
Personal Responsibility and its Contradiction in Terms

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Introduction

The actual debate in political science on social policies, especially pension policies, is strongly influenced by the concept of *welfare markets*. The core of this concept is often reduced to the enhancement of *personal responsibility*. Politicians in particular tend to stress the importance of personal responsibility in the context of the new role of the welfare state. The aim of this article is to question this concept in a discursive way. Taken literally, personal responsibility is rather a paradox and far from self-explanatory. The argument evolves as follows: First, the concept of welfare markets and its importance for German social policy – especially pension policies – is recapitulated. It is argued that the enhancement of welfare market structures is not *per se* identical with retrenchment. Those market structures could be seen as *compensating* or even as *additional* features of a welfare system. Nevertheless, in the German case, the introduction of welfare market structures in the pension system has a strongly *reductive* bias. Therefore, the ideological justification of the strengthening of personal responsibility becomes crucial. The second part of the article deals with the notion of ‘personal responsibility’ by explicating eight contradictions in terms of this concept. It is not the aim of this section, to present an empirically revised argument, but

to call into question the common understanding of personal responsibility with a sound argumentation, based on democratic theory and values.

Welfare markets

Since the 1980s the role of the market has grown in German social policy (e.g. Kania/Blanke 2000; Gohr/Seeleib-Kaiser (Hrsg.) 2004) as well as in other OECD countries (i.a. Rice et al. 2000; Pierson (ed.) 2001; Dixon/Hyde (eds.) 2001; Giaimo 2002; Rothstein/Steinmo (eds.) 2002). This development is reflected in the welfare state concept of “welfare markets” (e.g. Taylor-Gooby 1999). „Welfare markets“ include all kinds of market-like structures aimed at the production or distribution of goods and services traditionally connected with the welfare state. But “welfare markets“ still remain under the specific regulations of social politics to maintain social justice and social security (Barr 2006). These markets provide social benefits, but they do not pay for themselves. There is not enough private demand. They require the financial assistance of state social security institutions or fiscal easements. Welfare markets are usually subsidized markets. In the case where the public is confronted with regulated (unit) prices, with personal subsidies or titles (e. g. coupons), and the welfare state has not retracted from its duty as social insurer, this task is then carried out by private corporations and the use of competitive markets. If, however, citizens have to take full responsibility for their social risks, and are therefore totally dependent on private insurances with individual premium outlays, the welfare state is vanishing. In rudimentary form, welfare markets have existed for a long time, but they have been only asymmetrical markets. A good example of this is the old-age pension market , which includes the state pension scheme (Gesetzliche Rentenversicherung) as well as private

schemes provided by banks, pension funds, and insurance companies. While private service providers can use all kinds of market strategies, the state pension scheme can not choose its product range or the market strategy. In addition, private service providers in such asymmetrical markets also have the option of intervening on a political level. Insurance companies may for example try via lobbying to influence political decisions and law-making concerning pension or health policies of the government concerned. Normally their aim is to strengthen the possibilities for private social security and to enhance relevant incentives. Cutbacks in the state pension scheme may be used to advertise private pension plans, which consequently gain support. Public institutions of social security also try to achieve competitive advantages over private companies, when available, but – due to the range of legislation – such opportunities are very rare. However, through their organisations (Deutsche Rentenversicherung Bund, hitherto: Verband Deutscher Rentenversicherungsträger) they may influence the laws regulating private service providers or branches: Tax advantages of private insurance companies are criticised by the banks and pension funds, as well as the by the representatives of the public pension scheme. Because of the competition of private and public service providers, asymmetric markets tend to lead to a retrenchment of the welfare state and to a loss of legitimacy of public service providers. In asymmetric welfare markets “negative campaigning” is used to a considerable degree. The failures of politics become the best argument for private corporations. In order to have the same chances to act and react, some sections of the public service providers are urging for a fully developed welfare market. Only in a symmetrical welfare market, can competition lead to more efficiency. Here – as previously in other fields (Grande/Eberlein 2000) – it is the role of the state to act as regulator. The state takes over specific and quite variable

responsibilities of political regulation of welfare markets (Baldwin/Cave 1999).

However, the attempt to create symmetric welfare markets in which public service providers are able to act competitively seems, for various reasons, no longer to be pursued. The “Riester-Rente” – the enhancement of the so-called second and third pillars of the public pension system through state granted incentives in the old-age assets law (Altersvermögensgesetz) of 2001 – was not as successful as had been expected. By the end of 2004 only 4.2 million citizens had signed the relevant contract. In 2005 the demand grew due to the reforms which simplified the disbursement of the subsidies and reduced and/or relaxed the criteria necessary for financial products. Yet the third pillar of individual private provisions remains far too weak to even remotely provide for all parts of the population. Those private provisions would be necessary to fully meet the requirement to secure a reasonable standard of living through a mix of private and public pension schemes. Even under the new coalition government, the expansion of welfare markets is not consistently pursued. The objectives and the intended legislation changes in the coalition treaty of the social democrats (SPD) and the conservatives (CDU/CSU) seem to stand for a return to 'classical' instruments and only budgetary view of social politics. After the “old-age revenues law” (Alterseinkünftegesetz) that made some modifications to the Riester-Rente, the energy for the further expansion of welfare markets seems to have run out.

"More personal responsibility"

The call for “more personal responsibility” has become central in the German debate on welfare markets (for the United States see Goodin 1998). “Personal

responsibility” is the catch word for the modernization of the welfare state that is directly aimed at the public. It is up to the individual to provide for their own social security. Personal responsibility shall legitimise a social policy of privatization, reduction of benefits, and enhancement of welfare markets. These policies may be criticised as retrenchment, an offence against the welfare state or, at best, a very selective reform agenda. But even the protagonists of personal responsibility have to agree that their project is precarious and a contradiction in terms. In the field of jurisprudence this was shown by Klaus Günther (2003), who started to make visible the paradoxes of personal responsibility from the perspective of those affected. Günther also drew attention to the problem of individual empowerment verses disciplining the individual. This worthy analysis will be continued with reference to the political elite using the term “personal responsibility”. After all, this term is a political statement. Political and law-making actors use it to impart a specific agenda to the citizens and voters.

1st contradiction in terms: Decreed personal responsibility

A political appeal for personal responsibility is paternalistic. Governmental paternalism and personal responsibility do not go hand in hand. Paternalism is based on the assumption "that government can know and serve its clients' own interests better than they would themselves." (Mead 1997: 5) A second criterion can be seen in the exertion of pressure or in the lack of acceptance. Paternalism therefore can be defined as the actions of a government carried out in the name of a group's will, their well-being, their truthful good, their bettering, or their convenience *without or against* their declared intention. In claiming to know better than the citizens what would be in

their interest, personal responsibility is denied the moment it is granted. The possibility that the approval of a political solution – e.g. the continuity in welfare policies – could be the result of realized personal responsibility, is neglected. In the name of personal responsibility every individual preference towards collective policies is characterized as irresponsible. Decreed personal responsibility furthermore denies that the citizens up to now have acted responsibly anyway.

2nd contradiction in terms: Personal responsibility as anti-politics

Personal responsibility means the release from politics and the discharge of responsibility for politics. Personal responsibility serves as a formula to unburden politics and therefore is an anti-political notion. The call for personal responsibility endorses the understanding of politics as a heteronymous field of external responsibilities and dependencies. Therefore the former action of political institutions appears to be lacking legitimacy. In the actual use, the term “personal responsibility” is reduced to the individual dimension and the possibility to practise personal responsibility collectively is totally neglected. Thus, the idea that political decisions should be the result of a shared responsibility of the citizens is negated. The call for personal responsibility falls short behind the normative values and ideals of democracy: Instead of discussing *the way in which personal responsibility can be practised*, the whole sphere of politics as well as every democratic decision is rejected as “alien responsibility”. Personal responsibility denies the option of the citizens intervening in the political process and expressing contradiction (“voice”-option), and only leads the way out of politics (“exit”-option) with the freedom to choose between enterprises and products. Public space is reduced to

economic exchange. The political public dimension remains vacated.

3rd contradiction in terms: Personal responsibility as a market dependent

Personal responsibility usually means surrendering to the market economy. Instead of being able to be directly responsible for one's own life, the individual is exposed to the possibilities and risks of market products. Imaginary or actual heteronomy through politics is replaced by dependency on market developments in qualitative and financial-quantitative respects. For those concerned the switch from political to personal responsibility in reality means the shift of making social insurance contributions to paying premiums to private insurance companies. In view of the insecurity which occurs with free-market provision, political heteronomy is replaced with free market heteronomy. In order to argue consistently, the consideration of the free-market provision must be presented in the sense of a higher grade of personal responsibility compared to political self-determination. However this does not happen and instead is just taken for granted. Where relinquishing personal responsibility in a politically regulated state of the economy is concerned, a new combination of regulation of the state and personal responsibility arises. If this regulation is withdrawn, which would comply with the idea of personal responsibility, it is basically resorting to its natural order.

4th contradiction in terms: Alleged reduction of the burden of state responsibility

According to the classical definition of responsibility or causality and intention, the individual is not responsible for conditions caused by market

developments. If, against obvious knowledge, he is still deemed responsible, it is not unlikely that he will conversely hold those responsible, who, from his point of view, unjustifiably, assigned him the responsibility. If the cause is beyond the individual's control, such as due to market processes, he or she will try to assign responsibility to those who may personally represent that process. The argument regarding the transfer of state to personal responsibility is then reversed to the political and economic elite.

5th contradiction in terms: Citizens – be responsible!

Responsibility can be understood as a relation on three levels: Someone is responsible for something and is held responsible by an authority. The political demand for personal responsibility therefore has two dimensions: responsibility for oneself and being held responsible by the authority which has assigned the personal responsibility. The appeal of politics should not go unanswered and should be: "Yes, I take responsibility for myself". The ubiquitous demand for personal responsibility reverses the liberal understanding of the relation between state and citizens: With regard to exercising personal responsibility, citizens are from now on held responsible by the state.

6th contradiction in terms: The illusion of individualisation

The introduction of the principle of social insurance required an innovative solution to the problem of responsibility, which could not be solved by traditional methods. Ascribing responsibility and obligation for liability in the case of claims resulted in high costs of conflict due to complex and unsolvable causal

relationships. Social insurance is a system involving collective responsibility safeguards, which circumvents ascribing causality by the pooling of risks. All potential claims are correlated via the institution of social insurance. The demand for more personal responsibility leads to the individualisation of risks and carries the idea risk-pooling could be dissolved or at least carried out in a fragmented, differentiated way. This individualisation leads back to the problem of cause and intention with the almost unanswerable questions of what risk factors can be regarded as self-induced, what are intentionally caused and what can be ascribed to social background or genes. Individualisation of social security entails subsequent costs, which most probably have to be raised collectively. Not using the techniques of pooling risks does not lead to the individual assumption of risks, but merely to a shift to other forms of collective burden-sharing.

7th contradiction in terms: educating the citizens in personal responsibility

It is too much to expect from a policy, which not only calls for personal responsibility in order to ease the burden on the state, but also encourages controls and programmes to foster personal responsibility, and which will create subjective conditions for perceiving personal responsibility. Educating people to be personally responsible, burdens politics with the tasks of controlling people's behaviour, which are more complex, problematic, cost-intensive and incalculable than those tasks from which politics aims to free itself in the first place. It was not only due to the warning of Niklas Luhmann that "changing people is the most dangerous aim, that politics can set..." (Luhmann 1981: 97) that it became clear, that the attempt to politically control behaviour involves a considerable burden and subsequent problems – with little chance of

success. Initially the degree of cognition of politics is likely to fall and ultimately a policy of educating the citizens goes hand in hand with a moral depreciation of certain behaviour patterns. To a certain extent, moralizing replaces knowledge of and insight into the situation of those concerned. Educative policy can not offer an adequate method or technology – such as work motivation or working ability, or an increased attempt to get qualifications or insight into political conformity. Politics involves communicative relationships such as those between case managers and clients, which are obscure and often involve high costs. Ultimately there is no safeguard strategy, which would provide solutions should the educative methods not be successful. The inner logic of a pedagogic state is intensification, which runs the risk of a strategy of inclusion turning into one of control and sanctions. Furthermore, educating the citizens in personal responsibility lies outside the standard framework of thought, which is owed to the demand for personal responsibility: “It would seem that liberalism has a problem: It honours free-will, which is expected to be rational, and praises an ideal rationality, which cannot become reality on its own. Therefore one does not trust one’s own principles. In fact, for the sake of those principles the only way seems to be to carry out the opposite: Insight by inurement, persuasion by repression, moral by power – with a wondrous u-turn at the end...” (Fach 2003: 83). In order to create the conditions for its stability, liberalism must have access to means, which do not have to be vindicated according to its theory. It must be, as it were, untrue to itself, and can only hope that – some time suddenly – it can make the jump from pedagogy to independence.

8th Contradiction in terms: Personal responsibility versus shared responsibility

Our social world is highly interwoven, highly interdependent, and highly complex. Therefore personal responsibility cannot be achieved when limited to an individual's actions: In fact it requires a bond which can only be created and safeguarded by shared responsibility. Personal responsibility can only be achieved or in fact realised where shared responsibility exists. Personal responsibility is based on several conceptual assumptions, which include an 'own' sphere of influence in a specific territory. But for everyone this cannot be fulfilled in principle. Personal responsibility can only be achieved by agreeing to and achieving social and political commitment – not only on the level of private or familial friendships, but also on the level of private legal relations with companies and in particular on the level of collective binding decisions.

Instead of strengthening the possibilities of controlled collective obligations, the discussion on personal responsibility tends to devalue those obligations bringing together many people and therefore providing the basis for self-determination. The opposite of individual freedom and self-determination means to surrender to uncontrollable events, to unrestrained and nondirectional developments, simply to be at the mercy of market forces. In such a world there can only be conformity, luck and aptness, but no self-determination and thereby no real personal responsibility for one's own actions. The political allocation of personal responsibility is therefore illegitimate, if citizens are exposed to external control. It is legitimate only to the extent, that citizens can avoid external control by their collective efforts.

The outlook

The attempts to legitimise social-political reforms with the call for more personal responsibility will no doubt continue in the future. However, it is not clear at the moment, which role the enhancement of welfare market structures is to play. The new grand coalition government has not focused on welfare markets, up to now. In the government policy statement of the new Chancellor Angela Merkel there is little reference made to personal responsibility, either. Instead there is mention of solidarity, justice and achievement – altogether basic vocabulary of established social policy. Nevertheless, the reform of health care system showed that the rhetoric of personal responsibility is still vivid. The relative silence on the topics of welfare markets and personal responsibility in the first year of government may be caused by the results of the federal elections in 2005. The SPD in particular – but to some extent also the CDU – have given the impression, they do not wish to exploit the people's acceptance of drastic reforms in social policies. The new restraint may just be a tactical reaction and might end with a new round in pension reform, but it could also indicate a revision of socio-political concepts and strategies. Maybe the idea, that personal responsibility cannot be a leading term of social welfare reform, will gain more followers.

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