Paying Your Debt to Society

The Neoliberal State and the Logic of Quid Pro Quo

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Transactions, including those involving a temporal delay and therefore a debt, tend to be considered fair when there is an exchange of equally valuable goods, even though this value may take different forms (monetary, cultural, practical, intellectual, sentimental, etc.). While this seems straightforward and hard to contest (although, of course, opinions may differ on what is and what is not of equal value), in the context of neoliberal states where a “new government of social insecurity” has replaced the care-driven “nanny state” with a punitive “daddy state,” the enforcement of equitable exchange between the state and individualized citizens works to undermine social cohesion and increase inequality. In such states, higher education—especially a humanities education that is increasingly seen as lacking both practical and economic value—and social services such as welfare are no longer seen as beneficial to society as a whole and therefore to be financed collectively. Welfare in particular has been reframed from being made available to all those in need of it to being subject to a “principle of conditionality” that, as Andrew Dwyer has traced in the UK context, has gone from “creeping” to “ubiquitous,” continually expanding the category of those unable to meet the conditions, who, as a result, are labeled “undeserving” of state support. The principle of conditionality is compounded by an individualized notion of transactionality that conceives of any state support received—even after satisfying the conditions for receiving it—as a personal debt to society (itself individualized into “the taxpayer”) that has to be repaid in equal measure: “each citizen is a private subscriber to public services, and should pay his or her own way.” In this chapter, I argue that the logic of quid pro quo functions as shorthand for this form of transactionality, lending it legitimacy through its apparent (but deceptive) commonsensicality.

In the Netherlands, the context on which I will focus here, a logic of quid pro quo (tit for tat, or, in Dutch, voor wat hoort wat—a translation that, by adding the word “hoort,” meaning “ought,” introduces a moralizing element) has crept into national education and welfare policy, as well as into arrangements for so-called “transactional voluntary work” across public and private sectors. I will look at the way this logic governs the new student loan system implemented in 2015, the obligation for welfare recipients to...
perform "non-remunerated socially useful activities" in order to retain their benefits installed in 2012, and the increasingly common requirement to perform voluntary work imposed by, among others, housing corporations, schools, and sports clubs. All three can be seen as part of a general move towards the so-called "participation society" (participatiesamenleving). This term was first introduced, in the context of discussions about the continuing viability of the welfare state, by Finance Minister Wim Kok in the early 1990s, when it generated so much controversy that it was quickly dropped. In 2013, it fell upon more fertile ground after King Willem-Alexander used it as the central idea in his annual address to the nation (composed by government ministers). In a participation society, the address notes, "everyone who can is asked to take responsibility for his or her own life and environment. While in the context of the participation society the meaning of quid pro quo as referring to an equal and therefore fair exchange between rights and responsibilities, between what is received from the state and what one gives to the state, is taken for granted and considered unassailable, I will evoke its alternative meaning of a mistaken or erroneous substitution, one thing wrongly taken for another, as taken up in the first volume of Marx's Capital and Derrida's reading of it in Specters of Marx, in order to suggest that if this alternative meaning is taken seriously, it can be mobilized to undermine the association of quid pro quo with an inherently fair transaction.

Student Debt between Loan and Advance

The first policy I want to look at is the new Dutch student loan system that came into force on September 1, 2015. Under the old system of "study financing" or studiefinanciering, implemented in 1986, students received a monthly stipend from the state, the height of which was dependent on whether they lived independently or with their parents. In addition to the basic stipend, there was a supplemental stipend for students with parents earning less than a certain amount or unwilling to provide support. Both stipends constituted gifts. Because the basic stipend was not enough to cover university fees and living expenses, parents were expected to supplement it; otherwise, students were only able to work part-time without losing their stipend. Taking out a student loan was possible, too, but in general this was only done when students exceeded the amount of years the stipend was awarded for. Since taking several years extra to finish a degree used to be very common in the Netherlands (the "eternal student" was a well-known trope in the 1980s and 1990s), many students finished university with at least some debt. Various government measures and increases in university fees and living costs caused this debt to increase; in 2006, average student debt upon leaving university was €10,000; in 2012, it had risen by 50% to €15,000.1 Loan repayment conditions, however, were favorable: repayment only began after a grace period of 2 years following graduation, occurred through mortgage-like repayments with interest charged at the
In terms of its rhetorical framing it is significant that, in the 2014 document presenting the new student loan system for a parliamentary vote, it is presented not as the “loan system” (leningsysteem), which is how it is generally known and which, as De Bloois notes, is already a euphemism, since it replaces the negatively loaded term “debt” (schuld) with the more innocuous “loan” (lening). An advance, as the “study advance” (studievoorschot), presents not as the “loan system” (leningsysteem), which is how it is generally presenting the new student loan system for a parliamentary vote, it is presented not as the “loan system” (leningsysteem), which is how it is generally, as a “sum of money paid beforehand or on security,” implies a very different transaction than a loan. In referring to the partial payment of an amount due to the receiver in the future upon the fulfilment of certain conditions, it does not have a profit motive (in fact, the provider of an advance misses out on interest that could have been earned) and is not necessarily refundable. Consequently, it suggests a relationship of trust that presents both giver (seen to enable rather than to exploit) and receiver (not inherently defined as a potential risk) in a positive light, avoiding the “moral confusion” David Graeber discerns in the history of debt, where both borrowing and lending carry a stigma. Presenting the student loans as an advance – most likely in an effort to counter criticism that the new system would deter lower-income students with debt aversion from entering higher education – obfuscates what is on offer are interest-bearing loans to be repaid in excess of their original value and suggests that there will be a guaranteed payoff in the future as long as the student fulfills his or her part of the bargain and graduates. This lessens the new system’s association with borrowing as risk-taking and ties it to a straightforward notion of quid pro quo fairness: you receive, at present, some of what you – as a highly educated worker – will earn so that you will be able to easily repay the state and therefore will not experience student debt as a burden.

Because the quid and the quo of the system (whether read as the advance and the payoff or as the loan and its repayment) are separated in time, a sense of moral responsibility to repay (which is stringently enforced by a state agency) is instilled in the student, not so much with regard to repayment (which is strongly enforced by a state agency), but with regard to fulfilling the condition of graduating and qualifying for the kind of career that will allow repayment. The document does this by insisting that students be made aware of their “borrowing behavior” (leningsgedrag) and the “consequences” (consequenties) of their choice to borrow by being able to monitor – through an electronic tool – their “total debt” (staatklik schuld). In presenting what is in practice an injunction to take out debt as a chosen behavior for which the individual must take personal responsibility, the student debtor is moralized and made to discipline him- or herself. Here, it is relevant that Dutch is one of the languages in which the words for debt and guilt are the same (schuld), so that the moral dimension – the guilt associated with being in debt – is always already implied.

In the same paragraph, the document ties personal responsibility for one’s loan behavior to personal responsibility for one’s study choice. In line with Jeffrey Williams’ argument that “debt teaches career choice,” it is suggested that decisions about what to study or whether to pursue an MA after a BA should be taken on the same grounds as decisions about debt, which, as Graeber points out, is one of precise quantification and thus calculability. In addition, a causal link is installed between these decisions, so that a particular study choice is seen to lead to a particular debt level and a career that will either enable or prevent the repayment of the loan. This assumes that certain degrees can be reliably calculated to lead to lucrative employment in the future, discounting the very real possibility that changes in the labor market or in the student’s personal life might derail such a calculation. Earlier, the document insists that “it is irresistible that going to university pays”, since someone with a university education in the Netherlands earns on average twice as much as someone with vocational training, without mentioning that such data cannot simply be extrapolated into the future.

The document enacts a move from a collective to an individual logic of quid pro quo: whereas before, the quid pro quo was that society benefited from having a highly educated workforce and was therefore prepared to foot most of the bill for higher education, now the benefit is transferred to the individual level (the graduate, who, it is suggested, will have a high income if he or she chooses sensibly what to study) in order to be able to hold each student responsible for paying for his or her education. The pressure on the student to take individual responsibility for his or her loan behavior and study choice seems to be slightly alleviated in a passage stating the importance of ensuring that some students will still “dare” (dagen) to choose degrees not expected to lead to lucrative careers by only obliging those earning above minimum wage to make repayments. However, the phrasing is significant, since “daring to choose” can also be read negatively as a foolish incurring of risk: “how dare you!”

Overall, despite the fact that the new student loan system is presented as reasonable and even magnanimous (in tolerating the prospect that not all loans will be repaid) it advances the participation society by turning students into individualized debtors owing a financial debt that is always also a moral one and that can only be paid off by becoming an “entrepreneur of the self.”

This indebtedness is conceptualized in terms of the logic of quid pro quo by first specifying society as consisting of its taxpayers (rather than of all its citizens) and then individualizing these taxpayers into specific people entitled to receive back exactly what they put in. Thus, at the beginning of the document, one of the motivations given for switching to the new system is a notion of “fairness” (ochtendheid, which, in Dutch, also means honesty) according to which “it is unjust that the baker has to pay for the stipend of the lawyer.” The problems with this argument are many (it misrepresents how the tax system works and ignores that the lawyer will likely pay more tax than the baker and that it might be the baker or the banker’s child who is studying to be a lawyer), yet it proved an effective argument in the public discussion about the student loan system, as it was seen to champion the less well off. In reality, of course, a strict application of the logic of quid pro quo would mean ending progressive taxation and would bring social mobility to a standstill.
While the logic of quid pro quo is evoked only implicitly in relation to the Dutch student loan system to make it appear reasonable, the Dutch translation "voor wat hoort wat" provides the title of a 2013 report on the use of workfare by the Inspection Social Affairs and Employment (Inspectie SZW) — "Quid Pro Quo: A Description of the Implementation of the Reciprocation According to Ability by Municipalities" ("Voor wat hoort wat: een beschrijving van de uitvoering van de tegenprestatie naar vermogen door gemeenten") — and a 2013 report on the expansion of "transactional voluntary work" by the Verwey-Jonker Institute, commissioned by the Ministry of Health, Wellbeing and Sport (Ministerie VWS) — "Quid Pro Quo: Experiences with Voluntary Work as Reciprocation". In the next section, I discuss how both reports, despite the question mark inserted by the latter, endorse the logic of quid pro quo as an inherently fair and equal transaction.

Obligatory and Transactional Voluntary Work

The Dutch policy that makes it possible to oblige welfare recipients, in exchange for benefits received, to perform "non-remunerated socially useful activities" (onbeloonde maatschappelijk nuttige activiteiten) stipulates that they will only have to do so insofar as they are able to, but its foundation is a principle of strict reciprocity (wederkerigheid). If welfare recipients refuse to participate, sanctions can be imposed, including cutting or stopping benefits. Although the SZW report written before the 2015 Participation Law that obliges municipalities to enforce the policy took effect, notes that half of the local authorities in charge of welfare distribution cite the "activation" of welfare recipients — getting them to participate in society and potentially helping them re-enter the labor market — as the primary motivation for choosing to implement the obligation, for the other half the primary objective was ensuring that welfare recipients gave something back for what they received, presumably in response to the growing public perception, not just in the Netherlands but also in the UK and US, of welfare recipients as "scroungers" or "welfare queens" living off other people's tax contributions. Significantly, in Dutch public discourse, the term "bijstandsge-rechtigde" (someone legally entitled to welfare), which, crucially, incorporates the Dutch for "right" (recht), has gradually been replaced by the pejorative "bijstandsge-nietige" (someone "pulling" welfare), which envisions the welfare recipient as actively, even aggressively, taking money from the state and, consequently, indebted to it.

With regard to the workfare policy, it has been pointed out by legal scholars that the obligation to perform non-remunerated work, which has also been implemented in the US, the UK, and other European countries, could amount to forced labor. Cases arguing this have been brought, with varying success, to national and European courts. As with the student loan
Here, the “consolidation of the voluntary commitment of citizens” rather paradoxically refers to the rendering of this commitment as non-voluntary, as the services—which are often essential and not easily substitutable—can be withdrawn if the “voluntary work” is refused or not properly executed. According to the report, which is based on case studies predominantly involving housing, education, and sports, most experiences with transactional voluntary work are positive. The arrangements, when properly administered, guided, and sanctioned, are seen to increase social involvement, also on the part of marginalized groups like the homeless and immigrants. What is largely glossed over is how this particular incarnation of the logic of quid pro quo, in placing a disproportionate burden on certain groups, such as women, single parents, and those working nights or weekends, and in lending itself to being used as a cost-cutting measure, may also produce social exclusion and supplant low-skilled jobs as it becomes more widespread and formalized.

Significantly, as part of its strategic emphasis on the positive side of transactional voluntary work, the report links it to other forms of communities working together to provide services such as “co-production,” “time banks,” and “service learning,” which are sometimes seen as alternatives to (neoliberal) capitalism but which in practice tend to reproduce its creation and functioning. In addition, there is no real equivalence between schemes that can be avoided and the prospect of family members of those in care homes having to agree to help out for a set amount of time or not being able to secure a place at all. Thus, whereas the report gradually erases the question mark in title places after quid pro quo, in the final section of this chapter I want to reinstate this question mark in order to challenge its presumed association with an inherently fair and equal exchange.

Quid Pro Quo as an Equal Substitution?

Quid pro quo is an effective rhetorical framing for the policies described above because the principle of “one thing in return or exchange for another” appears commonsensical. That the exchanged things should be of equal value is, however, not an integral part of the expression. Notably, in the Oxford English Dictionary, quid pro quo’s obsolete meaning of “one thing in place of another; esp. with reference to a medicine which is or may be substituted for another” is illustrated with a quote from 1638, stating: “The Apothecarie stealeth with a quid pro quo — putting in one drague for another, and taking that which is cheapest.” This quote brings together, in the apothecary’s act of greed, quid pro quo’s dominant meaning as an exchange thought to be fair and pleasing to both parties, with its alternative meaning of “the action or fact of replacing one thing with another; a substitution; esp. a mistake or blunder consisting of such a substitution.”

Marx uses the expression “quid pro quo” on four other occasions in the first volume of Capital. In Chapter 1, he asserts:

The bodily form of the commodity becomes its value form. But, mark well, that this quid pro quo exists in the case of any commodity B, only when some other commodity A enters into a value relation with it, and then only within the limits of this relation. Since no commodity can stand in the relation of equivalent to itself, and thus turn its own bodily shape into the expression of its own value, every commodity is compelled to choose some other commodity for its equivalent, and to accept the use value, that is to say, the bodily shape of that other commodity as the form of its own value.

Here, the quid pro quo indicates not a relationship of actual equivalence but one of constructed correspondence compelled by the object’s transformation into a commodity. Later, Marx notes:

the mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men’s own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things.
With regard to the false idea "that in the ancient world capital was fully
This time, the quid pro quo points to something - "the social characteristics
characteristics of the products of labour themselves" or "a relation which exist
in a diminishing ratio to the increase of the labourers" and that Mill
consistent use of quid pro quo to signify a misleading or mistaken substitution.
"It cannot be denied that John Stuart Mill owes his, at all events, 'remarkable'
Derrida's use of quotation marks already signals that quid pro quo should
This secret has to do with a "quid pro quo." The term is Marx's. It takes
Here the theatrical quid pro quo stems from an abnormal play of mirrors.
impoverishes the commodity form as that which it is precisely not, namely the "objective char
Men [sic] no longer recognize in it the expected image, those who are looking for themselves can no
while his references to a ruse, a mistake, a perverse interpretation and a stolen word indicates that what is at stake in what he conceptualizes as the spectrality of the social form of labor in the commodity form is not merely a mistaken but a treacherous substitution, like the apothecary's. He continues:
"for what hoort voor wat hoort wat". Ultimately, what is needed to unsettle the neoliberal state's reliance on quid pro quo as a self-evident and unassailable principle of fairness and equality is not so much a finer quid pro quo as a recognition that there is nothing inherently fair about quid pro quo to begin with.

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4 Author's translation. For the full address in Dutch, see https://www.rijksoverheid.nl/documenten/toepassen/2013/09/17/moezesfe-de-2013.

5 A 2005 report comparing the student loan systems of eight industrialized countries shows that the Netherlands had the lowest rate of student take-up, the shortest period after which loans were forgiven (10 years), and the lowest debt service ratio (2.6%), although, significantly, the debt service ratio for low-income/high-debt graduates was among the highest (5.9%). Alex Usher, "Global Debt Patterns: An International Comparison of Student Loan Burdens and Repayment Conditions," *Canadian Higher Education Report Series* (September 2005). http://files.eric.ed.gov/fulltext/ED499859.pdf. The low take-up rate for student loans (35%) at the time was identified as a problem on the basis that, first, with around 75% of Dutch students working to supplement their incomes rather than taking out loans; study performance and study length were likely to be adversely affected, and, second, it was considered financially inefficient to prefer low-wage jobs over borrowing under generous conditions. Adam S. Booij, Edwin Leuven and Hessel Oosterbeek, "The Role of Information in the Take-up of Student Loans," *Economics of Education Review* 31.1 (2012): 33–44.

6 The government's response to the fact that Dutch students tended to take extra time to finish their degree was to encourage them to take out more loans, under the assumption that this would cause students to work less and spend more time studying. Research, however, showed that the effect of a higher take-up of loans on hours studied per week was likely to be small. Hessel Oosterbeek and Anja van den Broek, "An Empirical Analysis of Borrowing Behaviour of Higher Education Students in the Netherlands," *Economics of Education Review* 28.2 (2009): 70–77.


11 See https://www.vbw.nl/dossiers/mededinciencing/termengelijk-studieschuld/.

12 Joutil de Bloois, In de naam van het Magdenvrije, 102.


18 Verney Jonker Instituut, *Voor wat hoort wat*, 5. In 2012, the Work and Welfare Law (Wet Werk en Bijstand) gave municipalities the option to impose this obligation; in 2015, the Participation Law (Participatieswet) made it mandatory to impose and enforce. Twenty municipalities, including that of Amsterdam, were found not to abide by the law (see Inspectie SZW, "Verordeningen tegenprestatie: Inventarisatie" [November 2015]. https://www.rijksoverheid.nl/documenten/rappor ten/2016/02/23/inventarisatie-verordeningen-tegenprestatie-inspectie-awv/; NOS, "Verplicht vrijwilligerswerk in de bijstand? Niet in Amsterdam." (February 24, 2016), http://www.nieuwsuur/artikel/2088851-verplicht-vrijwilligerswerk-in-de-bijstand-niet-in-amsterdam.html.

19 Inspectie SZW, "Voor wat hoort wat," 6.


22 Barend Barentsen, "Vraag niet wat de gemeenschap voor jou kan doen," 263.

23 Inspectie SZW, "Voor wat hoort wat," 7.


25 Barend Barentsen, "Vraag niet wat de gemeenschap voor jou kan doen," 263.

26 Inspectie SZW, "Voor wat hoort wat," 7.

work closer to proper voluntary work. It could, however, be argued that a workplace is just as much (or as little) a matter of choice as a housing corporation, school, or even sports club. As an alternative, the authors suggest "voluntary work as reciprocation" (nejydelwerk als undelwerk), "co-operative voluntary work" (a-operaatf jynydelwerk), and "community-based voluntary work" (communi­stically-based jynydelwerk), but these all conceal that the voluntary work in question is not voluntary at all. Marian Van der Klein, Jessica van den Toom, and Dick Oudendamnamp, "Voor wat hoop waal?" 21, 15, 33.

Ibid., 15.

Ibid., author’s translation.


46 Ibid.

47 Ibid.


50 Karl Marx, Capital, trans. Moore and Aveling, 114.

51 Ibid., 38. German original: “Die Naturalform der Waare wird zur Werthform. Aber, notabene, diess quid pro quo ereignet sich für eine Waare (Brock oder Weinen oder Eisen u. s. w.) nur innerhalb des Werthverhältnisses, worin eine beliebige andre Waare A (Leinwand etc.) zu ihr tritt, nur innerhalb dieser Beziehung. Da keine Waare sich auf sich selbst als Aequivalent beziehn, also auch nicht ihre eigne Naturalhaut zum Ausdruck ihres eignen Werths machen kann, muss sie sich auf andre Waare als Aequivalent beziehn oder die Naturalhaut ihrer eigne Arbeit als gegenständliche Charaktere ihrer eigenen Arbeit als gegenständliche Charaktere der Arbeitsprodukte selber, als gesellschaftliche Naturereignisse dieser Dinge merkendepen, daher auch das gesellschaftliche Verhältniss der Producenten zur Gesamtwirtschaft als ein ausser ihrem existirendes gesellschaftliches Verhältniss von Gegenständen. Durch dies quid pro quo werden die Arbeitsprodukte Waaren, sinnlich übersinnliche oder gesellschaftliche Dinge.” Karl Marx, Das Kapital, 49.


56 A translator’s note makes this explicit: “The term [quid pro quo] is used in the sense of a mistaken substitution of one thing for another, in particular in the theater when characters reply to each other out of some misunderstanding, and not in the now prevalent sense in English of ‘fit for’.” Ibid., 193 n. 23.

57 Ibid., 155, emphasis in text.

58 Ibid., 156.


61 Ibid., author’s translation.

Works Cited


