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The Social State in the Post-Modern¹

PETER KOSLOWSKI

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The crisis in social insurance systems compels us to adopt a new approach to the theory of the state and of social security systems. The crisis in the social state¹ is above all a crisis in the ethical and cultural presuppositions of social insurance. Social policy, geared to socio-technology, has underestimated the cultural and ethical conditions for social security provisions. It is emerging today that the institutions of the social state, set up as functionalist socio-technical institutions, are undermining their own ethical-cultural foundations, and are not able to reproduce, on the scale required, their ethical presuppositions: that those covered by insurance live according

¹ In the following I shall use the English translation of „Sozialstaat“ or „sozialer Staat“, social state, for what in the English speaking world is usually named welfare state since the German social state was not set up originally to realize welfare but to secure social insurance against the definable risks of illness, work accidents and unemployment as well as for old age pensions. It was not designed to provide for „general social welfare“. This paper is the revised and enlarged English translation of P. KOSLOWSKI: „Der soziale Staat der Postmoderne. Ethische Grundlagen der Sozialpolitik und Reform der Sozialversicherung“, in: CHR. SACHSSE, H. TR. ENGELHARDT (eds.): *Sicherheit und Freiheit. Zur Ethik des Wohlfahrtsstaates*, Frankfurt a. M. (Suhrkamp) 1990, pp. 28-70.

to a sense of their own responsibility; and that there is a culture in which we make basic provisions and organise our own lives. A point is being reached where there are considerable risks in social insurance. On the one hand, these risks are finding expression in the damage to the relationship between the different generations, in the fact that justice between different generations is becoming problematical, and in the situation where there is over-provision of social security for insured parties in certain strata of society. On the other hand, they are finding expression in new poverty and under-provision of social security in other groups in society, as well as in acute financial short-falls in social insurance.

The alternative of a post-modern social state responds to the crisis in basic provision by recalling ethics and by giving social policy an ethical aspect, and making it culture-oriented. The following reflections on the social state in the post-modern proceed in six stages. The first stage is to sketch a concept of the post-modern. The second is to describe the current post-modern situation in society, and its effect: the end of the ideologies. The third is to set down some basic ideas for a post-modern theory of state (sections III and IV), and the fourth is to analyse the current social insurance system in the Federal Republic of Germany under the concept heading, „welfare state illusion“ (sections V and VI). The fifth stage is to make proposals for shaping social insurance in a new way that takes culture into account, according to the principles of a „culture of basic provision“ and new subsidiarity. The final stage is to suggest a few concrete steps for pensions insurance reform in the Federal Republic of Germany (sections VII and VIII).

I. The Concept of the Post-Modern

The post-modern as an experience and a way of relating to the world begins with the newly arisen awareness of the finite nature of the world and the limited nature of its resources, an awareness that has had a decisive universal influence since 1973, owing in particular to the shock caused by the rise in oil prices. With the inception of this awareness, the utopianism and progressivist characteristic of the modern were thrown into crisis, and the notion, inherent in the modern, of endlessly progressive mastery over nature and unrestrained economic growth, became untenable (see Koslowski, 1987).

The post-modern as a philosophy departs from the modern as an ideolo-

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gy, but does not depart from modernity as historicity. To be modern, meaning contemporary, or „state of the art“, is a requirement in any given present time, and remains so even when the modern and its ideology of modernism have been overcome. That modernity, meaning the contemporary, is required in thought and human behaviour, even under the conditions of the post-modern, results from the fact that humankind and human culture are by nature historical. We cannot forego modernity, because we cannot take leave of history. Historicity and modernity demand that we continue to think up, to imagine and to realise that which is new and modern.

The fact that we shall continue to be modern does not rule out the end of the modern as the ideology of the „New“ in its conclusive and unsurpassable form. For the modern was and is the radical dissolution of historicity by geschichtsphilosophie, i. e. the type of the philosophy of history founded by Hegel and Marx. Not only did the modern seek to emancipate itself completely from its origins, and thus from history, in a religious and political sense, it also understood itself to be the ultimate healing of the geist („spirit“), to be the consummate emancipation of the human species, and to be the ultimate realm of freedom, cancelling all alienation. In spite of its name, the geschichtsphilosophie of the modern is not a philosophy of history and of historicity, rather it is a philosophy of the sublation² of history and the historical method. The philosophy of history of the modern denies the relentless advance of the historical epochs, and denies the uniqueness and transience of these, in favour of an ultimate worldly fulfilment and an end of history. The modern as an ideology, and modernism tell a single great myth, the total myth of progress and its fulfilment in the society of the modern, bringing history to an end. The real effect of the artificial concept of history as a worldly history of salvation, heilsgeschichte, and the ideology of the modern - according to which history itself can sublimate and bring to an end the process of the sequence of historical epochs and projects - includes the end of historicity, indeed of history itself.

Yet, after the experience of the ageing of the modern, the historicity of the world can no longer be denied. The post-modern refutes the sublation of history by geschichtsphilosophie, and regains an appropriate, non-artificial concept of historicity and modernity. The one „great narrative“ of ge-

2 The German word here is *aufheben*. As well as meaning to remove, this verb, esp. in Hegelian philosophy, can mean to cancel and preserve (by overcoming dialectically). Where I have thought it to be appropriate, and in an attempt to do justice to the complexity of the German, I have offered the English near-equivalent, *sublate*.

schichtsphilosophie, of the epic of the modern, is replaced in the post-modern by the many narratives about historical processes and changes, and by the religious view of history as *heilsgeschichte*.

We cannot leave historicity and modernity behind us, but we can leave behind the modern as an ideology. The post-modern, as a critique of modernism and of the artificial concept of history inherent in the modern, is the restoration of historicity, and thus of normality. It does not replace the belief of *geschichtsphilosophie* in the modern with a belief in the post-modern. The post-modern does not believe in history and is not the resumption of modern *geschichtsphilosophie* by post-modern means. It is the critique and overcoming of the modern philosophy of history, since by its rejection of modernism and with its notion of the fourth age of the post-modern, it restores human historicity to its rightful place.

Post-modernity is the position of modernity under the conditions of the post-modern, and after its passage through the modern as an ideology. Modernity in the original sense is the position of acknowledging historicity, and the willingness to create the New and take on board what is modern. Only since the modern understood itself to be the „Ultimate New“, the New in its conclusive form, and to be the ultimate era, it tried to usurp the concept of modernity and to reinterpret it, changing it into a hard and fast ideology of the „modern worldview“. Yet modernity cannot be restricted to a conclusive, un-historical content. Rather, it must remain open to the New and the „Unheard-of“. Thus modernity today, under the conditions of the end of the modern as an ideology, is post-modernity. Post-modernity is not a process of disembarking from history and from what is modern, but of overcoming the modern and the dictates of modernism.

Philosophically, the progressivistic characterising of the modern in its relation to the world was represented and manifested in Hegel's idealist monism, and in the materialist monism of Marx. Hegelian and Marxist philosophy, the two „master stories“ of the modern constituted the modern in its typical form. The French post-modern has destroyed the validity of both these monisms, which dominated the modern as an epoch, and upon which the modern as an ideology was founded.³ The philosophical „master stories“ of the modern also had a decisive influence on those world views that at first were further from them, such as evolutionism and positivism; so that now the

3 LYOTARD defines the postmodern by rejecting the master stories of Hegelianism: „In the simplest possible terms, 'Postmodern' means that the Metanarratives are no longer credible.“ (LYOTARD 1979).

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philosophical monisms have been made relative, evolutionism and positivism are also affected. Scientism as a whole is being subjected by post-modern philosophy to a „critique of scientific reason“.

A distinction must be made between the two current approaches to a theory of the post-modern: the deconstructivist and the essentialist. Mysticism plays a very important part in both: as atheological and atheistic mysticism and gnosticism in the deconstructivist post-modern, and as theological mysticism, and Christian, theistic gnosis in the essentialist post-modern (cf. Koslowski 1989d).

The deconstruction of modern system philosophy forms the essential content of the French post-modern, which, represented by writers such as J. F. Lyotard (Lyotard 1979) and J. Derrida (especially Derrida 1995), calls itself „deconstructivism“. The deconstructivist post-modern affirms the principle of deconstruction against the constructions of system philosophy; it affirms the principle of irresolvable conflict against the Hegelian principle of total sublation; and it affirms the „small narrative“ against the „master narrative“ of *geschichtsphilosophie* in absolute idealism and Marxism. Yet by totalising the principles of conflict, of the small narrative, and of the pluralism of what Nelson Goodman has called „ways of world making“, the deconstructivist post-modern banishes speculative philosophy and the idea of totality from our thinking altogether, and seems also to seek to exclude, with the critique of modern monism, the possibility of any metaphysics, even non-totalitarian and non-monistic metaphysics. Since its deconstructivist critique of reason goes beyond even the autonomising of reason in the projects of the modern, to a human sovereignty that posits itself as an absolute, it does not overcome the „autonomy concept“ of the modern, but rather it takes it further. In this respect, it is super-modern, but not post-modern.

The concept of modernity represented below follows on from the deconstructivists' calling modernity into question, and from the post-modern critique of the master stories of the modern. Yet at the same time, it strives also to overcome even the deconstructivist post-modern, and thus to arrive at an essentialist post-modern. Our thinking must arrive at an essential concept of post-modernity – one that supersedes the modern as an ideology – and at a new theory of metaphysics – one that does justice to the prefix post, as the first after-modern philosophy.⁴ Our thinking must not confuse post-modernity and super-modernity. Post-modernity means working towards a specula-

⁴ Cf. for a social and economic theory under the conditions of the postmodern, KOSŁOWSKI (1989b).

tive philosophy that is not monistic or atheistic, as the modern system is, but also does not simply lapse apologetically into dogmatic pluralism, or deconstructively into atheological mysticism and gnosticism.

For post-modern speculative philosophy, the traditional wisdom of Christian gnosis and Jewish mysticism is of great significance, its speculative, theistic and personalist character going beyond the monism of the modern, but also going beyond the traditional metaphysics influenced by Aristotle (cf. Koslowski 1989e, 1989f). As a philosophical position, post-modernity stands in opposition to the modern, and the modern view that the absolute is actualised in the iron cage of the weltgeist, or – and no distinction is made between the two – in the dialectics of history. Post-modernity as a philosophical position retains the distinction between the absolute and history against the gnosticistic negation of monistic dialectics. It maintains the singularity of the individual in thinking and in practice against the „sublation“ of the finite in the infinite, and it preserves the dignity of nature against the sublation of nature in the mind or Hegelian geist. Post-modernity means imagining the interior faculty of the self, the corporeality of the mind, and acknowledging the wisdom that is in nature.

II. The Post-modern Situation: Making Society Ethics- and Culture-Oriented and the End of the Ideologies

Today's industrial society has been described as a risk society (Beck 1985), and this concept has come to have a decisive influence on our awareness. The experience of living in a risk society in fact represents a „limit experience“ for the modern. It is a limit experience in two respects: it is the experience of the limits of the project of the modern; and it is the perception of the transition to an after-modern paradigm (cf. Koslowski 1989c). It has been discovered that scientific and technical progress, the notion of emancipation, and the complete pluralisation of lifestyles, as well as the economic growth that these necessitate, are not to be had at zero cost, but that the modern carries significant side-effects, costs and risks. This discovery means the end of the utopia of enduring, risk-free modernisation. The ecological and cultural risks emerging today in industrial society are forcing the modern as a worldview into the twilight, and are calling into question the claim of the modern to be the conclusive project of humankind and the ultimate Enlight-

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enment. The discovery of the finite nature of the world, of the limited nature of its resources, and of the risks of industrial mastery over nature means, on the one hand, the disappointment of the utopian expectations held by the modern, and on the other a return to normality and actuality. The development of industrial society shows that its great risks are not only the obvious risks, such as atomic energy, and gene technology, but that they lie equally in the cultural sphere of social institutions and the way of our order of Living, at the centre of which the social state belongs.

The limit experience – the experience made by the modern in becoming conscious of the risks it carries – reveals that progress without risks is not to be had, and that the modern is a form of society that carries risks. The experience of a risk society also makes us aware of our ethical responsibility for economic and cultural development, a development that can no longer be thought to provide of itself the economic or technical impetus for its own progress. Hence, the demand for making industrial society ethical and cultural – and making ethical and cultural its social branches of economy and state – is a response to the discovery that the modern, by its nature, carries risks. The new interest in ethics results from the need to restore the ethical and cultural aspects to industrial society. Furthermore, with the experience that the concept of progress inherent in the modern has run up against its limits, this new interest signals the end of the ideologies. The recall of the ethical dimension, in, say, economy (cf. Koslowski 1988) and social policy, is a critique of the ideological ways of viewing society and economy. It shows that the ethical cannot be replaced and made redundant by organisational changes.

Ideology always sees the origin of what is evil or deficient as being a non-moral error or simply a fault in organisation. The super-elevation of the market economy to an ideology of the market explains all economic problems by claiming that not enough room has been given to the market mechanism to operate, that extraneous disruptions, etc. have entered the system, disruptions that would simply vanish if the market was allowed to operate unhindered. The only question here is, how these faults could have arisen of themselves, how the political faults – if they caused the faults in market equilibrium – could ever have got into the balanced order of the pure market in the first place. Marxist ideology, for its part, points to private ownership of the means of production as an explanation of all ills.

Explanations of social reality are ideological when they regard the ethical decision of the individual in the given conditions of an order as irrelevant for the overall result, and claim to be able to rid the economy of all ills simply by modifying a single organisational principle. The philosopher Franz von

Baader gave one of the earliest definitions of the concept of ideology when in 1836 he called „ideologues“ those who deny the original sin, and in so doing deny the ethical character of all actions (Baader 1836, 130). The ideologue denies the original sin, i.e. denies the view that human weakness and moral false decisions share the blame for the ills of the world. Ideology is the expression of the tendency of the modern to remove the moral element from reality and to declare ethics to be irrelevant. Ideology and the „de-moralisation“ of actuality are the perfect expression of the ethical deficit of the modern. The ideologies of the modern deny that political, social and economic actions possess an ethical dimension.

In contrast, ethics emphasises that the will of the agent in economy and policy must posit itself in a moral relationship to itself, that is to say, the will must question whether its activity is justifiable and proper. This ethical relationship of the will to itself is more easily realised in the liberal democratic and market economy order, because this order leaves more room for individual responsibility, although at the same time it does not guarantee that economic power will be used in an ethical way. The new process of making society ethics- and culture-oriented marks the transition from the modern industrial society to the post-modern cultural society. Ethics and culture, as a way of ordering the life and interpreting the existence of a society, show that what unites society can neither lie solely in the rationality or the utility of an individual, nor can it be defined, independently of the individual's self interest, as *raison d'état* or common good. Rationality cannot adequately be defined as a mere principle of economising, or as a functionalistic process of optimising ends and means, rather it relies on material cultural aims to provide society with a *raison d'être* and substance.

The unifying factor in the individual pursuit of goals is provided by the spiritual superstructure of culture, a superstructure that at once transcends and gives form to immediate self-interest. It is only possible to acquire culture if individuals act autonomously, and take up a conscious position. Culture cannot be acquired by conditioning or external moulding. It presupposes the ability to perceive, to experience, to express, to understand and to take up a position. Understanding occurs in a cycle involving personal experience, the expression of experience, and reliving the experience of another. Society wins its culture and education by acquiring inwardly the spiritual substance and the traditions developed by the culture in question (cf. Spranger 1962, 56ff.).

The industrial society of the modern has held the belief that it can replace cultural and ethical interpretations of life with the rationality of economics and technology, and replace the risk of ethics with socio-technical function-

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ality. It is apparent today that the risk believed to have been banished once and for all is returning in the form of the large-scale technical risks, loss of cultural identity, and the crisis of social insurance as a system for collective security. The risks in the modern are compelling post-modern cultural society to work at regaining a culture capable of providing unity, and to work at new forms of basic provision – a new shape for the moral idea.

III. Post-modern Theory of the State: Against Super-elevating and Demanding too Little of the State

State and church are the institutions for representing and progressively actualising the ethical idea. The ethical idea is the model developed by a society of a right way for its members to live. The state is not, as Hegel supposed, already the actuality of the moral idea, nor can the state, as Hegel also believed, represent the moral or ethical idea, alone and without the religious community of the Church, because this idea is never fully actualised under conditions of human finiteness and fallibility. What is rational, is, wrote Heinrich von Treitschke in his dispute with the pulpit-socialists (Kathedersozialisten) (Treitschke, 1874). What is rational, what is moral, has Being and in Being there is the rational, but what is actual is not what is rational. Because Hegel's dictum - that what is rational is actual, and what is actual is rational - is not correct. The actuality of the state is not the actuality of the moral idea, but the struggle to actualise this idea in an ever deeper way. The substance of the moral idea goes beyond the sphere of immanence into the transcendence of the absolute. So, it is only together that state and church can represent, and offer the chance to realise this idea: the idea of what people in one area, in a particular historical situation, conceive to be the correct way of life for them. The state and the churches present and keep alive the content of the moral idea, the idea of an order for the life of a people or several peoples within a state, and their common interpretation of their existence. State and church must seek to realise this idea in the life of a society.

The idea of the right way of living must be the guiding star for the legislative, the executive and the administration of a state.⁵ The constitution is the

⁵ Cf. ST. KOSLOWSKI (1989) for the difference between the executive power and the administration adopted in this case by LORENZ VON STEIN.

legal codification and the blueprint of those institutions in which the common idea of the right way of living is to be actualised. The moral idea is not identical with the changing majority will of Parliament, but at the same time, it is not independent of this will. The majority will is rather the means of arriving at an ever more profound definition of the moral idea as history continues onward. The democratic legislative is not the master, but the organ of the general will.

Recourse to the ethical and religious substance of the idea to be realised in state, church and society is necessary as a beginning to observations on the ethical foundations for social policy. This is because the task of social policy can only be defined in the context of the overall aims of the state; and because achieving the purpose of state social policy depends upon those who shape the policy, and those affected by it, recognising a state's ethical substance and actualising it in the way they conduct their lives.

IV. The Social Task in the Teleological Structure of the State's Provision of Goods and Services

Social policy is only possible as part of an overall policy that is at once an economic, cultural, and foreign policy, because the social policy makers depend on the achievements of the economy – the production of goods; on the achievements of culture – a symbolically and linguistically common understanding of the world; and on the achievements of foreign and defence policy – securing territorial integrity. Social security achievements are only possible within an overall framework that teleologically harmonises the achievements of the branches of state policy. The actions of the state form an integral working structure that must in turn be placed in a relationship of concordance with society, the economy, and the non-state culture. The outward organisation of the state, and with it the outward organisation of the social insurance institutions proceed from the aims of the teleologically organised body politic and what it demands in terms of achievements; and the body politic must define and harmonise the priorities, function, structure and shaping of the institutional branches.

The organisations of the state, each having a different purpose, refer to, and rely on a common ethos, an idea of customary morality, which embraces at once the order of life, the order according to which we live, and the way

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we interpret our existence. The moral idea is the idea of an ethic that embraces both, the exterior mores, custom and ethos, the ethics of culture, and the interior moral faculty independent from outward mores - the ethics of conscience. Ethics as a theory investigates both aspects of ethical actions. The ethic includes the morality of conscience or inner morality, which is expressed in the demands - to be realised by the individual - of the supra-empirical and internal moral law; and ethic is a critique, representation, and manifestation of the sphere of mores and culture, a sphere shaped by the expectations of mores, customs and conventions regarding the behaviour of an individual. It is not possible for any state or any society to realise the good way of life unless there are, present in the branches of society and state, mores and morality, a cultural order for the way we live, and an individual inner morality.

That the state is not the actualisation of the moral idea, but that it depends on customary morality applies to one sphere of state action more than any other: to the transfer of benefits in social policy, where the definition of needs is always dependent also on what is imagined to be reasonable and fair. The sphere of social policy presupposes an ethics and culture of basic provision.

The ethical bases for social policy consist firstly in observing rules from a sense of morality, in refraining from exploiting loopholes in the law, and in behaviour that cannot be imagined without the moral decisions governed by the individual's conscience. Social policy cannot dispense with conscience.

The bases for social policy embrace, secondly, the mores, conventions and habits whereby benefit is claimed and delivered under a system of social insurance, i.e. the culture of the social fabric.

The ethical attitudes and mores presupposed if the fabric of social insurance is to function, cannot be guaranteed merely by the law and its sanctions. Basic social state provision presupposes a culture of the conduct of life in which the individual is conscious of the way he or she leads his or her life, and consciously provides basic provisions for the future. The social state or welfare state presupposes a culture and morality whereby the individual is responsible for, and organises his or her own life, and which social policy cannot create and maintain by technocratic organisation and administration alone.

Responsibility and the culture of the self - the *cultura animi* and care for oneself - are not primarily the object and findings of objectifying, empirical science. Rather, they are the result of those forms of knowledge that include a relationship of the thinking individual to himself, a moral relationship to

oneself and to the outside world. The self-referential, non-objectifying ways of knowing and finding oneself are religion and philosophy. The modern state cannot, in its social and cultural policy, define the praxis of religion, which in Christianity also presents itself as church, but it can support religion and philosophical ethics as the culture of knowing and finding oneself. Why must the state today also have an interest in a philosophical and religious culture of the self? It must take this interest because it relies on its citizens leading their lives consciously and responsibly. Today the people's claims for basic provision, and thus the claims directed at the government, have risen to a point where they can only be met if the people, for their part, foster a culture of self-responsibility in which there is basic provision, and in which the individual leads his life responsibly.

Modern social policy, geared exclusively to socio-technology, has overlooked the ethical and cultural presuppositions of the basic state provision emphasised by a post-modern social theory geared to ethics and culture. It has presupposed and taken for granted the cultural conditions for comprehensively securing our existence – these conditions being the culture in which the individual cares for himself and leads his life responsibly. Yet these conditions are not fulfilled *eo ipso*, rather they presuppose a culture for the way we conduct our lives that must be fostered and cultivated, and wanted by its subjects. A system of social insurance that, like the current, very comprehensive system of compulsory insurance in Germany, fails to pay heed to the cultural and ethical presuppositions of social insurance, and does not promote the cultivation of individual responsibility, is thrown into financial difficulties owing to a „cultural and ethical deficit“, notwithstanding its socio-technical perfection.

The cultural and ethical deficit of the modern social insurance system is inextricably linked to the ethical deficit of the modern. The modern social policy of the welfare state has underestimated the moral presuppositions of social security just as much as it has overestimated the socio-technical capacity of the welfare state. The theorists of the welfare state in the modern saw social policy as being either the technocratic solution to the residual problems created by the market economy and democracy of liberalism, or else the emancipatory overcoming of the entire parliamentary-capitalist constellation. Both factions of „welfarism“ failed to acknowledge either the ethical and cultural substance of the social state or the ethical and cultural presuppositions of the social insurance system. Also, the fascination of the „secular“ eschatology and salvation implied by the concept of „welfare“ had its effect even in the moderate socio-technical faction among the „welfare politicians“.

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Because „welfare“ was supposed to be actualised already in this world by large-scale organisations established for that purpose, the welfare utopia left little room for the ethical and cultural presuppositions of the social state.

If a welfare state programme dangerously super-elevates what can be demanded and expected from state policy, and turns „welfare policy“ into a sort of worldly and secular strategy for salvation, it has to be said that the concept of a state solely centred on social insurance is, in fact, in danger of underestimating the capacity and potential of the state as a whole, in danger of going to the other extreme where the state has only superficial significance. The state is based not only and not primarily on social justice, but rather on the rule of law. The social aspect, along with the purpose of social security, is only one of the purposes pursued within the teleological structure for the achievements of the state. This is already apparent from the fact that the functions of providing social insurance can be performed in part by bodies other than the state, for example by private insurers.

In its evaluation of the state, the modern has, since the Enlightenment, swung remarkably between, on the one hand, super-elevating the significance and worth of the state, and on the other, falling short of it. In Hegel's idealist monism, states are vessels inhabited by the *weltgeist* as it moves through world history, and the state is the actualisation of the moral idea. In the materialistic, evolutionist view of doctrinaire liberalism, on the other hand, the state is merely one manifestation of free-market society which has to be overcome. Finally, in the monism of dialectical materialism, the state is an obsolete stage in history, withering away as the forces of production evolve.

A post-modern theory of the state and society stresses, rather, the indispensable nature of statehood and the organisational unity of the functions of the state. Social security is just one among these functions. Post-modern state theory neither turns the state into a vessel for the absolute or ascribes to it qualities of supra-individual intellect, as Hegel did, nor does it reduce the state to a mere agency for social services. The state is the central organ of society for the observation and recognition of the social reality, for reaching agreement, taking decisions about that reality, and for implementing them in social life: in securing our existence, in culture and the economy and for the outward assertion of the body politic.

Therefore the state is not a social security state, but rather a state having social attributes, in just the same way that it has other attributes as a promoter of culture and, externally, as preserver of its territory. In pursuing social, cultural or territorial-security purposes it does not become a social security state, a cultural state or a power state. Rather, the concepts of the state as

social security state, cultural state and power state, each considered individually, are one-sided representations of state purposes derived from a single aspect of the teleological structure for the achievements of the state. The state can be a social security state, cultural state or territorial state only to the extent that it is all three at once and realises jointly its social, cultural and foreign-policy telos. It must preserve a balance between its social, cultural and territorial-security purposes.

In the post-modern theory of the state, what characterises the current development of states and societies is the permeation of state functions, not their differentiation or separation. In the state in the post-modern, the social, culture-oriented and territorial purposes of the state permeate one another, and in this process it is, above all, the reciprocal permeation of the social and cultural purposes of state action which is significant for the post-modern state. Permeation is a spatial analogy for the synthesis and the simultaneous realisation and differentiation of qualities. In the case of the state, its social qualities and tasks and those which are geared to the furtherance of culture must permeate one another.

In the post-modern, just as the tendency towards one-sided representation of the state's purposes has been reversed, so the opposition between liberalism and socialism has moved into the background. In today's conditions, the false dichotomy between full personal responsibility and full state provision and care, which was linked to this opposition, is becoming obsolete.

Full personal responsibility and full state provision are equally abstract extreme positions. A sensible social security policy will strive to achieve a mixture of personal responsibility and state provision. The question for the social state in the post-modern and for Germany's social security today is not „Should we have personal responsibility or should the state provide for our existence?“, but rather: „Have we still got the right mixture of provision between that for which we take personal responsibility and that which the state administers care for?“ It is the contention here that the mixture is too strongly on the side of state bureaucracy, that this gives rise to crises in social insurance and in the relationship between the generations, and that therefore we must come to see the need for restructuring the way social insurance is weighted and for a greater degree of provision based on personal responsibility.⁶

How much should the state do in comparison with the other forms of human association, in comparison with the family, the workplace and the church? The state cannot take care of individuals. Individuals can only take

6 DETTLING (1988), p. 68, makes a similar call for a „social policy mix“.

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care of themselves within various structures for decision-making and co-ordination. In this process the state cannot *prima facie* claim for itself a special position as an organisational structure. The state is not able, any more than any other organisation, to give without taking.⁷

V. Welfare State – Social State: the Bismarckian Origins

In relation to the problem of the super-elevated claim of the term welfare state already mentioned above it is useful to note the semantical differentiation between the Anglo-American term „welfare state“ and the German term „Sozialstaat“. The German tradition has used the term social state (Sozialstaat) in general, not the term welfare state (Wohlfahrtsstaat.). Behind this semantical difference lies a different conception of the task of the state, being the procurement of means of subsistence in the „Staat der Daseinsvorsorge“, in the „state of the procurement of means of subsistence“ (Forsthoff) in the older German tradition of the social state and general welfare in the tradition of the British welfare state. The older German *Sozialstaat* does not aim at „social welfare“ but at „social insurance“. It does not aim at redistribution but at solidarity in times of need.

The Bismarckian model in contrast to the Beverigian model has not been a model of redistribution or socialist welfare but a model of a minimalist social insurance. This should also to be taken into account against certain charges of „paternalism“ raised against the Bismarckian reforms by Victor Fuchs⁸ and others. In many respect the workers' insurance of Bismarck of the years 1888 following has not been paternalistic but minimalistic. It aimed at a minimal degree of insuredness against the new risks of the industrial society and of the industrial mode of production.

Bismarck in his famous speech in the Reichstag of March 15th, 1884, had a clear consciousness of the revolutionary change that the introduction of the social insurance system would make in history. He expressed his wish that

7 Cf. CARL SCHMITT's formulation: „Nur Gott kann geben, ohne zu nehmen.“ [„Only God can give without taking.“]

8 Cf. VICTOR FUCHS: „From Bismarck to Woodcock: The 'Irrational' Pursuit of National Health Insurance“, *Journal of Law and Economics*, 19 (1976), pp. 347-359.

the government and the present parliament would have the merit to do at least something, to do at least the first beginning in this field and to be the leader of all the other European nations.⁹ In his speech, Bismarck touches upon almost all questions we are still discussing today in social policy: the questions whether a private insurance is to be preferred to a social one, whether social policy is a task of the state at all, whether social insurance does not introduce a socialist element into the state and whether social insurance is detrimental to individual freedom or not.

In answering the objection that private insurance should be preferred Bismarck answered: "I should like to express the principle here in the name of the allied governments that we do not assume that mischief and cases of accidents are the apt basis for earning the payment of high interest rates and dividends, we rather want to provide an insurance as inexpensive as possible for the workers against these and other evils and we think it to be our duty that we lower the price for insurance as much as possible in the interest of the workers and of industry, in the interest of the employer as well as of the employed".¹⁰

On the question of the legitimate task of the state and against the reproach of socialism he replies: "There are aims and tasks that only the state in its entirety can fulfil. To these ultimate aims belongs national defence, the general system of traffic ... To these aims belongs also the support and help for the needy and the prevention against situations of need that are the cause of such justified reproaches that are the really useable material for exploitation by the social democracy indeed. This is a task of the state which the state in the long run cannot escape. If someone, however, replies to me that this is socialism, I am not afraid of being called so. The question is: where is the admissible limit to the socialism of the state? Without such a socialism of the state we cannot develop the economy. Every 'legislation against poverty' is socialism" (*ibid.*, p. 98f.).

Bismarck delineates his understanding of the task of the state and distinguishes it from the one that he ascribes to the social policy of France which believes to be able to do without laws against poverty: „In Léon Say we see expressed the French conviction that every French citizen has the right to die

9 OTTO VON BISMARCK: „Rede vor dem Reichstag vom 15. März 1884 (Speech in the Reichstag of March 15th, 1884)“, in: OTTO VON BISMARCK: *Werke in Auswahl*, 7, Darmstadt (Wissenschaftliche Buchgesellschaft) 1981, p. 92 (my translation).

10 *Ibid.*, p. 97.

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from starvation and that the state has no obligation to prevent him from the exercise of this right!" (*ibid.*, p. 99).

Bismarck clearly agrees to the socialist element in social insurance legislation: „The member of the opposition has it called something very new that we introduce a socialist element into legislation. I have already anticipated that by admitting that the socialist element is nothing new and that the state cannot even exist without a certain degree of socialism" (*ibid.*, p. 101).

Against the objection "that the organisation of the social insurance proposed does not harmonise with the word 'free'," Bismarck replies: „Gentlemen, freedom is a weak notion; the freedom to die from starvation is of no use for anybody ... There is hardly any word nowadays that is more misused than the word 'free', and it has even more charm when it is placed in front of any other adjective." (Bismarck refers here to the word „freisinnig" [free thinking, free minded] as the synonym for liberal.)

According to Bismarck, he who talks about freedom in general is only aiming at putting the importance of his or her own person above the common weal, „under the pretence that this is demanded by freedom. In our German history this is more clearly the case than in the history of any other country. How sharply and eagerly has not been accentuated the Germanic freedom in all the centuries of the decline of the German empire! What had to be understood by that? The freedom of the princes from the empire and the rule of the nobility over the serfs! They wanted to be free themselves; and that implied that 'to be free' for them meant nothing else than 'ruling', they did not feel free unless they ruled others" (*ibid.*, p. 103).

Bismarck compares the introduction of social insurance with a 'voyage of discovery in an unknown land' (*ibid.*, p. 104), and at the end of his parliamentary speech, he emphasises: „I have only to add my request that the gentlemen of the opposition support the government and serve them as a pathfinder in an unknown land that to enter we consider to be a duty for the government" (*ibid.*, p. 107).

Bismarck's social insurance reforms aimed at the introduction of an insurance of minimal extension against the risks of the industrial society, they did not aim at redistribution measures and „general welfare".

VI. On the Situation of Social Insurance in the Federal Republic of Germany

The social insurance system of the Federal Republic of Germany changed this picture. The reforms made after the Second World War at the *Reichsversicherungsordnung* (Social Insurance System) introduced by Bismarck in 1888 extended the categories of people covered by insurance and increased the scope of insurance benefits. By doing so they have created a national insurance system for almost all citizens out of what was, in the nineteenth century, a provision limited to workers. In the present system virtually the entire population is entitled to standardised insurance benefits.

The social insurance system in the Federal Republic of Germany is a radical extension of the workers' insurance scheme under greatly changed conditions and with different objectives. The former worker's insurance system was extended and the social insurance system of the Federal Republic was created in a climate marked by the large-scale destruction of private assets through the ravages of the Nazi era and the Second World War, as well as by two preceding periods of inflation. In post-war Germany the only remaining system for social and retirement insurance was the collective one because private assets had been wiped out.

The welfare state depends on sociological and demographic changes and therefore on history. It is a misguided form of universalism to abstract from the historical conditions of welfare states. In times of general need, other schemes of social insurance are required than in times of long periods of peace and of the formation of private capital. The pay-as-you-go pension system introduced in Germany after the destruction of World War II and after the destruction of the private wealth of ten million Germans being expelled from East German lands has been inevitable since one could not rely on private capital formation and private pension funds in a situation where there was just no private capital left.

The close relationship between historical conditions and forms of institutions of the social state implies, however, that the institutions of social insurance must be revised when the social and historical conditions change. This is the case in Germany today where after a long period of private wealth formation the social insurance system must now be down-sized. We note, however, a „ratchet effect“ in social insurance: it is easy to extend the degree of social insuredness but it is hard to reduce it. Adaptations in social insurance are very flexible towards higher social benefits but are very inflexible and inelastic towards their reduction.

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The two conditions for establishing collective social insurance on the scale of the system in the Federal Republic of Germany no longer apply today. On the one hand, the conditions prevailing in the nineteenth century, those of mass poverty and deprivation, which necessitated a system of compulsory insurance for workers, do not obtain today, or affect only a marginal group among those covered by social security. On the other hand, the post-war situation, in which most sections of the population had suffered from the loss of assets, due to the war or to expulsion from their native lands, has been transformed into a new prosperity marked by the widespread wealth creation and acquisition of assets. In this new situation, in contrast to the immediate post-war period, the ownership of private houses and apartments has played an important role.

The creation of private assets and recourse to private insurance mean that there is a new social situation, different to that of the post-war period, and requiring a new structure for social insurance. The increased level of wealth, the improved standard of education and the increased potential for personal responsibility which that entails demand a „decollectivisation“ of provision for old age and a redefinition of the risks and the population groups to be covered by social insurance. Today the acquisition of private assets has increased ¹¹ – this has happened even among the less well-off who have acquired durable consumer goods ¹² – and the improvement in educational

11 Personal savings deposits within Germany amounted, in themselves, to some DM 679 530 million in 1987; in 1982 the figure was still less than DM 500 billion (*Statistisches Jahrbuch* 1988, p. 316). To this must be added building society credits of around DM 120 billion. The building society savings account in particular is a classical form of savings for the „ordinary man“. Of the 2,685,000 new building society savings accounts opened in 1987, 2,216,000 were for blue-collar or white-collar employees, pensioners, people in receipt of a social security pension, housewives or people without a trade or profession (*Statistisches Jahrbuch* 1988, p. 319). Securities held by private individuals within Germany had a nominal value of DM 143 billion in 1987 (*Statistisches Jahrbuch* 1988, p. 324). In 1987, 67,795,000 life insurance policies had a total value of DM 1,190,434 million (*Statistisches Jahrbuch* 1988, p. 326). These figures represent some of the major credit items in the net asset position of households.

12 Cf. on the acquisition of private capital *Statistisches Jahrbuch* 1987, p. 475 (for 1988: *Statistisches Jahrbuch* 1988, p. 465).

standards has enabled more people to take their own responsible decisions about the level of insurance they require. So what is called for now is a reduction in the scope of compulsory insurance and an increase in individual freedom to decide what form insurance should take.

This pressure for change applies above all to retirement insurance. In retirement insurance the element of risk and uncertainty about the insurance benefits which will be required in the future is a less important factor than it is in sickness and unemployment insurance. Retirement insurance is less an insurance against risk than an institution through which, in the course of time, the individual's source of income changes. This means that provision for retirement can be made very largely by acquiring private capital. Thus retirement insurance must be the first point of reform in a „decollectivisation“ of insurance systems in favour of their subsidiary organisations.

The aim of social insurance in Germany is to secure income in the event of sickness, unemployment or old age. The system ensures that those covered by it will have a replacement income from the onset of the insured risk. In the case of sickness and unemployment, this income is proportionate to the average income of the preceding years, subject to a deduction. In the case of retirement, the replacement income, i.e. the pension, is calculated according to the insured person's relative gross income and the length of the term of insurance and payment of contributions to the system (cf. Schmähl 1983). Thus it increases in proportion to the length of time over which contributions have been paid and to the amount of income earned over the person's lifetime, up to a fixed limit for assessment. Social insurance pensions ensure an income in old age of up to 72 or 73 per cent of the net average income of the years preceding retirement, if insurance contributions have been paid over 45 years. In the event, only 24.3 per cent of the insured population meets this ideal requirement. If contributions have been paid over 40 years the level of pension will be 63 per cent of the net average income (Institut der Deutschen Wirtschaft 1985, table 35b). This is a very high rate for a compulsory social insurance scheme. The comparable pension level under the English social insurance system, for example, is only 30 per cent of average male income (cf. Cairncross 1985). A pension level of 70 per cent of previous net income also represents a high degree of protection when we consider that the older person, unlike the young family, has already made specific investments in consumer goods (furniture, kitchen equipment etc.), and moreover, that they no longer have to bear the costs of maintaining their capacity to work - costs estimated at around 10 per cent of income (cf. Albers 1985).

Between 1957 and 1985 the pension level increased from 66.6 per cent to

72.9 per cent, a rate of growth somewhat higher than that of incomes. This increase over and above the increase in incomes is unjustified in terms of the principle upon which social insurance is built. It can be explained only by the widening gap which growing social burdens have created between the gross income of people in employment – against which pensions are calculated – and their net income. If we further consider that the age of retirement is coming down and that increased life expectancy means people are drawing pensions over a longer period of time, it becomes clear that the balance has shifted considerably to the advantage of pensioners and the disadvantage of the working population. In terms of the Federal Statistical Office „shopping basket“, the real purchasing power of pensions has more than doubled. In 1984 the average pensioner could afford 2.64 times as much as his counterpart in 1959.¹³ Pensioners' assets have been maintained and consolidated. People who have been in continual employment have achieved an almost even distribution of income throughout their lifetime.

Should the state set itself the goal of maintaining, through pension payments, an equal distribution of disposable income over the life cycle at all income levels, as it is in Germany today? And should it use compulsion on all its citizens to achieve that goal? What sort of pensions legislation can be made binding and enforced by the state? The state can enforce only those laws which can claim to be in the general interest, i.e. those which may be considered to be acceptable to everyone. The state cannot legislate for the good or ill fortune of its citizens. Therefore, what can be made binding through a general system of social insurance is not comprehensive insurance – i.e. the arbitrary life-pattern in which income is distributed almost evenly throughout the different phases of life – but rather insurance against basic risks, i.e. a basic form of insurance (cf. Koslowski 1982a, Chap. 5). The workers' social insurance of the Bismarckian tradition was a basic or minimum insurance which was implemented by means of legal compulsion. By contrast, present-day social insurance obliges almost all citizens to have comprehensive insurance. Making comprehensive insurance compulsory in this way imposes upon the citizen a form of insurance unacceptable to a certain sort of individual who is prepared to take risks; and it is not legitimate for the state to do this.

¹³ Calculated according to *Statistisches Jahrbuch* 1985, p. 516. On social benefits cf. *Statistisches Jahrbuch* 1987, p. 405 ff.

The social insurance system presupposes that all members of the population wish to distribute their income evenly throughout the different phases of their life. But such an even distribution is at odds with the natural economic cycle of the family. A scheme which supports young families, who have to make substantial investments in setting up a home, and which reduces the income of those households comprising people aged fifty and over, can more legitimately claim to be reasonable and in the general interest. Such a scheme corresponds to the way people distribute their lifetime's income through private and voluntary savings: young families get into debt when they are starting out and clear that debt when the children grow up and leave home. Pensions insurance is based on the notion of a single individual who lives only for himself and wishes to have the same opportunities for consumption throughout all the phases of his life. It is not surprising, therefore, that the social insurance system fosters the spread of a corresponding type of marriage. It favours childless marriages in which both partners are earners and it places the family at a disadvantage.¹⁴

When it comes to pensions insurance, the German social insurance system is geared not towards protecting against risks and neediness, but towards protecting acquired assets and benefits (*Besitzstandswahrung*). This goal is a legitimate one for the individual, but it does not justify a generalised and legally compulsory system, because the negative effects of protecting assets on the life of the community are too great. These negative effects make themselves felt in the falling birth rate and in what I have called the „welfare state illusion“ (Koslowski 1986).

VII. The „Welfare State Illusion“ and the Question of Justice Between Generations

The social insurance system is leading to decreasing investment in the future, in the form of children and it is reinforcing the trend towards childless marriages or marriages with few children. This situation of declining investment in the future arises from illusions about the value of assets in the

¹⁴ Cf., on the financial life-cycle of an average working person, KÖHLER (1989) and GBUREK/KÖHLER (1989).

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form of pension entitlements. Our present situation can be described – in analogy to the public debt illusion associated with David Ricardo¹⁵ – as one of „welfare state illusion“. The idea of public debt illusion discussed in public finance is the following: when the state becomes indebted a distortion occurs in the way economic decision-makers perceive actuality. These decision-makers can no longer recognise their financial position in an adequate and realistic way and they overestimate the extent of their assets because, when the state finances its spending through debt issue, they do not take account of their future payment obligations and the servicing of interest on the national debt as a drain on their budget. Rather, they perceive their disposable income as being greater than it is. Unlike public financing from tax revenue, which immediately reduces people's disposable income, financing by means of public debt leads to a lack of transparency as regards future payment obligations, with the effect that individuals consider themselves richer than they are (see Buchanan 1976, Cavaco-Silva 1977).

In contrast to one major opinion in present-day public finance, which sees financing through taxes and through public debt as being equivalent, tax financing and debt financing are not equivalent. The two alternatives might be equivalent for the state's purely financial decision but they are not equivalent in their real effects on the consumption versus investment decisions of the individuals. Rather, financing through public debt leads to a higher proportion of the disposable national income being expended on consumption than is the case with financing through taxation. Financing through public debt also leads to a comparative reduction in investment and in growth. When public spending is financed by means of public debt rather than by increased taxation, actuality becomes less clear, opaque, and its correct perception more difficult if not impossible.

15 To most readers, the „Ricardian equivalence theorem“, will be familiar. RICARDO assumes that financing public expenditures by public debt or by taxes is equivalent for the state. RICARDO (1821), pp. 247, adds, however, that: „From what I have said, it must not be inferred that I consider the system of borrowing as the best calculated to defray the extraordinary expenses of the state. It is a system which tends to make us less thrifty – to blind us to our real situation.“ This conclusion of Ricardo is very often overseen. Cf. BARRO (1974) and ABEL (1987), p. 174-179, for the thesis that the Ricardian equivalence theorem must be derived from RICARDO. For the opposite thesis that the theorem of public debt illusion must be deduced from his reasoning cf. BUCHANAN (1976) and CAVACO-SILVA (1977). Ricardo's preference for tax versus debt financing of public expenses is also expressed in RICARDO (1820), p. 186.

A problem of illusion analogous to that of public debt illusion, and one which also arises from a lack of foresight about the obligations entailed in servicing the debt, is apparent in the present state pensions insurance system of compulsory pay-as-you-go governmental social insurance. Modern state pensions insurance involves elements of indebtedness. Specifically it is tantamount to the present generation becoming indebted to the next generation. If the number of pensioners rises relative to the number of people in employment or if the length of time over which pensions are paid increases, then the generation in retirement becomes indebted to the working generation, without any possibility of repaying the debt. If the number of children declines, reducing the generation of children in comparison to that of their parents, because working parents do not raise enough children, then the parents' generation becomes indebted to the children's generation, with an equal impossibility of repaying the debt. Within the German social insurance system, factors are at work which foster illusion. They are as follows:

- There is a lack of transparency about future payment obligations, i.e. transparency for the individual about the extent to which his generation, that of the young parents, has become indebted to the following generation of the current children generation either by raising too few children or by increasing their own life expectancy.
- Insufficient consideration is given to the future obligations of children to pay for their parents, or these obligations are underrated.
- There is a corresponding distortion of decisions as between consumption and the formation of capital.

Why is pension insurance in the welfare state equivalent to a debt issue to the next generation, if the relationship between the generations shifts to the disadvantage of the younger generation? Surely the generation in employment goes on paying into the social insurance system. The present working population is earning the pensions of the people who were in employment in the preceding period. But the pensions of the people in employment today will be earned by the generation which will be working in the period that follows. The modern „contract between the generations“ sets the traditional scheme of things on its head. Parents are no longer acquiring capital as they once did to provide for themselves and their children, but rather, the children, via the state's system of compulsory savings through social insurance, are providing for their parents, for themselves and for their own children, i.e. for the grandchildren. As yet insufficient attention has been paid to the his-

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toric importance of this change in terms of the way the social world develops and to its huge effects on the relationship between generations.

Increasingly, the young generation is refusing to assume the task of rearing children in the numbers needed to ensure security for the old. They are refusing – understandably, because they bear a double burden – to perform the increasingly necessary task of accumulating capital and savings to bring up children and to keep pensioners. Because they are compelled to set aside growing portions of their income to secure the retirement income of the generation that worked before them, they are no longer prepared, to the extent they were previously, to maintain a constant rate of reproduction. The birth rate is declining, and with it the rate at which capital, in the form of human capital, is accumulated. The drop in the reproduction rate of „children as human capital“ is conditioned by the social insurance system and the way it sets on end the duty of provision for the future. The system of provision for old age rewards childlessness.¹⁶

This process is intensified by the welfare state illusion. The currently working generation have a distorted perception of reality and systematically overestimate the value of their assets in the form of their accumulated pension entitlements. If the levels of contributions to the social security system remain constant, social insurance benefits can be financed only when the age structure of society does not change – when family size and life expectancy remain constant. If the number of children per family declines or if life expectancy increases without a change in retirement age, or if, as is happening today, these two parameters shift simultaneously in their separate directions, then either contributions must be raised or benefits must be cut.

Only in theory can the state counter this welfare state illusion by means of ever-increasing social insurance contribution levels or tax incentives for larger families. For, on the basis of current demographic trends, unchanged rates of benefit and a constant level of state subsidy for financing pensions insurance, the level of contributions required to cover pension payments would have to rise from 18.7% in 1989 to 35% in 2030.¹⁷ The average working family could not be expected to pay such a level of contributions.

16 Cf. NELL-BREUNING (1960), p. 186: „Wer keine Kinder aufzieht, baut seine Zukunft auf den Kindern anderer Leute auf.“ [„People with no children are building their future on the children of others.“]

17 According to FINK (1988 a), p. 9, in 1988 two employed people were paying for every pensioner; in 2030 there will be one person paying contributions for every pensioner.

Regarding the financing problems caused by population decline, the opinion is often expressed in public finance that the population problem itself is a problem exogenous to the economic and social security system and that it cannot be tackled by institutional reorganisation. The decline in the child population is, in fact, a problem affecting all the Western democracies (cf. Clark/Kreps/Spengler 1978). Germany, however, has one of the lowest birth-rate of any democratic country and this problem has been remedied only very partially by the huge influx of immigrants. The fall in the number of births is a problem of our welfare institutions because our social insurance system includes no incentives for people to have children, but rather, contains clear disincentives, elements which deter people from having children. Removing those elements of social insurance which deter people from having children would not constitute a policy for population increase, but a policy of equal treatment for the family and of making those responsible for the declining number of children and future contributions to the transfers of the pensions internalise the costs of this phenomenon.

According to the principle that those who cause a problem should be responsible for its solution, those who have no children should bear more of the cost of population decline, while families who contribute to securing pensions should get more relief from the financial burdens of child-rearing. The current system of provision for old age places the burden of children in the private domain, while children as an asset are nationalised in the so-called contract between the generations - a contract between adults and other people's children. Justice demands that if children as an asset are nationalised, then the burden of children should also be nationalised to a greater extent: this may involve - in the process of securing financial parity between couples with children where only one partner is in paid employment and childless couples where both partners work - making deductions to take account of the joy which children give their parents. Thus, Germany has the choice either to move into the direction of Sweden and socialise the costs of child-rearing or to move into the direction of England and reduce the level of pension payments and of compulsory contributions to the pension system.

VIII. A Culture of Basic Provision and a New Subsidiarity

The social insurance system weakens that element of basic provision which serves to impart meaning and to create social community, what W.

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Sombart has called the culture function of seeking a living. The process of seeking and making provision for our living is not just an economic phenomenon, but also a cultural one, because it influences the way we lead our entire economic, family and spiritual life. Providing for our living and our existence on the basis of personal responsibility is always conditioned by culture, and its effects are felt on the way we lead our lives in more than the economic sense. To take personal responsibility for acquiring capital and savings means that a person is acting and taking decisions on their own cognisance. Acquiring capital is the result of a process of individual recognition, decision-making and responsibility which leads to the choice of the best possible alternative. This responsible choice which I make for myself cannot be fully taken over by state agencies without eliminating precisely that element of individual optimisation, of making the best decision for each person.¹⁸

Compulsory state insurance eliminates the cultural function and the meaningful aspect of provision by imposing a system of compulsory savings which are then redistributed on the basis of contributions made. Provision for old age is removed entirely from the realm of structuring one's own life in a personally responsible way. In such a centrally important area of life as caring for old age – and thus caring for life in its entirety – the individual is reduced to the status of an object to be administered, a child who must be taken care of. The consequence is the danger that the German population becomes a nation of infants in an idyllic cabbage patch under the total care of the state.

To cut provision for, and anticipation of old age out of the lives of working people is to induce a frivolous attitude to life, not only as regards provision for old age, but also in relation to responsibility for the way life is led in its entirety. People will turn to the playgrounds of life in search of seriousness and challenge, to activities like sport, mountain-climbing or sailing or to adventure safaris, but they will no longer seek these qualities in the way they shape their own lives or in the life of their family.

Taking away personal responsibility for old-age provision by means of a collective system of compulsory insurance removes the necessity for people to perceive life in its entirety, the necessity to recall the warning given by

18 Increasing awareness of this problem is apparent. The growing number of life insurance policies being taken out (*Statistisches Jahrbuch* 1988, p. 326) is a clear indicator that people are increasingly prepared to make private arrangements for basic provision. However, those in the lowest income brackets are still heavily reliant on state pension insurance.

Solon of Athens - that we cannot count any man happy before the end of his life. Comprehensive insurance makes the perception of life in its entirety superfluous.

General, comprehensive state insurance is so expensive that it can be financed only in conditions of economic growth, for only then can we guarantee the state subsidies that have become increasingly necessary for social insurance. Comprehensive state insurance forces the economy along a growth path, the costs of which, in terms of the environment and the hectic pace of economic life, could be greater than the security to be gained through general, comprehensive insurance. A system of provision for old age cannot be predicated on growth in the economy as a whole, because economic growth is precarious, has too many side effects and may not be sustainable in the long term. The system of security for old age must function even when the economy is static, not growing, because otherwise it bases itself on something which is too insecure and encumbered with too many side-effects, namely continual growth.

Financial shortfalls in pensions insurance are making social security reform unavoidable. Certain changes are apparent already. Within a few years the pension funds will have a financial shortfall of DM 50 billion. This „gap“ cannot simply be „plugged“ by increased federal subsidy because the federal authorities cannot go on forever putting vast sums of money into subsidising pensioners' consumption without taking account of overall economic justice and overall social priorities. Today we need to restructure social insurance and to redistribute the weight on the so called „three pillars“ of the social security system – i.e. compulsory state insurance, corporate insurance or occupational pensions, and private insurance – towards the last two of these. This reform and reweighting must restore the individual's learning and decision-making capacity within the system of collective and individual provision; as well as restoring the meaningfulness of basic provision in the real world and its cultural character. It must dispel the welfare state illusion of state provision, the idea that social security can be achieved without regard to justice between the generations.

The guiding principle in the reform of social security must be the principle of subsidiarity (cf. Utz 1956 and Rauscher 1989), the principle that the system of basic provision must follow the meaningful structure of the social world and the system of the social relationships of the people in society. The principle of subsidiarity leads to increased transparency and brings basic provision closer to the individual concerned. It restores the individual's awareness of the connection between security for old age and family development;

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between social security and the culture of the provision securing income for retirement and of provision for our living. Cover for life risks must be provided through institutions, in which one can experience a sense of social and cultural meaning and can develop personal relationships which involve loyalty and responsibility.

Nowadays sociology talks of the classical family losing ground to a 'pluralisation of lifestyles' such as open long-term relationships, single-parent families and so on. This development can either be welcomed or rejected. However, with regard to social policy and security, this development is alarming if the cost of pluralising lifestyles is externalised or nationalised and is simply loaded onto the welfare state. For example, if social aid is claimed by single-parent families or for alternative lifestyles, „alternative-ness“ being financed from a fund which is actually set up for emergency cases, the cost of which is borne by all members of society.

In the new subsidiarity, the family will play the primary, but not the only role. The family is the original and natural institution which provides basic provision. Since the family income is, however, so heavily dependent on the market and therefore on its fluctuations and since the cohesion of the extended family is reduced by geographical, professional or social mobility, the family alone is no longer in the position to deliver basic provision. Corporate and occupational pension institutions must work in conjunction with the family. In this process, a reduction in state responsibility for social benefits must not be limited to purely financial restructuring. The ever more important area of care services can also increasingly be taken over by non-state institutions (cf. Fink 1988a; Dettling/Jaekel/Munder 1988; cf. also Fink 1983).

The principle of subsidiarity calls for a distinction to be made between the kind of risks which can only be borne by the larger community and those which can be borne by smaller, subsidiary communities. Compulsory state provision ought to provide only basic insurance, protection from neediness, and not protection from poverty in old age. Only this kind of insurance constitutes a general purpose of the state; one can thus assume that the public would agree to it. At this point, it is valid to differentiate clearly between the state's objective of providing protection from neediness in old age and that of protecting from poverty in old age. The proposal from the Greens' parliamentary group in the German Lower House, to introduce a „basic pension“, financed by taxation, in order to avoid poverty in old age, implies as an objective of state provision something which is unattainable. The state cannot eliminate poverty, but only vital neediness, because poverty is a relative

concept. Poverty is a disparity between means available and perceived needs and requirements. A rich man, whose annual income falls from DM 300,000 to DM 30,000 will feel poor but will not be in need. If there is relative poverty during working years then there will also be poverty during retirement. The state cannot eliminate relative poverty, neither during active, working life nor during retirement.

Nor is it the task of state provision to avoid every relative increase in poverty during retirement. The protection which social insurance aims to achieve, namely that in old age no insured person ought to fall from his previous social stratum, is one which should be critically questioned. Protecting the assets of relative income positions may well be an interest of the individual, and accordingly, he or she can privately insure this interest. However, protecting assets is neither a means towards the state objective of protecting the citizen against neediness, nor is it a state objective in itself. For, if it were an aim of the state, the state would then be favouring and establishing an existing stratification of income and society. The state governed by the rule of law and the social state should be neutral towards the distribution and stratification which emerges from the free play of society's forces, and it should intervene structurally in distribution, only on the margin of the social spectrum, in the case of neediness or when riches and power are being monopolised.

Even if the state were to set itself the goal of protecting a certain level of income in retirement, related to the level of income during working life, it certainly could not realise that goal, because the retired generation as a whole can only protect their capital assets and income when the age structure of the population is constant or is becoming ever younger. If the entire society is ageing, securing a constant level of real income for the older members is only possible through the worsening of the relative position of the younger members. This problem of inter-generational justice, that is, justice between the generations, is the ultimate cause of the current crisis in insurance for old age.

It is unjust for the state to guarantee a constant level of disposable income even for retirement incomes, without taking into account the changed conditions as regards the population structure and life expectancy. However it is also unjust to carry out large-scale, discretionary devaluation of the claims to pension payments acquired by the life-long contributions to the social security system during the active work life. What is just is that a balance of interests is achieved through impartial consideration of the issues and of the entitlements of the generations affected. It is precisely as unjust to

establish the entitlements of one generation when circumstances have changed as it is to undermine people's entitlements in a discriminatory way by devaluating their benefits.

In any event, justice between generations can only be realised to a limited extent. When someone is born largely defines their fate (cf. Künzel-Schön 1986, 102 ff). The person who is old enough to have lived through two world wars and two inflationary periods in Germany experiences a fate different to someone who was born well after the war. However, for the past fifteen years the generation born in the high birth-rate years of the „baby boom“ has been economically worse-off than their parents' generation at the same stage in life (cf. Baby Boomers 1986).

To want to establish in detail equal conditions in life between generations would be to remove the uncontrollable nature of birth and of fate, and to want to play God. Here the state can only strive for something approaching justice. It must also be noted that in a democracy with an age structure in which the older age groups are particularly strong, there is no danger that the young will be privileged; the privileged group will rather be the old. Currently in Germany the 45-and-over age group has an absolute majority over the younger age cohorts¹⁹, so that this age group, if it is as united as the younger one, is capable of politically pushing through amendments to the law in favour of improved provision for old age.

IX. A Proposal for the Reform of the Social Insurance System: Contributory Basic Pension

The task of basic provision by the state is to provide basic security for old age, not full security in the sense of protecting assets. This view is represent-

¹⁹ On 1 January 1985, 45-and-over age group: 22.74 million, 18-45 age group: approx. 22.0 million; figures based on INSTITUT DER DEUTSCHEN WIRTSCHAFT (1985), table 4. Cf. also HAUSER (1982), p. 441. According to reliable estimates, in the year 2000, one in four Germans will be over 60, and if current trends continue the ratio will be more than one in three in 2030. The fact that senior citizens set up their own party, the Graue Panther, in July 1989 shows that political debate and even party formation already target age groups, and that „age-group classes“ are beginning to shape parties. The creation of „class-based parties“, with age as the factor defining class, and the dangers of an emergent „class struggle between age groups“ are already looming.

ed by two very different groups of authors in two draft reforms. Both the draft reform from the Green party group in the German Lower House and that of the Institut für Wirtschafts- und Gesellschaftspolitik (IWG) [Institute for Economic and Social Policy] (by Meinhard Miegel and Stephanie Wahl) question the principles of protecting assets and of dependency on contributions, upon which the current pensions insurance law is founded.

The Greens' draft proposes a citizen's income of DM 1000 which would be financed from tax revenue and index-linked, as well as a compulsory additional pension (Die Grünen/ Graue Panther 1985). Miegel and Wahl's draft for the IWG proposes a basic insurance, which would amount to 40 per cent of the given average net wage of all non-self-employed workers, i.e. around DM 800 at present, and would be fully financed from tax revenue. It ought to be possible to complement this basic insurance with a voluntary and private supplementary insurance (Miegel/Wahl 1985, p.10).

One objection to the Greens' draft is that it proposes such a high basic pension that a compulsory additional pension would be utopian. The citizen's income system would not change the current comprehensive insurance system, but would only shift the financial burden off the system which has run up until now, involving a combination of the socially insured individual's contributions and state subsidies, onto the state alone.

But the level of basic security or basic pension should not be the central issue here. More important are systematic objections to tax-financed basic security. If one of the key problems in state provision up to now has been that it does not take into consideration the real economic side effects of the way provision for old age is organised on the population structure, on the behaviour of different generations and on the capacity for personal responsibility²⁰ then it is surely an even greater problem for drafts which throw the baby out with the bath water, calling for and advocating even less personal responsibility. With a tax-financed basic pension income there is no remaining incentive to look after the culture of basic provision, because even personal work performance no longer has an influence on security. Incentives to renounce consumption, to work more economically and to sensibly acquire savings become completely irrelevant. Except for the very affluent classes,

²⁰ Here again we must reject the widespread view that population development is a variable completely exogenous to the organization of the national economy and the institutions for basic provision, and that it is not affected by the organizational principles of social insurance. Rather, population development must be endogenized as a variable in the system of old-age insurance.

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there is no longer any incentive to save. Saving is enforced by means of taxation, but in a situation where basic insurance is financed through taxation and where there is a lack of incentive to work and to invest because of high taxation, the level of taxes necessary for the basic pension may not even be being earned any more.

The concept of basic pension was introduced in the proposal of the Greens' parliamentary group and the senior citizens' protection association, Graue Panther in 1985, and was based on the argument that more and more work is being done by machines and that we are running out of work as it were evident from the high unemployment figures. Therefore society must maintain those who cannot find work. In reply to this it can be said that a machine tax is effectively a tax on those who own machines, and thus it raises production costs just as much as employment-related social contributions, and like the latter, it has potentially negative repercussions on employment and social security.

The argument that unemployment and unemployment benefit as a replacement income represent a disconnection in the link between work done and the entitlement to income, and that this disconnection can be applied to the entire retired population is untenable. This disconnection between work and income applies at present, at a time of great national economic pressure, to about 10 per cent of the working population in Germany (a figure equivalent to the number of unemployed). Society is affluent enough to be able to bear this disconnection between work done and the entitlement to income. However, an analogous total break between work and income in old age would only be possible if the national economy were able economically to bear an even higher rate of unemployment without material difficulty. This, however, is highly unlikely. It is astonishing that millions of unemployed can successfully be maintained over a long period of time without a collapse of the national economy, but it does not justify extending the phenomenon of the non-work-related income for the unemployed to turn it into a general pension for everyone independent of work and of contributions.

It may be justified to add a thought on long-term unemployment to these considerations on the problem of basic income. Current long-term unemployment is not, like the mass unemployment of the nineteenth century primarily a question of distribution, but is rather a cultural problem. It is not subsistence protection of the unemployed which is called into question but the protection of their right to participate in the society's culture, a culture which is transmitted through work. Because work has a cultural function and at the same time offers participation in the creation of the values of a culture,

the unemployed are excluded from a part of society's culture. The same is true for women not working. The feelings of demoralisation experienced by many housewives who are not in work, do not arise from an objective income crisis, but from the feeling of having limited participation in society's culture.

The solution for long-term unemployment cannot only be envisaged through redistribution of work, because work is not a homogeneous good like money which can be distributed better by transfers. Unemployment comes about precisely because the production factor labour is not homogeneous and particular forms of work are no longer required, i.e. they are no longer sufficiently productive or are not taken on by the workers. The solution for long-term unemployment must rather be sought in a new „culture of employment“ within companies, which does not instantly make less productive jobs redundant, but attempts to keep them in the company, and which also has the possibility of reducing wages for less productive work. The state should even out some of the loss in productivity due to less productive workforces, by transfer payments to the companies.

This kind of culture of employment would prevent employers from being able to externalise completely their obligation to provide for the welfare of their employees and would stop them from shifting it onto the state social insurance. Care for the unemployed cannot be externalised completely from the companies to social insurance. The fight against unemployment must be at least partly internalised inside the companies again and the state must support this internalisation in a subsidiary way. The social issue of the present day is the co-existence of long-term unemployment in particular sections of the working population and a boom in the national economy. This social issue is primarily a cultural one. It puts to society and the economy the cultural demand of permitting everybody to participate in the creation of society's cultural and economic values which are transmitted through work.

Returning to the problem of basic security in old age: those who advocate a basic pension guaranteed by the state and financed by taxation, base this call on the argument that the basic pension would have to be introduced without a compulsory contributions scheme, in order to prevent a large number of pensioners from drifting over to social aid and to stop the „stigmatisation“ associated with this from arising at all in the first place. The reply to this is that the distinction between normal and abnormal, between responsible and irresponsible behaviour is not a „stigmatisation“ of, nor a mark of Cain on those acting irresponsibly. It is what it is: a factual distinction. The difference between a self-earned entitlement and social aid cannot be abol-

ished just so that no one need any longer be ashamed to claim social aid. The ethos of personal responsibility cannot be abolished so that those acting irresponsibly need no longer feel any ethical reproach. Normality cannot be abolished so that there is no longer any anomaly. The distinction between social insurance and social aid cannot be abolished either, just because people who occasionally find themselves needy are ashamed to claim social aid. If someone finds himself in neediness through no fault of his own, he must not, indeed ought not to be allowed to be ashamed to claim social aid. If he must claim it through his own fault, then it is right that his conscience pricks when he makes the claim.

Unfortunately there are many forms of neediness which fall between those which arise through one's own fault and those which arise through no fault of one's own, and these ought to be dealt with cautiously when moralising about lifestyles. However, taking people seriously as responsible beings requires that the ethics of responsibility as well as the question of blame cannot be completely divorced from the economic question of maintenance. To divorce the question of responsibility from the distinction between personally earned entitlement and social aid granted from the national income would not only be an injustice to that majority which live their lives responsibly, it would also be a denial of the central identity and values of the individual who may have made one mistake and who would only be regarded to an even greater extent as an object without awareness, if this mistake were not also accounted to him.

Most people want to be recognised as personally responsible individuals, and also want to be recognised by the state. Therefore most people do not want to receive their pension as a good-Samaritan allocation, but as an entitlement acquired through contributions. They regard their payment of contributions as buying an entitlement. They are buying a feeling of entitlement to a claim. However, those entitled to pensions will have to learn that their contributions are not buying them future benefits on a basis of equality of value and counter-value, of deposit and withdrawal, but that they are merely „acquiring“ pension payments which are just, are in relation to contribution payments and commensurate with the relationship between the generations. Under changing environmental and generational relationships, for which the individual is not responsible, the contributions cannot buy a particular pension, but only the entitlement to a just pension benefit. Pension entitlements are a relationship of just reciprocal services, not of contractual equality. Talk of the contract between generations is misleading. By definition generations cannot make contracts because everybody who ought to enter into such a

contract is not present simultaneously. I do not have a contract with my parents to be born, because they cannot ask me if I wish to be born.

Similarly, a younger generation, decreasing in number because part of the parental generation found raising children too troublesome, could not be asked to agree to the pension contract. And they certainly would not have agreed to maintain more and more retired people and pensioners when there are fewer and fewer employed people. The legal form of the civil law contract is based on the equality of the reciprocal performance of a contract, as long as it is not a gift contract. Relationships based on mutuality are however relationships of reciprocity which are socially standardised and ethically influenced, and which, taking a long-term perspective, may sometimes be equal, but at least are fair in the long run, as regards the balance between the reciprocal elements of performance. In pensions insurance there is a relationship based on mutuality, not a contract. Thus, if the circumstances change, then the relationship of reciprocity must also change. The balance of burdens between the generations is not an equal reciprocal performance, or an equal deposit and withdrawal which is defined by contract, but it is a just two-way balance of justified claims which generations have upon each other.

If the life span of old people increases and the number of young people decreases then there should be a fair and balanced decline in the claims of the old, while the performance of the young should increase. The burdens must be fairly distributed. It is not absolutely necessary for the balance to be equal according to numbers or percentages, as intended by the Social Democrat Party (SPD) proposal for reform. According to this proposal, pensions should be reduced by the same percentage as that by which working people's contributions and government subsidies to pensions insurance go up. It is doubtful whether a just or equal distribution of burdens is thus achieved. Because the government subsidies are paid by tax-payers and therefore (because pensioners pay no direct taxes) paid by workers, and because the pensioners' level of wealth is often higher than that of younger families, this solution is too elegant and too numerical in fact to be just.

Performances based on complete mutuality are only possible in families and between friends, but not between people who are not acquainted and between the members of an entire population. A population is not bound together to that extent. Basic provision by the state based on mutuality is therefore not possible in the form of a citizen's income nor as a general basic pension financed by taxes, but can only be organised on a contributory basis and not including full cover for income in old age according to the relative level of wealth in the income pyramid during the working years. The dynam-

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ic state pension of recent decades which protected a particular level of assets, was linked to one-off historical conditions: i.e. the baby boom generation with its increasing number of contributors, the high level of economic growth during these years and the low starting level for pensions in 1957. These conditions no longer apply today.

The reform of social security should provide for a basic pension financed by contributions under state management, and should direct claims to protection which exceed this to private and company insurance. There are two principles in this which ought to be decisive and at the same time they should establish the line of continuity which provides the link to the current system of insurance for old age. These are the compulsory nature of basic protection for everyone and the financing of the basic pension through contributions.

The model of state basic pension takes into account the fact that not all members of society can insure themselves privately for basic risks, but that a general compulsory insurance cannot constitute protection of assets, but only a basic insurance. The model of financing through contributions emphasises the difference between a personally earned entitlement to insurance for old age and the granting of social aid, which is not worked for. The formulation of the basic pension financed by contributions could look like this:²¹

- The state-enforced, legally organised insurance for old age, invalidity and dependants would be exclusively a basic insurance.
- This basic protection or basic pension would be financed by compulsory contributions from everyone, including the self-employed. Everyone would be entitled to this basic pension in old age.
- The basic pension would amount to 40 - 50 per cent of the average net remuneration for work of all non-self-employed people in a given period.
- The basic pension would be financed by contributions from everyone. In periods which count towards pension, but for which no payments are made, the state would pay the contributions in the place of the insured party, particularly for housewives when they are raising children.

21 The proposal, the essential features of which are outlined here, contains elements of the IWG draft proposal for a basic pension (H MIEGEL, S. WAHL) and elements of R. HAUSER and G. WAGNER's Voll Eigenständiges System der Absicherung; cf. WAGNER (1986). My proposal differs from that of the IWG in that basic pension would be funded by contributions, and from Wagner's proposal in that it places greater emphasis on the character of the basic pension and on balancing out the costs of having children.

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- The distinction between basic pension financed by contributions and social aid would continue to be maintained.
- The contributions paid by the state from tax revenue for periods during which women work as housewives and which count towards pension, but for which no payments are made, would be financed from an energy and resources tax, with the aim of reducing the use of non-renewable resources which will no longer be available for future generations and of using the money from the resources tax towards new life and towards making it easier to raise children.
- The basic pension would realise equality in old age protection between married couples with children in which only one parent works, and married couples without children in which both parents work.
- The basic protection financed by contributions would be introduced within a period of 30 years, during which acquired pension and maintenance entitlements would be safeguarded. In protecting pension entitlements acquired up until now, there would be a percentage reduction in the level of pensions to date, which would be approximately equivalent to the percentage rate by which the relationship between the number of employed people and the total population had declined.
- Company and co-operative insurance systems and procedures to protect capital as part of company profit-sharing and share-ownership schemes for employees, which would be able to supplement the basic pension, should be promoted to a greater extent.
- Private acquisition of capital for security in old age, by means of home owning, among other things, should also be made easier than before for those with lower incomes.

The transition from the present system, with its very predominant proportion of state provision, to a mixed system of personal responsibility and basic state protection poses political and technical problems of financing for the legislator, because expectations have been created and accumulated entitlements to social insurance exist which are like wealth, and which require a longer transitional period. However, it must be made clear that the entitlement to an unchanged level of pensions insurance and the protection of the trust of today's pensioners can only be acknowledged on condition that the average duration of retirement, pension payments to those who are entitled to them, and the relationship between the number of actively employed and the

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number of those who receive pensions remain unchanged. If this constant is not true, as is the case today, then either reductions in pensions must be fixed according to the changed relationship in numbers between the generations, or the pension age must be shifted upwards. Decreases in pensions based on reasons of this kind can facilitate the transitional phase from the current pension system to the system of a basic pension financed by contributions.

The model presented here is not a revolutionary break with the system which has been in place until now, as would have been the case with a basic pension financed by taxation. But rather, it follows the line of continuity from the pension system in the past. It is making use of the financial crisis in the social security systems of Germany as an opportunity for a reform, which will lead to a better combination of personal responsibility and basic provision by the state.

X. Individual Responsibility for Social Security

The state system of compulsory comprehensive insurance weakens the cultural and meaning-imparting function of provision in that it takes provision right out of the hands of the citizens. The current pension system enforces full cover through compulsory contributions. It lays down the level and duration of payments by legal obligation and fixes the relative levels of pensions according to these two yardsticks for all income groups. Because the current pension system makes compulsory the method and the scale of protection for old age for everyone, but of necessity cannot put a time limit on pension payments in retirement according to their duration nor make them legally binding, this system finds itself between the frying-pan and the fire: between decreasing receipts from contributions as the working population is on the decline and increasing pension payments when the period of retirement – of pension entitlement – increases in duration. In the administered system of compulsory contributions in which the individual has no influence whatsoever on the ways and means of acquiring and eroding capital, he will not be induced to be independent to the extent of creating capital for himself and his children, will he be led to a communal, „contextual“ matching of his provision with the people in his area. He will, rather, be kept in the position of a cared-for and administered member of the compulsory insurance system.

The removal of personal responsibility for old-age provision by means of a system of collective comprehensive social security does away with the

necessity to see one's life as a whole and to have old age present in youth as well, in that anticipation of the mind which Heidegger called „running forward in thought towards death“ (cf. Heidegger 1956, p. 68 + 75). Comprehensive social security eliminates the individual's incentive to provide care for him- or herself.²² However it cannot eliminate the economic necessity that a general culture of basic provision must exist amongst members of society because the means for securing an existence must still be efficiently obtained. To experience the run-up to old age with an attitude of responsibility means uniting all one's life in a single point of view, that as unity it will be a success and can be justified. The consideration of the entirety of life under the perspective of securing oneself against the basic risks of existence – for which the individual takes responsibility – is an essential part of successful human activity. Social responsibility for social security and for basic provision cannot remove the necessity for individual ethical responsibility for the entirety of the individual life and its individual security. Rather it must promote the cultivation of individual responsibility within the subsidiary forms of insurance against risks provided by private, corporate and occupational, and governmental schemes.

22 Cf. also KOSLOWSKI (1987) on the culture in which the individual provides care for himself.

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