CHAPTER 7

Orange Agency and Insecurity

Shaping Citizens

Throughout this book I have explored Sweden’s national pension system as a political technology that enables processes of depoliticization and responsibilization to take place. The pension scheme is viewed here as an example of new forms of governance that evolve in processes of neoliberalization. An overall purpose has been to look at the crafting of contemporary welfare policy from a repoliticizing perspective. In an attempt to study all the way through the policy and by offering the points of view of various different actors involved in a number of sites in the process, my aim has been to explore the workings of new forms of governance and contemporary politics in the nexus of statecraft and market-making.

The basic design of Sweden’s current national pension system was drawn up during the early 1990s and the process of shaping the policy, agreeing upon it, and drawing up the legislation around it took the better part of the decade. The pension scheme was inaugurated on January 1, 1999, but the process of making and shaping it did not end then, as minor and major changes within the system are continuously being developed and implemented. The fundamentals of Sweden’s remade pension system remain, however. The construction of pension system is a compromise consisting of both a redistributional and a funded part. It includes all Swedish citizens and, barring the scheme’s safety net—the guaranteed pension—the system is earnings-related and based on individual and lifetime contributions. Put differently, each citizen’s future pension level is calculated from that individual’s accumulated taxable income during his or her lifetime. This design makes the pension scheme a closed, self-regulating financial system.
where nothing more than what is paid into it is paid out. It also means that the state no longer makes any promises with regard to future pension levels. The premium reserve part of the remade national pension system is an important novelty, since it requires each citizen to place part of his or her future pension in funds within the premium pension part of the system. The individual pension information sent out in an Orange envelope every year from the state to each citizen is another significant new individualizing feature brought about with Sweden’s new national pension system.

In Sweden, issues that are considered highly political elsewhere, such as having a funded or redistributory national pension scheme and raising retiring ages or lowering pension levels, have successfully been recast as apolitical concerns. The national pension system has, instead, been put forward as an undisputedly necessary scheme of social engineering seen to hover above political differences, public debate, and democratic scrutiny. The elsewhere criticized and unpopular political decisions of changing pension ages or benefit levels have, with the design of Sweden’s current national pension system, been reformulated into being the results of technocratic numerical constructions as well as of each citizen’s individual choice. Effectively the role of the state has been reformulated to provide information and the possibility of new knowledge and skills to the citizens, while the novel role of the citizen has become to adapt to the new responsibilities handed to him or her and to acquire adequate information and knowledge in order to secure his or her own future pension. Such new roles of the state and the citizen not only alter the relationship between them but also increase their mutual dependence on experts and expert knowledge.

Before I move on to a discussion of the implications of these contemporary attempts at societal transformation, I want to briefly recall the main discussions of this book.

In Chapter 2 I situate the issue of public pensions within a political context by offering a brief historical setting of the general idea of old-age security as well as an account of variations of pension schemes. Chapter 3 focuses on national pension systems in the Swedish context, historically and with particular regards to the design and creation of the new pension scheme. Next, Chapter 4 concerns some of the particular technologies of the pension system design and of how these operate to divide and relocate responsibility and agency. I show that numerical calculations and statistics embedded in the pension scheme effectively work to depoliticize the issue of pensions in Sweden. I further point