power within (banks) (Miller, 1986, 1990). Implications of the social and political factors within an ideological context can be seen
to operate within the (development banking (lending) framework) (Hoskin and Macve, 1986), which leads to important and vital questions on research strategies for a (banking) history (Flesher and Somson, 1990; Previts et al., 1990(a), 1990(b); Hopwood and Johnson, 1986). Questions have a historiography focus that exists in the real (development banking world) (Hopwood and Johnson, 1986; Napier, 1989; Hoskin, 1994).

Banking history in the past has been considered from a viewpoint that relied mostly on it being modelled directly on an empirical conception in relation to science. In other words, banking history was viewed from the facts of the past obtained through documentary or material evidence, considered within their context and ultimate outcomes. The historical facts were treated in the same way as those of natural science: discrete, atomic and supremely indifferent to the position of the observer. It was believed that banking history could also be observed in some dispassionate scientific way.

The historian could uncover facts through the use of archaeology, philology and painstaking textual criticism, where the concept of "...history was a science because it was composed of the 'facts'..." (Stedman-Jones, 1972, pp. 97-98). This positivist, antiquarian, scientific approach towards history was seen to be the methodology of past banking histories. It is now questionable whether this captured the overall historical reality of the past. (Edwards, 1979, 1980, 1981; Gordon, 1956; Peragallo, 1956; Ramsey, 1956). An ideological approach to past history on the other hand illustrated the concept of truth propositions before the actual study of the past began (Thompson, 1968; Butterfield, 1931; Chandler, 1977). However, there are many problems with using such an approach to tackle this complex concept of human responses and their interactions.

The antiquarian approach towards traditional accounting (banking) history "...treated accounting (banking) as if it were an independent and neutral function in organisations and society..." (Lee, 1990, p.99). This is indicated by a number of research studies such as the history of accounting (banking) (American Accounting Association, 1970;
Baladouni, 1977; Parker, 1977, 1981). Questions about history were brought out in these observations, where an antiquarian approach towards the history of banking, based on an empirical emphasis, was thought to be sufficient analysis of the past (historical) events, and in so doing, to bring out the reality in relation to organisations in which they operate.

An antiquarian approach was concerned therefore with objective, scientific and functionalist facts. It could include a wider role of the banking (finance) discipline. There was however a move away from such an approach, to one that would include the interactions of banking in organisations and society, where the concept of banking was considered as dynamic rather than a static phenomenon. Banking is viewed, by its new historians, as changing with the context of both organisational and societal change.

Banking history, therefore, has shifted from the positivist and scientific approaches (Edwards, 1979, 1980, 1981; Gordon, 1956; Peragallo, 1956; Ramsey, 1956; Stedman-Jones, 1972). It now incorporates anti-positivist, non-scientific and interpretive approaches towards the banking discipline. The aim of these approaches was to provide an adequate explanation of how and why development banking (lending) practices have developed in a particular fashion. The reasons why these complex social factors have not been incorporated within the (banking) discipline itself is of concern (Berry et al., 1985; Colville, 1982; Tomkins, 1982; Roberts and Scapens, 1985; Laughlin, 1984, 1986 Hopwood, 1978, 1979, 1983; Burchell et al., 1980).

Banking history also involves a problem-solving role of the historical perspective. This can be attained through flexible thinking in relation to historical banking issues. Furthermore, the concept of past reality makes sense of contemporary historical problems. Therefore, the approach adopted in this case could be termed utilitarian. It brings out three distinct perspectives of history which can be applied to banking research where

(t)he genealogical (concerning the processes of the formation of the world of accounting), the archaeological (the means by which these processes may be discovered), and the explanatory (in which explanations are sought of the discovered processes)


A series of these historical issues was incorporated by Michel Foucault in his research studies in the social human sciences: on psychiatry (1967), medicine (1973) and prisons (1977)(a). He also wrote on the understanding of a number of methodological processes (1972), (1981). The central themes of these research studies can be applied to the development banking (lending) framework in order to understand a unique banking process.

Historical emergence is demonstrated as a central theme in Foucault’s genealogy concept. Here history is made intelligible by reminding us that what we believe today is a product of past social information. Whether terms be “…efficiency, rationality or motivation, the genealogical analysis helps us to appreciate their ephemeral character…” (Miller and O’Leary, 1987, p. 237). By using such an approach the banking historian can attempt to predict the future from past events. One of the interviewees of the bank captured this historical process from his vast experience when he explained that
(i) have worked for the bank for the past twenty-five years and during that period I have seen that the past events have influenced and changed the direction of the bank, for example, previously there was a great concern on agricultural lending but due to high bad debts encountered in these types of lending the bank now concentrates on more commercial lending. Also, in the past the reliance on equity, security was less, nowadays these outlook has changed because we are now concerned with profitability with the introduction of the bank’s corporate plan (Interview Schedule, AM-2, p. 8).

The arguments put forward by a Foucauldian perspective to the banking (lending) historical viewpoint is that it brings out new areas of social reconstruction of reality. It also widens the scope of a historical methodology from within an organisational context, and ultimately gives a better understanding and analysis of the organisation (banking) system, than if it were approached from the traditional (functionalist) interpretation of the historical process.

Development banking (lending) history, viewed from the Foucauldian framework, is seen to use the past from within the banking discipline and apply it to future directions. For example, the concept of banking creates particular (banking) visibilities within an organisation such as the FDB (Miller and O’Leary, 1987; Hopwood, 1987). Banking research used to be considered as a small specialist area of finance, for example within a confined lending area in the development banking framework (Walsh and Steward, 1991). The result of a restricted banking framework produced a cumulative effect. This resulted in objectifying abstract phenomena, thus shaping beliefs about particular banking facts.

The result of this effect can be demonstrated in the agricultural lending finance of the FDB which is the only bank in Fiji that undertakes agricultural lending. However, over the past thirty years this role has changed to include equity participation (buying of shares), individual housing schemes, lease financing, working capital financing and letter of credits. This will broaden the development (lending) concepts. All of these facilities were previously provided for by the commercial banks. The provisions in the FDB’s Act of 1985, allows the bank to function as a commercial bank provided it fulfils the requirements of the central bank (RBF). This can be viewed as providing a disciplinary regime (Foucauldian perspective) to the bank’s development (lending)
operations. This analysis also suggests that the environment is more dynamic than thirty years ago. There is now more competition in the Fijian banking environment which has led to discursive formations.

The bank’s history can be viewed as a discontinuity of events in relation to the market share of the bank’s (lending) operations within the Fijian economy. The FDB’s development banking (lending) role therefore, has adjusted to the overall changing banking environment where forces of power and knowledge have led to changes to the bank’s structure. It is essential for the bank’s organisational structure to be designed to accommodate the environment in which it operates. This power and knowledge analysis is commented upon by one of the interviewees where

(t)o me power is the ability to control, direct and make recommendations that steers the development of the bank. Knowledge and information is regarded as the backbone to power attainment, for example, if you don’t have enough information then this will ultimately reduce my power to make a bold decision

(Interview Schedule, M-1, p. 11).

Changes to the role of the FDB, in its operations, have led to a new concept of reality where “…do not look for process of meaning in history, do not see the history of a given activity, or any segment of culture, as the development of rationality or of freedom, do not use any philosophical vocabulary to characterise the essence of such activity or the goal it serves, do not assume that the way this activity is presently conducted gives any clue to the goal it served in the past…” (Rorty, 1986, p. 47). This is apparent in the FDB’s case, where its role is changing from a development to a more commercial one in its development (lending) operations.

Banking (lending) also brings with it a wide body of esoteric knowledge which has not remained static from within its framework. There has been a continuous dynamic change within the banking discipline both within the development of the banking discipline itself and the influence it has on the environment in which it operates. Foucault, referring to the genealogical historical perspective, states that history is both uncontrolled and directionless.
Here the concept of history, from a Foucauldian perspective, brings out a powerful force of application within its historical social formations. It also focuses on the power and knowledge relationship that influences a person's beliefs which are based on his or her socialisation. These ideas, if they are spread further, influence the society in which he or she operates. This Foucauldian methodology provides an instrument for diagnosing power and knowledge relationships. This can be applied to the development banking area in Fiji. For example, there are power and knowledge effects by the government which impose terms on lending to various sectors of the economy, such as special loans to Fijians (Kemp, 1984; Loft, 1986; Hoskin and Macve, 1986; Miller and O'Leary, 1987; Shopes and Frisch, 1988).

Using the Foucauldian genealogical approach, and applying it to the development banking environment within the Fijian context, brings out the FDB's effect on Fijian culture and social practices. The application of the Foucauldian methodology intersects where power and knowledge is applied using disciplinary power or the concept of surveillance in relation to society. There is also a need for a societal application of this concept which relates to disciplinary power which can be observed by means of a "...hierarchical observation (continuous 'inspection' and 'surveillance'), 'normalising judgement' (a corrective rather than essentially retributive type penalty), and examination (a combination of observation and correction)..." (Stewart, 1992, p. 62). These disciplinary techniques towards historical writings demonstrate the maintenance of social order in organisations and its interactions applied to the social banking world.

This new way of viewing history, which is Foucauldian-based, also brings out the complex problems of power and knowledge (web) structures. There is a perceived notion of power which is limited in the old history methodology. Instead it provides a chronological time and depends upon the narrative descriptions of a sequence of events.

Therefore, a Foucauldian historical approach is opposed to treating facts in a scientific positivist manner. At the same time however it discloses an interpretation that incorporates within itself the social and subjective integration in organisational practices. This can be seen in particular social (banking) visibilities (Miller and
O'Leary, 1987; Hopwood, 1973, 1987; Walsh and Stewart, 1991) and an objectifying abstract phenomenon about shaping beliefs in (development banking lending) environment (Hopwood, 1987; Loft, 1986). This particular approach relates to a historical view that provides a useful (banking) framework to interpret historical facts taken from a Foucauldian perspective (Stewart, 1992; MacIntyre, 1990).

This new Foucauldian approach towards historical banking research shows new dimensions of past traditional historical writings. It enriches and challenges historical understanding. The Foucauldian methodology is able to expand on the facets of complex history and has provided an alternative to the common positivist and scientific approaches.

Foucault, a professor of history studied history, of institutions in asylums, prisons and hospitals. His ideas were based upon his particular historical concepts of institutions. Foucault's main conclusions in 'The Archaeology of Knowledge', explains the difference between the old and the new historical thought. Foucault maintained that there are no deep truths to be found in scientific theories where concepts of history are seen as patterns of the past underlying historical thought. According to Foucault (which is further described in Windschuttle):

> each historical era simply has its own way of thinking, the thought of each era is 'discontinuous', each new era is defined by a 'transformation' in thought that owes nothing to the preceding era, there is no underlying law, model or unity to be discovered that might unite historical eras, all that exists is a ...multiplicity of discourses...


Foucault has contributed impressively to historical research. His findings are marked by shifts, mutations and reconfigurations. Historical events are viewed in such a way that it is possible to speak of before and after effects. For example, Foucault's development of the history of sexuality is a discourse that functions both as adjuvant and adversary. The historical narrative has been constructed by scholarly activity, rather than that of an author who breaks dramatically with the past.
To sum up this section it was important to appreciate the old way of reporting historical events as sequential (the archaeological stance), and the new history concept which taken from a Foucauldian genealogical perspective, looks at history as discursive formations of events that bring new dimensions to historical concepts. This can be applied to the development banking (lending) research area.

There is a need to widen the area of historical research to include the operations of the FDB within a thirty year time frame for it to be effective. Then there is a need to evaluate the importance of subjective interpretations. The next section will look at the various research studies that Foucault has undertaken and the central themes that are brought out through the various Foucauldian writings.

3.3. FOUCAULDIAN RESEARCH STUDIES.

Foucault's writings on historical research include *Madness and Civilisation* (1967). In this work history is seen to respond to insanity and the subsequent growth of the psychiatric profession. In *The Birth of the Clinic* (1973) there is a historical emphasis on medicine in the eighteenth and nineteenth centuries. *The Order of Things* (1973) and *The Archaeology of Knowledge* (1972) are concerned with the historical methodology of ideas. *Discipline and Punish* (1977(a)), shows the historical emphasis on the origins of prisons in the nineteenth century. *The History of Sexuality* (1981, 1986(b)) views the nineteenth century as hermaphroditic when studying the methodology of human affairs. These concepts of humanism are seen as, and understood in, man's consciousness and the originator of human actions and understanding. *The Order of Things* (1973) and *The Archaeology of Knowledge* (1972) put forward Foucault's notion about the understanding of historical ideas.

For example, Foucault's *The Birth of the Clinic* is subtitled 'An Archaeology of Medical Perception' and his work *The Order of Things*, provides a perspective of viewing an archaeology of human sciences. The way in which Foucault uses the term archaeology
bears little relationship to an excavation of ancient tombs and buried cities. It is seen as a metaphor for digging deep into underlying rules and assumptions of the human sciences. Other written historical ideas are more superficial where “...Foucault is trying to analyse what he sees as the unconscious rules of formation that regulate the emergence of the human sciences...” (Windschuttle, 1994, p. 126).

Foucault in *The Order of Things* (1973) also, explains this archaeological historical formation as “...rules of formations, which were never formulated in their own right, but are to be found only in widely differing theories concepts and objects of study that I have tried to reveal, by isolating, as their specific focus, a level that I have called ...archaeological” (1966, p. xi). All of these are important issues that need to be considered from a methodological viewpoint. The discursive formations which Foucault outlines in *The Archaeology of Knowledge* (1972) are seen to be completely interwoven into his thoughts about historical formations where we live in a world which is completely interwoven, completely interlaced with discourse...of enunciations that have actually been pronounced, of things which have been said...to this extent, you can not dissociate the historical world in which we live from all the discursive elements which have inhabited this world and inhabit it still

(Ruas, 1985, p. 102).

Banking history based on traditional archaeology is seen to be outdated. Social theory is now extended to include ontological and epistemological thoughts. The concept of genealogy was later introduced by Foucault to overcome this archaeological problem when differing from archaeology in its concern with the actual processes by which discursive formations emerge, genealogy appears much closer to traditional historical method. Unlike traditional history, however, the focus is on the emergence of discourses and their associated practices, rather than on particular events or institutions

(Armstrong, 1994, p. 29).

It is seen that implications of power effects have been the central theme of Foucault’s writings, for example, *Discipline and Punish, The Birth of the Clinic, The Order of Things, Madness and Civilisation, The History of Sexuality*. All of these writings deal with social behaviour and are within the concept of human sciences, for example,
psychology, criminology and medicine. Thus, the application of human sciences and their implied relationships can be characterised by a notion of an asymmetry of power which was later termed as power and knowledge.

The Foucauldian interpretations of power concepts in human sciences can be appreciated through the ideas of various disciplinary regimes. These include a system of disciplinary surveillance, regimes of truth, disciplinary society and discursive formations all of which lead to the issues that relate to a normalising of judgments in relation to human sciences.

This can also be seen in the light of behavioural human sciences, 'reconstruction process' which was achieved through “…a general recipe for the exercise of power over man, the ‘mind’ as a surface of inscription of power, with semiology as its tool, the submission of bodies through the control of ideas…” (Foucault, 1977(a), p. 102). Foucault’s * Discipline and Punish* (1977(a)) does not trace the history of penology, but shows a development of the disciplinary power issues. These same issues dominate modern banking society.

Foucault’s methodology can be adopted to allow for the introduction of a regime of generalised surveillance within a modern development banking (lending) system. This replaces relations of sovereignty with those disciplines where it is seen that historical developments amount to a transformation process where it is seen to “…spread through out the whole social body, the formation of what might be called in general the disciplinary society…” (1977(a), p. 209). The design of prisons provide a model for the ultimate disciplinary society. This can be linked to Jeremy Bentham’s, ‘Panopticon Eye’ concept which consists of a central observation tower surrounded by a circular building comprising several stories of cells. Each has an open barred wall which faces the observation tower. Bentham proposed that the prison warden, from an all-seeing observation tower, could see at a glance what was going on in each of the several hundred cells that faced him or her.
The major effect of a panopticon eye was to induce, in the inmate, a state of conscious through permanent visibility and awareness of an overseeing power. This would assure the autonomous functioning of power. For Foucault, the workings of society is not the analysis of events but of surveillance where discipline is identified with either an institution or with an apparatus. This is the effect of power.

The concept of surveillance interplays with the power relations where “...the carceral network does not cast the unassimilable into a confused hell, there is no outside, in this panoptic society, the delinquent is not outside the law, he or she is from the very outset, in the law...” (Foucault, 1991, p. 301). Foucault in his research study, The Order of Things uses the term ‘episteme’, which relates to a historical era. This is defined by the structure of thought, and does not refer to any specific content of the thought, but only to the totality that can be discovered for a given period. This relationship is seen in the interface between the lending divisions and the accounting department within the FDB.

In these historical epistemes Foucault describes the past in the following stages. Firstly, the renaissance era where it was assumed that there was a resemblance between words and objects. Secondly, the classical age or enlightenment, when it was assumed that all sciences were dominated by systems of classification but there was no codification of man. Thirdly, the modern age of the inclusion of man within classification systems and finally, a future age where the assumption is that humanist philosophy and human sciences can be seen as a light on the horizon.

The historical emphasis of Foucault’s writing in The Order of Things, is on two important principles. Firstly, there is a conditioning by knowledge. Knowledge can also be interpreted in various ways. Secondly, it can be discontinuous from one historical era to another where historical events “...are no longer perceived, described, expressed, characterised, classified and known in the same way...” (Foucault, 1973, p. 168-217). This further influences the historical phenomena.

The Archaeology of Knowledge as Foucault sees it looks at discursive formations in historical eras where he reaches the conclusion that (he) is no longer studying an
"...‘underlying’ ideas or ‘foundations’ of thought, nor looking for ‘a secret discourse, animating the manifest discourse from within’..." (Foucault, 1972, pp. 28-29). Further, the Foucauldian perspective rejects the traditional nomenclature that defines academic literature into separate categories such as science, literature, philosophy and history.

The archaeological analysis is not meant to reveal any underlying meaning but simply to describe the existing discourses of an historical era. This differs from his analysis of the modern era which is dominated by discursive formations which are composed of discourse practices of humanist philosophy and the human sciences (such as sociology, anthropology and psychology). Foucault later went on to combine his historical viewpoint of the archaeology concept with that of genealogy. Here the concept of genealogy is derived from Nietzsche’s work, on the Genealogy of Morals, where the main idea is the rejection of science as "...only a perspective seeing and only a perspective knowing..." which is taken from a historical perspective (1982, p. 118).

The main difference between archaeology and genealogy is that the former analyses the content of the discourse and the latter analyses who uses this concept of discourse and for what ends. The genealogy concept here is built up on an anti-science rejection with the implications of power effects within this particular discourse where both knowledge and power are always and necessarily interdependent of each other. For example, power is centred on a site where knowledge is produced. A site from which knowledge is derived is in a place where power is exercised. This notion of power and knowledge within a banking institution is described by one of the interviewees in the bank where

(I) feel in my opinion both these factors are linked to each other where power ultimately leads to knowledge and knowledge which is acquired either through education or experience will lead to the attainment of the power concept, if you have both power and knowledge then lending for me will be substantially improved, that is, the ability to make an efficient and effective lending decision at the right time

(Interview Schedule, M-3, p. 27).

Foucault maintains that power is based on who defines the concept of knowledge. He goes on to argue that knowledge is not only relative to historical eras but to social groups. Each is a discursive formation. Each historical era has different social groups
which have their own interpretations or concepts of knowledge. Their findings are mutually inconsistent with each other.

The concept of history is considered as a transmission process which provides the reflections of conflict that ultimately relate to the development of truth concepts. This concept of history can be related to social construction and banking reality. There is an implied structural tension between "...the sorrow and the pity disclosed as structural, the transmission of a history so full of conflict depends on an alchemy whose secret no one possesses, the truth is partial in both senses..." (Rousso, 1991, p. 114). History is an interpretation of past reality.

A Foucauldian historian, therefore, cannot avoid taking on the role of a political activist. Knowledge produced by a historian must serve political ends of one kind or another through different power arrangements. Foucault makes an important distinction between effective history (Nietzsche's term) and the traditional view of history.

The aim of traditional history is to discover a past pattern, or a rational sequence of events. This is impossible, because there is nothing constant or universal in either human nature or human consciousness. History does not display any pattern of evolution because the past is nothing more than a series of discontinuities or unconnected developments. The distinction between effective and traditional history is that effective history is without a constant, although it is sufficiently stable to serve as the basis for self-recognition or for an understanding of others.

Foucault further argues that the discipline of history and its formations cannot be produced through objective knowledge. It can, however, be accomplished by the affirmation of knowledge as a perspective. Traditional historians have taken unusual pains to erase the social elements in their work revealing their grounding in a particular time and place with their preferences in a controversy.

Nietzsche's version of historical sense is explicit in maintaining that perspective and knowledge relate to the system of injustice, where perception is slanted, being a
deliberate appraisal, affirmation, or negation where "...it reaches the lingering and poisonous traces in order to prescribe the best antidote..." (Foucault, 1984, p. 90). It further maintains that objectivity is an impossible outcome, therefore, historians should deliberately be biased in their social interpretations. This perception can also be applied to the banking environment.

Foucault’s viewpoint questions the pursuit of truth taken from a traditional historical perspective. He views history as part of a particular historical social perspective. For example, in Foucault’s *Madness and Civilisation* and *The Birth of the Clinic*, it is demonstrated that there is a dimension of power involved in the application of all human sciences and that the medical profession derives its power base through the concept of knowledge. There is a separation, in the use of power of individuals, as the healthy and the sick and sane, insane, normal and pathological. The professions associated with these sciences are assumed to have an authority or power which leads to a repression objectifying gaze i.e. power of the all seeing eye turns people into subjects of study.

In summary, discussions in this section looked at various Foucauldian writings. It was seen that a central theme of the Foucauldian thought was based on historical discourse formations and concepts of archaeology and genealogy and their effects on knowledge and power relationships, the attainment of which was the a result of various disciplinary regimes. Such disciplinary regimes can be clearly seen in the lending divisions within the FDB.

Foucault’s writings brought out the interpretations which researchers undertaking a historical research study of this nature, could incorporate to give a clearer analysis of the research problem. In this study, by using Foucault’s writings the researcher was able to see the development banking area as an example of disciplinary surveillance, within the FDB’s lending divisions. The power and knowledge concept could clearly be seen as an important part of the development (lending) process experienced within the bank. The next section will further explore the archaeological and genealogical components of the Foucauldian methodological (theoretical) framework.
3.4. FOUCAULT'S ARCHAEOLOGY AND GENEALOGY.

The Foucauldian methodology with its implications towards the social consequences of history and the application of the disciplinary power concept is an ideal methodology for the development banking (lending) research. It is apparent his methodological writings have been used in a number of research studies. Examples of these are Alagiah and Gaffikin (1997), Armstrong, (1994), Grey (1994), Hoskin and Macve (1986), (1988)(a), (1988)(b), Hopper and MacIntosh (1992), Loft (1986), Knights and Collinson (1987), Miller and O'Leary (1987), (1990), Stewart (1992), Ezzamel et al (1990), Walsh and Stewart (1991) and Sukoharsono and Gaffikin (1993). The interest in this study is Foucault’s theoretical discourse towards disciplinary power in relation to historical formations.

This concept is also used by other writers who have further implied this in the form of action at a distance and sociology of translation into their research case study writings, for example, Callon (1986), Latour (1986), (1987), (1990), Miller and O'Leary (1987), (1989), (1990), Miller and Rose (1990), Miller (1986), (1990), (1991), Robson (1991), Rose (1991), (1994), Preston et al (1991) and Preston (1992).

The Foucauldian approach, therefore, relates to the concept of power and its influences on the social construction of organisational theory. This has been applied to a number of organisations which is reflected in the case studies that incorporate this idea, for example, Clegg (1975), (1979), (1989), (1997) and Morgan (1988), (1990). Foucault's Archaeology of Knowledge brings out two important features of the archaeological concept where “...first, it is an attempt to write history in terms of a notion of discontinuity, secondly, it is a form of writing which is rooted in the analysis of history as purely discursive...” (Thacker, 1997, p. 192). This dovetails into the discontinuity concept which is rejected by conventional historians. In Foucault’s view this is rejection of a part of memory, which historians normally regard as their task to eradicate, where “...history presents itself to us in the form of 'dispersed events-decisions, accidents, initiatives and discoveries...'” (Foucault, 1972, p. 8).
For Foucault, a given history is almost unthinkable since it challenges the essential methodology of most of his historical writings. Further, Foucault sees discontinuity as both a tool of the historian and a description of the object that is being investigated. Historical reality is shown through the Foucauldian lens of discontinuity and power and knowledge concepts. Archaeology, for him, is a study of discourses rather than of objects or events to which discourse or signs refer “...history of the referent...” (Foucault, 1972, p. 47). This principle of discontinuity has significant implications on the reality of historical events, with values for these discursive practices represented in a given way. The concern is not to neutralise the discourse, but to make it a sign of something else, which will pierce through its many layers to reach what remains hidden in it. The aim is not to accept its consistency but uncover its many facets.

Implications of Foucauldian archaeology towards bodies of knowledge is linked to power where the overall emergence of human sciences is that

(a)archaeology ... (is) to define not the thoughts, representations, images, themes, preoccupations that are concealed or revealed in discourses; but those discourses themselves, those discourses as practices obeying certain rules ... it does not treat discourse as a “document” ... but as a “monument”. Archaeology ... is to define discourses in their specificity; to show in what way the set of rules that they put into operation is irreducible to any other ... Archaeology ... defines types of rules for discursive practices that run through individual oeuvre, sometimes govern them entirely, and dominate them to such an extent that nothing eludes them; but which sometimes, too, govern only part of it

(Foucault, 1972, pp. 138-139).

The archaeology principle and its approach to history, therefore, avoids cause and effect. Instead of demonstrating contrasts between discursive formations, other researchers have seen the consequences of discursive formations as consisting of “...regularities which are produced themselves...” are part of a historical framework (Dreyfus and Rabinow, 1982, p. 84; Cousins and Hussain, 1984, p. 91; Habermas, 1987(a), p. 268).

The Foucauldian genealogical approach towards researching a historical era concentrates on the truth value of discourses which are ultimately reduced to truth effects that make the power relationships true i.e. power is assumed to depend on the
production of truth. It implies that power produces knowledge where the concepts of power and knowledge are directly related.

There is no power relation without a correlative constitution of a field of knowledge nor any knowledge, that does not presuppose and constitute at the same time power relations. Another common feature of the Foucauldian genealogy viewpoint is that it assumes that it is possible for historical records to speak for themselves where the reality, 'out there', can be apprehended through the medium of discourse. This historical change in the operations of the FDB was described to the researcher by one of the interviewees as

(What I can say is that historically, the bank relied heavily on its agricultural lending, however, the profits were low, this profit conflict has changed the overall focus of the bank with the introduction of the corporate plan which has reinforced the profit concept, therefore the lending emphasis is now on more commercial and industrial loans

(Interview Schedule, R-1, p. 31).

Banking research, using a Foucauldian framework, can be seen to incorporate three vital domains within the genealogy concept. Firstly, a historical ontology of ourselves in relation to truth, through which we constitute ourselves as the subject of knowledge. Secondly, a historical ontology of ourselves, in relation to a field of power through which we constitute ourselves as subjects acting on others. Thirdly, a historical ontology in relation to ethics through which we constitute ourselves as moral agents (Poster, 1993).

The Foucauldian 'Archaeology of Knowledge' proposes a historical method centred on the description of rules and conventions governing discursive formations of objects, statements and concepts. History, here, is aimed at dispensing with things anterior to the discourse in order to allow it to emerge in its own complexity. An archaeological description of discourses discovers a whole domain of institutions, economic process and social relations on which the discursive formation can be articulated "... because discourse does not have the status of pure ideality and total historical independence, archaeology wishes to uncover the particular level in which history can give place to definite types of discourse..." (Foucault, 1972, pp. 164-165). On the other hand the
historical reality is given more completely than the treatment of the past. It also questions the reality of the past that cannot be known independently towards given meanings of non-discursive objects; therefore, meanings depend on their discursive context and thus cannot be fixed or determined in advance.

There is an inherent relationship between history and Foucauldian thinking. For Foucault history is “...the unavoidable element in our thought...” (Barker, 1994, p. 53). An archaeology of knowledge, on the other hand, offers valuable means of investigating the process by which history is positioned within contemporary thought. It also consists of systems which establish statements as events which can be accessed. It creates patterns out of what would otherwise be an amorphous mass of accumulated archival material. It can be seen that the concept of statements is not lost in the past, but enters various fields of use, according to certain rules of formation and transformation. One of the main tasks of historical investigation is discovering past statements. This archival material has been preserved, reactivated and made available for research.

The implication is, therefore, that archaeology of knowledge, from a Foucauldian perspective, offers a greater deal of understanding. Modes of operation are analysed, defined and as a result construct a discourse, thus enabling power. It sets out the rules of formation that govern discursive formations where “...the discourse constructs the object at the same time it constructs its own positively and epistemologisation...” which further affects the historical social re-construction process (Dreyfus and Rabinow, 1982, p. 61).

Foucault’s views about knowledge are not through a regular pattern of order or cohesive sets of unities that form the taxonomies (The Order of Things, 1973). It is out of discontinuities where there is a paradoxical domain which claims to be the chief linguistic function in the discourse relationship. Power is a major and important key in understanding Foucault’s genealogy. In the genealogy there are also implications for the historical formations in which events bring out actions and a level of materiality that results in a language of discourse.
Therefore, archaeology is distinguished between an analysis of the symbolic field and the signifying structure of language: a recourse analysed in terms of genealogy as relations of force, strategic developments and tactics. The archaeological approach is also a way in which events can be better understood and reconstituted. On the other hand, the genealogical approach brings statements where actions, technologies of sociological and cultural relations interact (Foucault, 1980, p. 114). Foucault describes this understanding of historical events as a relationship of forces "...within the usurpation of power..." (1977(b), p. 154). Therefore, both power and knowledge are important features of the Foucauldian framework. As Foucault has effectively demonstrated, history can be described as a history of dispersed, disrupted, discontinuous and unconnected events about the past.

Thus, by using the Foucauldian methodology of genealogy a new history captures reality effectively which points out that

(g)enealogy is gray, meticulous, and patently documentary. It operates on a field of entangled and confused parchments, on documents that have been scratched over and recopied many times ... Genealogy does not oppose itself to history as the lofty and profound gaze of the philosopher might compare to the molelike perspective of the scholar; on the contrary, it rejects the meta-historical deployment of ideal significations and indefinite teleologies. It opposes itself to the search for origins

(Foucault, 1980, pp. 139-140).

A clear interrelationship is also established between the power and knowledge dimensions and how one sustains the other leads to a clearer understanding of the modern, new historical focus. It is also seen that the social sciences have functioned as a powerful tool and have influenced social control.

This section is important to this research study in banking since it brought out the interpretation of history from a dimension which was further linked to the Foucauldian archaeological and genealogical concepts. The importance of this is that history is a result of discursive formations and can be related to a disciplinary regime and incorporates power and knowledge concepts. Further, these ideas are intertwined, interrelated and interconnected to the Foucauldian archaeology and genealogy concepts.
Foucauldian archaeology and genealogy provides the researcher, especially from a discipline that was previously researched from a mainstream analysis, such as banking, with an alternative research mechanism which can further the interpretation of this historical subject. The next section will discuss the power and knowledge factors that are built into the Foucauldian methodological (theoretical) framework.

3.5. FOUCAULT'S POWER AND KNOWLEDGE RELATIONSHIPS.

A number of research studies could be applied to the banking discipline which would address the overall implications in relation to the power relations within organisational and social contexts (Barlett, 1983; Bougen and Ogden, 1981; Burchell et al., 1980, 1985; Cooper and Sherer, 1984; Cooper and Puxty, 1993; Gambling, 1977; Cousins and Sikka, 1993; Cousins and Hussain, 1984). The concept of disciplinary power and organisations was researched by Armstrong (1994), Hopper and MacIntosh (1992), and Hoskin and Macve (1986), (1988).

Research studies have incorporated an overall linkage of the complex issue in relation to the power of association (Latour, 1986, 1987, 1990), or issues concerning the information design and implementation (Bariff and Galbraith, 1978; Markus and Pfeffer, 1983; Henman, 1997) and the inter-related relations of power and management control (Hooper and Pratt, 1995; Hope and Gray, 1982; Hopper and MacIntosh, 1992; Hopper and Powell, 1985; Hoskin and Macve, 1988(b); Robson and Cooper, 1989).

Further, the production of standards was examined by Brown (1981), Hope and Gray (1982), Newman (1981)(a), (1981)(b), Tower (1993) and Walker (1987), and the need to study implications of ‘power relations’ experienced towards the (banking) profession was researched by Booth and Cocks (1990) and Booth (1991).

The need to consider the overall implications of power, political factors and serving the public interest within organisations was analysed by Willmott (1986), (1990), and Horngen (1977) and finally, a need to consider the role of power and its implications on and towards organisations’ social structure was considered by Clegg (1975), (1979),
(1989), (1997) and Giddens (1974), (1976), (1984). All of these issues are important within the development banking (lending) environment.

Foucault's studies of power relationships can also be seen through an ideology perspective. This is attained by signification and self consciousness. A Foucauldian perspective is interested in struggles rather than a system of language: in power, rather than meaning. This distance from the ideology studies can be seen as a need to incorporate the concept within the philosophy of the ideologist. A theory is not only ideas, signs and individual genesis of sensations, but also a social construction of interest.

There is a need to coordinate these two techniques of power (that is, disciplinary and bio-power) in order to construct a general theory of it. There is no room for speculative discourse, but provides various "...forms of concrete arrangements that would go to make up the great technology of power..." (Foucault, 1981, p. 140). The theory of power must not only articulate how power operates, at various levels of social action, but must be analysed into various forms. Thus, it is viewed in both the overt and covert sense. Social structures play an important role in a production of power. Examples of these are Armstrong (1985), (1994), Arrington and Francis (1993), Bariff and Galbraith (1978), Chua (1993), Clegg (1975), (1979), (1989), (1997), Dean (1997), Hopper and MacIntosh (1992), and Hoskin and Macve (1986).

Clegg (1979) uses the relations of power concept where it rules through a structure of dominancy, in which actors start their actions which are then reflected in the orientation itself. Power, therefore, is used conceptually to designate the "...ability to exercise control over resources which, when subjects engage in practices, produce effects on other subjects..." (p. 95). It is felt here that practices at different levels of action represent visible social relations, where their modification i.e. social relations, control the means and methods of production. This power concept was described to the researcher by three interviewees as
Power in my opinion is the authority that is given to a particular person based on his particular position, for example, the managers have the power to exercise authority in relation to their subordinates with regards to their work performance (Interview Schedule, AM-1, p. 2).

Also, as

(p)ower is seen to be defined as the "rights" of the individual  
(Interview Schedule, L-1, p. 5).

And finally as

(p)ower to me is like something that you possess, the ability to influence people or it can be position power given by the organisation such as the authority to approve loans, control budgets and in the end be more accountable to management for your decisions, all these demonstrates the concept of power
(Interview Schedule, M-3, p. 24).

Power is conceived as a set of techniques and disciplinary practices. There is a shifting network of alliances, that such disciplinary practices make possible, through their different forms of power. This is extended over shifting forces of practice "...discursively constituted interests...", where points of resistance will open many opportunities within the network (Foucault, 1984, p. 95), whose "...effects will be to fracture alliances, constitute regroupings and reposit strategies..." (Foucault, 1984, p. 96). These discourses are means by which certain power is shifting. There are inherently unstable expressions in networks and alliances rather than a monolithic view of power as invariably incorporating subjectivities, where the "...subjectification of disciplinary power operates primarily through enhancing the calculability of individuals..." (Foucault, 1977(a), pp. 192-194).

A researcher using the Foucauldian methodology sees power as analytic, through themes of a dialectic productive nature of power and functions of resistance. Foucault adopts the view that there are degrees of power, which means that it can never be possessed, totalised or captured. For example, (he) argues that to understand how power works is to understand "...the way the reflexivity of self upon self is established..." (Foucault, 1983, p. 208). At a given moment, where power always entails a recognition of structure, this is further related to the way in which Foucault looks at an integration
of power in relation to subject application (i.e. the link between the power and the subject).

This Foucauldian relationship, like every power relationship, implies that there is a potential for strategies of power struggles within organisations. Further, where two forces are not super-imposed, they do not lose their specific nature and do not finally become fused. Each constitutes for the other a kind of permanent limit (a point of possible reversal), in a relationship of confrontation, where for a moment "...it is not a struggle to the death, the fixing of a power relationship becomes a target, at one and the same time its fulfilment and its suspension..." (Foucault, 1982, p. 225).

Clegg on the other hand views 'power which has been inscribed within contextual rules' of a game that both 'enables and constrains action' (Clegg, 1975, 1979, 1989, 1997). For Foucault, power normalises through discursive formations of knowledge through a reflexive disciplinary gaze. The practice of openness, as much as concealment, also requires disciplinary practices of power (Foucault, 1977(a)). Foucault in his work, Discipline and Punish, looks at modern power as being simultaneously discreet and invisible. It is absolutely indiscreet since it is obviously everywhere (Foucault, 1977(a)). It is seen that both Foucault (1982) and Latour (1990) both refuse magical explanations of power as a possession, stressing instead the importance of studying power as the dynamic force which gets things done.

They both approach the study of power, as one actor may impose his or her interpretations upon the actions of another (Foucault, 1982). Studies have shown how the few may dominate the many, or how some actors persuade others to do things for them, such as power and 'action at a distance' (Latour, 1986, 1987, 1990; Callon, 1986). Foucault explores and develops the widespread adoption of disciplinary techniques. He is explicitly concerned with exploring the interrelationship between the exercise of power and formation of knowledge where the concept of power is further explained by one of the interviewees as:
(p)ower is the driving force for the price of progress as it avenges deeds or misdeeds, depends on life and depends on the needs and wants of the organisation so in our case both the lending operations changes internally and externally has been the result of power influences

(Interview Schedule, GM-1, p. 43).

In this way the concepts of power and knowledge are interrelated. Methods for the formation and accumulation of knowledge began to be employed as instruments where “...domination and increase in power began to produce an addition to knowledge.” (Smart, 1983, p. 115). For example, in the FDB case study, both these concepts are seen to be interrelated and interconnected in the bank’s development (lending) operations.

Foucault rejects the idea that there is some “ultimate metaphysical ground”, some central organising transcendental subject or class, that imparts order and unity to social practices (Falzon, 1997, p. 231). Foucault sees that there are specific forms of social arrangements and unity. There are relatively stable systems of social order which emerge to extend some forces or sets of forces, which are oriented directly and utilised towards the organisation’s operations. In a constant way, the Foucauldian understanding of the non-metaphysical arises through a contingent process out of the various dialogues encountered between actors within organisations.

Foucault suggests that power should not be thought of as destructive, but as creative, since it produces individuals with a “...soul concept...” (Foucault, 1991, p. 29). He further argues that if the subject comes into being through subjection, it is difficult to set a subject free. Foucault concludes “...the man described for us, whom we are invited to free, is already in himself the effect of a subjection much more profound than himself...” (1991, p. 30). Foucault, further goes on to state, that “...turning of real lives into writing is no longer a procedure of heroization, it functions (now) as a procedure of objectification and subjection...” (1991, p. 192).

This interrelationship between the power and knowledge concepts is a central theme that is encountered in Foucault’s research methodology. It is seen that reality is an act of seeing that generates knowledge about the seen, where power (the gaze) and knowledge
are thus intertwined in the concept of power and knowledge. It is thus asymmetrical and unidirectional, where the gazed upon do not know that they are being watched. It is also the technique of power and knowledge, which enables administrators to have better and more effective control of their subject populations.

Bentham's plan for the 'panopticon' as a paradigm of the gaze is seen to bring together power, knowledge and control. This is a dual imposition of axial visibility and lateral invisibility (Berko, 1992), where the panopticon surveillance “...mechanism arranges spatial unities that make it possible to see constantly and to recognise immediately...” (Foucault, 1977(a), p. 200). The 'panopticon' has two levels. Imagery, where the mechanism of power is reduced to its ideal form and political technology to a type of location (bodies) in space. In the banking world this would equate to the distribution of individuals in relation to one another within the hierarchical organisation. This disposition of centres and channels of power dovetails into an overall definition of the instruments and modes of intervention of power.

This concept or idea of 'Panopticon' reverses the principle of the dungeon as an instrument of control and terror. This concept of power is seen as a form of panopticism, where there is a notion of “...the eye of power...”, “...eyes that must see without being seen...” (Foucault, 1984, p. 189) and “...a faceless gaze...thousands of eyes posited everywhere, mobile attentions ever on the alert...” (Foucault, 1977(a), p. 202-217).

This concept of power relationship here is strengthened by its invisibility. The subjects are uncertain as to whether they are being observed at any particular moment (Hillier, 1997; Jay, 1986). Power is seen to exist everywhere in the form of a disciplinary gaze where the object of power is everywhere penetrated by the gaze of a diffused and anonymous power. The actual existence of the authority figure soon becomes superfluous to the process of discipline, which can be appreciated in (Figure 4) below where a prisoner is kneeling at prayer as a sign of respect to this power structure.
Foucault is trying here to bring out of what he calls the enlightenment phase where one can understand movement from an historical archaeological viewpoint to a genealogical one. The move is from the interest in diagnosing the formalisation of human sciences to a critique of power relations. History of the present or a historical ontology of ourselves is based on an interplay between the subject of our knowledge, of the exercise of power relations and moral obligations of our own actions.

Foucault's analysis implies there is a necessity to explore the use of banking information in the relationships of power and knowledge, which take into account how a discipline focuses on power. In this account, he explicitly distances himself from conceptions in which power is treated as an individual possession or commodity and is viewed in purely negative terms, as coercion or physical force.

Foucault develops a wholly relational view of power as "...a mode of action upon actions..." (1982, p. 222). Within the banking framework the exercise of power relations is seen to be inherent in all social interactions. Power and resistance are in
constant inter-play, and where the reality of coercion is not allowed to obscure an understanding of the positive effects of power in the "...routine reproduction of particular forms of subjectivity and ways of life..." (Roberts and Scapens, 1990, p. 108). Foucault’s theory of disciplinary power sees development banking as a discipline of self-consciousness where definition of such a power is described as

(d)isciplinary power ... is exercised through its invisibility; at the same time it imposes on those it subjects a compulsory visibility. In discipline, it is the subjects who have to be seen. Their visibility assures the hold of the power that is exercised over them. It is the fact of being constantly seen ... that maintains the disciplined individual in his subjection

(Foucault, 1977(a), p. 187).

Bentham’s ‘Panopticon eye’ perspective (1791) maintained that it brought order instead of chaos, productivity instead of waste and through its architectural design would make it possible to see everything at once from a central point. Foucault used this in his views about a disciplinary power, as the perfect disciplinary apparatus which would make it possible for a single gaze to see everything simultaneously.

A central point would be both a source of light illuminating everything that “...must be known, a perfect eye that nothing would escape and a centre towards which all gazes would be turned...” (Foucault, 1977(a), p. 173). Foucault further goes on to argue that the panopticon eye should be seen as political technology in terms of hierarchy of levels. It is designed to create visibility in the power and knowledge relationship. For example, a disciplinary gaze in the form of a pyramid would be able to fulfil the requirements of the gaze efficiently. Firstly, it needs to be complete enough to form an uninterrupted network, and this would be achieved through multiplying its levels. Secondly, that of distributing them over the entire surface to be supervised, and yet to be discreet enough not to weigh down the inert mass on the activity to be disciplined.

The central point of Bentham’s panopticon was to be able to focus on being able to see everyone at all times from a central point. He gives the analogy of a prison: at the periphery was an annular building. At the centre, a tower, which is pierced with wide windows that open onto the inner side of the ring. This peripheric building was divided into cells, each of which extends the whole width of the building. They have two
windows, one on the inside corresponding to the windows of the tower, the other on the outside, which allows light to cross the cell from one end to the other. All that is needed, then, is to place a supervisor in a central tower "...to shut up in each cell a madman, a patient, a condemned man, a worker or a schoolboy..." (Foucault, 1977(a), p. 200).

The life in the 'panopticon' can be seen as a kind of micro-society that was totally controlled and regulated. A vision in miniature of the way society at large could be disciplined. The importance of the panopticon lay in its demonstration of how it was possible to think about penal confinement in an enlightenment era.

The Foucauldian model became the subsequent development of social control in modern society. It is possible to see the implementation of two strategies, one of discipline designed to produce obedient subjects and the other to produce subjects who are requested to obey habits, rules, orders and an authority i.e. exercised continually around him and upon him. He must be allowed to function automatically, ultimately leading to a transformation of "the soul" (Foucault, 1977(a), p. 125). Secondly, the strategy of surveillance was the key to control.

Another way of looking at this 'panopticon principle' was to incorporate a state of conscious and permanent visibility. This assures the automatic functioning of power. When Foucault refers to the word "subject in relation to power", he has in mind two possible meanings of the word "...subject to someone else by control and dependence, and tied to his own identity by a conscience or self knowledge. Both meanings suggest a form of power which subjugates and makes subject to ..." (1982, p. 212). Foucault, influenced by human sciences and power and knowledge implications, comes to the realisation that each person is the product of some social construction. For example, Discipline and Punish (1977(a)) relates to a microphysics of power, with technologies and techniques employing power and knowledge at the capillary level where human beings can only be bearers of power and knowledge, if they are free agents and able to resist. In trying to understand how human beings understand themselves through "...configurations of power-knowledge-self..." he believes it has always been one of
society’s pre-occupations (Dreyfus and Rabinow, 1982, p. 17; Bernauer, 1988, p. 75; Foucault, 1984, p. 369).

For Foucault, the relations of power is something which is everywhere, and the exercise of which, can be seen as a total structure to bear upon possible actions: it incites, induces, seduces, makes easier or more difficult in the extreme, it constrains or forbids absolutely. It is nevertheless always a way of performing by virtue of or being capable of being acted upon. Another author looks at this power and knowledge relationship as that being “...developed by the ‘exercise of power’ and used in turn to legitimate further exercises of power...” (Marshall, 1990, p. 15). This is seen in the FDB case study where the power of managers is based on being given authority by the management of the bank.

Foucault sees power through the formation of surveillance “...it is a normalising gaze, a surveillance that makes it possible to qualify, to classify and to punish ...” (1991, p. 184). This knowledge and power relationship is common among bankers and it can be seen that there is a link, where the essence of discipline is a technique of domination. There is a denial of reciprocity towards self and others as interdependent subjects where the heart of the procedures is discipline which is manifested as subjection to those who are perceived as objects and an objectification of those who are subjected.

According to Foucault ‘panopticism’ is the model of how social sciences monitor the activities of members of modern society. It is discipline by surveillance, an interrogation without end, and an investigation that would be extended, without limit, to a meticulous and ever more analytical observation. A judgment that would be a continuous file that is never closed.

Knowledge and power are integrated with one another and there is no point in dreaming of a time when knowledge will cease to depend on power. This is just a way of reviving humanism in a utopian guise. It is not possible for power to be exercised without knowledge. Further, it is “...impossible for knowledge not to engender power...” (Foucault, 1977(a), p. 52). This relationship of power and knowledge, in regard to their
'discursive formation', is important as both are interconnected. This is also highlighted by one of the interviewees who is in agreement with this power and knowledge relationships:

(\textit{y})es, I think that the concepts of power and knowledge are interrelated, interconnected and the results are based on a cause-effect relationship, if you have the power then you have the knowledge, I have worked for the bank for the past twenty years and I can say that education experience gives you the power to undertake your responsibilities in the organisation, specially in the lending operations

(Interview Schedule, SL-1, p. 16).

What needs to be appreciated here is that those who have power generate the kind of knowledge that they need to maintain their power, while those who are subjected to this power need their own alternative kinds of knowledge to resist the power influences.

The development banking (lending) analysis illustrates something of the coexistence and interpenetration of banking as a form of knowledge and power relations. There is a movement away from the conception which treats power as an individual possession or commodity. In purely negative terms it can be viewed as coercion towards a relational and positive conception of power.

The Foucauldian framework of power and knowledge has been condensed into a summary form (Paolini, 1993, pp. 106-109) and can be divided into five main observations, namely

(1). (p)ower and knowledge are linked. There is no power relation without the correlative constitution of a field of knowledge, nor any knowledge that does not presuppose and constitute at the same time power relations; (2). Power is not simply a negative phenomenon. Foucault emphasises the 'empowering' possibilities of power relations rather than merely excluding, repressing, censoring, abstracting, masking or concealing; (3). Foucault advocates a 'nominalist' view of power. It is not just something concrete it is neither an institution, a structure nor a possession. Power is everywhere: not because it embraces everything, but because it comes from everywhere. Foucault refers to it as a 'strategy' in which the dominated are as much part of the network of power relations as the dominating. The intention is not to tell us where power is, but merely where to look; (4). As power is everywhere it is not manifested centrally or monolithically. Rather, power is located in a complex network of power strategies operative at every level of society. Power is not to be identified with the state, as the state is
merely a composite of 'micro-powers' wherein power is located in its varied institutions (factories, schools and families); (5). Power is never possessed but exercised from multiple shifting points. It will therefore never be overthrown or acquired once and for all


Foucault goes on to expand on this power i.e. it is not the result of one homogeneous group's domination over others. It is not possessed exclusively by the few. It is seen that the concept of power must be analysed as something which circulates or rather something which only functions in the form of a chain. It is “...never localised here nor there, never in anybody’s hands, never appropriated as a commodity or a piece of wealth...” (Foucault, 1986(a), p. 234). Therefore, power is not isolated or static, it is a part of a series of forces and a network of influences which “... have their own history, their own trajectory, their own techniques and tactics...” (Foucault, 1986(a), p. 234), in relation to organisations and their operations.

A number of research studies have questioned, from a Foucauldian point of view, the disciplinary power and its implications within organisations (Knights and Collinson, 1987); the resistance to the concept of power within organisations (Dreyfus and Rabinow, 1982; Smart, 1983, 1985). The ultimate question that power is only within the organisation and social context relates to the fact that there could be “...physical force or violence...” outcome in its applications (Gordon, 1991, p. 5). Research studies have acquired a need to accept the “...discourse relationships...” (Poster, 1984, p. 34; Paolini, 1993; Gallinicos, 1989, p. 83). The implications of power and the trade union are explored by Hopper and Armstrong (1991), Johnson and Kaplan (1987) and Brown (1973).

The discursive formations as pre-conditions for constructing the objects of power (populations, organisations) and their implications in relation to governmentality are examined by Miller and O'Leary (1987), (1989), (1990), Miller (1986), (1990), (1991), Miller and Rose (1990), Robson (1991), Rose (1991) and Preston (1992). It can be stated that images of disciplinary regime and concepts of translation and action at a distance are seen to operate within organisations. This is illustrated in studies by Callon (1986) and Latour (1986), (1987), (1990). The implications of power centres have been