

Repoliticizing social risks in the Nordics

Ville-Pekka Sorsa

SoGE, University of Oxford

New Social Risks in the Nordic Societies

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Social Risks

- Possible events with consequences in **social relations and positions** of different societal actors
 - Events: natural, economic, social etc.
 - Actors: individuals, households, firms etc.
 - Actually two risks: the event and the consequences
- A (questionable?) perspective to society and human life in general
- Manageable and malleable, but not fully controllable or avoidable
- In nature contingent and political – but not always politicised



”New” Social Risks

Taylor-Gooby (2004): new risks in post-industrial society arise from

- women working more often than before and the consequent new work-life balances
 - the increase in the number of the elderly
 - the increasing importance of skilled labour in the information economy
 - privatisation to immature markets
- Risks like working too much, failing to get elderly care or having the wrong education are nothing new – only their meaning and magnitude are

But what new might there be in the **politics** of social risk?



Politics of Social Risk I

Essential questions to be addressed in public policy:

- Assessment: what risks are present in and generated for our everyday (institutional) lives?
- Sharing: who share some risks, how, and through what institutions?
- Management: how are social risks managed and controlled?

Avenues for (re)politicizing:

- Assessment either positive (risk of what) or negative (risk to what)
- Forms of sharing: ranges from latent acknowledgement of similar social positions to formal institutions where risks are pooled and redistributed – can be passive or active
- Management mechanisms: prevention, mitigation and coping



Case: Politics of Financialization

- Assessment: risk means money – invention and discovery of new risks everywhere
- Sharing: hedging against risks as ethical and responsible individuals / individual firms
- Risk management: risk means opportunity – save to insure; pool assets to optimize portfolios; hedge to profit

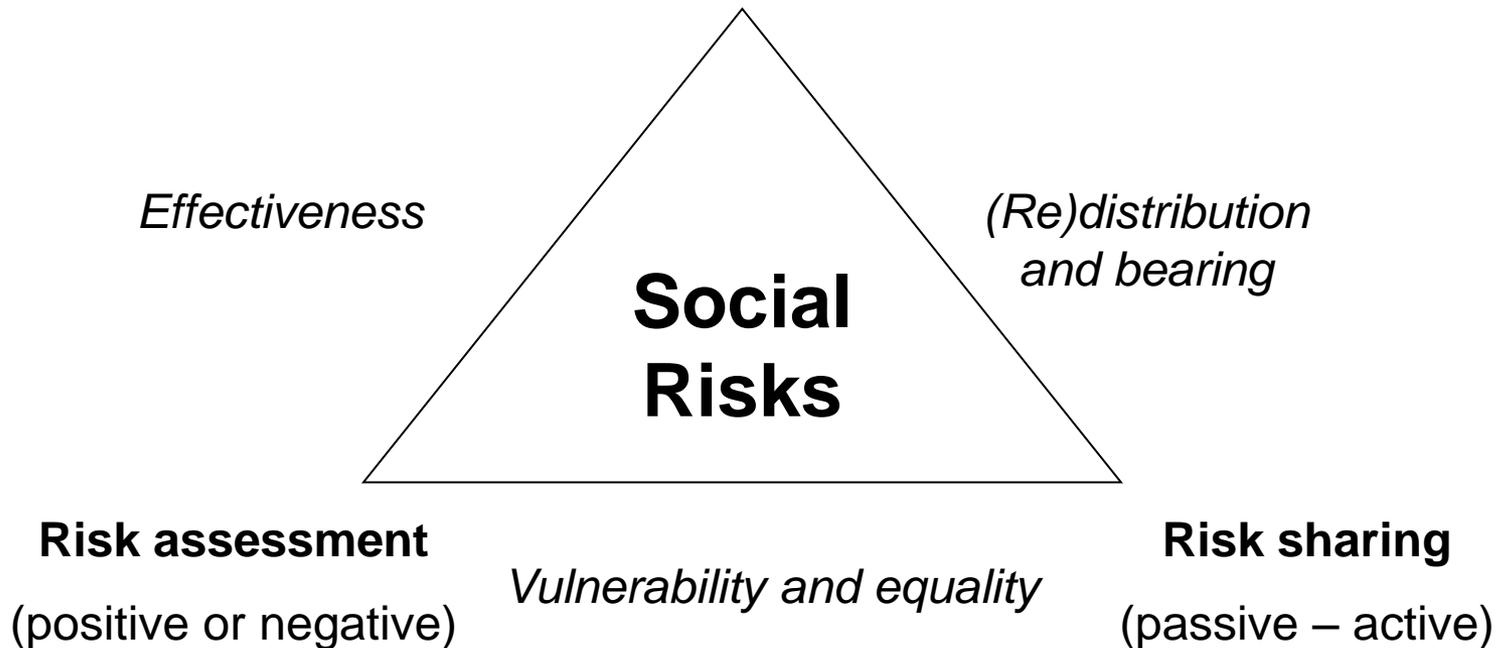
Some critical questions:

- Risk society: creation and magnification of new risks via financial instruments and market dependencies
- Monetization of 'social' – can money (ever) do the trick?
- Opportunity for *whom*?
- The risks *to what* – homogenic masses, cosy middle class life and "our business lasts forever" as naïve starting points for policy?



Politics of Social Risk II

Risk management
(prevention, mitigation and coping)



Political Regimes of Risk Management

<i>Sharing</i> <i>Assessment</i>	Passive / individual	Active / collective
Positive / risk of what	<p>“We accept and share risks but don’t want to anything about it together”</p> <p>(low social cohesion in assessment, low solidarity in sharing)</p>	<p>”We accept and share some risks and provide means for coping with them together”</p> <p>(low cohesion, high solidarity)</p>
Negative / risk to what	<p>“We don’t want the risks we all face to materialise, we do our best in preventing and mitigating them”</p> <p>(high cohesion, low solidarity)</p>	<p>“We don’t want the risks we all face to materialise, but if they do, we have mechanisms that help coping with them”</p> <p>(high cohesion, high solidarity)</p>



Institutional Regimes of Risk Management

<p style="text-align: right;"><i>Sharing</i></p> <p><i>Assessment</i></p>	<p>Passive / individual</p>	<p>Active / collective</p>
<p>Positive / risk of what</p>	<p>Mitigation through market institutions: enforcement of social risks with markets for coping ("The liberal model")</p>	<p>Mitigation through social insurance as entitlements: enforcement of social risks with collective coping mechanisms ("The social insurance model")</p>
<p>Negative / risk to what</p>	<p>Prevention through public institutions: mitigation of social risks with opportunities for all ("The social-liberal model")</p>	<p>Prevention through collective care: suppression of social risks with binding responsibilities for coping ("The communitarian model")</p>



The Nordic Model

Hypothetically: social liberalism with social insurance

- striking the balance between **active integration policies** to prevent risks and (public and private) **social insurance** for coping with risks

“The Nordic social model is renowned for the universal nature of its welfare provision, which is based on the core values of equal opportunities, social solidarity and security for all.” (Nordic Council website)

Strong social cohesion enables negative risk assessments, multiple active forms of sharing, and broad access to redistributive management mechanisms



The Failure of the Nordic Model?

The problem of retrenchment: if the state fails to prevent risks from materialising, the social-liberal model fails

- The cunning of neoliberalism?

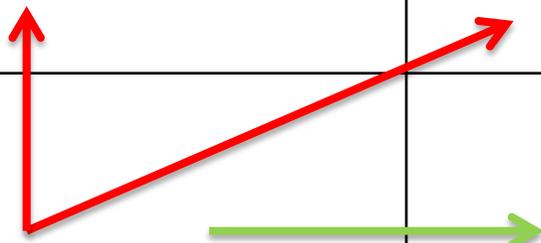
Are we already going towards striking balance only between markets and social insurance?

- Competitive society, globalisation and weakening social cohesion: is negative assessment getting too difficult?
- Fragmentation of active sharing: changing income distribution, the revolt of middle classes, the rise of precarious work
- Major institutional changes in risk management (e.g. DC pension schemes, flexicurity): mitigation for the weak, coping for the strong



Repoliticising the Nordic model I

<i>Sharing</i> <i>Assessment</i>	Passive	Active
Positive	<i>...to accept the risks and generate markets of mitigate them – or just more ineffective and less solidaristic solutions?</i>	<i>... to accept the risks and provide effective coping mechanisms – or just better benefits for the already-well-off?</i>
Negative	<i>If we cannot prevent all risks to good life from materialising, we need...</i>	<i>...to adopt more effective and binding coping mechanisms to supplement preventive policies</i>



Repoliticising the Nordic model II

Whether to re-evaluate the management paradigm...

- A new, binding "division of moral labour" between households, markets, social insurance, and public services and benefits to cope with risks if they materialise?
- ...or have we lost the battle already – are all demands based on "good life" considered just arrogant?

...or to have new priorities in the old paradigm?

- Prevention is difficult and coping mechanisms expensive: more social insurance and less prevention, or more prevention and less social insurance?
- Privatisation and the problem of institutional maturity: is it already too late to look for private solutions for coping?



New Challenges and Contexts

Too many alarming risks?

- The burnouts in late 20s, insecurity, the elderly care deficit, high economic and financial dependencies...
- Can we afford the supplementary coping mechanisms?

New political contexts:

- Political polarisation of benefits (public services vs. markets, earnings-related vs. basic benefits) and new party political alliances
- Fragmentation of labour markets and decentralised labour market bargaining
- International mobility vs. the rise of nationalism
- EU 2020 – flexicurity without security?
- The hegemony of fiscal austerity
- Can we politically agree on supplementary coping mechanisms?



Thank you!

All feedback welcome:

ville-pekka.sorsa@spc.ox.ac.uk



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