Framing the Citizen-Consumer

by

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The United Kingdom's history of strong central government has facilitated an evolving interface between governments and citizens. Increasingly interaction is characterised by citizen as consumer. Less and less the relationship mirrors the normative ideal of democratic politics with the logic of transaction recasting the polity as a consumer of public services. Recent trends in the UK civil service reveal a citizen being positioned in a markedly different way to one who was once seen as the purveyor of public virtue.

This paper explores the rise of the citizen as consumer in the UK through the changing interface between the British Department for Work and Pensions (DWP) and the public. It examines the so-called 'pension debacle', a case of significant administrative failure. During the 1980s and 1990s the government promoted potentially precarious private pension schemes, incorrectly implying that such schemes were guaranteed by the state. Many older workers joined often without realising the risk they were undertaking. Many schemes subsequently collapsed with the compensation costs projected to amount to several billion pounds. The frame through which the DWP viewed citizens was undeniably as consumers of the service it provided. Yet clients understood the role of the DWP as more than transactional, placing much stock in the advice of government. The mechanisms of communication (in this case information provided by the DWP and its predecessor) are revealing about how citizens were viewed by the DWP. While the failing was ostensibly bureaucratic, the case demonstrates much about the rise of the citizen-consumer.

A polity of consumers

Throughout the 1960s and 1970s, the culture and role of the British civil service began to change through a 'bureaucratic intensification' that emanated from within government, and was epitomised by the work of the Fulton Committee (McSweeny 2006, 27). While the professionalisation of the civil service was accompanied by the reassertion of independence in providing advice, it also ushered in an age of new public management.
hollowing of the state and adoption of business oriented practice for the civil service dramatically changed the way services were delivered, and citizens were perceived (Rhodes 1997: 88-111). This environment fostered a reframing of public service provision as business transactions.

It is in view of the changing British civil service that the rise of the citizen as consumer must be understood. While both the notion of citizenship and consumerism are highly contested, most agree that they encapsulate different realms of human practice. The confluence between the two concepts certainly gathered momentum during the Thatcher years, but a sophisticated crescendo in their hyphenation was undoubtedly a product of the Blair administrations push for citizen-consumer choice (Root 2007). As Blair argued in 2004 'choice puts the levers in the hands of the parents and patients so that they are citizens, and consumers can be a driving force for improvement in their public services' (Blair, quoted in the Guardian 24 June 2004: 1).

The model citizen embodies certain equalities. This is equality of vote and voice, of participation in democratic politics, and equality before the law. It is a horizontal relationship *between* citizens. Indeed vertical power relations as understood in the context of citizenship are between the citizen and the state. The practices (and institutions) constituting citizenship assume that equality is productive in forming mutual interests and bonds between the group. In this formulation legitimate vertical power relations are only by consent. In this sense the citizen is a political construct and one who figures prominently in the administration of the United Kingdom (see Taylor 2004). Though as Robert Putnam’s (1995; 2000) work on civic engagement and social capital demonstrates the bonds that tie citizens together in a polity can be very dynamic.

The consumer in contrast is an economic imaginary. The practices and assumptions of the consumer are referenced to their commercial activity. They exercise their agency and freedom in the market place. The freedom to own and exchange property, and dispose of it as one wishes (to consume in any fashion), is the central defining characteristic of the consumer (Macpherson 1962). The consumer emphasises the individual freedom to
exercise power through the use of money. As Clarke (2007) suggests the anonymity of market exchange, the equality of money and some basic legal restriction to facilitate the exchange, help produce the central freedom of the consumer – the freedom of choice. As once the vanguard of the industrial revolution the modern consumer is intermingled with the development of the contemporary United Kingdom.

The citizen-consumer

Both ideas of the consumer and the citizen are deeply embedded in the western democratic psyche. That is to suggest that 'both figures – the citizen and the consumer – are critical elements in the liberal social imaginary: they co-exist in more or less uncomfortable combinations with one another' (Clarke et al 2007: 7). The citizen is presumed to have some concern for the wellbeing of the group. This public persona is somewhat incompatible at times with the consumer. In contrast, the private figure of the consumer is burdened in no such way with the vagaries of the group. The consumer may be selfish, though not necessarily so. The tension between the two ideals is evident in their many recombinations.

The citizen demands some respect for the 'public interest', and is afforded rights and responsibilities helping insulate them from private will. The private individual is afforded a mutual indifference to enact her/his persona. Both concepts embody the shared ideals of liberty, freedom of individuality and equality, even if the exercise and emphasis varies in each. They are very much constitutive of each other and exist in a discordant harmony. Clarke et al (2007, 3) notes that the citizen and consumer denote a series of binary oppositions: state/market; public/private; political/economic; collective/individual; rights/exchange.

The archetype of the citizen and the consumer hide the vicissitudes of the persona in practice. The practices that constitute the persona are less consolidated than is often touted. They are less defined than their substantiated social imaginary suggests. Thus,
'In that imaginary, the citizen strides forward, the bold embodiment of the republican tradition. She/he self confidently articulates political views, engages productively in public discourse and makes demands of the state as of right. Equally, the consumer forms judgements and makes choices, assertively pursuing self-interest and bursting free of social and political constraints' (Clarke et al 2007, 5).

The citizen-consumer is a complex confluence of the two themes. How the confluence is understood vary according to the site of interaction. Clarke et al (2007) systematically identify this shift across the UK public sector (see also Mann 2006). Slocum (2004) and Parker (1999) explore the creation of the citizen-consumer in environment campaigns and policy (see also Doubleday 2004). They argue that the creation of a consumer-citizen is driven by the citizen as consumer, feeding back into the interface between state and citizen. Spring (2003) argues that the idea is already well entrenched in many service delivery sectors such as education.

Reframing the public
The contemporary political landscape in the UK is characterised by a shift towards a media centred form of democracy (Norris 2001; see also Meyer 2002). The Blair and Brown administrations have spent considerable energy on press relations and media management. The wide ranging selling of government (Davis 2002) has helped reinforce the confluence between citizen and consumer. In highly individuated and complex contemporary democracies (Beck 1992; Castells 2001) the modes of communication between government and citizen are diverse, generating many different informational loops and expectations of actors. Governments now often engage in a process of listening to constituents using a ‘customer focused’ frame. The phenomenon of the ‘expert’ citizen (Bang 2003) and the importance of unelected bodies to the functioning of the modern state (Vibert 2007) have undoubtedly contributed to this. Citizens are perceived as being much more proactive in dealing with government. The dismantling of the comprehensive welfare state in the UK sees the individual much more as the author of their own interaction with government.
Government communications practices are very much at the vanguard of this shift from public sector as primarily concerned with ensuring citizens realise their rights and responsibilities, to public sector as service deliverer. Public sector communication thus takes on the logic of customer service. This potentially provides the reason for more open and democratic forms of communication as the relationship between citizens and governments change. As Graber (2003) demonstrates the frame of communication used by a public organisation can help reinforce the relationship in even the most mundane of interactions. Governments dictate less and are forced to listen more. While there is space for dialogue, there is also impetus for the public sector to engage in marketing activity as it seeks to ‘sell’ itself (Garnett 1997). The logic of ‘customer focus’ is different to the logic of public service.

Though many of these trends are not unique to the UK, the morphing of model relations between the governed and governor has wide implications for policy generation and its subsequent communication. There is the perception that insights into what the public wants, above and beyond policy marketing, become crucial to the way that communication is handled (SCPA 2006: Q66). The obvious problem occurs in those instances where the public does not desire a particular policy or regulatory change. The conflict in perceived public want and the desire of the government highlights another element that complicates policy communication practices in the UK (see Neuman 2007). When such a situation is coupled with a customer focused frame there is the potential for ineffective communication. The case of the ‘pension debacle’ in the UK illustrates just such a case.

The ‘pension debacle’

One case that demonstrates a shift in sentiment towards UK citizenry and the communication frame it entails is, as one MP politely called it, the ‘pension debacle’. He was referring to the several billion pounds worth of compensation that the UK government is in the process of paying (2008) to cover loss of pension entitlements. The Parliamentary and Health Services Ombudsman began an investigation into complaints from members of the public and trustees of certain final salary occupational pension schemes in 2004 (PHSO
Pension provision obtained through membership of certain private sector final salary occupational pension schemes meant that the member would use the company scheme (often because the company offered to contribute) rather than other options. The Minimum Funding Requirement (MFR), which prescribed the level of contributions that a scheme had to hold, was meant as a part guarantee that if the scheme wound up prematurely there would be enough money left to pay a proportion of member entitlements. These complaints related to schemes that had ceased without sufficient funds to enable the ‘pensions promise’ for all members. In many cases once the pension had wound up members lost a considerable proportion (in some cases all) of the expected pension.

The illusion of protection stemmed from a misunderstanding of how a scheme’s assets (and liabilities) were apportioned when a scheme failed or ceased. In such a circumstance members were often left with little recourse if the MFR had not been met. Central to the accusations against the UK government was the recognition that, through a series of pamphlets and other means of communication, guarantees for the schemes had been implied. This was particularly problematical because the UK government went to great lengths to promote the switch to private schemes, while not offering protection if those schemes wound up. The case highlights the tension between the responsibility to citizens and the responsibility to consumers, and where communicative activities fit into this picture.

The main accusation against the Department for Work and Pensions and the Occupational Pensions Regulatory Authority (alongside other government bodies) was that they had mislead the public in failing to explain the security of pension rights of members of final salary occupational schemes. As the Ombudsman's investigation found, the government bodies failed to 'accurately, completely, clearly and consistently' explain these risks to clients (PHSO 2006, 4). Moreover the DWP did not act, despite warnings and recommendations from a number of stakeholders and experts. Chief amongst these warnings to government were those from senior members of the actuarial profession from
May 2000 onward. The Ombudsman argued that the government should have properly informed the public and should have been 'given as scheme members had no idea of the risks to their pensions if their scheme were to wind up' (OPHS 2006). The main accusations were accompanied by a series of other incidences of maladministration. There was the perception that weakening the security provided by the statutory Minimum Funding Requirement has made the situation worse, and errors and delays in processing has drawn out the wind-up of some schemes, compounding the problem in some cases.

**The power of misleading pamphlets**

The misinformation that had generated the complaints stemmed partly from a series of pamphlets that were issued by DWP over the course of a decade. These pamphlets had oversimplified the risks and implied that the private schemes were guaranteed by the government. For example, in January 1996 the then UK Department of Social Security published a pamphlet titled *The 1995 Pensions Act*. It was a ‘brief summary’ of the ‘changes to state pensions, occupational pensions and personal pensions’ introduced by the 1995 Act. It said that ‘more detailed information will be published later’. According to evidence tendered to the Ombudsman it was a revision of an earlier pamphlet published in October 1995. It claimed that,

>The Pensions Act introduced a new rule aimed at making sure that salary related schemes have enough money in them to meet the pension rights of their members. If the money in the scheme is less than this minimum level, the employer will need to put in more money within time limits. The minimum funding requirement is intended to make sure that pensions are protected whatever happens to the employer. If the pension scheme has to wind up, there should be enough assets for pensions in payment to continue, and to provide all younger members with a cash value of their pension rights which can be transferred to another occupational pension scheme or to a personal pension’ (DSS pamphlet quoted in PHSO 2006, 4.X).

This was one of many subsequent communications that implied that the schemes were safe for members. Often the communication implied that the MFR would provide adequate
protection for the majority of the pension itself. Though there was debate about the extent that the MFR should be replaced, there was no suggestion of an overall guarantee if the scheme did not have sufficient funds when the pension was claimed.

There was some recognition from the government and many other stakeholders over the next decade that the communication was being misunderstood. There were several revisions of the material, including one in 2001 titled *A guide to your pension options*. Its introduction stated that ‘these guides can give you helpful information, but only you can make decisions about your pension’ (PHSO 2006, 4.365). This guide in the latter sections dealt with occupational pensions. Signposted under the title *Should I join my employer’s occupational pension scheme?*, the guide notes that ‘most members of an occupational pension scheme will be better off when they retire than they would be if they did not join it’ (PHSO 2006, 4.366). There was confusion amongst DWP staff as to the protections actually offered by the government, with the perception by many lower level staff that the government did offer protection (SCPA 2006: Q67).

The Ombudsman found that the administration and the role of the government had been party to the loss of anything but the basic government pension for many people. Of great concern was the 'lost opportunities to make informed choices' that a 'lack lustre’ government communications effort had fostered (PHSO 2006). This was compounded by a deficiency in the provision of adequate information on how to take remedial action relating to their schemes funding position and thus how to ameliorate individual losses. The deceptively simple maladministration in information provision has had considerable consequences for many.

**Conclusion**

One reading of the ‘pension debacle’ is that it highlights the tension between ensuring that government communication is accurate on the one hand, and understandable on the other. Those in government argue that there is will 'always be trade-offs between accuracy and
simplicity, especially when you come into things like pensions' (SCPA 2006: Q66). As the case demonstrates making such a tradeoff can have dire costs. Suggestion that citizens should have sought more detailed information (asked for an adviser, researched the risks) appears the key mitigating factor as far as the government is concerned. This is quite telling of how the case can be understood in a broader sense. For placing the onus back on clients (coupled the content of the pamphlets and refusal to heed warning) suggests DWP saw its role and that of its clients, through the consumer frame. The DWP seems to have embodied the shift in focus from service provision to the citizen, to service provision to the consumer. A plausible explanation for maladministration across the period of a decade is that in dealing with the proactive citizen-consumer the DWP did not see itself as needing to mitigate the risk to the citizen but rather just that of the consumer. The consumer makes decisions to maximize utility and only requires enough information to achieve this. Welfare provision, as understood in the traditional of social democratic social steering, appears an anathema to cases such as the ‘pension debacle’.

The rise of the consumer citizen is demonstrated through cases such as the ‘pension debacle’, where the reframing of the citizen pervades the logic of administration and communication. The case also highlights the uneasy relationship between both characters in the contemporary Western public. While this paper has not explored the wider implications of the hyphenation of the two faces of the polity (public and private), undoubtedly it will have some influence on notions of social risk, identity and inclusion. There is also evidence as this paper demonstrates that the logic of the citizen-consumer drives the communication methods of the British government as much as the desire to propagandise and self promote as is often claimed. Being sensitised to the citizen-consumer is increasingly important in the age of late capitalism.
Bibliography


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1 Formerly the UK Department of Social Security.

2 Indeed the wording of published materials and the perception of an extensive safety net had worried professionals from the first reforms after the Maxwell Affair. In 1995, the actuarial profession had written to the government expressing the view that ‘the term solvency was an inappropriate description of the test and was likely to mislead scheme members and others into believing that their benefits would be fully secure if their pension scheme wound up’ (PHSO 2006, 4.25). The mismatch between the government promotion and communication of the benefits of the scheme were consistently a hallmark of the inadequate information given to the public regarding the risk.