

Opening the Orange Envelope

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Reform and Responsibility in the Remaking of the Swedish National Pension System

Anette Nyqvist



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For Alexandra, Isidor and Cornelia

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Stockholm in October 2008

Warm red, intensified by yellow, produces Orange. Through this admixture, the movement of red becomes the nucleus of the impulse, spreading out towards the spectator. The element of red, which plays a great part in orange, retains the accompanying note of its usual gravity. It is like a human being, aware of his own power and emanating happiness and health.'

(Kandinsky 1946:71)

Chapter One

In a Market State

Early spring at the beginning of this century. Mid-day in the middle of the week. Waiting for my turn at one of the large bank's local branches in Stockholm. Several people ahead of me. In no particular hurry. Waiting. Just standing. Watching. Idly observing the interactions between customers and bank personnel. Errands to the bank, actual encounters over the counter, are rare these days. Customers are steered towards self-service; most petty banking business can be done over a telephone, through ATM machines or via the Internet. Two tellers attend to the quietly waiting customers. A button is pushed, two-digit numbers present themselves accompanied by a two-tone signal. Individuals free themselves one by one from the small group of waiting people, and stepping up to the teller situated under the number that corresponds with the one on their ticket. Apart from myself and a young man, there are mostly elderly customers waiting. Perhaps they lack Internet-skills or access to it but have time to wait for their turn at the bank during opening hours. It is the young man's turn. Helmet on, tools hanging from the loops in his blue and bright yellow trousers, a bag hanging from his right shoulder. He pulls out a pile of papers – glossy brochures, loose sheets of white paper, colored pamphlets, an orange envelope. Places them on the counter between himself and the teller, a young man about the same age as himself, but dressed in a sharp dark suit, shirt in a soft pink shade and tie to match. Professional smile.

Construction-worker does not return smile but jumps in to ask, not loud, just concerned:

- What is this? I received this in the mail. I don't understand... Am I to choose funds in order to get a pension when I'm old? How do I do that?

Professional smile still present:

- Oh. Yes. You need to choose pension funds now. It's the new pension system we have. I see you have all the information there. You look through that fund catalogue and pick five. It's easy.

Sentence punctuated with nod of head.

Customer is not receiving the response he wanted. Insisting, one hand on pile of paper-products:

- But I don't know about these things! I'm a sheet-metal worker, for God's sake. I've tried. I've read all this, looked through it and tried to understand what it is I need to do to make sure I get a decent pension when I retire. But I don't understand. So I brought the papers with me to work and now I am spending my lunch break here, hoping that you will explain what it is I am supposed to do.

Teller places more brochures on top of the pile, still smiling, head slightly tilted.

- Well, I'm sorry. I don't think I can explain the pension system to you here and now. But take these folders with you. They are about the pension funds and private pension saving solutions we have to offer here at the bank. I think you will probably need to save quite a bit to secure your retirement.

Customer shakes his head, stuffs papers back into the bag as he turns round and leaves the branch office.

Here is a young man concerned about his pension, concerned with securing his economic situation some 40 years from now. His pile of pension papers are all mixed up with brochures from private businesses and documents containing information from the government. What was at stake in the discussion about pension planning? What made the young man take time off to go to the bank? Was it a realization of some new expectations placed upon him with the new pension system? But why, then, was he at the bank asking about a state welfare issue?

The encounter at the bank highlights several of the main research questions that I am interested in. One set of questions concerns the political aspects of a pension system. What does the political context within which the national pension system was shaped look like? What assumptions and values are embedded in, and promoted with, the construction of the pension scheme? Another set of queries focus on what policy does, that is, on the performativity of the pension scheme (cf. Callon 1998) and on the transformative aspects of a pension system. How does the state communicate the novelties within the national pension system to the citizens? What new expectations and demands are being placed upon citizens with the design of the current national pension system?

This study is an ethnography about the making of Sweden's new national pension system. I am interested in how and by whom the policy was created and promoted. It is also of interest to shed light on what such a policy does; that is, what effects it seems to have in terms of the new roles and responsibilities of the actors in the policy process and the altered relationships between these actors.

Since 1999 Sweden has had a new mandatory national pension system. It consists of both a redistributory part and a funded part. The contributions to the system are fixed, while the benefits paid out fluctuate, thus making the system financially stable, autonomous and self-regulatory, while placing significant economic risks with the individual citizen instead of with the state. The responsibility for, and the agency to affect, levels of future pensions are, as we shall see, divided and relocated from the sphere of political decision-making to both a technical level of numerical calculations and an individual level where it is up to each citizen to secure his or her own future pension. A strong emphasis on the importance of government information, seen as a way of educating the public, is embedded within the design of Sweden's national

pension system. Hence, we are seeing a new ‘directionality’ (cf. Wolf 2001) emerging in the conceptualization of the basic structure of the national pension system.

In this study Sweden’s new pension system is seen as a ‘political technology’ (Foucault 1977:205) with the power to transform society through its subjects: the citizens. Promoted through the very construction of the pension scheme are, as we shall see, processes such as automatization and financialization, individualization and responsabilization. By looking closely at some of the practices used, and at who are using them, I want to map out an experimental and evolving ‘project of neoliberalization’ (Tickell and Peck 2003), in this case set within the context of the remaking of the Swedish National Pension System. Exploring the elements of what Michel Foucault (1991) termed ‘governmentality’, I look into aspects of ‘the conduct of conduct’ (Dean 1999:10; Gordon 1991:48) brought about by the national pension system in Sweden. In other words, how does the construction of a social policy work specifically to direct the lives of individual citizens towards certain ends? This study sets out to explore both the creation, implementation and reception of such a process of societal transformation by way of its different actors – the transformers, as it were.¹

Notions of the State

My particular interest is in how policy making operates as a governing tool in the contemporary Swedish welfare state. On a broader level this study is concerned with how new forms of governance may alter the roles of, as well as affect the relationship between, state and citizen.

How, then, may we conceptualize the state? A Weberian notion of the state holds that it is a distinct and unitary actor that governs over a particular population within a specific territory (cf. Mitchell 1999:81; Sharma and Gupta 2006; Weber 1958[1946]). Such a state-centered perspective, in which the state is seen as set apart from both society and economy, is continuously being challenged by enhanced globalization and as new organizational actors with regulatory ambitions enter the scene. Hence, this is also critically investigated in research that does not take the state as a given and distinct actor with particular powers (cf. Jessop 1982, 1990; Mitchell 1991, 1999; Sharma and Gupta 2006). James Ferguson (1994) has argued that the state is neither the source of power, nor simply the projection of the power of an interested subject, but rather ‘a mode of power that relies on state institutions, but exceeds them’ (ibid.:273).

¹ The term ‘transformers’ is to be seen as a reference to Karl Polanyi’s *The Great Transformation* (1957[1944]), referring to individuals involved, in various ways, in a societal transformation.

So, rather than viewing the state as a distinct, given and unified entity in possession of certain particular powers, critical analysis of the state pays attention to its construction through discourse and practice (cf. Ferguson and Gupta 2002; Mitchell 1999; Sharma and Gupta 2006). Sharma and Gupta suggest viewing states as ‘culturally embedded and discursively constructed ensembles’ that are ‘produced through everyday practices and encounters and through public cultural representations and performances’ (2006:27). They also point out that it is ‘the multilayered, pluri-centered, and fluid nature of this ensemble that congeals different contradictions’ (ibid.:10). It is with such a perspective of what the state is and does that this study looks at the policy process of Sweden’s new national pension system.

I am interested in practices of the state. A focus on particular practices within state bureaucracies may highlight various aspects of rule and governance as well as shedding light on how subjects are formed (cf. Ferguson and Gupta 2002; Mitchell 1999; Sharma and Gupta 2006). By paying specific attention to everyday, routine and mundane state practices and procedures we might obtain deeper understanding as to how ‘the micropolitics of state work, how state authority and government operate in people’s daily lives, and how the state comes to be imagined, encountered, and reimagined by the population’ (Sharma and Gupta 2006:12).

Timothy Mitchell argues that ‘a construct such as the state occurs not merely as a subjective belief, but as a representation reproduced in visible everyday forms, such as the language of legal practice, the architecture of public buildings, the wearing of military uniforms, or the marking and policing of frontiers’ (Mitchell 1999:81). A closer look into the practices of voting, paying taxes, passport checks or the construction of a national pension system thus sheds light on the nature of state rule and ways of governance as well as telling us something about the roles of, and relationship between, state and citizens.

During the past two decades new practices and ideas of how to govern have gained importance in contemporary state administration. Significant for such a shift, commonly referred to as ‘from government to governance’ (cf. Pierre and Peters 2000; Kjaer 2004), is a general move from a hierarchical, older type of seemingly neutral bureaucratic governing of populations through political decision-making and legislation, toward governing by ‘soft law’, through networks of governmental and non-governmental organizations, with greater emphasis placed on expertise, knowledge and information. Ideas and practices on how to govern are being brought in from the corporate sphere to state administration. These new forms of governance often work to shift the directionality of agency and responsibility through processes of distancing and personalization.

Planning is, no doubt, an important governmental tool, and statistics and classifications are key techniques of modern large-scale state planning. While usually considered neutral and apolitical instruments, these techniques, and

the plans they result in, do not merely describe socio economic realities, but actually shape reality (cf. Scott 1998). In *Seeing Like a State* (1998) James C. Scott investigates failed projects of modern statecraft by means of critical analysis of seemingly mundane administrative procedures. The study sheds light on the significance and implications of 'state simplifications' and 'projects of legibility' (ibid.:80-81) on the ground and for the people subjected to them.² James Ferguson also has explored the workings of state planning and bureaucracy. In his study of local bureaucracy and the development industry in Lesotho, he shows how seemingly failed government projects operate as 'anti-politics machines'. Such a machinery, Ferguson argues, not only reinforces and expands the exercise of bureaucratic state power but also suspends politics from even the most sensitive political operations (Ferguson 1994:273).

While not implying that the national pension system in Sweden is a failed state project, my interest in looking closely at the creation and implementation of the pension scheme is to shed light on processes of depoliticization in contemporary state planning. By paying attention to some of the 'simplifications' and 'projects of legibility' carried out by the pension bureaucracies, I want to gain insight into how the state 'sees', within the narrow field of a Swedish national pension system, and what implications this has in terms of new ways of governance.

Michel Foucault's notion of 'governmentality' (1991) effectively links the art of governing with the subjects being governed – the citizens – and, subsequently, the relationship between state and citizen. Citizens are the subjects of the state and the members of this particular kind of organization, with particular rights and duties attached to their status.³ From an anthropological perspective, Ulf Hannerz holds that the state engages in 'the management of meanings', and that this involves, among other things, constructing its subjects culturally as citizens (1992:48-49). Studies of governmentality pay specific attention to the rationality of government and focus on analyzing the particular practices of state power involving, for example, the application of economic principles to the management of populations. In other words, the approach draws attention to processes by which the conduct of a population is governed and to how the art of governing is internalized by the subjects being governed (cf. Burchell 1991; Ferguson and Gupta 2002; Rabinow 1984; Rose 1999b; Shore and Wright 1997).

Looking at the technologies of government entails a particular focus on practices; what is done, why, how and by whom. Technologies are, for instance, the procedures, devices, documents and agents through which

² Scott is referring in this phrase to enabling the population to be 'read' i.e. understood by the state.

³ For an analysis of the state as a particular kind of organization, see Göran Ahrne (1998).

authorities, in a broad sense, seek to govern human conduct (see e.g. Miller and Rose 1990; Rose and Miller 1992; Rose 1996b; Ong and Collier 2005; Inda 2006). Nikolas Rose has devoted much of his research to investigations into the subtleties of such technologies. With particular attention to the construction of 'governable subjects' (cf. Rose 1996a, 1996b, 1999a, 1999b), Rose's work is focused on the fashioning of the entrepreneurial and responsibilized citizen (1999b).

Research into the technologies of governmentality also looks at the changing forms of citizenship. Kris Olds and Nigel Thrift (2005), for example, show, in their study of Singaporean business schools, that the ideal citizens are now seen as 'centers of calculation'. By that they mean that business knowledge is diffused and put to use not only within corporations, but for corporate interests by the state as well (ibid.:272). Aihwa Ong (2007) suggests that the older, early twentieth-century, notion of the citizen as an imagined political identity is 'rooted in the assumption that the nation-state controls a citizenry that is relatively stable and fixed to the national territory' (ibid.:15). She also argues that a new kind of citizenship is now emerging, one which organizes people according to their skills rather than their membership of a particular state and how established practices of citizenship are increasingly unsettled.

The concepts of both citizen and state frame a relationship. That relationship changes over time. The general focus of the present study is on the relationship between state and citizen and on how an ongoing shift in the role of the state subsequently alters the role of the citizen as well as the character of the relationship. The relocation of formerly state responsibilities places new expectations on the contemporary citizen. By paying close attention to the talk and practices of government representatives, such as politicians, bureaucrats and state-employed experts and technocrats, we shall see how the state sets out to govern its subjects. Some attention will also be given to how the policy is received by the governed subjects – the citizens.

The Extension of Market

The title of this monograph, *Opening the Orange Envelope*, points to what has become the main symbol of Sweden's new national pension system – the individual government pension information sent out every year in orange-colored envelopes – as well as to this study's endeavor to map out, unpack if you will, the process of social policy restructuring.⁴ The heading of this introductory chapter, *In a Market State*, however, exploits the multiple meaning of the word 'state', and pays attention to the broader interest of the study.

⁴ On specific and significant details about the Orange envelope (*Orange kuvertet*), see chapter five in this book.

With 'state' referring both to a condition, or predicament, and to the political, and bureaucratic, apparatus of government, it is intended to sum up the general point of departure of the study that deals with the ongoing imposition of market rule upon many aspects of social life (cf. Brenner and Theodore 2002; Harvey 2005), including state practices.

The model of the market has now spread to spheres previously distant from it (cf. Carrier 1997; Dilley 1992; Gudeman 2001; Harvey 2005; Lie 1997; Peck and Tickell 2002). The past couple of decades have witnessed the extension of market rationale in terms of, for example, logics of competitiveness and of economic efficiency and maximizing. The general development indicated here has come to be discussed in terms of neoliberalism, or more specifically the process of neoliberalization, and I shall shortly go into a more detailed discussion of this concept. But, for now, suffice it to say that this investigation looks into the relationship of state and citizens in a contemporary context, with an enhanced significance of practices previously used predominantly in market settings. As the model of the market has become an organizing principle also in the sphere of the state, new demands and expectations of the role of both state and citizens are evolving.

Notions of free choice and flexibility, individual responsibility and economic maximizing are now commonly used in everyday situations. On an ordinary day one may choose between an abundance of private, but state-subsidized, daycare and school alternatives in which to place children in, contemplate whether to choose a fixed or flexible price for the household electricity, opt to switch to another telephone company or skip household phones altogether now that all family-members have their own cell-phones, each with different contracts and fees. One might be upset that the price of the train-ticket to the west coast has just gone up, since prices on the national railways are based on supply and demand. And one can spend hours trying to choose from a government catalogue of several hundred different investment funds in which the Swedish citizen now must place part of his or her future pension capital.

With increasing frequency people are expected to process information (often assumed to be perfect and equal for all) in such a way that their choices come out as rational and maximizing. Organizational actors, both private and public, seem to assume that people naturally behave like *Homo Economicus*, that rational ideal type actor of economic theory.⁵ An altered relationship of state and citizen also suggests a new conceptualization of the state's subjects as well as of the state's expectations of contemporary citizens. This topic is

⁵ For discussions on the origin, evolution and characteristics of the notion of *Homo Economicus* see for example, Smith (1976 [1776]:17-18); Plattner (1989:7); Abolafia (1996:16).

something I discuss later in terms of *Civis Economicus* – the economically rational citizen (see chapter six).⁶

The general development of the extension of the market relocates state responsibilities, alters the relationship between state and citizen and changes the role of the citizen as well as the expectations placed upon him or her. I am interested in the process of such transformations and in the actors involved in different parts of the process – the transformers.

In *The Great Transformation: the political and economic origins of our time* (1957[1944]) Karl Polanyi carefully dissects and traces the underlying rules and regulations of a society based on the logics of self-regulating market mechanisms by way of recalling the historic change Great Britain went through as its society adapted to market forces during the era of industrialization. ‘Market economy involved a society the institutions of which are subordinated to the requirements of the market mechanism’ he writes (ibid.:178). And the book as a whole reads as a powerful critique of market society, not of market economy as such, but of the market as organizer of society, and as such it is intriguingly contemporary reading.

One of Polanyi’s main arguments concerns the ‘double movement’, where he holds that society will protect itself from the effects of the market. He further argues that markets, as well as market actors, are socially and culturally constructed, and for particular reasons, and he continues with cautions about the extension of market logic into non-economic spheres in society. He holds that, contrary to free-market rhetoric, the emergence of markets was not the result of a gradual and spontaneous emancipation of the economic sphere from government control but – quite the opposite – that ‘the market has been the outcome of conscious and often violent intervention on the part of government which imposed the market organization on society’ (ibid.:250).

The Great Transformation has inspired scholars from several disciplines, all of them interested in different aspects of the economy and of society. James Ronald Stanfield suggests that Polanyi’s writings were concerned with the place of the economy in society and that the motive for his study was to ‘induce people to put the economy in its place and keep it there’ (Stanfield 1986:25). Joseph Stiglitz concludes, in his foreword to the latest edition of *The Great Transformation*, that Polanyi ‘saw the market economy not as an end in itself, but as a means to more fundamental ends. All too often privatization, liberalization, and even macrostabilization have been treated as the objectives of reform’ (Stiglitz 2001:xv). Fred Block lays emphasis on Polanyi’s descriptions of the constructedness of market actors and writes that Polanyi makes clear that ‘human beings are not born with Adam Smith’s propensity to

⁶ *Civis*, of course, being Latin for *citizen*. It has been brought to my attention, by scholars of classical languages, that the term *Homo Economicus* is linguistically incorrect as it consists of a mix of Greek and Latin. *Civis Economicus* thus builds on the same linguistic error.

barter and trade. On the contrary, economic actors have to be constructed; they have to learn how to behave in market situations' (Block 2001a). In his book on how economic ideas enable institutional change, Mark Blyth (2002) pays tribute to the influences of Karl Polanyi by naming his book *Great Transformations* as well as by claiming to pick up the theory of the double movement at the point where Polanyi left off.

In fact, it seems Karl Polanyi and his *Great Transformation* have particular resonance with studies of the contemporary political economic development that has come to be known as neoliberalism, a subject that I shall discuss next. David Harvey, for example, states that 'Polanyi's diagnosis appears peculiarly appropriate to our contemporary condition' (2005:37). And Aihwa Ong begins her ethnographic study of neoliberalism as a particular technology of governing by proclaiming that: 'any analytical discussion of neoliberalism should begin with Karl Polanyi's warning in the early twentieth century about letting the free market mechanism be the sole director of the fate of human beings and of mother earth' (2007:10). Most generally it is, no doubt, Polanyi's fierce criticism of free-market rhetoric and his argument that the idea of a self-regulating free market is utopian that attract the attention of those attempting to understand and criticize the ongoing project of neoliberalization in the world. More specifically, it may also be, as Fred Block (2001b) has pointed out, Polanyi's argument that actually existing market economies are dependent upon the otherwise ill-reputed state in order to function that quite neatly connects Polanyi's writings from 1944 with critique of neoliberalization in the twenty-first century.

But what is this new economic reality of a daily life that has become 'the wallpaper of politics' (Peck 2003), 'a commonsense of the times' (Peck and Tickell 2002:34) around which political consent has been constructed (Harvey 2005:39-63)? And what does it have to do with the national pension system in Sweden?

Statecraft and Market-making

Neoliberalism, asserts Harvey, 'has become hegemonic as a mode of discourse. It has pervasive effects on ways of thought to the point where it has become incorporated into the common-sense way many of us interpret, live in, and understand the world' (2005:3). The concept of neoliberalism generally refers to the process of political-economic change that began in the US and the UK during the early 1980s and evolved further during the 1990s. The politics of such a process involves elements of privatization, financialization, deregulation, the liberalization of trade and finance, diminishing public spending, welfare retrenchment and making labor markets

flexible.⁷ Such politics, and its effects, may be found today in all corners of the world. Yet to talk about neoliberalism as a particular political package of free markets, privatization and small, or no, state is futile. Jamie Peck and Adam Tickell (2002) hold that neoliberalism is not an end-state or a static ideological system and it does not exist in any pure form. There are, however, a variety of hybrid and dynamic forms, each of which has altered over time as well as with place, and it is possible to sort out some of the family resemblances and necessary features of what Peck and Tickell suggest should be seen as processes of neoliberalization (Peck and Tickell 2002; Tickell and Peck 2003). Placing emphasis on both process and agency, Tickell and Peck propose a definition of neoliberalization as ‘the *mobilization of state power in the contradictory extension and reproduction of market (-like) rule*’ [italics in original] (Tickell and Peck 2003:166).

David Harvey notes that neoliberalism ‘does not make the state or particular institutions of the state irrelevant’ (2005:78) but involves a radical reconfiguration of state institutions and practices. Rather than paving the way for less government, as the neoliberal rhetoric usually claims, the processes of neoliberalization instead seem to create new forms of governance that effectively shift former state responsibilities to other spheres and levels in society as well as enabling market progress and market-like rule. Neoliberalization processes thus seem to promote new and proactive forms of statecraft, not simply the dismantling of the state and a diminished power of the nation-state but state restructuring and market-making (cf. Barry, Osborne and Rose 1996; Rose 1996b; 1999b). Some of these new forms of statecraft are concerned with extensions of the neoliberal market-building project itself, others with managing the consequences and contradictions of marketization (Peck and Tickell 2002; Tickell and Peck 2003; Peck 2003).

Bringing the state back in and recognizing it as one of the main actors in processes of neoliberalization calls for a focus on ‘new ways in which contemporary shifts in state *forms* are entangled with the dispensation of new state *functions*’ (Peck 2003:223 [italics in original]). A focus on the actors and practices within processes of neoliberalization invites studies of the art of government, and the perspective has inspired scholars to investigate neoliberalism through the Foucauldian lens of governmentality.⁸ Nikolas Rose especially devotes attention to neoliberalism as a way of ‘governing through freedom’ (1999b), and argues that the politics of neoliberalism effectively shifts state responsibility to the level of the individual citizen. He has suggested that a neoliberal, or ‘advanced liberal’, strategy of government may be seen as a political rationality that seeks to ‘govern through the regulated

⁷ For more detailed lists of what a neoliberal policy package can contain, see e.g. Standing (2002); Tickell and Peck (2003). For a thorough history of neoliberalism, see e.g. Tickell and Peck (2003); Harvey (2005) and Peck (2007).

⁸ See e.g. Barry, Osborne and Rose (1996); Burchell (1996); Ferguson and Gupta (2002); O’Malley (1998); Rose (1996b, 1999b); Rose and Miller (1992).

and accountable choices of autonomous agents', such as for example citizens (Rose 1996b:61). Seen in this way, the state is not diminished in the practices and processes of neoliberalization but is diffused and relocated, through governmentality, onto the self-managing, entrepreneurialized and responsibilized citizen.

Extending Foucault's concept of governmentality to studies of neoliberalization sheds light on the techniques and practices of such a process as well as the actors involved in it. This approach might help to identify new tools of governance used in the state's conduct of the population as the logic of the market has been extended. It also draws attention to how new neoliberalization tools of state governance affect the individual citizen and 'encourage people to see themselves as individualized and active subjects responsible for enhancing their own well-being' (Larner 2000:13). By focusing on the governmental aspects of neoliberalization particular attention is paid to neoliberalization as a disciplinary project intended to create a market civilization (cf. Gill 1995).

Studies of the practice of neoliberalization focus on the processes of certain kinds of statecraft. Attempts are made to shed light on which actors and techniques are involved in such processes. Aihwa Ong puts forward a view of neoliberalism 'not as a "culture" or a "structure" but as mobile calculative techniques of governing' (Ong 2007:13). Jamie Peck has suggested that 'the practice of neoliberalization seems to be focused on the nexus of statecraft and market-making' (2003).⁹ On the subject of actors involved in the process Peck has argued that: 'Instead of the invisible hand of markets, it is the invisible hands of technocrats working' (ibid.).

All processes of neoliberalization, argue Tickell and Peck (2003), are geographically and historically situated as well as always hybridic, even experimental, in character. So, too, are the various processes of neoliberalization in Sweden. Because, although described as 'circumscribed neoliberalization' (Harvey 2005:157), Sweden is no exception to this general and global political and economic change. A vast number of significant policy changes and reforms involving privatization and deregulation in diverse areas such as finance, telecommunication, education, transportation, health-care, electricity and pensions saw the light of day in the late 1980s and early 1990s in Sweden. And Sweden's new national pension system was created in what Tickell and Peck describe as the roll-out phase of neoliberalization (2003:175). The pension scheme, as we shall see, involves issues and elements of privatization, financialization, automatization, individualization and responsibilization, and the policy effectively relocates formerly state

⁹ At lectures held at a course called 'Neoliberalism at Work: Restructuring and Reregulation in the Transatlantic City' at Oslo Summer School in Comparative Social Science Studies in July 2003 at the University of Oslo, Norway.

responsibilities to both a sphere of numerical calculation and to each and every individual citizen.

Neoliberalization is advanced by, as well as enabling, new forms of statecraft through which market-like rule is extended. This, then, is a study of a policy process in the nexus of statecraft and market-making.

Mapping the Process of Policy

A national pension system is a policy. It consists of an assortment of written documents of various kinds and significance, most of which are continuously being reformulated and negotiated by actors involved in the ongoing process of policy-making. A national pension system, like most large government policies, does many things, some of which involve governing the population and steering citizens in certain directions.

I focus this study on the production and implementation of Sweden's national pension system. By way of close ethnographic study of the construction, administration and reception of this policy, the aim is to shed light on who the actors involved at different sites and levels in the policy process are, what they do, and how they do it. By attempting to map out the policy process – and the actors, practices and artifacts involved in it – I want to get a glimpse of the workings of new forms of governance.

A policy is often formulated in a written document. The authors of such a document formulate it with the intent to govern the subjects of the policy. The subjects can be employees of a company, players in a soccer team, members of a political party, tenants of a building, pupils in a school or citizens of a state. The content of the policy can deal with issues of security, environment, equal rights, health, appearance and a vast variety of other concerns. Policies are plans, recommendations, guides, rules, regulations or laws that are to govern the members of a particular organization. Emily Martin makes a distinction between 'policies with teeth' which have legal or other coercive backing, and policies 'with no teeth' which, in turn, have 'plenty of links to prevailing cultural ideas about the nature of the person and society' (Martin 1997:255-256). Policies come, no doubt, in many shapes and sizes and are therefore somewhat difficult to define clearly, but a common denominator of policies is that they are, in some way, tools of power that contain particular rationalities of governance.¹⁰

¹⁰ The term 'policy' stems from both Greek and Latin. The genealogy leads to the Greek words *polis* and *polites* that respectively mean 'city' and 'citizens'. It may also be traced to the Latin word *politia* which, in turn, has evolved into the two associated meanings of 'polity' which means civil organization, form of government and constitution of the state, and 'policy', referring to the art, method or tactics of government and regulating internal order (cf. Martin 1997).

There are many ways of viewing policy, of understanding what a policy is and does. An instrumentalist's view of policy is to see it as a tool of decision-makers and where the outcome of the use of such an instrument might be studied in order to evaluate its presumed efficiency (Ham and Hill 1993). From an anthropological perspective issues other than the evaluation of a policy's efficiency are of interest. Here attention is drawn to policy as a process set within a certain context. Such a perspective views policy as a political phenomenon, an ideological vehicle and instrument of governance (Shore and Wright 1997:35).

And so, it seems, we are back at looking at the art of government. Cris Shore and Susan Wright hold that: 'Policy increasingly shapes the way individuals construct themselves as subjects. [] From the cradle to the grave, people are classified, shaped and ordered according to policies, but they may have little consciousness of or control over the processes at work' (1997:4). By studying policies as 'political technologies' their often disguised, or at least understated, transformative aspects – the performativity of policies – are placed at the center of attention. And rightfully so since, as Shore and Wright suggest: 'policy has become an increasingly central organizing principle in contemporary societies, shaping the way we live, act and think' (ibid.:i).

By looking at the pension system as a political technology, and focusing on the different instruments, devices and agents embedded in its construction, I want to shed light on the workings of new forms of governance. The particular aim is to understand how, and by whom, Sweden's new national pension system is constructed and implemented. The broader focus is to look at what a policy such as the national pension system entails in terms of the altered roles of both state and citizen.

Entering the Field

Although this study has involved extensive traveling around the country (more on that further on in this chapter), for the most part it was conducted in the city where I live – Stockholm, the capital of Sweden. Most of the politicians and experts interviewed live and/or work in Stockholm and both government agencies in charge of administering the national pension system have their headquarters here.¹¹

¹¹ This is, arguably, an example of 'anthropology at home' (Hannerz 2001a and 2006), as long as the concept refers merely to a geographical location. However, as anthropology and its fields are changing it might be time to broaden the concept of home. Anthropologists conducting studies far away from their country of residence might be studying within a field they are previously accustomed to and among people they are already familiar with in a language they have in common. Such a study could be considered 'anthropology at home'. Conversely, then, anthropologists conducting studies geographically very close to

I would often take Stockholm city bus number 43 to and from one of the main field-sites of the study. It conveniently brought me from my home to the entrance of the head offices of one of the government agencies in charge of administering the national pension system.¹² I had been granted access to participate in a joint communications project between the two agencies and spent most of the year 2005 attending pre-scheduled working-meetings with bureaucrats involved in communicating the pension system to the public.

The field of this study is the process of policy-making. I constructed the field in which I was studying in the sense that I did not follow chronologically the policy process as it happened. Instead, I defined three sub-fields – the production, implementation and reception – within the policy process and focused my ethnographical fieldwork around those sub-fields. There is neither an indisputable beginning of the national pension system, nor a definite end of the policy process. In a way the process of the current Swedish national pension system was, one might argue, completed as it was legislated upon in the 1990s. But when exactly did that process start? Ideas of how the national pension system had to be restructured were, of course, afloat before the parliamentary committee that designed it was set up. It can also be argued that the process continued as the pension system was inaugurated on January 1, 1999, and, thus, began to be practiced. The pension system at large is continuously evolving as the administration and implementation of the policy are renegotiated, altered and developed. Government information about the national pension system is, for example, constantly re-evaluated and altered. And a process of reorganizing the administration of the national pension system has been initiated.¹³ So, the process of the national pension system does not begin with the production of it, nor does it end with the state's distribution of it. The field of this study is framed with the perspective that the process of policymaking continues as citizens receive it. The reception, perception and practice of the national pension system are of relevance here.

My aim was to map the recent remaking of Sweden's new national pension system. The policy is produced, distributed and received by actors situated at different sites and levels of the policy-making process. As mentioned above I focused my ethnographic fieldwork around three sub-

home might do so in a field that is, in other respects, very distant from their previous experience and knowledge.

¹² See Wulff (2002) for a discussion of 'yo-yo fieldwork' in terms of moving between, within, to and from the field.

¹³ A government report published in 2006 (SOU 2006:111) proposed a more unified pension administration and suggested various reorganization scenarios for a future pension system administration. In April 2008 Parliament decided to appoint a committee with the purpose of planning and preparing for a new state agency in charge of both parts of the national pension system. The new pension bureaucracy is to be inaugurated on January 1, 2010 (Dir. 2008:52).

fields of the policy process and on the actors involved. I studied the production of the national pension system by interviewing the members of the government committee in charge of designing the new pension scheme in the early-1990s. I studied the distribution of the pension system from state to citizen by conducting participant observation, and interviews, at several working-groups involved in government communication at the two state agencies in charge of administering the national pension system. And I studied how the citizens are receiving the policy by going on a 'road-trip' and interviewing 'ordinary Swedes' about their views of the national pension system.

Studying All the Way Through

Hugh Gusterson notes that 'participant observation is a research technique that does not travel well up the social structure' (1997:115). He suggests that ethnographers involved in studies of elites and experts, power and politics instead de-emphasize anthropology's defining research technique in favor of 'polymorphous engagements' (ibid.:116). Such an approach to ethnographic fieldwork, Gusterson holds, would involve interacting with informants across a number of dispersed sites and sometimes in virtual form, as well collecting data eclectically from a disparate array of sources in many different ways. The concept of 'polymorphous engagements' seems to correspond well with my approach as I participated in meetings, workshops and conferences with an array of individuals engaged in one way or another in the national pension system in Sweden. I talked to people on the streets, conducted official interviews with politicians, followed pension debates in the media, hung out after work with bureaucrats and dug for official documents in the government archives.

The bulk of the fieldwork was conducted between November 2004 and February 2006. But just as it is difficult to define the beginning and end of the process of a policy, it is difficult to pinpoint when the process of doing fieldwork starts. It is even more difficult to say when it ends. Does the process of fieldwork begin when I first identify and contact gate-keepers and key actors? Before doing that, an image of the field, of the possible sites and situations, must exist, and does not the fieldwork begin already there? And when does the fieldwork end, as the object of study – the process of the national pension system – obviously continues even as the researcher stops taking notes?

If the traditional, some say mythological, way of conducting anthropological fieldwork ever existed, it made the beginnings and ends of both the field and the fieldwork easier. Going off to a distant and, to the researcher, unknown place to study some aspect of the local inhabitants' way of living and then returning home to write up the findings made for a clear

arrival and departure. Nowadays the boundaries between 'here' and 'there' (Geertz 1988) are, however, often blurred. The field of this study often seemed to be everywhere and continuously ongoing.¹⁴

Not only have pensions become a hot issue in the media and a topic much debated among politicians and in the public sphere in Sweden. With the field in some ways being constantly present and many of the field-sites within commuting distance from my home, I sometimes bumped into informants outside the frame of the field. I have taken the bus from a meeting together with a key informant and noticed how the topic of conversation gradually shifted from pensions to private issues. I have learned about the private lives of informants who turned out to be friends of friends of mine. And I too receive an Orange envelope from the Swedish state every year to remind me to think about the pension system and my future pension, making it even more difficult to stop doing fieldwork.

While I deliberately contacted some key actors and defined certain strategic sites for participant observation, I also kept the fieldwork open for surprises and readily followed unexpected paths and persons as they came my way in a serendipic manner (cf. Hardtmann 2003:28). I began taking fieldnotes in September 2004, when I first contacted the government authorities in order to begin the process of gaining access. I stopped taking fieldnotes in March 2006, but I am still cutting out articles that deal with some aspect of the national pension system.

Both the concept of the anthropological field and the research methods at hand are topics of ongoing debate among anthropologists. Ulf Hannerz, for example, has argued that, in complex societies, the field itself often consists of several fields that are interconnected and interdependent. The approach entails finding a combination of observation sites and recognizing the links between the different fields in the study. The fieldwork would then simultaneously be 'multilocal' and 'translocal' (Hannerz 2001b).¹⁵

In a discussion of the concept of multi-sited ethnography, George Marcus (1995) suggests that such ethnography means conceptualizing a novel object of study and, further, that such a new object of study involves asking questions of an evolving object of study in which 'contours, sites, and relationships are not known beforehand, but are themselves a contribution of making an account that has different, complexly connected real-world sites of investigations' (1995:102). In short, one of the suggestions Marcus puts forward in order to study processes ethnographically is to 'follow the thing', in which the researcher 'traces the production and circulation of a manifestly material object of study, such as commodities, gifts, money, works of art, and

¹⁴ For a thorough discussion on changes in the concept of field and the emergence of new and different kinds of fields, see e.g. Gupta and Ferguson (1997).

¹⁵ For further discussion about the multi- and/or trans-locality in ethnographic fieldwork, see e.g. Garsten (1994); Marcus (1995); Gupta and Ferguson (1997); Lindquist (2001); Hannerz (2003) and Thedvall (2006).

intellectual property' (1995:106-107). In a more recent discussion Douglas Holmes, together with George Marcus (2005, 2006), proposes a level of ethnographic fieldwork they call 'para-ethnographic'. This approach involves work in which the ethnographer treats, for example, experts within the field like collaborators or partners in research rather than mere informants, and where the object of study is to understand 'the frame' of such experts by 'being engaged with its dynamics from their orienting point of view' (Holmes and Marcus 2005:248). In a similar line of thought, Annelise Riles reflects on the emergence of new agents and artifacts of contemporary ethnographic encounters. By focusing on documents as 'paradigmatic artifacts of modern knowledge practices', Riles discusses how shared interests between anthropologists and their subjects may challenge the limits of traditional ethnographic description and analysis (2006:2). I think of my encounters with politicians, experts, bureaucrats and technocrats and my participation at the various meetings, workshops and seminars, and the close study of government communication, documents and numerical equations, within the field of the national pension system in Sweden as an attempt towards a para-ethnographic approach to ethnographic fieldwork.

My methodological approach is also inspired by the notion of 'studying through' (Reinhold in Shore and Wright 1997:14) a policy and the idea of attempting to grasp 'the interactions (and disjunctions) between different sites or levels in the policy processes' (Shore and Wright 1997:14).¹⁶ Taking the notion of 'studying through' seriously and attempting to study *all the way* through, I decided to include the citizens – in a sense situated at the receiving end of the policy – in the study. Following Hannerz (2001b), I defined three 'fields within the field' that I took to represent the production, distribution and receiving levels of the national pension system.

As I conducted my fieldwork, following people up and down hierarchies of the pension system bureaucracy, zooming in on intricate techniques of the policy as well as traveling around the country to interview people, tracing ideas and practices through the policy process, I conceived of it as studying all the way through the national pension system by way of polymorphous engagements in a multi-sited ethnographic fieldwork.¹⁷

¹⁶ 'Studying through' is a development of Laura Nader's now famous call for 'studying up' (1972).

¹⁷ A note on names and confidentiality. When I first contacted the members of the Working Group on Pensions I promised that the 'interview material would be "depersonalized"'. I have kept this promise by not including their names but referring instead to their positions and/or own categorization. During fieldwork at the government agencies I ensured so-called gate-keepers and informants that their real names would not appear in the published thesis, which is why all quoted informants have been given new names here. I got to know the first names of some of the 'ordinary citizens' interviewed during the summer but I here opted to refer to them all with regards to where I talked to them. The exceptions are those individuals I have chosen to introduce each Interlude. They have been given names, albeit fictional ones.

I have already mentioned some of the situations and sites that I found myself in during the process of conducting my fieldwork. Here now are brief, but more specific, accounts of the three sub-fields of this study: the production of the national pension system, the distribution of it in society and being on the receiving end of the policy.

The Producers

In February 1994 a government committee called *Pensionsarbetsgruppen*, from now on called the Working Group on Pensions, published a report entitled *Reformed Pension System* (SOU 1994:20) (*Reformerat pensionssystem*). The fundamental design of Sweden's current pension system is based on the recommendations published in that report. In order to look into how the current pension system came to be and why it is designed the way it is, I contacted the 22 individuals – elected politicians, 'experts' and committee secretaries – whose names appear in the foreword of the report as participants in the Working Group on Pensions. In taped interviews I asked them to tell me their personal stories of how it all happened back in the early 1990s.¹⁸ Ten of the members of the Working Group on Pensions were elected politicians and representatives of the seven parties in Parliament at the time. The Chairman of the Working Group on Pensions was a Liberal Party politician. The Social Democratic Party was granted two representatives in the Working Group on Pensions, while the Conservative Party, the Liberal Party, the Center Party, the Christian Democratic Party, the New Democrats and the Left Party were each represented by one appointed individual.¹⁹ Apart from these political representatives, six individuals categorized as 'experts' and six committee secretaries signed the report. Both categories of 'experts' and 'secretaries' consisted of a mix of people from different professions but many of them with professional experience of working with pension systems. Several of the 'experts' were economists and most of the secretaries were from various ranks of the legal profession. The gender distribution of the Working Group on Pensions was perfectly even: eleven men and eleven women. Regarding age, a notable majority of the committee members are so-called baby-boomers, born in the 1940s.

The 22 individuals whose names are on the Working Group on Pensions report are clearly not the sole producers of the policy. Other experts were called in for hearings and seminars during the years when the committee was

¹⁸ Two of the 22 individuals who signed the report have not been interviewed for this study as I failed to locate one of the 'experts', and one of the 'secretaries' declined to participate stating that her role in the Working Group on Pensions was 'insignificant'.

¹⁹ The New Democrats was a party of discontent in Parliament at the time. Note also that the Left Party exchanged representatives during the course of the work, which is why two representatives appear in the report.

assembled. A challenge to this attempt to focus on a particular group of people active at a specific time and place is the fact that important parts in the construction of the pension system had not yet been thought of when the committee's report was published. So the production of the policy may be said to have been founded with the work of the Working Group on Pensions, but developed further in the years that followed, thus involving other individuals than those whose names are printed in the report.

The committee worked between December 1991 and February 1994, when they met frequently to discuss, negotiate and decide upon the construction of a new pension system. Their meetings took place in various meeting rooms in the Swedish government offices. The committee meetings, say several of the members, were mostly held after regular working hours since the members all held other positions and jobs while simultaneously working on the committee.

When I contacted these individuals, ten years had passed since they finished their work. I asked for individual interviews with the purpose of collecting their personal stories of how the committee had worked. What did they discuss? Were there negotiations? What were the ideas floating around? What were the roles of the different members of the committee?

The bulk of the interviews with these producers of the national pension system were conducted between November 2004 and January 2005.²⁰ All interviewees were asked to choose an appropriate time and place for the interview. The interviews were primarily conducted at the workplaces of the interviewees, but a few took place in their private homes. The majority took place at localities in and around Stockholm, but some of them took place in other cities in Sweden.²¹ The interviews, each between one and two hours long, were recorded and subsequently fully transcribed.

My aim in conducting the interview study of the producers of the national pension system was to gain insights into the work of the Working Group on Pensions. Semi-structured interviews enable a certain continuity and comparability between interviews, while at the same time allowing space for the informant to enhance what he or she considers to be of importance and meaningful (cf. Kvale 1996; Ryen 2004). This approach enabled me to collect individual narratives of how each member of the Working Group on Pensions recalled the early policy-making process in which they participated. The interview material sheds light, for example, on how some of the important and fundamental ideas about the specific design of the national pension system were negotiated within the Working Group on Pensions. The interviews also highlight the importance of the individual members of the

²⁰ A few remaining interviews were conducted over time, during the continuous fieldwork in other parts of the field. The last interview was conducted as late as November 2006, when one hard to reach committee member finally found the time.

²¹ Namely Jönköping and Malmö.

committee as well as revealing how relational dynamics in the committee influenced the process of policy-making.

All of the members of the Working Group on Pensions interviewed contributed generously with their time and thought. The interviews were often intensive in character as most of my informants were very interested in talking about pension systems in general and this one in particular. I found the general sense of pride and accomplishment conveyed by many of them striking.

The Distributors

Before entering the field of pension communication I had studied the information material produced by the government authority in charge of the funded part of the national pension system, the Premium Pension Authority (from now on called the PPM, short for *Premiepensionsmyndigheten*). I conducted discourse analysis, as developed by Fairclough (1992, 1993, 2003), of the public information published by the PPM. This analysis shows that this government information also communicates values such as personal responsibility and active participation together with the public information material about the premium pension. It also proved to be a good starting point and preparation before I began conducting fieldwork at the sites where the government information about the national pension system is produced.

Two government agencies are in charge of the administration of Sweden's national pension system, the Social Insurance Agency (*Försäkeringskassan*) and the PPM. With the purpose of studying the distribution of policy I contacted various Heads of Departments and other so-called gate-keepers at both bureaucracies. I asked to be granted access to conduct participant observation at the departments producing the public information on the national pension system.²² Timely enough, for while I attempted to gain access to the Communications Departments at both the Social Insurance Agency and the PPM, a collaborative inter-bureaucratic project between these two state agencies was initiated. In 2004 the Ministry of Health and Social Services requested more cooperation, regarding administration, customer service and communication, between the two pension authorities.²³

This initiative resulted in the inter-bureaucratic project, Program of Joined Authorities (*Myndighetsgemensamma programmet*), which lasted through

²² It should be noted that the Swedish Rights-of-Access principle (*Offentlighetsprincipen*) of 1766 without doubt helped in gaining access to these bureaucracies. The Rights-of-Access principle ensures the public free access to all government records as well as to public offices and the work carried out there.

²³ This initiative was later seen as the first move towards a reorganization of the pension administration. A committee to investigate alternative bureaucratic solutions was set up in 2005 and presented its report (SOU 2006:111) one year later.

2005. So, instead of gaining access to conduct fieldwork at two different government authorities I was able to participate in the joint project between the two pension bureaucracies for a year. My initial access was to a joint communications working group that was formed for the purpose of, as it were, ‘harmonizing’ the communication efforts of the two state agencies in charge of administering the national pension system.

The core of the working group on communications within the Program of Joined Authorities consisted of three people, plus myself. They met regularly, for more than a year, once or twice a week, sometimes more often, depending on the intensity of the work. The meetings normally lasted for three hours between 9 am and noon and they almost always took place at the headquarters of the PPM in central Stockholm.²⁴ They worked on rewriting the communications policy as well as redefining the communications goals and information activities. They delegated some communicational ‘harmonization’ work to other sub-groups, so that, for instance, a ‘web-communication sub-group’ was formed. Further, they investigated the past communications activities of the two bureaucracies, and researched other government agencies’ communication strategies and activities as well as the pension information of other countries. The working group carried out several large-scale consumer research projects, engaging the services of a professional market research company, in order to ‘find out who we are talking to’. They organized workshops with information personnel from local offices, and customer service offices, of the state agencies in order to inform them of forthcoming communications plans. Since I was involved in the work of this particular working group, I became a familiar face in the corridors of both agencies, enabling me to extend my participation to include other, communications related, working groups and meetings within both government authorities. For a period of time I participated in the meetings of the inter-bureaucratic working group producing the contents of the government information sent out annually in the Orange envelope.

While attending all these meetings scattered over the period of a year, I also took the opportunity to interview individuals who were playing important roles within the sphere of government pension communication. In some cases I decided that an interview would not be sufficient, so I asked, instead, if I could ‘tag along’ for some time. In this way I extended the interview to a kind of participant observation focused on one specific individual, following him or her around in the daily activities at work. This approach, to my understanding more commonly called ‘shadowing’ (cf. Czarniawska 2007), took me to places and situations that I would have had difficulty in gaining access to had I not been connected with the tagged informant. One notable example of such ‘tag along’ fieldwork, was when I spent entire working days

²⁴ For a discussion on meetings as important rituals in the decision-making process, see Thedvall (2006).

tagging the person who was at the time Head of pension administration at the Social Insurance Agency. He proved to be a key informant par excellence, since he is also one of the inventors of several of the particular technicalities of the pension system, such as the adjustment indexation and the automatic balancing (more on these technicalities of the pension system in chapter three). This individual is, further, a very visible person when it comes to pension information and communication with the media and other public debates. Being able to follow him around also brought me back to the political sphere, since he frequently attended meetings and seminars at the Ministry of Health and Social Services and other places higher up in the hierarchy of policy-making than did the communication workers engaged in composing a communications plan for the national pension system.

During my year of fieldwork within the administration of the national pension system I often had the impression that the bureaucrats at various levels within the hierarchy and I shared a common interest in, and quest for, understanding the many various aspects of the policy. A recurring reflection I had during the fieldwork was one of surprise at the reflexivity of my informants as they eagerly and openly talked about our mutual interest – the national pension system.

I took detailed notes at every different kind of meeting I attended within the pension system administration. Writing down both what was said in the room, and by whom, and my own immediate reflections about the tones of voice, expressions, surroundings, et cetera called for very swift note-taking. Having previously worked as a journalist I had developed my own kind of shorthand that includes both symbols and abbreviations, enabling me to document in detail dialogues and discussions. In several instances informants commented on my extensive and intense note-taking during meetings that lasted for several hours.

The Citizens

I had, from the outset of the research project, decided to include the citizens – receivers of the national pension system, if you will – in the study. The challenge was how to do it. How are the views of approximately six million Swedish citizens enrolled in the national pension system studied ethnographically? I had initially planned to do focus-group studies in order to gain insights into how such a large group of people perceive the policy, what they think of it, how they react to it and act on it. However, while I was conducting participant observation at the government agencies I reconsidered the methodological approach to studying how the policy is received. It soon became clear to me that the government authorities regularly and thoroughly conduct large-scale, as well as smaller, quantitative and qualitative studies of various aspects concerning how the national pension system is received and

perceived of by the citizens of Sweden. When one of the working groups in which I was a participating observer began to plan focus-group studies in order to find out more about the attitudes of the population, I opted for a more exploratory and open-ended approach to my own qualitative interview study at the receiving end of the national pension system. During the summer of 2005, when most of the work at the government agencies was on hold anyway due to vacation, I hit the road with my car and camping-trailer to 'collect voices' about the pension system from Swedish citizens all over the country.

I owe the conceptualization of this interview study as 'a collection of voices' rather than research interviews to Daniel Rothenberg and his monograph *With These Hands* (1998). Rothenberg's collection of voices includes those of migrant farmworkers, growers, contractors, union representatives, lobbyists, and many more. Taken together, and in conversation with each other, the different voices help to paint a more complex picture of the vast number of intertwined actors involved in the agricultural industry in the US (ibid.:xxi).

Interviewing people he met along the way on his travels throughout the US and Mexico (ibid.:xx), Rothenberg also offered an inspirational example of the various ways in which the ethnographer can move about in the field. As do Stephen Gudeman and Alberto Rivera (1990) in *Conversations in Colombia* (1990), in which they explicitly acknowledge the importance of their car as a kind of tool in the research (ibid.:5-9). They describe how the car they used to move to and from their different field-sites in rural Colombia also came to be used to 'make conversational communities' (ibid.:7) both between them as researchers and with informants, as they frequently took passengers with them and held conversations along the way.

Inspired by the concept of collecting voices and by such modes of moving around in an extended field, I took my children along and set out to interview people I met on a two-month journey around the country. The car and camper allowed me the freedom and flexibility of not having to plan the details of the trip, thus enhancing the ad-hoc approach to the interview study. On sunny days when waterfront resorts and camping sites would fill up with families on holiday I too could hang around to engage in conversations. If I saw a sign for a market or fair along the road I would pull over and spend an extra day talking to people. In addition, my old car and camper from the mid-60s proved to be useful per se, since they seemed to function as ice-breakers and conversation pieces that at times made people approach me first (not to mention the times the car broke down and the people helping me figure out what was wrong found themselves involved in discussions about the pension system).

My general aim with the trip was to collect voices about the national pension system from 'ordinary citizens' all over Sweden. I talked to people in both urban and rural settings. In an ad-hoc manner I approached people in,

for example, city squares, parks and markets; at cafés and stores; at festivals, camping sites, beaches and in their gardens. I asked them to share with me their thoughts on the new pension system. The collection of voices is polyphony of expressions concerning the pension scheme. Each voice represents one particular citizen's thoughts, views and feelings from the receiving end of the pension system. Together, the collection of voices may be seen as part of an existing popular discourse on the national pension system in Sweden.

I began talking to people who came my way, the general criteria being that I estimated the person to be between the ages of 16 and 50 and that she or he was not totally occupied with something else.²⁵ The interviews were spontaneous in that the people I approached had no knowledge in advance of me, my purposes or the nature of my inquiries. A great number of the people I solicited were, of course, at first surprised by the topic of my interest – the national pension system – but after a brief explanation of the study they talked openly, and many at great length, about their thoughts and, not least, emotions concerning the national pension system. In fact, I often sensed that people were eager to voice their opinions and feelings on the policy.

I collected 83 interviews from ordinary Swedes talking about the national pension system.²⁶ I wrote down the date, time and place of each interview as well as the sex and approximate age of the interviewee. I took detailed notes during the interview, added my own reflections on the interviews and the setting and transcribed the notes as soon as possible, mostly during the evenings in the camping-trailer.

The interviews conducted were of varying length; a categorization with regard to length shows that 55 of them were 20 minutes long or less, while 28 interviews were between 20 and 60 minutes long. The collection of voices contains 45 from men and 38 from women. I normally solicited individuals, thus enabling a face-to-face interview situation that allowed the interviewee to speak as freely as possible. On five occasions two persons were included in the same interview. These were situations in which an acquaintance of the interviewee came up during the interview and spontaneously joined in the discussion. In two instances, however, the opportunity for group discussion manifested itself and lengthy talks about the pension system between the members of the, already formed, groups evolved.

The approach was both tiring and exhilarating. All inter-personal meetings with the many different personalities along the way and the fact that they wanted to share with me their interesting views and reflections on the

²⁵ The age span was set due to the fact that, since the implementation of the current national pension system is gradual, the first future pensioners to receive their entire state pension from this system will be those born in 1954. The lower age for potential interviewees was set at 16, being the age from when tax is deducted from earned income in Sweden, and taxable income is the entrance ticket to the national pension system.

²⁶ Ten of the people that I approached declined to participate in the study.

national pension system made up what was truly an enriching experience. The long hours of driving in combination with the energy-consuming task of repeatedly approaching strangers and asking for interviews and then transcribing these at night was at times tiring. I stopped interviewing when I felt that the answers were getting repetitious. That is to say, when I noticed that I had heard it all before, I figured that I had collected most of the variations of voices of ordinary people out there.

Acknowledging that the collection of voices is a different, and rather decontextualized, kind of empirical material, compared with for example, the taped interviews with the elected politicians or the extensive field-notes from the year within the bureaucracies, I have opted to treat the interview study differently in the text, as well. The thematically structured, short ethnographic accounts of how people respond and react to the national pension system are placed as interludes between the chapters of the book. In this way I want to emphasize the different content and character of this particular material, as well creating a relief from the ethnography on the policy production of politicians and bureaucrats. The gathering, and textual structuring, of the collection of voices from Swedish citizens is to be seen as an attempt to study all the way through the national pension system in Sweden. They are an attempt to 'engage ethnographically with emerging resonances of society' (Holmes 2000:6). The collection of voices converse with, respond to and bounce off the ethnography on the creation and implementation of the policy.

Outline of the Book

I now invite the reader to accompany me as I open up the Orange envelope, that is unpack Sweden's national pension system and look at the actors and practices, transformers and technologies within the policy. Let us see if we can 'figure out what the devil they think they are up to' (Geertz 1984:125), these transformers of society. Here is how the book is structured.

After this first introductory chapter 'In a Market State', there follows interlude I, 'I'm not a paper person', which is concerned with the various personalities and capabilities people perceive as important to possess when dealing with the national pension system.

Chapter two is called 'The Politics of Pensions' and it aims at introducing, framing and situating the object of study – the Swedish national pension system – as a political product of both past and present. The welfare state is a thoroughly researched topic. The rich and vast area of welfare studies includes research on the development of the welfare state, the varieties of it, and the restructuring or retrenchment of it. This chapter taps into some of this literature in its intent to situate Sweden's national pension system in time and place. The chapter begins with a brief overview of the history of pensions and a description of the main variations of pension systems currently

in existence. Then it zooms in on the Swedish context by first recalling some of the particularities of the nation's previous pension system and then moves on to a more ethnographically based description of the creation of the current pension system. A comparison between the previous system and the present one mirrors a more general, ongoing shift in the role of the welfare state and of social security policies. What was formerly a strong promise of financial security in the future has now been replaced by a lesser degree of predictability and a dependence on market fluctuations.

In Interlude II, 'Shit, we're cheated', people express their feelings of anger and of being cheated as they talk about their distrust of both politicians and the national pension system.

Chapter three, 'The Technological Relocation of Agency and Responsibility', is, in a general sense, concerned with the fundamental structure of the national pension system and, more specifically, with what instruments and agents enable the relocation of responsibility. The thick description of some of the political technologies built into the construction of the pension system shows how a double shift of political and economic responsibility is taking place. An increased emphasis on technocratic expertise and knowledge paves the way for a shift of both agency and responsibility in pension provision. Technologies within the construction of the pension scheme divide and relocate agency and responsibility away from the political sphere to both an abstract level of automatized and self-regulating mathematical calculations and to an individual level thus making each citizen responsible for his or her own future pension. A simultaneous process of distancing and personalization of responsibility and agency is at work.

Interlude III, 'I ought to do something', focuses on the possible meanings of the frequently used phrase 'ought to' as people talk about the national pension system.

Chapter four, 'Managementality and Variations of Bureaucratic Practice', deals with the differences and similarities in the administrative practices used by the two different government authorities in charge of the different parts of the Swedish national pension system. The Social Insurance Agency administers the larger, redistributory part of the pension system, while the PPM, is in charge of the funded part of the system. The chapter's general interest is in new forms of governing. The notion of 'managementality' merges the concepts of 'governmentality' and 'managerialization of the state'. Emphasis is placed on how practices, such as marketing tools and accounting, formerly used in primarily corporate settings, are now frequently used also by government authorities.

In Interlude IV, 'I feel secure when I save', we listen to what people say they do in order to feel secure within a social security scheme that makes them insecure.

Chapter five, 'Governance Through an Orange Messenger', pays specific attention to one of the main, certainly the most obvious, technologies of

Sweden's national pension system – the Orange envelope. One of the novelties of the current national pension system in Sweden is that the state annually sends out individual pension information to every tax-paying citizen. The orange-colored envelope containing this government information has become a symbol of the new national pension system. The chapter provides an insight into how the public information is seen, by representatives of the state, as a kind of disciplinary tool. Detailed attention is directed to how the content of the annual pension information is formulated and what it entails in terms of educational and normative messages from state to citizen.

In Interlude V, 'I just throw mine away', we hear some of what people say they do (and do not do) with the pension information.

Chapter six, 'Concluding Notes and the Notion of *Civis Economicus*', explores the notion of the contemporary ideal citizen. The focus here is on what kind of 'governable subject' the new forms of governance and the influence of market logic brought forward with the national pension system might entail. Attention is paid to what the new roles of – and altered relationship between – state and citizen might entail in terms of the citizen's notions of security, loyalty and trust. The chapter also includes a discussion of the concerns, reactions and comments of citizens in terms of resistance, and opens up for further research of novel forms of resistance as reactions to new forms of governance.

I. 'I'm not a paper person'

It is almost midsummer and I am traveling around the southern part of Sweden. I have stopped for coffee and a cinnamon bun at a quaint log-cabin café along road 28 in Blekinge, a region in Southern Sweden. The afternoon sun beams down through the bright green birch leaves. Ducks find their way among the water lilies in the pond. A motorcycle that passed me a couple of miles down the road is parked in the shade. The driver is a man with dark hair turning grey, his passenger is his pre-teenage daughter. They are having lunch at the table next to mine. I am looking through my notes, they are talking softly. When they have finished eating I lean over and ask if the man has time to talk to me about the pension system. He nods, asks me to join them at their table and says his name is Peter.

'Sure. Go ahead, ask me anything and we'll see if I can answer. I really don't think I know much about the pension system, you see,' Peter says as he takes a sip of his coffee and we begin talking. Turns out he knows quite a lot. From what he tells me he has clearly understood that the level of his own future pension depends on how much he works. He says, for example: 'I don't expect to retire early. There's no chance of that, I think. I'll just have to work as long as I can, I suppose.' Peter talks at length about his concern with younger people's attitudes toward work and wonders how they will get by. 'It seems to be difficult for a lot of young people to even find work, and many don't seem to want to work either... What kind of pension will they get?'

He also knows about the mandatory fund placement part of the national pension system and that he has to choose in which funds he wants to place part of his future pension. It is when he talks more specifically about the funded part of the system that he begins to mention how he feels that he is lacking not only in knowledge, but also in ability.

Here is how Peter reasons around the issue of what he feels is expected of him and why he cannot meet the perceived expectations: 'I chose funds once but haven't done anything since then. I don't have the Internet at home and... well... I don't know... I'm just not the type of person to get involved in those things. I don't have that kind of personality.'

'And what kind of personality is that?', I ask. 'Well, I don't know... I'm not a paper person, if you know what I mean. I get my salary and pay my bills once a month and that's it... I don't think any more about paperwork or money for the rest of the month. I'm not interested in those things.' Peter shrugs and smiles. We talk a bit more, but when his daughter gets up and walks over to look at the ducks he says they should get going. They just came out for a ride because the weather was nice and they were hungry, but now it's time to head back to the town where they live some half an hour's ride south on road 28.

Peter brings up three issues that I recognize from many of the other interviews. He begins by stating that he does not know much, whereas in fact he does know quite a bit. He is concerned about how others will manage. And, thirdly, he feels he is lacking in knowledge or ability in order to meet the expectations or demands he perceives are placed upon him with the national pension system. I shall now focus on these three concerns respectively by recalling some of the other voices I have heard during my interview-trip in summery Sweden.

'I don't know much about it!' was, to me, a surprisingly common first response from people when I asked them to talk to me about the pension system. Many voice their concerns about how difficult, if not impossible, the pension system is to them. Some speak in general terms, including themselves in a larger, public lack of knowledge and competence when it comes to dealing with the national pension system, while others refer more specifically to themselves and how they feel they do not know enough, at least not of the right kind of knowledge.

One evening I go knocking on the doors of the few houses in a small rural village in the northeastern part of the Stockholm archipelago. In some instances I am invited in and at other times I end up listening and taking notes in the doorway. Illustrating the notion that there is a general lack of knowledge about the pension system, here is what one person said quickly standing in the hallway of a red house on a hill: 'Oh, that pension system... Well, I don't know anything about it anyway. No, I've totally disregarded it. They have created something that no human being can understand. It is totally impossible!'

With specific reference to the government information about the national pension system, here is how two different people each talk about not understanding it even though they claim to have tried to do so. 'I don't understand anything at all about the pension system. I have looked and I have tried, but I can't seem to get a grip of it all,' is the quick comment from a woman I talked to on the street in Örebro, a medium-sized town in central Sweden. A young man I spoke at length with in Karlstad, a town in the western region of Värmland, gets involved in a monologue concerning his notion of not understanding the information sent to him. He says:

I think it's much too difficult to read the information they send out. I have a difficult time understanding what it says. I think they should make the information easier to read and understand. I mean, if the information really is as important as they claim, shouldn't it be made understandable to everyone? Maybe it is really important for me to understand all that. What if it is? See, I don't even know if it is important for me to understand or not.

The young man, a student at the local university, shakes his head after this reasoning, seemingly at a loss about what it is he is supposed to know.

It seems that people think that they do not know enough to be able to deal with pension issues. Some say they lack specific abilities, such as computer skills, in order to take care of their pension planning. While talking one evening to neighboring campers at a camping site in the region of Dalsland, one of the men in the three families vacationing together sums up a discussion in which they all seem to agree that they find it difficult to know what it is they are supposed to do about this national pension system, by saying:

The person who keeps himself updated has an easier time now, I think. But the other pension system was more fair in the sense that those who know about this, who are updated on these issues, have it easier now, while the rest of us, who don't know much about computers, or who aren't even interested in knowing, fall behind and lose out.

He is referring here to the funded part of the national pension system in which each citizen has to make individual investments in up to five pension funds at least once a year. This can be done over a self-service telephone, by asking for a form, filling it out and mailing it to the government authority or, which is the more common way, by choosing funds through the state agency's website. But, as a woman in the town of Karlstad in Värmland puts it: 'I don't have the strength or energy to get involved in fund placements and such things. I don't have the interest in it. I'm sure that there is money to be made for those who get into it. But, like I said, I'm not interested in stocks and stuff like that.'

Such lines of reasoning may be interpreted as citizens saying that they are either not interested in, or consider themselves unqualified to deal with, issues which they believe are important in order for them to handle their future pension. Some also seem to believe that such abilities, whether it is basic computer skills, complex financial knowledge or something else, are possessed by many others. A man I spoke to in the harbor town of Simrishamn, right down in the south in Sweden, phrases it rather matter of factly: 'I leave stuff like that to those who know it better than I do. I know

about other things – cars, motorcycles, computers – things that those who know everything about funds and stocks might not know. So I let them do what they know best, and I stick to what I know.'

Which brings us to a main concern, voiced frequently in so many ways – the notion of not knowing enough about the financial market to be able to manage the mandatory fund placement part of the national pension system. Knowledge of how to choose and manage funds in order to raise one's future pension with well-placed fund capital is not perceived as common knowledge and neither, as we shall see, as something everyone cares to know. So while some interviewees do find it interesting to engage in the individual and mandatory fund placement part of the pension system, most say that they lack knowledge of and/or interest in this new demand placed on citizens.

A 25-year-old whom I spoke to in the small town of Åmål in the western part of Sweden says that he is too young to worry about his pension. The one thing he feels he needs to know more about in time, however, is how the financial market works. 'The older I get', he says, 'the more I need to think about those things.... And, well, eventually I guess I'll have to learn to invest in funds and stocks and all that.'

At a beautiful excursion-site in Gästrikland, further northeast, I am sitting on the same bench as a woman who is watching her small child in a playground. We talk and she soon shares some of her thoughts on and concerns about the national pension system. She too begins by saying that she does not know a lot about the pension system. What she specifically feels she lacks are skills and abilities to place her pension money within the premium pension part of the system. This is, however, something that she is not really eager to obtain either. She says:

I think all this with funds is difficult to understand and I don't get involved in changing funds every now and then, like some say they do. I'm just not interested in those things. I guess I can change funds whenever I wish but I don't really know what I'm doing. I feel as if I have to know more about funds and all that before I get involved in choosing and changing funds. So, instead, I don't do anything at all.

Another woman I spoke to later that same day at the café by the gift shop in a village called Gysinge in Gästrikland expresses a concern that the abilities demanded of citizens might not be gender-neutral. She says:

I think it is wrong that everyone is supposed to be involved in placing money in funds. How many really know what they are doing? How many are even interested in these things? I've talked to friends about this and it really seems to me that the ones who are interested in stocks and such things are mostly guys. Well, then that's really unfair!

Now that we have heard how people may voice their concerns about not knowing enough, or rather not knowing what they perceive to be the proper things, we shall listen to how some are concerned, not so much with how they themselves will manage, but how others will be able to do what is expected of them with the national pension system.

There is, for example, a widespread notion of the necessity to educate young people about economic issues in general, and about the workings of the pension system in particular. Such views are common among both the producers of the pension system and the people involved in informing the public about it, and such concerns are also voiced among the citizens interviewed. Here is part of a dialogue between two 25-year-old men I talked to in the western region of Dalsland. They quickly get involved in a discussion about how the pension system should be taught in schools, and suggest that the then Prime Minister, Göran Persson, should visit schools: 'I think Persson ought to visit high schools and talk with the kids about how the pension system works. They are the ones who need to understand all this,' says the taller of the two friends. And his friend agrees:

Right! And just look at how the schools are today. I mean, we thought it was bad when we graduated... But that's nothing compared to how it is today. Nothing! They should teach kids more about the economy. So many young people don't know shit about money and stuff. It just runs through their fingers. I mean, money has absolutely no value for kids today. And how will they, then, manage with a pension system such as this one?

One woman I talked to in the Old Town of Stockholm turned out to be really concerned not so much with her own pension, since she felt that she had that covered by private savings and good results with her fund placements, but rather with how others less knowledgeable, less educated and with less money would manage. She chooses one of the southern suburbs of Stockholm to illustrate where such a person might live:

I'm well educated, have a good job and earn a pretty good salary. I have managed, rather well, to understand how this pension system works. But what about, say, a woman in Rågsved? She may not have a higher education, she's probably low-paid, perhaps a single mother... What will happen to her? What choices does she have within this pension system, I wonder?

Obviously there are people who say they quite enjoy getting involved in and learning about the stock market and fund investments. I have heard some comments about the premium pension part of their future pension being

'money to play with', that is, money you can keep or lose, and use to play around with in the funded part of the pension system. 'I think it is good that people get involved in fund placements. Well, it's good for those who do anyway. I quite like it myself,' says a young woman in a store in Gränna, a small town in the southern district of Småland. She and her boyfriend compete over who gains the most with the fund choices they have made within the premium pension part of the national pension system. But such responses are few in the collection of voices that I assembled; instead, many people feel that they do not know what is expected of them with this new national pension system.

To my mind what some of these voices express is part of a more general public caution, perhaps suspicion, with regard to any large-scale policy change that is inflicted on people's lives. Nevertheless, as I listened to people talking about the national pension system it was obvious that many feel that they do not understand the government information sent to them. More specifically, they feel that they do not know how to deal with the funded part of the system. And even if they believe that they might be able to manage, many express their concern about how others will cope.

Sitting in my camper at the end of yet another day of talking to people, I jot down a reflection that I keep coming back to: I sense a general notion of self-ascribed public incompetence. Swedish citizens feel uneducated and ill equipped, sensing that they are lacking in skill and ability, thinking that there is something important that they, as contemporary citizens, do not know.

Chapter Two

The Politics of Pensions

Pensions have become an intriguingly hot political and economic issue during the past decade. Pension systems, levels of pensions, pension ages, the ‘problem’ of an ageing population are all frequently recurring topics of discussion in policy-making spheres around the world and, subsequently, also a prime media topic.²⁷

This chapter is concerned with the idea of pensions and with pension schemes as political products. It aims at situating and contextualizing the object of study of this research – Sweden’s national pension system. After a brief historical review of the idea of pensions and a general overview of the variations of pension system designs, the focus of the chapter is shifted to deal more specifically with pensions in a Swedish context.²⁸ The construction of the current national pension system is, as we shall see, linked to and interdependent with the construction and design of Sweden’s previous national pension system. An ethnographic account of the making of the current national pension system in Sweden concludes the chapter.

Since 1990 nearly all of the OECD countries have reformed their pension schemes. Sweden’s new national pension system was inaugurated in 1999, Germany introduced a reformed system in 2001, France in 2003, Italy and the UK in 2004 and Greece in 2008 (OECD 2007; IMF 2005; BBC News 2008).²⁹ The ‘twin pressures of economic and demographic change’ (Bonoli 2000:1) were the motives most commonly referred to as governments

²⁷ For a problematization and historicization of the so-called ‘problem of an ageing population’ cf. Patrick Bourdelais (1998).

²⁸ For research on the institutional development and structure of welfare states, see e.g. Esping-Andersen (1990); Korpi (1980, 1981); Korpi and Esping-Andersen (1987). For research on the welfare state in a Swedish context, see e.g. Olsson (1990); Rothstein (1994); Svallfors (1998, 2003). For analysis of the ongoing restructuring of the welfare state, see e.g. Leibfried and Pierson (1995); Korpi (2003); Korpi and Palme (1998, 2003); Pierson (1994, 1996, 2001). For research concerning the role of political institutions in the ongoing welfare state restructuring, see e.g. Bonoli (2000, 2001, 2003); Swank (2001, 2002).

²⁹ 30 nation-states are members of OECD, Organisation for Economic Co-operation and Development, see www.oecd.org for more details.

throughout the industrialized world set out to reform their post-World War II national pension systems (Pierson 1996; Lundberg 2005). The restructured pension reforms generally meant a reduction in pension benefits and/or higher retirement ages, and the initiatives were often met with public outcries that led to difficulties for the politicians held responsible. Large demonstrations, public protests and strikes against proposed changes in national pension systems took place in, for instance, France and Italy in the Spring and Fall of 2003 and in Greece in March 2008 (cf. New York Times 2003; Deutsche Welle 2003; BBC News 2003; 2008; Der Spiegel 2008).

The structures of the welfare state in general and of national pension systems in particular are the outcomes of political processes both past and present. In fact, the reformation of a national pension system is, argues Giuliano Bonoli, 'a highly sensitive political exercise' (2000:27). And John Myles highlights the political dimension of a national pension system by suggesting that 'politics, not demography, determines the size of the elderly population' (1989:120).

A national pension system covers enormously large issues in both scale and scope. It stretches from the individual, through the national and further out to global levels – and back again. On its way it touches upon issues all through life, from birth until death. A pension system is simultaneously of public and private concern. The subject of financial security in old age involves issues of health and work. The reach of a pension system covers the past, the present and, not least, the unknown future. It is about welfare, security, risk and responsibility. A national pension system links social and economic issues on both individual and national levels. With its wide reach in scale and scope in society as well as over time, it connects the state with its citizens in a very general way, thus defining and shaping the relationship between them. A national pension system places expectations on both state and citizens and a change in the basic construction of such a system invokes a break in the state – citizen relationship. Let us look at some examples of how the ideas of pension and pension schemes have changed over time.

The History of an Idea

In a broad sense, the old age pension can be viewed as a contract between generations. A modern pension system based on redistribution is a balancing act of how much citizens working today can be expected to pay for today's pensioners. The very idea of a pension can be viewed as a long-term solidarity agreement, either individual or collective, between different generations. Such an arrangement will be based on trust, and stipulates that if I pay now to help care for the ageing of today, I will eventually be cared for in the same way by a younger generation. Such a contract between generations is, however, far from a modern idea. Writing about medieval poor relief, Abram de Swaan

suggests that such schemes emerged not from the needs of the poor, but rather from the rich whose ‘need for security and for a labor reserve prompted the rich to provide for at least some of the dispossessed’ (1988:6).

Barring the brute, probably mythological, practice of pushing people over a cliff (*ättestupa*) as a solution to the issue of how to care for the elderly, weak and sick in a society, there is, in Sweden, written evidence of pension-like generational contracts dating from mediaeval times.³⁰ Some of the fourteenth-century County Laws (*landskapslagar*) describe situations in which the older persons living on the farm must step aside to allow a younger generation to take over and, subsequently, support and care for the ageing who will still live in a subsidiary cottage on the farm (Söderberg 1935:78-87; Grip 2001).

Similar intergenerational contracts of support are found later on in history as well, but more often in urban communities and predominantly linked to work and a master–apprentice relationship (Söderberg 1935:495-501). While such fundamental ideas of a pension as a form of care-taking contract based on trust between generations may have been kept intact over time, at least in the light of these examples from Sweden, we shall now look at Europe and see how the views of what a pension is, and does, have shifted over the centuries.

Robin Blackburn dubs the French monarch Louis XIV as ‘the grandfather of the modern occupational pension’, due to the fact that the naval ministers in France had established a pension system for naval officers already in 1673, during the reign of ‘the Sun King’. He states: ‘France needed to boost its navy, so provision of a pension was a good way to encourage faithful service’ (2002:38). Such a reasoning of loyalty, reward or incentive to remain in employment is detectable, as we shall see, in many of the various pension arrangements. In fact, some of the very first pension arrangements on state initiative were ‘bestowed on military men, offering a reward to those who had risked their life, or senior state functionaries or others who had special leverage and whose fidelity needed to be ensured’ (Blackburn 2002:39).

During the 1780s countries such as Sweden, Finland and Austria introduced pension rights for their civil servants (Kangas and Palme 1996; Blackburn 2002). A common feature of the public sector schemes in Sweden and Finland was that pension benefits were usually fixed at a two-thirds guaranteed share of the beneficiary’s previous salary (Kangas and Palme 1996:215). The civil servant of these times would often hold a lifetime tenure and the pension schemes were seen as an insurance that ‘after his death, his widow and other dependants were not left destitute. Alternatively the pension

³⁰ ‘Ättestupa’ is a cliff from which elderly members of the population would either throw themselves, or be thrown, so as not to burden the younger. Such a practice is described in ancient Scandinavian texts but no evidence of the actual existence of such cliffs has been found (*Nordisk familjebok* 1922:548)

would allow the office holder to retire and make way for someone younger' (Blackburn 2002: 39).

Up until the early 1900s another general notion of the pension was that it was a gift, an aid or a benefaction from either the community or the state, or from a master or employer, to individuals no longer able to care for themselves. But, as Joakim Palme notes: 'The rise of modern social security legislation also marked an important break with the earlier poor-law systems, which were based on more or less stigmatizing needs- and means-testing of individuals' (Palme 1990:1). But beginning with the 1880s social security legislation in Germany, 'economic support from the state came to be increasingly tied to a number of rather broadly defined conditions of work-incapacity, such as sickness, unemployment, and old-age, and not primarily to the evidence of the recipient's poverty' (ibid.).

One of Karl Polanyi's arguments in *The Great Transformation* (1957[1944]) is that the function of welfare policy in the early nineteenth century was to encourage and mobilize an unwilling population to enter the growing workforce. Polanyi thus suggests that the development of the welfare state may in fact be seen as a way of protecting society against the forces of the market (cf. Polanyi 1957[1944]:76). Along similar lines of thought, it has been argued that just as the category of old age may be viewed as a moral construction to both appraise and condemn behaviors seen as appropriate or inappropriate (Troyansky 1998), the more modern concept of retirement can be seen as a construction to suit the various needs of capitalist labor markets in terms of the provision of an able and willing workforce and thus financial security upon retirement from work (Phillipson 1982; Myles 1989; Johnson 1998).

A Way to Ensure Loyalty

Prussian Chancellor Otto von Bismarck plays a leading role in the chronicle of pension schemes, since it was he who, in 1889, introduced the first, so-called universal, pension system. The term 'universal', which is a well-known concept in the world of pension system construction, means that the national pension system is designed to include all the citizens. The pension scheme was based on earnings and the benefit was, by subsequent standards, set at about 20 per cent of average pay.

Bismarck had far-reaching ideas and a clear concept of how a state might create public loyalty to the social and political order in a society. He explained his reasoning to his confidant Moritz Busch: 'Anybody who has before him the prospect of a pension in old age or infirmity is much happier and more contented with his lot, much more tractable and easier to manage, than he whose future is absolutely uncertain' (as quoted in Blackburn 2002:46).

It has been suggested that Bismarck's vision entailed 'a class of state pensioners loyal to the government and wary of any change that might threaten their small benefits, people without property and yet with a stake in the political order' (de Swaan 1988:187-188). The compulsory social insurance package, including the old age pension scheme was, it is argued, the Prussian way of 'taking the wind out of the sails of what he saw as a subversive political force' (Blackburn 2002:46) and as an attempt to 'come to terms with the destitution of particularly the industrial workers' and to 'impede the growth of the organized Socialist Labour movement' (Olsson 1990:83). The German initiative of a national and compulsory pension scheme was soon followed by both Denmark in 1891 and New Zealand in 1899.

The connection between pension and wage employment flourished during the first decades of the last century. Increasingly, pension benefits were seen more as a privilege of employed people than as an aid to the disabled. An important shift in this turn occurred when pensions were made transferable – that is, when the earned pension points of an employee followed him or her rather than being valid only as long as the person stayed in the same company until retiring. With this 'principle of transferability', it follows that the pension came to be viewed as a postponed salary.³¹ This shift in the view of the pension was seen as controversial at the time and was, in fact, groundbreaking, since it differed from the previous logic of loyalty in which one collected a pension only if one stayed within the same company until retirement. The novel way of viewing the old age pension contains issues of both power and ownership, and it marks the starting point of seeing pension benefits as a citizen's right. As such, the old age pension subsequently became an important symbol of the welfare society (Grip 2001; Lundberg 2003).

The very idea of the old age pension has, as we have seen, over time gone through some programmatic changes. In a general sense, it may be said that the practice of caring for the elderly has shifted from the more intimate sphere of family to a more public sphere of, first, the employer, and then to be the responsibility of the state. What the particular design of Sweden's new national pension system seems to imply is that the responsibility of caring for the elderly in society is now not only moved but also spread out to more spheres. These issues, and details thereof, will be both described and discussed in the chapters that follow and specifically in chapter three. Not only has the responsibility for the old age pension also shifted with time, but the way the pension is perceived, both by policy-makers and citizens, has also undergone changes. Again, in a general sense, the character of the old age pension can be said to have shifted from being viewed as a gift or aid from

³¹ The principle is said to originate from the Swedish insurance company, SPP, now Alecta, (an industrial- and tradeworkers pension-insurance company) where a 'principle of transferability' (*oantastbarhetsprincip*) was included in the company's legal texts already in 1917 (Grip 1987:77).

patrons, employers or the state, depending on the time and place, to being considered a kind of citizen's right and a contract between state and citizen.

A more recent view on pensions, promoted by both policy-makers and bureaucrats involved in Sweden's current national pension system, is what is called the insurability aspect of the pension (*försäkringsmässighet*). The citizens are called 'the insured' and the national pension system is seen as an insurance policy.³² Under the previous pension system, the state promised to pay the retired a certain percentage of the wage in pension benefits from a specific retirement date until death. Such a promise is not included in the current pension system, since it is governed by individual choices as well as by demographic and economic calculations. This national pension system is, rather, designed as a private insurance policy administered by the state. The policy-makers of the new national pension system in Sweden now stress its insurability aspect, namely that it is to be seen as insurance, rather than as a citizen's right. One of the financial risks within a pension system is that people live longer and, thus, cost more in pension benefits. With the design of the new national pension system, significant financial risks are redirected from the state to the individual (more on the details of the techniques of this in chapter three). In an interview one of the bureaucrats at the Social Insurance Agency explains the term insurability as 'an insurance against the risk of getting old... or rather, of becoming older than what you have paid for.'³³ He concludes by saying that 'the insurability aspect of pension is perhaps not all that obvious for the individual as it is for the state...'. With the insurability aspect of pensions, it thus follows that what one is insured against is longevity.³⁴

Pension System Designs

A national pension system can be designed in a number of different ways, combining an assortment of characteristics and techniques. In general, and as mentioned earlier, a pension is now perceived as a postponed salary and pension benefits are usually transferable. But in addition to these basic principles, there are a number of variations of pension system designs around; they can be based on income or citizenship, they can be funded or 'Pay-As-You-Go' plans, they can be based on either fixed fees and fluctuating pensions or fluctuating fees and fixed pensions. National pension systems are often hybrids of some of these variables in different combinations, and the

³² 'The insured' is the preferred term at the Social Insurance Agency. In the other pension system bureaucracy – the PPM – the citizens used to be called 'the savers'.

³³ Interview May 3, 2005.

³⁴ For further reading about the 'insurability' aspect of social security schemes as well as the importance of future promises from the state to citizens, see *Socialförsäkringsboken* 1999:13-58.

construction of a pension system is, thus, the result of a decision-making process in which the pros and cons of each variation are considered.

What follows here is an overview of some of the most significant features of pension system designs. Some of the most widely debated questions among pension experts, politicians and economists worldwide during the past decade were, firstly, whether a funded or a redistributive pension system was to be preferred (cf. World Bank 1994; Grip 1999, 2001; Barr 2000, 2001; Kruse 2000) and, secondly, whether a hybrid of the two might be more desirable, and if so, in what combination? These two different 'building blocks' (Barr 2000) of pension system construction go by various names. One is often called 'public', 'redistributive', 'unfunded' or, most commonly, 'Pay-As-You-Go', which is abbreviated to PAYG. The other approach to pension system design is usually called either 'private' or 'funded'.

The PAYG variant is usually redistributive, general and mandatory. It is, further, mostly means-tested and has a defined benefit (Kruse 2000:3). This approach, in which the current workforce generation pays the pensions of the current generation of pensioners, notes sociologist Robin Blackburn, 'does not seem fraudulent to many because they know that it helps to pay the pensions of their parents and those of the older generation, and that it does so in a dignified way' (Blackburn 2002:436).

The funded pension scheme approach is a financing system in which individual premiums are put to one side and saved in funds until the person retires. The Swedish premium pension system is an example of a funded system. In a more general sense, however, this variant of a pension system is often considered as being a private one, and, further, voluntary, selective, supplementary and based on a defined contribution (Kruse 2000:3). As we shall see later, the funded part of Sweden's national pension system challenges this general view of a division of the two main building blocks in pension system construction. As Agneta Kruse states: 'It is often argued that a whole menu has to be chosen, i.e. that it is necessary to choose one side of the table. This, however, is a misconception, but some restrictions will have to be put on the mixture for it to be feasible and efficient' (2000:4).

Two other important variations of pension system design are whether it is based on defined benefit, DB, or defined contribution, DC. In the former the returns, that is, the pension benefits, are pre-defined, which means that the contribution to the system varies. The size of a pension is specified in advance as a certain amount or a certain level of, for example, final earnings or average earnings. In a defined contribution system the payments into the system are fixed at a certain level, whereas the returns, that is the pension payments, vary.

The general history of the very idea of a pension, in any form, is saturated with issues of trust and long-term social and economic responsibility between individuals and/or collectives. At its core the idea of a pension as a contract between generations is, as we have seen, by no means a modern

invention. Further, it seems that at the core of such an intergenerational agreement of a secured old age, lie other, somewhat concealed but seemingly political issues that may vary in content and over time. Gratitude to a patron, loyalty to a monarch, fidelity to an employer or trust in the welfare state, the various solutions to ensure the financial security of an elderly, non-working, population may be seen in the light of their performativity, that is, what such old age pension schemes do to the various actors entangled in them (cf. Callon 1998). After the connection between pension benefits and employment, the fine print of the contract between state and citizens contains various incentives to work more and, thus, earn more. And more recently, as we shall see, the fine print of the intergenerational contract contains, for example, the stimulus for saving and investing money.

Whatever the design and purpose of a national pension system, it seems inevitable that the very scope and scale of such a long-term agreement create a certain inertia in the policy-making process.³⁵ Some aspects of the concept of ‘path dependency’ of institutional theory are also of relevance here in that they refer to a situation in which policy-making is restricted by the limited set of options available, due to the already existing structure.³⁶ In other words, the construction of one pension system is, in many ways, defined by the construction of what preceded it. Constructing a national pension system that is economically and politically stable over time, as well as approved by unions, interests groups and, not least, by the general public is, no doubt, a challenge.³⁷

Politics of Pension in a Swedish Context

The scope and scale of national pension systems make the shaping and altering of them, in a general sense, important political processes. We shall now take a closer look at the political processes of pension reform in Sweden. We shall see how the previous pension system came to play an important role in the development of the Swedish welfare state and how the politics of

³⁵ Per Borg (2004) uses the related notion of ‘slowness’ in his study of four major changes within Swedish welfare policy.

³⁶ The determinative connotation of the concept of path dependency makes me prefer to use the term inertia to describe the various lengthy and interconnected policy processes of the Swedish pension system reforms. For further discussion on the concept of path dependency, see e.g. March and Olsen (1989). For an insightful discussion on ‘institutional inertia, path dependencies and possibilities for change’ in the characteristics of pension systems, see e.g. Kangas, Lundberg and Ploug (2006).

³⁷ See e.g. Bonoli (2000, 2001) for comparative research on how variations of institutions affect policy outcomes. The concept of ‘institution’ is broadly defined here as ‘a set of rules and structures which range from the constitutional order of a country to the unwritten conventions that contribute to shaping the political game’ (Bonoli 2000:39).

pensions, in many ways and for a long time defined Social Democratic politics in Sweden.

Sweden's first national pension scheme, the People's Pension Act (*Folkpensionslagen*) was implemented in 1913. While the governing principles of the act were already then, all-encompassing so-called universal pension rights, it has since been argued that the actual coverage of the 1913 pension act was incomplete, since its limiting qualifying conditions excluded parts of the population (Kangas and Palme 1996:215).

But it was during the post-World War II era that the general development of the welfare state shifted gear and expanded quickly in Europe. Most Western capitalist nation-states then sustained high economic growth that allowed for the development of generous social policies, including national pension systems. It has been suggested that the development of the welfare state may be seen as an outcome of the rapid industrialization in post-war Western capitalist nation-states. The argument is that industrialization brought with it a growing need to compensate for any loss of income by the many wage-earners who had become economically dependent on their employment (Phillipson 1982; Myles 1989; Johnson 1998).

In 1948 a majority in the Swedish Parliament approved a pension plan that tripled the real value of pensions. This plan, for the first time, enabled retired people to live on their pension benefits. Full universalism, in terms of complete coverage, was thus accomplished, making Sweden the first Scandinavian country with flat-rate benefits without meanstesting (Olsson 1990; Kangas and Palme 1996). 'In Sweden', note Kangas and Palme, 'the national pension was paid out at an equal level to all, from beggar to king' (ibid.:217).

In the 1950s the plan for an earnings related national supplementary pension, (*Allmän Tilläggspension* commonly abbreviated as the ATP) became a highly politicized issue. The design of the ATP came to be an ideological and political marker, a dividing and defining question between Left and Right leaving each 'camp' arguing for their own vision of what kind of society they envisioned. During the late 1950s, the private sector in Sweden had begun to negotiate with 'the new salaried classes pension agreements that were greater than that available to workers' (Blyth 2002:123). A central political struggle of the ATP reform thus came to be whether additional pension benefits were to be general and guaranteed by the state or a matter of negotiation available to, primarily, white-collar workers (Lundberg 2005:197; Molin 1967). In the politicized battle of the ATP reform there were thus on one side the non-socialist parties and the business organizations and on the other side the political Left and the blue-collar trade unions (Kangas, Lundberg and Ploug 2006; Molin 1967; Stråth 1998; Åmark 2005).

The ATP scheme was designed to offer all wage-earners pension rights compatible with, or even better than, those of the private sector (Blyth 2002:124). The so-called 'principle of income security' of the ATP reform

thus guaranteed the living standards of a broader spectrum of wage-earners. Urban Lundberg argues that the ATP principle of income security 'contributed to the middle class's integration into the emerging welfare state' (Lundberg 2005:117), and Gøsta Esping-Andersen has suggested that the ATP scheme became the Social Democratic Party's 'vehicle for white collar mobilization' (Esping-Andersen 1992:49).³⁸

After heated political, and public, debates, a public referendum was held in 1957. The result of this was interpreted as a public rejection of 'the individual way' and, instead, in favor of a communal, solidarity-based and unifying pension system. In 1958, after another round of political debates about pension systems, the Swedish Parliament, by a margin of only one vote, passed the pension law according to Social Democratic principles, and Sweden got its earnings-related pension program.

The struggle in defense of the Swedish ATP reform has come to be seen as the one great symbolic success of Social Democratic welfare policy and social engineering.³⁹ From the public referendum in 1957 up until the political decision-making of Sweden's current pension system began in 1993, and well into the implementation process of the new pension system, the ATP system was considered, among Social Democrats, 'the crown jewel' of the Swedish welfare state (Lundberg 2003; 2005; Åmark 2005). It has further been argued that the ATP reform, because of the political struggle leading up to it, became a Social Democratic 'source for self-identity, and a line of demarcation against the political right' (Kangas, Lundberg and Ploug 2006:14). It became a key symbol (cf. Ortner 1973:1344) that summarized Social Democratic politics and the victory over right-wing opponents, and achieved the status of a sacred symbol (cf. Geertz 1973) not only for the Social Democrats but for the non-socialist parties in the struggle as well (Lundberg 2005; Kangas, Lundberg and Ploug 2006). To the opponents of the reform it came to symbolize 'everything that was wrong with the Swedish Social Democratic welfare state model' (Kangas, Lundberg and Ploug 2006:14). In the defining political struggle over the ATP reform, the issue of pension system design came to be used by *both* the Social Democratic Party and the non-socialist parties as a political tool.

The ATP reform came into effect in 1963. It was an earnings-related benefit and the pension level was calculated on the basis of the 15 best annual incomes out of 30 in total. The retiring age was set at 65 and pensioners were expected to receive the equivalent of around 65 per cent of their annual salary in pension benefits. It was, in many ways, a typical post-World War II pension scheme constructed on the assumption that the country's national growth of around four per cent would remain at such a high level indefinitely. The ATP system has been dubbed one of the most generous pension schemes in the

³⁸ For further research on the political struggle of the ATP reform, see e.g. Elmér (1960); Molin (1967); Classon (1990); Stråth (1998); Åmark (2005).

³⁹ See e.g. Lundberg (2003) for thorough research on Swedish Social Democracy and the politics of pension reforms in Sweden.

world (Kangas, Lundberg and Ploug 2006:13). The general economic stagnation in the 1970s called such assumptions into question, causing politicians and policy-makers to begin the process of thinking about alternative future pension scheme solutions.

Significant differences in the fundamental construction of the previous national pension system and the current one highlight a break in the very idea of the welfare state, namely, the promise of future security conveyed from state to citizen (cf. *Socialförsäkringsboken* 1999:17ff). With the ATP scheme, the state promised its citizens a certain level of economic security upon retirement. For the individual citizen such predictability is now undermined since the state, with the design of the new national pension system, makes no such promise. Instead, the levels of future pension payments vary, depending on factors such as, for example, demography, market fluctuations and each individual's life-choices.

The Making of a Pension System

The current national pension system in Sweden, created during the 1990s, is a product of its time. A general political-economic change in the direction of neoliberalization swept over most Western capitalist countries, beginning with the Reagan and Thatcher regimes in the US and the UK already in the 1980s, and reached Sweden in full scale at the beginning of the 1990s (see chapter one for a discussion of the concept of neoliberalization). Such a political and institutional shift has been described as 'a sudden outburst of reform all over the Swedish welfare model' (Lindvall and Rothstein 2006:55). It involved dramatic policy changes within many spheres in society, with the privatization and marketization of previously state-governed spheres as well as new expectations and responsibilities placed upon citizens.⁴⁰ Having said that, it is important to note that, while the effects of the institutional and political turn around of the 1990s were vast and lasting, 'Sweden is still extraordinary in international comparison' (Lindvall and Rothstein 2006:48), in the sense that the Swedish welfare state has remained both generous and all-encompassing.

⁴⁰ For further reading on the policy changes in Sweden during the 1990s, see e.g. Schön (2000) on the conditions and changes within the Swedish economy at the time and Lindvall (2004) for an analysis of the adoption of a specific set of macroeconomic policies. For research on the development and effects of a rationalistic steering model applied within the Swedish government, see Sundström (2003). For research on changes within the sphere of employment policy during the 1990s, see Lindvert (2006) and for research on policy changes within the housing sector, see Lindbom (2001). For a thorough analysis on the influence of neoliberalism on the public debate in Sweden, see Boreús (1994). For a historic analysis of the influence of liberalism in the development of the Swedish welfare state, see Hedin (2002).

Of particular interest here are some of the ongoing changes within such a welfare model.

So, by pointing to the era within which the current Swedish national pension system was shaped and legislated, I aim to situate the object of study in both time and place as well as offering the contexts of the creation of the policy. Let us now begin to look at the making of Sweden's new and mandatory national pension system.

It is not easy to pinpoint the beginning of the construction of the new national pension system. It can be said to be in December 1991 when the Working Group on Pensions held its first meeting, or in June 1994 when the Bill was voted upon in Parliament. The process of the current pension system can also be said to have begun much earlier with the work of another parliamentary committee assembled during the 1980s. And since many of the technical challenges of the new system were not solved even when the Bill was passed in 1994, it can be argued that the creation of the pension system, in important ways, took place after it had been legislated upon.

The current national pension system is both a reaction to and a result of the previous pension scheme, its history and design. 'Decisions at one point in time', Margaret Weir notes, 'constrain the subsequent policy making by putting policy on a particular track' (1992:192). I have therefore begun the story of the creation of Sweden's current national pension system by accounting for the development of the previous one, the ATP scheme.

Sweden, it seems, is somewhat of a forerunner when it comes to pension policies. The ATP was considered a radical reform in the 1950s, and one that inspired a series of pension reforms in other European countries. But by the mid-70s economic growth in Sweden had plunged considerably compared with the high growth of the 1950s, and there was a growing concern, among politicians and technocrats, about how to meet future pension promises within the harsher economic context. The 'pension question' became a major political issue and topic of public debate in Sweden during the early 1980s (Lundberg 2005:122). And in 1984 a large parliamentary committee on pensions (*Pensionsberedningen*, from now on called the Pension Committee) was appointed to investigate the pension situation. As one of the appointed experts of the Working Group on Pensions explains:

When the ATP was launched in the 1950s everyone assumed that there would be a four per cent national economic growth forever. The pension system was based on that. But already by 1974 growth was only around 1,5 or two per cent, something the pension system would not hold for. No one had counted on that situation. By the 1980s it had deteriorated and that is why the government appointed the Pension Committee.⁴¹

⁴¹ Interview November 22, 2006.

It should be noted that here, as in several other instances, the informant was a member of both the 1984 Pension Committee and the 1991 Working Group on Pensions, as well as being employed later on in the Pension Department of the Social Insurance Agency.

The Pension Committee was in many ways a traditional Swedish committee in that it consisted of representatives from all the political parties then in Parliament, representatives from the unions and employers' organizations, and representatives of the interested organizations as well as experts, advisers and secretaries.⁴² The Pension Committee worked at length and presented its report (SOU 1990:76) six years later. The report did not come to any actual suggestions as to how the pension system might be reformed, but it was received as a thorough research of the system's dire situation. With its wealth of research and lack of solutions, it was, however, as we shall see, an important catalyst for the establishment of the forthcoming Working Group on Pensions as well as a liberator of the whole controversial pension question (Lundberg 2005:124).

Interviews with the members of the 1990s Working Group on Pensions show that several of them were quite pleased to become members of this new committee after having been members of the 1980s Pension Committee. One of the Social Democratic representatives, a union economist, was also involved in the 1984 committee, as she held the position of undersecretary at the Ministry of Health and Social Services at the time. She says:

The Pension Committee did come up with new insights about the weaknesses and risks of the old system, but it did not suggest any kinds of solutions really. And I remember being sort of taken aback by the number of problems presented in combination with the lack of solutions.⁴³

The other politician to represent the Social Democratic Party in the Working Group on Pensions was, in 1990, Minister of Health and Social Services. She holds that the Pension Committee's work 'did not come up with any official suggestions at all. But within the committee there were really as many

⁴² The two categories of 'expert' (no translation needed) and 'sakkunnig', translated here as 'adviser', used in Swedish government committees have somewhat different functions. An advisor in a government committee may submit his/her opinions and comments to the committee, while the category of expert is there to provide the information that the political members of the committee request, but is not to file any comments of their own. For a general overview of the construction of parliamentary committees in Sweden, see Ds 2000:1 and e.g. Premfors et.al (2003:155-159).

⁴³ Interview November 30, 2004. This Social Democratic politician is at times described as 'Mother' of the pension system while, conversely, the Chairman of the Working Group on Pensions and Liberal Party politician, is commonly dubbed 'Father' of the system.

solutions as there were committee members, plus all the reservations and special comments... It was a mess of opinions'.⁴⁴ Some of the pension experts who were members of both committees talk about a sense of frustration that the lack of suggested solutions in the Pension Committee's report caused. 'We pointed out the many problems but could not agree on any solutions, so none were suggested', says one of the experts who held a position in both committees. 'There was no political will to do anything then, even though the problems were huge. So a new committee had to be formed with people who could discuss the issues more openly', says another expert member of both committees.⁴⁵

Even though the Pension Committee's report did not present any specific solutions, it seems to have had effect on the way policy-makers were thinking about the pension system. It has been suggested that such pension committees function as 'beacons that changed the cognitive paradigm and the way that pensions were politically perceived' (Kangas, Lundberg and Ploug 2006:17-18). The thorough research work and the character of the Pension Committee affected both the way pension systems were generally perceived and more specifically how the next parliamentary committee on pensions was to be appointed.

An Exclusive Assembly

In November 1991, a couple of months after a right-wing coalition had won the general election over the Social Democratic Party, the newly appointed Liberal Party Minister of Health Care and Social Insurances at the Ministry of Health and Social Services (who also had been a member of the Pension Committee) was asked to summon a new committee with the specific task of drafting proposals for a new pension system. The construction of the new pension committee, the Working Group on Pensions (*Pensionsarbetsgruppen*), differed in significant ways from the tradition of broad inclusion in Swedish parliamentary committees. The Chairman took particular measures when appointing the Working Group on Pensions. In an interview he stated:

It is difficult to move forward in negotiations when there are a great many people in the room, especially if many of them are not part of the negotiations but merely there to observe. That made me decide to, first of all, try to include only a *few* representatives from the political parties, and, secondly, that representatives of the unions,

⁴⁴ Interview March 3, 2005.

⁴⁵ Interview December 20, 2004.

employers organizations and the pensioners' organizations would *not* be members of this committee.⁴⁶

The Working Group on Pensions came to consist of representatives of all the parties in Parliament, a joint group of consulting experts and the committee's secretaries, but did not include, as the previous Pension Committee had, representatives from the unions, interest groups or other interested organizations.

The Chairman managed to recruit as chief secretary of the Working Group on Pensions the same person who had been secretary of the 1980s Pension Committee. In an interview he, a judge by profession, summed up a notion voiced by several of the other members of the Working Group on Pensions:

I had not been very impressed with the work of the Pension Committee, but this new committee sounded like a good method of getting somewhere with the pensions issue, a small group, without a bunch of special interest groups hanging around. And I knew, by then, who the other members of the new committee would be, I had met them before and it sounded as if it would be a fruitful way to get somewhere.⁴⁷

In interviews several of those who were members of the Working Group on Pensions talk, in various ways, about how a paramount objective of the new committee was to 'accomplish something', to come to, as it is often phrased, 'a broad political settlement' on a reformed national pension system. It was seen as important that the political representatives on the committee were individuals with strong support within their respective political parties. Several of the other members of the Working Group on Pensions expressed their admiration for the way the Chairman assembled the committee, according to one of the expert members of the committee: 'He thought a lot about the constellation of the group and saw to it that he got people who were deeply rooted or held power within their party, but who were also open enough to be able to talk to others. It was a hand-picked group, so to speak.'⁴⁸ Another expert holds that: 'The purpose was to get a political compromise started to see if there was any possibility of giving and taking so that they could come up with a unified opinion at the other end.'⁴⁹

Almost all of the members of the Working Group on Pensions interviewed talk, in different ways, about how the discussions in the

⁴⁶ Interview November 22, 2004.

⁴⁷ Interview December 2, 2004.

⁴⁸ Interview December 20, 2004.

⁴⁹ Interview November 26, 2004.

committee were 'intellectual', 'seminar-like', 'nice' and 'stimulating'. 'The discussions were impartial, with the organizations not being present. And the political ties were actually rather loose,' says the Conservative Party representative in the Working Group on Pensions, referring to the fact that the unions and the organizations of employers and pensioners were excluded from the committee.

When interviewed, the members of the Working Group on Pensions describe a situation in which a small and exclusive, carefully appointed, group of individuals meet to negotiate, rather than debate or argue, over the design of a new national pension system, with the common objective of agreeing upon a solution. In fact, members of the Working Group on Pensions talk about the 'personal chemistry' and that the individual personalities had an effect on the work and outcome of the committee. The formation of such a particular constellation of personalities is, however, talked about as being 'by chance' and 'pure luck', and not something planned when putting together the committee.

As the members of the Working Group on Pensions talk about the policy-making process approximately a decade after it took place, they ascribe to some of the other members particular roles in the group, roles that are seen as having been crucial for the outcome of the process. Perhaps the example most commonly referred to is the way one of the Social Democratic Party representatives and the Conservative Party's representative interacted in the committee's work. Other members of the Working Group on Pensions describe these two women as 'the system constructors' and 'the engineers' of the national pension system, while other politicians such as the Center Party's representative and the other Social Democratic representative are often described as professional politicians who kept the policy process grounded politically with their strong and fundamental connections to their respective parties. The Liberal Chairman of the Working Group on Pensions is described as the strategic driver of the policy process. Several of the committee members talk about how impressed they were by his dedicated and focused work of steering the process towards a settlement. According to one of the Social Democratic representatives: 'He was first and foremost interested in accomplishing something. He really wanted to sign an agreement.'⁵⁰ Here is how one of the secretaries of the Working Group on Pensions describes how the Chairman promoted the process:

This is how he worked... He wrote a long list of all the issues that they had *not* agreed upon. He then went through the list, issue by issue, and asked: 'Can we agree on this?' That issue was then discussed and dealt with back and forth. If they were able to come to any kind of settlement over that particular issue he checked it on the

⁵⁰ Interview November 30, 2004.

list and moved on. If they couldn't settle he simply said: 'Okay. We're not in agreement here', and moved that issue to last on the list. That is how he did it. Point by point, checking off settlements and moving down disagreements until there were only a few issues left that had not been settled. By then everyone seemed to think: 'Now that we've come this far... It'll be darned if we're not able to agree on the rest too!' And they did.⁵¹

Such a noticeable prevailing objective of reaching an agreement, plus the exclusivity of the Working Group on Pensions, is highlighted also by the fact that two of the political representatives, for different reasons, objected to the proposed reform of the national pension system. During the policy process the subsequent representative of the Left Party and the New Democrats' representative were excluded from some of the meetings during the latter part of the committee's work.⁵² The situation caused these two politicians to each file reservations about the proposals published in the committee's report, thus marking their different disagreements with the settlement.

The focused intensity of the committee, in combination with its exclusive, and homogenous, composition seem to have brought the already tight group of people even closer together. Several of the members talk about such an effect. One of the Social Democrats in the Working Group on Pensions talks about the 'fortress' they built around themselves. Other committee members describe the phenomenon in terms of 'a bunker situation' and 'the Stockholm syndrome'. One of the secretaries states:

What occurred is what is called, I believe, a bunker situation. We were wedged together as a group and we all felt a strong need to defend the pension system against any outside criticism. It was as if we took any critique as a personal insult. We were inside a bunker. We were the pension reformers in our little cottage and no one else could come in. It was an interesting phenomenon.⁵³

And one of the appointed expert members of the committee compares the situation to what has been called 'the Stockholm syndrome', in which the victim in a hostage situation eventually switches sides to see the hostage-taker as friend and the police on the outside as foe. 'You were in there without any possibility of getting out... So you have to become friends. I think perhaps the loyalty within the committee was stronger than the politicians' loyalty to

⁵¹ Interview November 18, 2004.

⁵² The Left Party was initially, and through January of 1993, represented by an economist at the party's administrative offices.

⁵³ Interview November 18, 2004.

their parties. The committee as a group protected itself from all kinds of people on the outside.⁵⁴

A Compromise and Exterior Conflicts

However tight the Working Group on Pensions might have been and however intense and focused their work was, there were indeed big political differences within the committee with regard to how a restructured national pension system should be designed. The political differences were focused around whether the pension system would be part funded or not, and if so, to what extent. The right-wing representatives in the Working Group on Pensions wanted a 'small' national pension system and they promoted the idea of a funded part of the pension system.⁵⁵ The Social Democratic representatives wanted a larger, redistributory pension system and, initially, no mandatory funded part. These, and other issues, were turned into negotiable topics and the results of the negotiations amounted to the hybrid construction of Sweden's present national pension system, often described as being the result of a compromise.⁵⁶ Here is how one of the Social Democratic representatives talks about the compromise:

What we did was a compromise in the way that we got one redistribution part and one premium reserve part. They are two separate and totally logical systems. We did not bulk them together into one large mess as with most other pensions systems. Instead we stuck with each system's individual logic as a way of solving our internal problems.⁵⁷

But she also recalls thinking that the idea of having the national pension system partly funded initially was 'something totally alien' to her, though as the negotiations within the Working Group on Pensions proceeded, it seems the idea caught on. She says: 'But when it came to deciding all this, I for one came to the conclusion that... Well, that it did not matter all that much. And maybe it was even quite good... Having eggs in several different baskets and such like... It's perhaps not *entirely* wrong.'

Agreeing on the importance of agreeing and a willingness to negotiate away political differences were, as we have seen, some of the powerful preconditions that paved the way for the committee's success in constructing

⁵⁴ Interview November 22, 2006.

⁵⁵ 'Small' here means as little public spending as possible and, conversely, 'large' refers to a pension system that entails more public spending.

⁵⁶ For a detailed discussion on the negotiations and the compromise that was the outcome of this negotiation, see Palme (2001).

⁵⁷ Interview November 30, 2004.

a new national pension system.⁵⁸ Pressure and contestation from outside the tightly knit Working Group on Pensions seem to have worked to further strengthen and close the lines around the committee. The real political challenges and combats concerning a new national pension system took place in the political arena outside the committee rather than inside it.

There was, for instance, a grave conflict between the Ministry of Health and Social Services and the Ministry of Finance over the political settlement about the design of the new pension system. Both Social Democratic representatives in the Working Group on Pensions talk about the conflict between the Ministries. One of them states in an interview: 'The Ministry of Finance delayed the process several years by trying to downsize the general scope of the pension system. It was extremely difficult... disregarding who was in office... It is in the very walls of Finance to reduce the size of the system as far as possible'.⁵⁹ And the other Social Democratic representative says: 'Pretty soon there was a conflict between the Ministry of Finance and the Ministry of Health and Social Services. Finance argued, from a financial and national economic perspective, that it would be too expensive and we needed to find ways to cut costs'.⁶⁰ The economist who initially represented the Left Party in the Working Group on Pensions and had worked at the Ministry of Finance earlier, talks about the 'finance departmental' view (*finansdepartemental*) at the Ministry of Finance:⁶¹

The Ministry of Finance never loved this solution. They did like the stabilizing aspects of the new pension system but, on the other hand, this meant they lost power. Using large parts of the public expenditures and assets in such a self-regulating system in which nothing could be changed... They did *not* like that. So it was a battle between the Ministry of Health and Social Services and the Ministry of Finance.⁶²

Several of the members of the committee talk about the seriousness of the conflict between the Ministries, but they also suggest that the price of being the one to ruin the broad political settlement on the sensitive issue of a new national pension system was considered higher than letting it pass. This is how, for example, one of the Social Democrats in the committee describes such a situation:

⁵⁸ Further examples and discussion of how difficult political differences were overcome are also dealt with in chapter three.

⁵⁹ Interview November 30, 2004.

⁶⁰ Interview March 3, 2005.

⁶¹ The Swedish term for Ministry is '*departement*', and the term '*finansdepartemental*' thus inspires connections with Foucault's concept of 'governmentality'.

⁶² Interview November 18, 2004.

It went through after all... Due to, I think, the fact that by then it had become very dangerous to be the one crushing the settlement. I'd say *that* was the reason we finally got the pension reform through. No one wanted to be the one wrecking the settlement. The price for that was way too high.⁶³

The broader context within which the Working Group on Pensions operated must not be overlooked. In the early 1990s Sweden experienced an economic crisis; the national debt rose sky-high, and the interest rates reached an all-time high. The financial crisis at the time in fact played an important part in the process of drawing up a new national pension system in Sweden. The public awareness of the dire economic situation in the country had an effect on the policy-making process as well as on how the committee's settlement was initially received. Almost all of the members of the Working Group on Pensions talk about how 'crisis awareness' (*krismedvetande*) helped the policy process and alleviated public criticism. The Liberal Party representative in the Working Group on Pensions discusses the topic:

There was an awareness of the crisis and a sense that, in order to get Sweden out of that economic crisis, we had to be able to settle agreements across political barriers. And because of the public awareness of the economic crisis we were not met by any demonstrations or national strikes or anything like that... So it all went relatively easily.⁶⁴

And one of the secretaries of the committee says: 'Because of the economic crisis at the time we were in an environment where sort of anything was possible.'

In sum, it seems the context of the national economic crisis at the time, in combination with the particular constellation of individuals in the committee and with the 1980s report on the pension system situation to hand, are all examples of important factors influencing the policy-making process of the new national pension system.

Finalizing the Pension Scheme

The Working Group on Pensions presented already in February 1994 its report *Reformed Pension System* (SOU 1994:20), in which the right-wing representatives together with the Social Democratic ones offered specific detailed suggestions for the design of a new pension system. Calling the

⁶³ Interview November 30, 2004.

⁶⁴ Interview January 4, 2005.

pension scheme ‘reformed’ instead of ‘new’ points to the politically sensitive issue of pensions as well as to the political difficulty of changing pension systems. More specifically, it has been suggested that the title of the committee’s report in fact highlights the controversy of pension system restructuring within the Social Democratic Party (cf. Lundberg 2003).

On April 28, 1994 the then Swedish Prime Minister, Conservative leader Carl Bildt, and the Chairman of the Working Group on Pensions, presented the government Bill 1993/94:250 *Reformation of the national pension system* to the Swedish Parliament.⁶⁵ After an unusually swift circulation for comment, Parliament voted on June 8, 1994 to reform the pension system according to the principles of the committee’s report. The upcoming general election in September of that year speeded up the legislative processes of the general guidelines of a new, or reformed, national pension system. In order to secure a political consensus behind the settlement, the members of the committee did *not* want the issue of pensions nor the design of the new pension system to become part of the election campaign. The Liberal Party representative in the Working Group on Pensions, says: ‘We all agreed that we did not want this to become an issue during the election. None of the Parties wanted that. We all realized that the reform might not have been possible if that had happened.’

In the middle of the summer of 1994, a couple of weeks after Parliament’s decision to go ahead with the restructuring of the national pension system according to the committee’s report, the Working Group on Pensions went through an unusual transformation. Having completed its task, the committee was, as is the custom, officially dissolved; only, however, to be immediately re-assembled as the Implementation Group (*Genomförandegruppen*), an entirely new invention when it comes to parliamentary committees in Sweden. The Implementation Group consisted of the representatives of the five *agreeing* parties of the Working Group on Pensions, and the group’s specific assignment was to research and report on the implementation of the national pension system, or as it is stated in the guidelines of the Implementation Group: ‘to care for’ (*att vårda*) the reformed pension system. The Implementation Group remained in existence, however with some replacements of members, for twelve years, until it was officially dissolved in September 2006.

Four years passed between the government’s decision to restructure the national pension system according to the 1994 committee’s report and the actual passing of the Bill, the Earnings Related Old Age Pension Act (SFS 1998:674), in 1998. During this time several complementary government reports and proposals, including further studies and calculations on details of the forthcoming pension system, were produced and presented. But, during these four years, a difficult and delicate struggle took place within the Social

⁶⁵ Proposition 1993/94:250. *Reformering av det allmänna pensionssystemet*.

Democratic Party (Lundberg 2001, 2003; Kangas, Lundberg and Ploug 2006). The process of convincing Social Democratic Party members that the old ATP system, their crown jewel, had to be 'reformed' has been described as the most difficult stage in the process of the new pension system (Kangas, Lundberg and Ploug 2006:8). It has been suggested that the four years were needed for the Social Democratic Party to find support for the new pension system within the party and among its members (Lundberg 2001, 2003).

One of the secretaries of the Working Group on Pensions sheds light on this struggle within the Social Democratic Party:

The old pension system, the ATP, was the flagship of the Social Democrats, so to go in and change it was, politically, extremely difficult. I know that H and T [the two Social Democratic representatives] took a lot of beating within the party. It was also difficult for other leading Social Democrats, who were not members of the committee, to understand what was going on... all the technical stuff of the settlement. I only know parts of what happened, but I understand that it was, at times, extremely difficult.⁶⁶

The challenge of getting the Social Democratic Party behind the settlement on pensions is further illustrated by what one of the party's representatives says of the situation:

I think perhaps that my very long and active time within the Social Democratic Party... I mean the trust that I had after the long, long work within the party, I think that trust was damaged considerably by the agreement. And a lot of people still see this settlement on pensions as a kind of betrayal of the role of Social Democracy on the issue of pension.⁶⁷

The final legislation of the new national pension system went through the Swedish Parliament on June 8, 1998. Again, just in time before another election campaign was to begin as the general elections of September 1998 approached. The passing of the Bill initiated the creation of a new government authority, the PPM (*Premiepensionsmyndigheten*), which was to administer one of the novelties of the pension system – the funded premium reserve part. The passing of the Bill was, in a sense, the final stage of the policy process, but just as its beginning is difficult to pinpoint, so is its end. The intense and secluded work of the Working Group on Pensions continued in the Implementation Group, as there were many technical issues that remained to be solved.

⁶⁶ Interview November 18, 2004.

⁶⁷ Interview March 3, 2005.

Sweden's new national pension system was inaugurated on January 1, 1999. It is to be implemented gradually over time and the first pensioners to receive their pension benefits 100 per cent from the new system, with none from the ATP, will be citizens born in 1953, who can apply for retirement at the earliest in 2014. A brief and more factual account of the actual design of the new pension scheme is in place now. Here is how it is designed.

The Design of the New System

Sweden's national pension system is a novel mix of a redistributive and a funded system. It is what is called a universal, defined-contribution and, mainly, earnings-related pension system. It consists of three different parts: the income pension, the premium pension and the guaranteed pension. The income and premium pensions are earnings-related, that is, the size of the pension benefits in these parts is adjustable, depending on each individual's taxable income and in relation to the demographic and economic conditions that determine the financial development of the entire pension system. The third part, the guaranteed pension, is designed to provide basic security for those with little or no income. The guaranteed pension is financed directly from the tax revenue of the central government budget. The income- and guaranteed pensions are administered by the Social Insurance Agency and the premium pension by the PPM.

Pension benefits are based on each individual's lifetime, and taxable, income in what is called 'the principle of life-income' (*livsinkomstprincipen*). 18.5 per cent of each person's taxable monthly income is paid into the pension system, 16 per cent to the income pension and 2.5 per cent to the premium pension. The contributions are recorded as pension entitlements (*pensionsrätter*). Apart from pension entitlements being based on one's lifelong taxable income, entitlements are also granted for sickness benefit, parental benefit and unemployment benefit. Additional pension entitlements are also given, to some extent, for years of study with study assistance and for the time spent in military service. There is a so-called 'ceiling' in this earning-related system: no pension contributions are deducted from incomes higher than the 7.5 income base amounts and subsequently no entitlements are collected above this level.⁶⁸

In the income pension part of the pension system, the size of each individual's pension is governed by the sum of paid-up contributions and the return earned on them, together with a statistical calculation of the current average life expectancy, in combination with the age of the insured when he

⁶⁸ The income base amount (*prishasbeloppet*) for 2008 is 41 000 SEK, thus placing the ceiling at a yearly income of 307 500 SEK. (The Swedish National Central Statistics Bureau, accessed August 26, 2008: http://www.scb.se/templates/tableOrChart____33883.asp).

or she begins to draw a pension. Detailed accounts of such calculations, here viewed as political technologies, are provided in chapter three.

In the premium pension part of system, the pension is determined by the sum of paid-up contributions and the change in value of the funds chosen, together with a forecast of average life expectancy at the age of the pension saver. Each person is, at least once a year, to place pension capital in up to five funds of the almost 800 registered with the PPM. If no choice is made, the person's contribution is, by default, pooled in the Premium Saving Fund administered by the 7th National Pension Fund, owned by the Swedish state. The premium pension can be withdrawn as fund insurance or as a guaranteed monthly benefit from a conventional life-insurance policy.

The basic protection of the guaranteed pension is calculated as a supplement to the public earnings-related pension and may be paid out from age 65 to persons who have resided in Sweden, or another EU country, for 40 years since the age of 25. Based on the income base amount for 2008, the highest guaranteed pension paid out to a pensioner who is single is 7 278 SEK per month before taxes are deducted. Married pensioners receive 6 492 SEK per person per month in guaranteed pension.⁶⁹

The age of retirement is individual and flexible in the current Swedish national pension system. The individual must apply officially for retirement and may begin to draw pension benefits from the age of 61. One may then choose to draw full, three-quarters, half or one-quarter pension, and to draw different proportions of pension benefits from the income and the premium pension.

All pensioners' benefits are recalculated at the end of the year and adjusted in accordance with a new indexation introduced with the current pension system. Replacing price index, so-called adjustment indexation (*följ sambetsindexering*) is based on both incomes and prices and makes the pensions follow 'the growth in the average income of the economically active, reduced by 1.6 percentage points, rather than the increase in prices' (*The Swedish Pension System Annual Report* 2003:5). Adjustment indexation of pensions does not protect them against inflation, which means that if the growth in real incomes is less than 1.6 per cent, the income pension will, subsequently, increase by less than the inflation rate. The guaranteed pension part of the national pension system is still price-indexed.

The technocrat behind adjustment indexation, who between 2003 and 2008 was Head of the Department of Pensions at the Social Insurance Agency, Ole Settergren, explains the significance of this function in an article in *The Swedish Pension System Annual Report* of 2003:

The new rules for indexation of pensions have established a direct link between the principal component of economic change in society

⁶⁹ Figures from The Social Insurance Agency, (accessed September 22, 2008: www.fk.se).

– growth in per-capita income – and the change in the value of society’s greatest financial commitment – pensions. This change of rules is significant. Adjustment indexation means that the trend in income growth and the dispersion around this trend are of direct importance to a large group who – at least according to the rules – used not to be dependent on these factors. Thus, even more people should now want Sweden’s economy to achieve a high and steady growth in incomes – and be willing to act toward that goal (Settergren 2003:63).

The quote highlights the performativity of the national pension system and how it is designed with the intention of influencing the way people think and act. It also, albeit perhaps unintentionally, points to the political aspects of a contemporary national pension system. It is now not loyalty to an emperor or an employer that the pension scheme is to ensure, but a striving for economic growth, both public and private, that is to be accomplished, all political differences set aside.

The dual aim of this chapter has been to situate and contextualize the object of study – the national pension system in Sweden – as well as looking at the making of it. In chapter three we shall look at some of the particular technologies of the system’s construction and what they do. But first, let us listen to what Tom and other Swedish citizens have to say about the politics of the national pension system.

II. *'Shit, we're cheated'*

One of the times my old 1967 Volvo Amazon breaks down is just outside Örebro, a town in the south-central region of Sweden. It is a nice day and I am in no hurry to get anywhere specific. I open up the hood and look down at the engine. Without much of a clue to what might be wrong this time. Several people stop and offer to help. All soon agree on which parts need to be replaced. Tom, in his fifties, dressed in jeans and a T-shirt and with arms covered with tattoos, knows where to find the parts. He drives off and when he comes back we spend a couple of hours repairing my car and talking about the pension system. Judging by the number of swear words he uses, Tom is not pleased with it:

The pension system! Hell! It is so damn sick! I work and pay taxes my entire life and there's no money left when I retire! 'So save', they say. But I have nothing left to put away. What the hell do they suggest I do then? And with this new system they have raised the retirement age too – but in a sneaky way and behind our backs. Shit! We're cheated. And those bloody funds... Who the hell can manage to take care of that? Not !! They've dumped the responsibility for this on our heads... It's our own fault if we can't afford to retire.

With great patience Tom teaches me how to replace the rotor, while I struggle both to take notes of his animated discussion about the pension system and to learn some basic mechanics. When my car is repaired and we have had some ice cream and talked some more, I ask Tom what he himself will do in 10 or 15 years. After a loud laugh he says:

Well, they'll have to dig me a hole and ask me to get into it! Oh, shit. I don't know. I have no idea. But things may turn around too, I guess. I might cash in on those funds. Who knows? But you know something? If the politicians themselves don't want to have anything to do with economics because they don't get it... how the hell do they think all the rest of us are going to understand all of this?

Tom is not the only one to express anger and distrust when he talks about the Swedish national pension system. Often enough I feel as if I have turned on a faucet as the flow of emotions comes pouring out. People are angry, they feel cheated, they do not trust the politicians any more and they have no faith in the pension system.

I sit down to talk to a couple sunbathing on a beach in Skåne, on the southernmost tip of Sweden. They are both very, very angry. They feel cheated and they do not trust politicians, nor the pension system. The woman just shakes her head and says: 'Talk to him. I'm too angry about all this to even talk about it!' I turn to her husband who says:

I am so pissed off and angry at this bloody pension system. See, I had just worked enough to have the full ATP points and I thought I had my pension covered, when they pull everything out from under me! The ones who made this up all have huge pensions, of course. *And* they will have time to retire peacefully before this has its full effect among ordinary people. And the funds! Oh, I don't know stuff like that. Imagine having to gamble with your pension on the stock market! I do know one thing though... if we had gotten to vote about this, it would never have happened. What can I say? I feel totally powerless and speechless. And I, for one, am completely cheated.

In both Tom's and this man's accounts I understand 'they' to refer to the politicians responsible for changing the national pension system. Let us listen to some other voices that talk about their lack of trust in politicians, the political process and the pension system. First those who focus on the politicians.

'What irritates me', says a woman I spoke to by a lake in the inland region of Västmanland, 'is that while they are cutting down our welfare systems they try to make us think it's something positive. I've heard politicians say things like: "You *might* get *more* than 65 percent in pension now." To me, that's just dishonest.'

A man I talk to at a hotdog stand in a small town in the western region of Västergötland claims that he is quite active in choosing funds and takes an interest in 'looking at the numbers in the pension prognoses'. He strikes me as someone who has made sure he knows how it all works and what he can and should do. He says: 'What I have realized is that my pension is *not* secured at all. It might work out, but the chances are pretty low. And I think the politicians have gotten away very easily here... They give absolutely no guarantees at all now.'

On a somewhat more cynical note, a woman I talked to in a campsite in the district of Dalsland sums up her lack of trust as follows: 'The politicians always see to it that they are well off. And I don't think it matters what I do

in all this.' A man whom I stopped in the pedestrian area in the center of the Midwestern town of Karlstad, claims that he likes the new pension system better than the previous one. He likes the fact that he has more responsibility and he thinks it is a good idea to have a partly funded system. What he does not like, however, is the way the politicians 'keep changing the rules for saving and for interest all the time. They created a pension system that results in lower pensions. Well, then they at least have to give people a fair chance to save for themselves. I have absolutely no trust in the government any longer.'

In a village in the deep woods of Hälsingland, further north, I came across a young couple who recently moved up here to look for a bed and breakfast or a restaurant to run. I talk to them over a cup of coffee and during the course of the interview they both express their distrust in politicians with regard to the national pension system. Here is how the man puts it:

I cursed the government when this was introduced. I thought they had lost their grip of things totally. They had no control over our future pension money, so they handed over the entire responsibility for that to us. And we only had ourselves to blame if we couldn't take care of it. That's when I decided to get a private savings account. The pension system constantly reminds me of the fact that the state has lost its grip of things, and I certainly don't think I will get by on anything coming from the state in the future.

Also up north, in a bookstore in Ljusdal, I talk to a man who clearly sees the transferred responsibility within the pension system as a reason not to trust politicians any longer. He says: 'They wash their hands of it. The pension system is a way for them to move the cost and responsibility over to us. They wash their hands. If I get a lousy pension it's because I have made bad choices.' This echoes what a woman in central Gothenburg, on the west coast, told me earlier that summer. After stating that she had 'absolutely no faith in the pension system' she said that: 'They changed it so that it was good for the state, for the government, but not for us.' People seem to react to the fact that the responsibility for future pension levels has been shifted from the state to themselves, and many talk of this as a reason not to trust the politicians in charge.

Not all speak of distrust, however. Some of the people tell me they do not trust the pension system, but have faith in the politicians seeing to it that it does work. A man I talk to in the southwestern region of Halland is really critical of the pension system and especially the funded part, but ends up by saying: 'You know, I have faith in this. It will *have* to work. Because the pensions must be paid out if we are to have any kind of welfare system left to speak of. So it *will* work.' And a woman I met in the archipelago of

Gothenburg says she tries to keep track of what her future pension will be: 'But it feels more like a lottery. I just trust the politicians to solve it all when the time comes. What can I do about anything?'

The mere fact that Sweden now has a new pension system is upsetting to many. It seems that the relatively swift decision-making process and the fact that the legislation was passed between elections and thus never became a public political debating issue is now a cause of distrust in the political process. The reasoning that several of the people I have talked to follow is that 'since they managed to change the national pension system without much debate once, they just might do it again'. A woman in the mid-eastern town of Sandviken says that she does not bother to find out anything about the current pension system or how to invest in funds because: 'They changed it once, just like that. Maybe they will do it again before I retire. It is all very insecure and odd, I think.'

A lot of the voices I have collected are angry, some more than others. And a great many of them talk about their lack of trust either in the politicians in charge or, as we shall hear now, in the pension system per se. One of the most common concerns that I heard with regard to this was phrased as the question: 'Will there be any money left for me?'

'I'm not even sure there'll be any money left for pensions when I get old. But I can't worry too much about that now!', says a woman in her thirties in a small town in the southern region of Skåne, while a man I met in Gothenburg states firmly: 'There won't be anything left for me! I'm sure of that. I was born in the 1960s and most of the pension capital will go to the generation of my parents.'

Some focus on the premium pension part of the system when they talk about how they do not trust the pension system at all. Often enough the fact that part of the future pension capital is now to be invested in funds on the financial market stirs feelings of anger and of distrust, and of being cheated. 'It's like a scam,' says a man in the small harbor town of Grisslehamn north of Stockholm. 'You don't know if there will be any money left at all or where all your saved money goes to... I don't know what will happen.'

A man in the mid-eastern town of Sandviken ends a longer line of reasoning with: 'What a bloody lottery it is! I have no idea what to do. But I do understand that those who know about these things dare to take more risks and they can, then, gain from that. I get upset. My pension money is being gambled with.'

I heard the metaphor of a lottery several times with reference to the pension system. Here is what an angry young woman in Stockholm thinks about the sense of insecurity and lack of trust she feels: 'I am so mad at this damned pension system. I think that a pension should be the security of older people. To then have a system in which people have to choose funds to invest their pensions in is totally wrong. It's a pure lottery now!'

I realize that some of the people I stopped in the streets, for example, or approached on beaches were initially taken aback and surprised by being asked to talk about the pension system. And it is, of course, possible that the context and situation of these interviews affect the answers. In other words, when surprised by a rather odd question from a stranger in the street one's first reaction could very well be to say 'I don't know much about that' in order to avoid getting involved in further conversation. While some, no doubt, responded initially in this manner, what I found striking was the fact that so many people quickly opened up and engaged in quite personal and emotional discussions concerning the pension system. Not everyone I talked to was as angry with the politicians and the pension system as Tom or the couple on the beach in Skåne. And not all feel cheated and talk about how they do not trust politicians any more. But many are, and many do, and they do not seem to hesitate to voice their strong emotions and views to a note-taking stranger in the street.

Solidarity and trust are a couple of ideas constituting a redistributory national pension system. The idea is that the money I pay into the system today is paid out to the pensioners of today and I can rest assured that the same will be done for me as I get old. It seems that Sweden's current national pension system got off to a bad start when it comes to the issue of getting people to like it, have faith in it and trust that it will work.

The Technological Relocation of Agency and Responsibility

This chapter's main focus is on what the fundamental structure of Sweden's national pension system does in terms of relocating agency and responsibility. Here I zoom in on some of the technicalities of the pension scheme construction to explore how these pave the way for processes of both depoliticization and responsabilization. The technicalities of the national pension system are here examined from a Foucauldian perspective as political technologies that reformulate a previously political problem in the seemingly neutral language of science and technique (Foucault 1991:99-104; Dreyfus and Rabinow 1982:196).

The concept of performativity, initially developed by Michel Callon (1998), also holds a central position here as we focus on what some of the calculative technicalities of the national pension system do. Such a perspective holds that the economy is performed by economic practices (Callon 1998), and that the calculative technologies in the construction of a financial system such as a national pension system may be considered to be 'objects with agency' (Muniesa, Millo and Callon 2007:2). The particular technologies of Sweden's national pension system are further seen here as examples of the 'black boxes' that Bruno Latour (1987) first put forward in his discussion of how some artificial and constructed entities are treated as units that are to remain closed to scrutiny and critical questioning.

Before we peek inside the 'black boxes' of Sweden's national pension system, we shall look into how the issue of pensions has been moved from a highly politicized sphere to a seemingly apolitical arena where the agency of technocrats and the numerical constructions they create is salient. We shall then focus specifically on how three of the technologies of the national pension system work to recast what were previously a political issue into a neutral, purely technical one. And finally we shall highlight how the very construction of the national pension system relocates the responsibility for part of the future pension levels to the individual citizen.

As mentioned in the previous chapter; the main novelties of Sweden's new national pension system are that it is contribution-based, that one's pension is calculated from an entire lifetime of employment, and that each person makes an individual choice as to at what age he or she wants to retire. Another important novelty is the premium reserve part of the pension system which involves an annual, mandatory and individual placement of part of each one's pension entitlements in up to five investment funds.

These novelties are examples of what makes the national pension system an autonomous and self-regulating economic system, and this chapter deals with how some of these technocratic constructions enable the fundamental principles of the system to function. I aim here to shed light on this relocation of responsibility and agency and to look into how the previously quite difficult political decision-making of adjusting pension levels is now built into the very construction of the system. The agency and responsibility of adjusting pension levels are now divided and shifted. They are relocated to both a sphere *out there* of automatized mathematical calculations based on statistics and market predictions, and simultaneously to a sphere *in here* of the life choices of each individual. Agency is, as we shall see, also shifted away from the political sphere to technocrats and technocratic innovations as well as to the individual citizen. By using the terms *out there* and *in here*, I want to bring to the fore the novel 'directionalities' (cf. Wolf 2001) of previously political issues. What some of the technologies of the restructured pension scheme in Sweden bring about is a simultaneous distancing and personalization of the responsibility for, and agency to affect, future pension levels.

A Beautiful System

Before shedding light on how some of the technicalities of the design of the national pension system operate to relocate responsibility and agency, let us take a closer look at how the system has been moved away from the political sphere in which it was previously located. More specifically, we shall see how political differences are set aside to give prevalence to a perspective that prioritizes the logic and 'beauty' of the *system* of national pension distribution as opposed to the actual *outcome* of the national pension system in terms of levels of pension payments to retired citizens.⁷⁰

It should be pointed out that to regard a mathematical formula as something beautiful and elegant is not unusual for mathematicians. In discussions about the beauty of formulas frequent reference is made to Aristotle's assessment of the beauty of the mathematical sciences and that 'the chief forms of beauty are order and symmetry and definiteness, which the

⁷⁰ An initial discussion of how political differences were bridged in the making of the national pension system is included in chapter two.

mathematical sciences demonstrate in a special degree' (Aristotle XIII 3).⁷¹ What is known as 'Euler's formula' has, for instance, been ranked to be 'the world's most beautiful theorem' (Wells 1988; 1990).

The producers of the pension system are pleased with their product. My interviews with the members of the Working Group on Pensions are filled with expressions describing it aesthetically in terms such as: 'fantastic', 'genial', 'graceful' and 'awesome'.⁷² A comment by one of the two Social Democratic representatives in the Working Group on Pensions illustrates well the aestheticization of the national pension system: 'What seduced me, as an economist, investigator and social constructor was the beauty in that the system would buffer its own reserves in a perfectly obvious way'.⁷³

Talking about the pension system in personal, even private and intimate, terms and describing it in aesthetic ways proved to be common among those individuals involved in the creation of it. And the above-voiced notion of being 'seduced' by the 'beauty' of the self-regulating functionality of the system seems, in fact, to have been of conclusive importance for the construction of Sweden's national pension system.

Several of the political representatives in the Working Group on Pensions talk about an intriguing situation that occurred as the two supposedly political opponents – representatives from the Social Democrats and the Conservative Party – put political differences to one side to agree on the self-regulatory functions of the pension system in negotiations in which 'calculation based on economic logic' acted as the common denominator and, thus, the political neutralizer. The Chairman of the Working Group on Pensions provides an insight into the situation by recalling the differences and similarities between the two political opponents. He calls them by their first names with the prefixes 'red' and 'blue', and says that: 'Even though the differences in opinion between "red A" and "blue M" were even greater than those between the parties they represented, a broad agreement was possible. And there is no doubt that M's [Conservative Party representative] analytical personality played a major part in the ability to accept factual reasoning'.⁷⁴

The 'red' Social Democratic representative says about her 'blue' Conservative opponent: 'She gets totally *seduced* by a logical enough line of reasoning. And *so do I*. So, often enough, we connected, while putting together the logic. We could, from our different viewpoints, ascertain what the logic in the system demanded'.⁷⁵ And the 'blue' Conservative Party representative recalls that: 'When it came to difficult problems in the economic field, he [the

⁷¹ See for example. the website of the Mathematical Association of America: www.maa.org/mathtourist

⁷² Interviews November 26 and December 20, 2004, March 3, 2005 and November 1, 2006.

⁷³ Interview November 30, 2004

⁷⁴ Interview November 22, 2004.

⁷⁵ Interview November 30, 2004.

Chairman] would say: “This is something that you two must step outside to settle”. And so we did. And both of us are rather fond of logic, so if we were able to find any logical solution – it was okay.’

Other members of the Working Group on Pensions bear witness to the fact that the, otherwise, political opponents came to mutual understandings on the fundamentals of the pension system by setting party politics aside to agree on technical solutions from an economics perspective prioritizing the system of national pensions before the results of the distribution of pension payments. The ‘red’ and ‘blue’ politicians are talked about in admiring terms by their committee-colleagues as being ‘extremely intelligent individuals who saw the craft of engineering within the pension system’, and further: ‘there were analyses and conclusions drawn seemingly *not at all* directed by party political interests. Instead there were intellectual logic and analyses and an interest in finding the best solutions.’⁷⁶ One of the experts in the Working Group on Pensions, a macroeconomist, says: ‘The thing was that these politicians were truly captivated by doing this well. A and M have similar personalities in that they are both very smart *and* they can count... So without those two, I doubt it would have succeeded.’⁷⁷

So, by viewing the pension system from a technocratic perspective as a financial *system* and agreeing on its self-regulating technology and autonomous character, and excluding critical voices and uninvited outside influences, the technicalities that make the national pension system an autonomous and self-regulating financial system were agreed upon by the members of the Working Group on Pensions.⁷⁸ In interviews, the members of the committee talk about how what was perceived as an elegant solution to a complex problem bridged some of the political differences. In other words, it seems that the process of constructing calculations and formulating formulas worked to erase or, at least, dilute the political aspects of pensions. And in the process the makers of the national pension system seemed to embrace a notion that numbers and calculations are politically neutral or even apolitical.

The Meaning of Stability

The self-regulating, automatic and autonomous financial system that the members of the Working Group on Pensions agreed would be the best pension-system solution for Sweden is now often described by the expert members of the committee as being ‘stable’ and ‘robust’. Also the politicians

⁷⁶ Interviews March 3, 2005 and December 1, 2004.

⁷⁷ Interview November 22, 2006.

⁷⁸ See chapter two for a detailed account of the exclusivity of the Working Group on Pensions.

involved in the making of the pension system rejoice over these characteristics and talk about the pension system as a political success.

The Conservative representative offers her explanation of what a 'robust' pension system is: 'It simply means that the system is symmetrical, and that it is a closed system. It is genial! This pension system is an innovation, an invention really.'⁷⁹ The Left Party's first representative is more specific in his account of the meaning of the stability in the national pension system: 'What creates the stability, from the state's perspective, is that there is a connection between assets and liabilities. The real and most important change is that we have created a system in which the payments out of it are decided by how much goes into it.'⁸⁰

The talk about the 'stability' of the national pension system sheds light on the prevalence of a technocratic, more calculative and economic idea of such a social security system over one that considers the political and redistributive, perhaps even democratic, consequences of its construction. The constructor's talk of a 'stable' and 'robust' system emphasizes the national pension system as an integral part of the state economy, rather than as a political issue of pension provision.

The shift of pension system design, from a system based on defined benefit to one based on defined contribution, was significant in creating such a financially stable system. What the stability in the national pension system means, however, is that some of the financial risk has now been moved from the system to each individual citizen. The input is stable, the outcome is not. One of the technocrats involved in the construction of the system explains that the meaning of stability is 'synonymous with distributing all risks to the insured. And that was the whole idea, the big point, of it.'⁸¹

This, the Left Party's first representative believes, is something that all members of the Working Group on Pensions might not have fully understood, or even *wanted* to understand. Such consequences of the 'stability' of the system were not something that was openly discussed or communicated. 'Presenting the pension system in such a cold-blooded way... well, I don't think it would have worked', says the Left Party representative, who doubts that the system would have been able to be launched had the consequences of stability been debated publicly.⁸²

Several of the members of the Working Group on Pensions, both politicians and experts, are quite outspoken about the effects of such a 'stable' pension system for the individual citizen. One of the experts in the committee explains in an interview that:

⁷⁹ Interview November 26, 2004.

⁸⁰ Interview November 18, 2004.

⁸¹ Interview November 16, 2005.

⁸² Interview November 18, 2004.

What this reform is *really* about is moving the risk from the system to the individual. That is, if Sweden does poorly it shows in your pension. The risks are shifted over to the individual now. The pension system is a success from a national economic perspective, in that we now have a system that is robust and stable, but it is *not* a successful system in that it will result in better pensions... on the contrary, it means lower pensions.⁸³

The Liberal Party representative expresses a similar line of reasoning during an interview: 'By making these parliamentary decisions... what one is proud of is that we have a stable system. It finances itself. It does not pay out more money than it has. But it is *not* stable for the individual. On the contrary.'⁸⁴

By general comparison the previous national pension system, the ATP, can be said to have followed a principle in which the stability of the *outcome* was salient and publicly communicated, while the current system has undergone a shift to follow a principle of stability of *input*, a characteristic less widely communicated. This shift effectively places the financial risk outside the pension system as well as relocating the responsibility and agency of adjusting the pension levels to outside the political sphere. Theodore Porter's (1995) analysis of the power of numerical calculations provides an insightful view of how numbers can bring about a process of depoliticization:

A decision made by the numbers (or by explicit rules of some other sort) has at least the appearance of being fair and impersonal. Scientific objectivity thus provides an answer to a moral demand for impartiality and fairness. Quantification is a way of making decisions without seeming to decide. Objectivity lends authority to officials who have very little of their own (Porter 1995:8).

Porter's assessment brings us to the issue of political agency. We shall, in the following, see how both politicians and technocrats talk in positive terms of a shift that places a formerly political responsibility and agency away from the political sphere.

Tied to the Mast

What the above talk about the benefits of a financially stable pension system also points to is the view that decisions made by politicians are not stable and reliable but instead undermine and disrupt the work of the economists and technocrats. At a hearing at the Ministry of Health and Social Services, with

⁸³ Interview November 11, 2004.

⁸⁴ Interview January 4, 2005.

two Ministers and a group of representatives from the main pension organizations present, an invited pension system technocrat asserts that: 'This pension reform means that we now have a *financially* stable system. And I think that is good, because the political decisions about pensions have *not* represented any stability at all.'⁸⁵

The previously political decisions on pension levels are now, as expressed by one of the economists in the Working Group on Pensions, 'formalized' in order to avoid 'ad-hoc decision-making in Parliament'.⁸⁶ One pension system technocrat compares the political autonomy of the pension system with that of a national Central Bank or the justice system:

The Swedish Central Bank (*Riksbanken*) manages the interest rate, not the Parliament. And we have autonomous courts. No one is sentenced by the government or by the Parliament. The idea is that there are some systems that, for various reasons, function in such a way that they need to be at, at least, at arm's length from politics.⁸⁷

In both formal and more informal interview settings economists, technocrats and bureaucrats involved in the creation and implementation of Sweden's national pension system talk about the benefits of now having a self-regulating and politically autonomous national pension system. We have already heard how political representatives of both Left and Right seem pleased with the removal of political agency when it comes to adjusting the pension levels. Their talk about the 'beauty' and 'genius' of the 'closed', 'autonomous' and 'stable' national pension system illustrates this.

Critical or problematizing discussions about the effects of relocating political responsibility and agency are few, if any, among the makers – politicians, economists, technocrats and bureaucrats included – of the pension system. An exception is the Left Party's second representative. She held, as mentioned earlier, a critical position all through the policy-making process and did not sign the agreement. In an interview she maintains her criticism of the design of the pension system, saying: 'The decision to reshape the pension system in this way was the very *last* political decision when it comes to pensions. Because now... well, now the system runs itself. The purpose was that politicians would no longer be *able* to interfere with the pension system.'⁸⁸

The agency and responsibility to adjust the citizen's pension level is now, through the design of the national pension system, divided and relocated to the technocratic constructions of numerical technologies built into the system. Such a 'regime of calculation', Porter suggests, 'involves a bid to empower

⁸⁵ From fieldnotes December 1, 2005.

⁸⁶ Interview November 22, 2006.

⁸⁷ Interview November 16, 2005.

⁸⁸ Interview January 11, 2005.

experts who have at most a limited ability to subvert democratic control. Technocracy presupposes relatively secure elites' (1995:146). A conversation among a handful of pension system technocrats sheds light on their view of the relocated agency. Their informal talk further hints at the somewhat experimental aspects of having created a self-regulating and politically autonomous national pension system that is out of the hands of political decision-making.

At a closed seminar at the Ministry of Health and Social Services, specific details, and possible effects, of some of the innovations of Sweden's pension system, namely adjustment indexation and the automatic balancing (more on the details and implications of these further on in this chapter), were presented and debated in a room full of pension system experts, bureaucrats, technocrats, economists and representatives from the insurance industry and the National Pension Funds.⁸⁹ After an intense afternoon, when all the actors present were not in agreement over the benefits of the technicalities, a handful of pension system technocrats decided to 'cool off' by having a few beers at a pub nearby. This is part of how the discussion around the small table in a corner of the pub went:

- With this system the politicians have at least admitted that they are not good at making economic decisions.
- Right, with this we have tied them to the mast.
- Yes, let's see if it works.
- Yeah, because regulations are, in fact, now being made in Parliament in an unpleasant way.
- And that is why it is good to have as much automaticity as possible. Because they *will* want to get their fingers into this.⁹⁰

In the above accounts we have seen how the makers of Sweden's current national pension system shifted the responsibility of adjusting pension levels, the financial risks, and the political agency with the very design of the system. By making the new system one based on defined contributions, as opposed to one based on defined benefits, and by designing it to be an automatic and self-regulating financial system, the architects of the national pension system effectively relocated significant financial risks from the system to the individual citizens as well as dividing, and relocating, both political agency and responsibility away from political decision-making. We have also seen how most of the political representatives, as well as the experts and technocrats, seem pleased with this relocation.

⁸⁹ As part of my tag-along fieldwork, in which I followed selected key-actors around in their daily work, I found myself attending meetings, both formal and informal, that I must assume would not have been easily accessible to me, a note-taking researcher, had I not been in the company of one of the key-actors.

⁹⁰ From fieldnotes November 15, 2005.

Politics in Disguise

The masking of the operations of power is a key feature of the political technologies that Foucault describes, and analyzes, in his research (1977:200-228, 1991:99-104). The notion of the disguised workings of political power has, since Foucault, been developed and promoted by many other scholars inspired by it. Dreyfus and Rabinow, for example, suggest in their thorough analysis of Foucault's writings that 'political technologies advance by taking what is essentially a political problem, removing it from the realm of political discourse, and recasting it in the neutral language of science' (1982:196). And in their argument in favor of viewing policies as political technologies, Shore and Wright assert that a feature of policies is that their political nature is disguised by objective and neutral idioms and that such 'masking of the political under the cloak of neutrality is a key feature of modern power' (1997:8).

The way the pension scheme is designed divides and relocates both agency and responsibility away from the political sphere where it was formerly found. A dual shift of distanciation and personalization simultaneously places agency and responsibility in a sphere of automatized mathematical calculations that I call *out there* as well as in a sphere of individual life choices and personal capabilities that I call *in here*. I shall now focus on some of the technocratic numerical constructions that enable the shift *out there*, and discuss the *in here* shift later on. My suggestion is that the national pension system may be seen as a construction of separate but interconnected and more focused political technologies that in various ways work to recast formerly political issues as neutral technical solutions. The numerical equations that we shall examine all contribute to the relocation of political agency and the shift in responsibility brought about by Sweden's national pension system.

In what has been termed 'a regime of calculation' (Porter 1995:146) and 'a culture of numbers' (Knorr Cetina 1999:1-2), the seemingly objective and neutral character of numbers and statistics has been unveiled (see also Miller 2001:382; Porter 1995:8; Rose 1999b:199). From these critical perspectives numbers and statistics are seen as political instruments and 'bearers of implicit meaning' (Thedvall 2006:20-21), and as a way for power to operate in disguise by means of 'governing by numbers' (Miller 2001:379). Within such a line of reasoning it has been suggested that numbers act in four ways, namely, to establish expertise and authority, to make knowledge impersonal, to portray certainty and universality and to contribute to resolving situations of doubt, conflict and mistrust (Zaloom 2006:61).

Three political technologies masked as neutral equations are in focus here; they are called adjustment indexation (*fölsambetsindexering*), the automatic balancing (*den automatiska balanseringen*) and the annuity divisor (*delningstalet*).

The first two regulate the national pension system in terms of assets and liabilities. In other words, they ensure that ‘nothing more than what is paid in to it is paid out’, as the government’s information leaflets explain, by connecting it to ‘growth’ and ‘how well Sweden is doing’. The third technology links the pension system to statistical calculations of the population and prognoses of average life expectancy.

We shall now take a closer look at these three intertwined and connected technologies of the income part of the national pension system to see how these artifacts work to relocate the political agency and responsibility of pension levels to numerical calculations in a sphere elsewhere than the political.

Magical Adjustments

The numerical construction called adjustment indexation connects the calculations of pension levels to an index based on the development of average income levels in Sweden.⁹¹ In other words, the yearly recalculation of national pension levels is based on statistics of the average growth of income in Sweden but adjusted by the growth norm so as to smooth out the changes. The effect of such an annual adjustment is that the pension levels are linked to calculations both of changes in income levels and of price-levels in society.⁹²

The constructors of adjustment indexation talk about its creation in unproblematic ways, taking for granted numerical instruments such as a national growth index. Rolf, one of the inventors of adjustment indexation, describes how the group of technocrats came up with the idea of linking the pension system to both an income and a price-index. He recalls here how the technocrats wanted to use an average income index in their preliminary calculations of how the new pension system would work, but that the politicians ‘did not dare’ to legislate on using an income index since it ‘created unpleasant waves in the system’.

I then came to the realization that we could take the bottom-line of every individual’s contributions and entitlements... It was then entirely possible to calculate the pension debt without looking ahead at all. Something not so surprising but irritating, *and* something surprising and wonderful were then revealed. What was not so surprising but irritating was that the income index was not stable. The

⁹¹ Reduced by 1.6 – a number that is called ‘the norm’.

⁹² This is explained in a footnote in the pension systems annual report for 2005, as due ‘to the fact that the indexation of this pension is a function of the growth in the average income’ (*The Swedish Pension System Annual Report* 2005:5).

surprising and wonderful was that as we counted, a magical number turned up. A constant quota of 5.28 showed up. It was a bit uncomfortable not knowing where the figures came from. [] But something else fell out too – the fact that we were connecting the buffer funds into the system – this was a bonus for the entire apparatus. This all led to the system being accountable and without forward projection. It totally disregards everything surrounding it.⁹³

Rolf's account sheds some light on the arbitrariness of calculation techniques such as adjustment indexation and allows us to get a glimpse of how technocrats can view numbers and equations as something beautiful and even magical. It also provides yet another illustration of the somewhat negative view technocrats hold of politicians.

While tagging along with key actors involved in the making of the pension system, I had several opportunities to attend hearings closed to the public held at Ministry of Health and Social Services. On one such occasion, Magnus, one of the analysts responsible for the calculations of, among other things, adjustment indexation, uses what is called 'a Monte Carlo simulator' to show the people in the seminar room at the Ministry 'a stochastic model of the pension system'. For a couple of minutes we are all looking at waves of colorful diagrams, lines that move in soft curves, up and down, colors shifting and mixing patterns. It is a beautiful display with an almost psychedelic quality to it. Magnus says of his colorful illustration of the development of the national pension system:

We can do these curves looking 200 years ahead. It is rather difficult to explain the process, however. But this shows how the system redistributes and saves for future generations. And it can be said that those born in 2040 will be very happy about this, but those soon to retire will not...

A stream of comments from around the large oval table at the Ministry follows the presentation:

- This really shows the divine nature of it!
- Do you really think that you have been able to include all surprises? We have not yet seen all the unexpected events.
- We have included all imaginable surprises in the model.
- This is all very radical.
- I would be scared to death of a model entirely built on automatics because we do not know what the financial market bears in its womb. Things will happen!

⁹³ Interview November 15, 2005.

- This is good. Make all the mechanisms as cold as possible. It is a matter of getting people used to the fact that if the market goes down the drain they need to have alternatives.⁹⁴

The accounts of Rolf and Magnus, two pension system technocrats, illustrate the arbitrariness of calculation techniques such as adjustment indexation and allow us to get a glimpse of how technocrats can view numbers and equations as beautiful, even magical, *apolitical* instruments. Seeing numbers as something natural and neutral and talking about formulas that add up and neat graphs with near infatuation seems further to distance such a technocratic calculative regime from the sphere of political decision-making.

Balancing Acts

Next comes the technology officially called the automatic balancing, popularly dubbed 'the Brake'. The equation annually and automatically balances the input to the pension system with the output, thus relocating the responsibility of adjusting pension levels to a seemingly neutral equation while simultaneously shifting the financial risk from the pension system to the individual citizen.

Put simply, the assets in the income pension system are divided annually by the liabilities, and if the number at the end of the equation is less than one the balancing of the system is activated. This means that the index numbers used to figure out the pension benefits are lowered, which, subsequently, means that the pension levels that year are reduced. The financial system of the pension system is thus balanced in that the liabilities do not exceed the assets. One of the experts in the Working Group on Pensions explains it as 'a method to get the system fast and smoothly to follow the national economy. This means that the risk for the insured is altered. It means stability in the system.'⁹⁵

As I was involved in the ethnographic fieldwork of this study, during the Fall of 2005, there was talk in the corridors and meeting rooms of the government agencies in charge of the administration of the national pension system that 'the Brake might hit next year'.⁹⁶ Preliminary calculations seemed to point in that direction and to proactively anticipate such an event and the expected publicity surrounding it, a strategic meeting was announced inviting a group of bureaucrats, analysts and public relations people at the Social

⁹⁴ From fieldnotes November 15, 2005.

⁹⁵ From fieldnotes November 15, 2005.

⁹⁶ Calculations are done based on the annual report of the pension system. These are completed and published early the following year, and the balancing of the system would thus be activated on January 1 of the year following that.

Insurance Agency to participate. What follows is how these pension system bureaucrats talk about what will happen if the automatic adjustment is activated.

The discussion sheds light on how the assembled group of bureaucrats, technocrats and government PR people view themselves and the role of politicians in the administration of this self-regulating pension system. We also gain an insight into how these government officials see the media as a conveyor of messages from state to citizens. The open agenda at what was described as ‘a brainstorm meeting’ was ‘to think about what will happen when the automatic balancing hits’.

- What do we call this? An ‘emergency plan’?
- That would work, as long as it is filed so that the media don’t get their hands on it.
- Right, let’s keep it away from the media until we want them to get it.
- So – How will the public and the media react when it happens?
- Well, the journalists can sense when something is going on and it will be an opportunity for them to put pressure on the politicians. They will want to see if someone in the coalition begins to shiver.
- Well, there won’t be any cheering. This is nothing positive. We here in Sweden, and in other countries too for that matter, are not used to things happening without the politicians making the decisions. Well, they did make a decision a long time ago... but not now. It will be an entirely new experience. It is going to be interesting to see how they react.
- I have told them to do the footwork now. They have to talk about this among their party members.
- Yes, the Founding Fathers have to get back on track now. They have to be there when the wind begins to blow, too. We can provide them with material to use, but they have to stand up and say: ‘This is how we planned it. What happens now is nothing strange’. Otherwise, I think the Social Insurance Agency will have to stand there in shame. We get a difficult dual role as both administrator and defender of the system.
- Okay, so towards the media and the public our role will be to explain the balancing while the politicians will have to defend it.
- Yes, but how do we tackle the ‘crisis’ headlines?
- Well, the very idea of the automatic balancing is that the system will *not* fall into a crisis. It is a sensor... So that the system does *not* crash.
- So what does that make the automatic balancing? I mean what is it? A vaccine?
- Sprinklers? Is it a sprinkler system?
- Fire alarm? Fire detector?

- No, metaphors like those are dangerous because they suggest danger and that the crisis has already happened. It is already burning!
- Right, we'll have to come up with a metaphor that explains it better... It [the Automatic Balancing] is there so that we do not drive off the road.
- Well, then we get 'the Brake'.
- Right. It *is* to slow down a bit.
- Yes, so that we don't get a crisis... that is, drive into the ditch.
- With the old system the politicians would have had to make the decision to step on the brake, and lower the pensions. It was not done automatically.
- Right, and now it is not a human decision. But pensions have become so bloody politicized now. It is something that people believe they have struggled for. That is how the politicians reason too though.⁹⁷

The meeting continues with the bureaucrats discussing ways in which to get the politicians and the media to act the way they want them to with regards to the automatic balancing of the income pension system. In an interview Sune, one of the constructors of the automatic balancing, conveys his view of the roles of politicians and the media now that technologies regulate the pension system:

The politicians do not seem very well prepared for the system that they themselves created. It is a bit crazy that the focus is on that which is least significant – the balance ratio. The demographic effects are more notable and real. That is, the longer you live the less money there is to share. But they have completely fallen into the pit of the balance ratio. It is more dramatic and interesting with the balancing, I guess. Maybe it's like the fact that it is more fun to watch the high-jump and see if the bar stays put than it is to watch the long-jump. The balancing is a bloody smart technically, but in a political environment and with the media loving drama, it may get problematic.⁹⁸

It turned out that the automatic balancing did not have to be activated at that time. But a PR agency was contracted to come up with a symbol or metaphor for the automatic balancing, so that the Social Insurance Agency would be better prepared to explain this technicality when it is activated. Eventually an

⁹⁷ From fieldnotes November 2, 2005.

⁹⁸ Interview November 18, 2005.

illustration of an old-fashioned scale balancing two bowls of sand was presented.⁹⁹

The third political technology within the national pension system that I bring forward here for a closer look is one that links the income pension system with the demographic effects that the technocrat interviewed above mentions.

Counting on Life and Death

The following technology is an equation that connects the closed financial system of Sweden's national pension scheme to the citizens, or the population as it were. Seen as a political technology, the numerical construction further masks a political relocation of the responsibility (and risk) of pension levels and recasts it in the shape of a seemingly neutral and statistical 'black box' that is called the annuity divisor. With its complex equation this technology provides a cogent reminder of what Foucault terms 'governmentality' and 'the problem of population' (1991:87ff).

$$\text{Annuity Divisor}_i = \frac{1}{12L_i} \sum_{j=1}^i \sum_{k=0}^{11} \left(L_k + (L_{k+1} - L_k) \frac{X}{12} \right) (1.016)^{-10-k} (1.016)^{-X/12} \text{ for } i = 61, 62, \dots, r$$

(Facsimile from appendix A, Calculation factors in *The Swedish Pension System Annual Report 2005*)

This particular technology divides the accumulated pension payments, adjusted and balanced by means of the numerical tools mentioned above, by the number of individuals who are to share them. To get round the fact that no one knows how many years each individual pensioner will live – and therefore how many years the payments collected must last – statistics are used to determine an average life expectancy, which is then divided by the pension funds accordingly. Put simply; when more people live longer each one get a smaller share of the pile of pensions. While dividing the accumulated sum of pension assets by the number of citizens who are to share it, the annuity divisor also disguises a previously political problem in the seemingly neutral language of mathematics and technocratic constructions. The responsibility for regulating pension levels by the demography is no longer a political decision but the result of the above equation.

⁹⁹ From fieldnotes December 19, 2005.

The situation often called ‘the problem of an ageing population’ has been much debated among politicians in most European countries during the past decade (cf. Pierson 1996; Bonoli 2000). It refers to the fact that people are living longer and if they do not also work longer the pension systems created 50 years ago will crumble under the pressure of an increasing number of years of pension payments.¹⁰⁰ The ‘problem of longevity’ in Sweden is, with the intricate formula above, turned quite literally into a problem of the ageing population, since it is the pensioners themselves who solve the problem by receiving less in pension – which is now divided into increasingly smaller shares.

In an interview with the first representative of the Left Party in the Working Group on Pensions, he explains the numerical tool of the annuity divisor in a straightforward manner:

We live too long, so there is less per year. That is what creates the stability in the system. It is contradictory to the principle [of the ATP, the previous pension system] of counting on a certain pension in relation to one’s salary. That principle is no longer valid. But this has not been made fully clear, I think. It is disturbing, of course. I mean, if instead of 60 per cent you receive 40... That does *not* sound very good.¹⁰¹

One of the technocrats at the Social Insurance Agency explains the effects on future pension levels as people are expected to live longer:

Those born in 1990 will live 41 months longer than those born in 1940. That is, if the prognoses from the SCB (the Swedish National Central Statistics Bureau, *Statistiska centralbyrån*) come true. Based on this, the scenario of the Social Insurance Agency is that pensions will be reduced from 65 per cent of average income to 55 per cent. Just on the effects of the increased average life expectancy. But that can be done away with if people work longer.¹⁰²

Or put simply, in the words of one of the expert members in the Working Group on Pensions: ‘If we continue to live longer, we must count on less in pension or else solve it on our own.’¹⁰³

Highlighted here is the way the particular pension system technology called the annuity divisor works to recast the otherwise highly political issue of raising the retiring age in a seemingly neutral cloak of numbers, thus relocating

¹⁰⁰ This topic is dealt with also in chapter two.

¹⁰¹ Interview November 18, 2004.

¹⁰² Interview December 1, 2005.

¹⁰³ Interview November 22, 2004.

the political agency from the political sphere to the technocratic. The equation also acts as an object of agency in an ongoing shift in which the economic responsibility and demographic risk of lower pensions are moved from the elected politicians to the individual citizen. What makes the national pension system appear as an autonomous and seemingly objective entity is an intricate construction of interconnected numerical technologies such as the three recounted for above. The result of the construction made up of technologies such as adjustment indexation, the automatic balancing and the annuity divisor is that the formerly difficult political decision of, for economic or demographic reasons, reducing pension levels or raising the retiring age has now been shifted to a sphere of calculation *out there*. Such a relocation of political agency and responsibility makes up one part of an ongoing dual shift. The other part is one in which agency and responsibility are shifted *in here*, from the arena of political decision-making to an individual level.

Processes of Responsibilization

Processes by which state agencies seek to make the individual citizen aware of his or her personal responsibility in what was formerly the concern of government exemplify what Rose has termed 'responsibilization' (cf. Rose 1999b). This is suggested as typical of the new norms of conduct that are associated with neoliberal forms of governance. Behind such politics, argues Rose, lies in the fact that, for the state to govern better, it must govern less. This is accomplished by focusing on the governance of individuals in attempts to 'govern through the entrepreneurship of autonomous actors – individuals and families, firms and corporations. Once responsibilized and entrepreneurialized, they would govern themselves within a state-secured framework of law and order' (Rose 1999b:139). Rose continues his argument with the suggestion that, with such individualization and responsibilization processes of neoliberal governance, 'one can best fulfill one's obligations to one's nation by most effectively pursuing the enhancement of the economic well-being of oneself, one's family, one's firm, business or organization' (ibid.:145).

The design of Sweden's national pension system makes the life-choices of each income-earning and tax-paying citizen important in the outcome of his or her future pension. Each private consideration of whether one should get married, have a second child, work part-time for a year, get another degree, take a year off to travel, buy that house, or file that divorce now matters, since the level of each individual's future income pension is based on the sum of a lifetime's taxable income.

The retiring age is another example of a decision that has gone through the shift from having been a political one to now being an individual and personal 'choice' with the 'flexible' retiring age within the current national

pension system. Instead of, as in the previous ATP system, retiring from work at the age of 65, with the new pension system each citizen must apply individually to retire part- or full-time from work from the age of 61. The level of pension benefits received, of course, limits the individual choice. If the monthly pension received does not cover the existing cost of living, the individual 'choice' is, rather, to keep working. In many cases, then, the actual effect of this individualizing technology of the national pension system in Sweden is that the retiring age is raised, not as the result of a difficult and controversial political decision but as a personal and individual choice made by each citizen.

It is noteworthy that, while the numerical technologies described and discussed in the previous section of this chapter are clearly *under-*communicated to the public, the individualizing technologies that work to relocate the agency and responsibility from the state to the citizen, on the contrary, are often the targets of particular communication efforts. This is particularly obvious in the government information produced by the PPM in which individualization of agency and responsibility is especially explicit, perhaps even *over-*communicated.

The official information published by the PPM, is personal and direct, communicating and promoting individual agency and personal responsibility when choosing the right fund in which to place part of one's future pension capital. The situation in which the PPM through public communication promotes individual responsibility and a higher personal involvement in the citizen's pension fund savings has been conceptualized as a process of 'domestication' by Claes Ohlsson (2007). By using this metaphor Ohlsson argues that fund investments and financial knowledge, with the new pension scheme, have become 'bound to the home' and common household phenomena.

The public information, printed and electronic, published by the PPM is saturated with individualizing messages. Individual agency and personal responsibility are communicated in varying ways. Here are a few examples. The headline and three bullet-point on the government agency's website read:

- The size of your premium pension is determined by three factors:
- * The amount of money paid into your premium pension account.
 - * Value fluctuations and withdrawal fees for the funds that you choose to invest your premium pension money in.
 - * At what age you decide to draw your pension.¹⁰⁴

A section in a bilingual information folder from the PPM reads: 'This is how you manage your premium pension.' Addressed to the individual citizen, the

¹⁰⁴ From: <http://www.ppm.nu/HowDoIEarnPensionENG.html> (accessed September 22, 2008).

text then continues with the following suggestions of different ways that such management can be done: 'I would like the PPM's help in selecting funds. I want to select my own funds. I don't want to be involved.'¹⁰⁵ Another individualized message from the PPM is on the cover of an official information brochure of 2006: 'Hello! It is now time to choose funds for your premium pension.'¹⁰⁶ A short headline from the PPM's website sums up the general message from the government authority in charge of administering the premium pension part of Sweden's national pension system to each individual citizen: 'It is up to you.'¹⁰⁷

New kinds of agencies and responsibilities are, by means of technologies in the design of the pension system, shifted on to the individual citizen. To inform the citizens of their new agency and of the responsibilities handed to them has thus become a central activity at the administrative and bureaucratic level. We shall see how the information produced by the two government authorities in charge of the administration of the national pension system is increasingly occupied with coming up with new and improved communication strategies, plans, policies and activities with the purpose of informing Swedish citizens on how to invest in the financial market as well as on the financial benefits of working more and longer. Such state practices and preoccupations, I suggest, may be seen as part of a process of responsabilization in this particular case promoted by the national pension system in Sweden. Such promotion is, however, not entirely unproblematic and the issue of 'how do we do this?' was often brought up in discussion at many of the meetings concerning public communication that I was able to attend as a part of the ethnographic fieldwork of this study.

One of the experts in the Working Group on Pensions reflects on the additional individual responsibility in the new pension scheme: 'In contradiction of what might be said to be traditionally and typically Swedish... it is now the individual who has the major responsibility. And the individual thought that the State would take care of everything!'¹⁰⁸

Sten, a long-time employee in charge of public information at the PPM (and the state agency's traveling PR person whom we shall meet again in chapter four) has witnessed a process in which the PPM initially set out to 'make people make active choices' but changed, from 2003, to 'have them make informed choices.' Sten travels extensively around the country giving presentations at workplaces, unions, schools et cetera, about the funded part of the national pension system, fund investments and the financial market. He says he has noted that when he gets to the part of his presentation where he

¹⁰⁵ 2006 brochure called 'How your premium pension works/Så här fungerar premiepensionen', published by PPM.

¹⁰⁶ Brochure called 'Valanvisning', published by PPM in 2006

¹⁰⁷ From: <http://www.ppin.nu/tpi/infodocument/1:1:201306,201491,201495>, accessed March 15, 2007.

¹⁰⁸ Interview December 20, 2004.

tells people to 'think about what market and within what line of business they want to invest', he sees his audience 'switch off and give up'. He says it is as if they are thinking: "Oh, no. This will never work!" But they don't know that they already know this', says Sten. 'They are just not used to thinking along these lines. It is general knowledge and common sense, but we have never had to think like this. It used to be that one went to the bank and handed over the responsibility for such things to someone there. And now, suddenly, we have to think for ourselves.' Sten concludes his reasoning with a shrug and says: 'We can think whatever we like about us now having the responsibility for this... But now we have it!'¹⁰⁹

Please note that, in the two chapters that follow this, I present more focused and detailed ethnography on issues that are closely related to the ones dealt with here. While issues concerning differences in character and practice of the two pension bureaucracies are touched upon in this chapter, chapter four is devoted to a focus on how practices at the two different state agencies in charge of the national pension system work, in similar and different ways, to promote novel ways of governance. And while parts of this chapter deal with the role of public communication and government information in responsibilization processes, chapter five pays close attention to the role of one particular channel of information in such a process.

Making Citizens Take Responsibility

In a one-year-long joint project the PPM and the Social Insurance Agency were assigned to coordinating their public communication strategies. During 2005 I was able to attend an array of different kinds of meetings and workshops where public communication about pensions was the main concern. The issue of how to make people want to take the agency and responsibility now handed to them was often, and in various ways, brought up for discussion at these bureaucratic gatherings.

The individualizing technology called 'flexible pension age' is repeatedly brought up as an important message that could be better communicated to the public. 'We have a mission from the government to specifically inform the 60-year-olds about flexible pension age... That they will get more in pension if they work a bit longer', says a communications worker at the Social Insurance Agency at a meeting.¹¹⁰ And at a later meeting a colleague of his struggles with how to make people act on the agency given to them:

We are to inform about the flexible pension age and that *could* lead to people working longer... But the politicians don't dare to make that

¹⁰⁹ Interview October 27, 2005.

¹¹⁰ From fieldnotes April 15, 2005.

decision straight up, so the problem is shifted to us here at the level of communication. It is cowardly, if you ask me. I mean, even if some one might understand how this entire pension system works... Well, that person can decide to *not* do anything about it, right? ¹¹¹

At a series of meetings the topic of discussion, among the communications personnel from both the Social Insurance Agency and the PPM, was focused around the issue of 'what do they need to know?'. Here is a brief example of what such exploratory discussions at the government authorities could sound like:

Karin: To earn money your entire life... *That* is what counts. And that is the *unspoken* political goal too... to *get* people to work longer.

Per: That and a higher salary.

Karin: Yes, the more you earn all through your life. ¹¹²

During an open-ended discussion on what the state agencies were to inform the citizens about more specifically, a certain level of frustration was sometimes revealed. At one point Karin suddenly interrupts the discussion as she slaps her palm on the table and says: 'It is important to communicate *activity*! We need to *wake* people up now. We cannot be vague any longer. We need to communicate: "*Do* something for God's sake, or you will be *left* without anything!"' ¹¹³

Another topic of discussion in the joint communications group concerns which aspects of the national pension system are less 'communicable' than others.

Karin: There are those who say we need to include the fact that Sweden's economic growth also affects the size of pensions.

Per: No!

Eva: But that is not anything the insured themselves can influence, is it? So why include it in our communication goals?

Per: No, that is not anything general that we are to communicate. And isn't it something people understand anyway? How well Sweden does matters for the pensions. Sure, we can say that, but not in terms of high and low growth.

Eva: It is a sort of disclaimer... of signing away the responsibility for lowering pensions. Besides, it's yet another message to communicate. So... No. ¹¹⁴

¹¹¹ From fieldnotes September 1, 2005

¹¹² From fieldnotes April 5, 2005

¹¹³ From fieldnotes March 30, 2005.

¹¹⁴ From fieldnotes April 13, 2005.

A duality in the relocation of agency and responsibility has already been described, and we have also noted the differences in the way the shift to technologies of numbers and statistics is under-communicated, while the individualizing shift, on the contrary, is over-communicated. The above discussion sheds light on how actors involved in the communication of agency and responsibilities regarding pensions consider certain aspects of the dual shift to be of importance to inform the public about, while others are not.

During this period of meeting-based ethnographic fieldwork among communication personnel from both state agencies, I took note of a striving, perhaps even a struggle, to find ‘communicable’ topics and aspects of the national pension system. Often the discussions shifted from being focused around ‘what do they need to know?’ to ‘what can we tell them?’ As in the example below where the people working with the communications plan of the national pension system in fact seem to struggle with how to communicate the fact that the state no longer makes any promises regarding the levels of future pensions. The current pension system is contribution-based and the responsibility and agency of future pension levels are shifted to both numerical technologies within the pension system construction and to each individual citizen. The previous pension system, the ATP, was benefit-based and carried a promise of a pension level set at 65 per cent of the best 15 years of income out of a total of 30 years of working – a promise not always met, however, but one publicly well diffused and a widely known government commitment. The discussion below shows how the communicators now lack such an easily communicated message from the state to the citizens.

Karin: The question is whether it is even *possible* to specify any kind of percentage of a salary. What could it be? 40 per cent? 50 per cent?

Per: We don’t know that. We’ll have to look into it. But it would be nice to be able to specify a certain percentage of a salary.

Eva: But how would one figure that out?

Karin: It should be possible to come up with some sort of average... Something for people to compare themselves with, so that they can see that: ‘Wow! I have to shift gear now!’. We can get those kinds of figures.

Eva: Right, but what if it doesn’t promise anything more than 25 or 30 per cent?

Per: Well, then it is even more important that people get to know that. It is only fair to tell them. Besides, then, maybe, people will be a bit more active when it comes to their pensions.¹¹⁵

¹¹⁵ From fieldnotes March 30, 2005.

The struggle to look for ways to communicate a government commitment within the current national pension system continues over a period of several months, as the group of communicators work to put together a joint communications plan. Here is an example of how the ongoing discussion evolves. The following are notes taken at a meeting two weeks after the one above.

Eva: Does it have to be numbers? Why can't we say: 'a little more than half' instead of a specific percentage?

Karin: Great! Let's lower every one's pension to 50 per cent of their salary. It'll be so much easier to communicate! [everyone laughs] No. But seriously, we need to move away from crowns and percentages...

Eva: But what happens then, though? We transfer all the responsibility to them to find out what it all means for them in terms of crowns and percentage of their salary.

Per: I think it would be great if we could visualize the future pension in some way... It could be pieces of a pie or elephants in a row or *whatever!*

Eva: We want to wake people up! Make them think: 'Will I really get *by* on this?'

Karin: Right. Or: 'This is what I have to get by on.'¹¹⁶

In the end, however, the group comes to terms with the fact that, within the realm of the current national pension system, they cannot communicate a promise from the state to the citizens when it comes to future pension levels. The discussion then shifts to dealing with how best to inform people about the possibility that their future pension level might be lower than they now think.

Karin: But doesn't everyone know that you don't get rich on your pension?

Per: Well, I was surprised when I understood how little it will be...

Karin: So it is all about the extent to which we want to scare the shit out of people.

Per: No! This is about showing them how it *actually* will be. Whether they get scared, or not, from that knowledge – we don't know.¹¹⁷

And so the agency and responsibility of future pensions have been effectively relocated to an individual sphere. The responsibility of the state is limited to informing the citizens of their new responsibility and leaving it there. 'It is up to you!'

¹¹⁶ From fieldnotes April 13, 2005.

¹¹⁷ From fieldnotes April 22, 2005.

Making People Choose to Work

While the joint communications group frequently discusses and aims to develop specific information activities and communication strategies, I found that other bureaucrats, not necessarily employed in the Communications Departments, were also often involved in thinking about how to make people take the responsibility and act upon the agency that is now handed to them. Here is what one 'old timer' at the Social Insurance Agency says in an interview:

We need to find a level where people have this in the back of their heads. They must know that their income matters. Not that it should govern their lives but it should influence them. And the responsibility must be made clear. It is now their own responsibility. No one should be able to come afterwards and complain about their low pension if they have been bumming around the world for several years instead of working. []So, it is about informing people about what they themselves can do to affect the size of their pension. People should, in an intuitive way, understand in order to comply. []People will not want to lower their standard of living when retiring, so I think they will choose to work longer.¹¹⁸

The interviews with the members of the Working Group on Pensions reveal how the discussions at the committee's meetings also, often focused on individualizing technologies such as how to make people *want* to work more as opposed to making them do so by formal legislation or official policy. One of the expert members comments about the political representatives in the Working Group on Pensions:

They said that we needed a system that favored the ambitious ones... the ones that work longer... 45 years with a steady income. The industrious worker was, in a way, the ideal type. They talked, almost with contempt, about those *drifting around* in society, saying things like: They will *have* to pay the price now!¹¹⁹

One of the representatives from the Social Democratic Party reported that the members of the committee were all agreed. This is how she put it:

¹¹⁸ Interview May 3, 2005.

¹¹⁹ Interview November 18, 2004.

All agreed upon the introduction of this structural line of reasoning, the *personal* possibility, *and* responsibility, of the principle of a life-income. That is, *if* you have the opportunity of working all your life, well, that should have a clear effect. If you *don't* have the opportunity of working your whole life, well, there must be an element of compensation for, say, unemployment, childbearing and such like... That is when the state steps in... But to just bum around without caring... No, there was no longer much room for that. If you don't solve it on your own in some way.¹²⁰

And the representative of the Center Party speaks with enthusiasm about the individualization technologies built into the national pension system: 'Now you get incentives. And you can win or lose, either free time or income, depending on what you yourself decide. Now, that is an entirely different thing, right? That becomes a stimulus to work. And the individual is handed the power. It is so awesome!'¹²¹

It seems, then, that politicians, as well as technocrats and bureaucrats involved in the implementation of the national pension system, are, for varying reasons, pleased with the depoliticization and processes of responsabilization promoted by the different technologies embedded in the construction of Sweden's national pension system. In fact, one of the Social Democratic representatives, and later Director General of what is now the Social Insurance Agency, talks in general and positive terms of how she sees the pension system satisfying a general public want for further individualization:

Something significant for our time is that things are individualized now, and that old Swedish absolute trust in that: 'It will be okay!'... Well, people don't really believe in it any more, and they don't want it. Also, you don't get loads of free pension here. Sure, you'll always get enough so that you survive, but other than that it really *matters* what you do. Isn't it great if you can have control over that?¹²²

This chapter has focused on issues of how formerly quite sensitive political issues are now recast in a seemingly neutral cloak of numbers, equations, formulas and statistics. We have also looked in more detail at some of the political technologies that work actually to relocate political agency and responsibility, as well as financial risks. Some of the technologies relocate agency and responsibility away from the political sphere of decision-making to

¹²⁰ Interview March 3, 2005.

¹²¹ Interview November 1, 2006.

¹²² Interview November 30, 2004

the outcome of intricate equations, while others are designed to enable a shift of agency and responsibility to each individual citizen.

Technologies such as these are viewed here as political technologies, and the interconnected sum of these is what makes Sweden's national pension system an automatized technology. The system is designed to divide and relocate an essentially political problem of the state to seemingly neutral numbers as well as to each citizen in processes of distancing and personalization.

In the following chapter we linger on the bureaucracies that administer Sweden's national pension system to look more closely at how some of the practices used operate to promote novel ways of governance. First, however, we shall hear what people say about, and how they react to, the responsibility and agency now handed to them by way of the various kinds of technologies in the construction of the national pension system.

III. 'I ought to do something'

Summer morning at a small campsite by Lake Hjälmaren in south-central Sweden. It is the peak of summer but still only a few visitors are here. Outside the five campers and three tents people are eating breakfast. Somewhere there is a radio on. The warm morning sun promises a nice summer day on the tiny beach.

Two families occupy two of the tents. With their parked cars acting as sheltering walls and with toys, towels, clothes and breakfast spread out in a big circle between the tents, their lodging resembles a family camp. Four small children are in various stages of getting dressed and the four parents are busy respectively packing swimming trunks, brushing teeth, saving butter from melting and airing sleeping bags. I walk over with my morning coffee and ask if they have time to talk to me. They all do. Susanne soon stops brushing her teeth, sits down and engages in a long discussion about the national pension system. Soon enough I make a note of the words that I have already heard so often this summer – 'ought to'. It is Susanne that brings them up this time:

I know I ought to get involved in how the pension system works and what I can do, but I don't know where to begin. I feel as if those who already know about stocks and funds have such an advantage. Oh, it's embarrassing to be so ignorant about all this. When I've been to the bank I actually feel a bit tempted to find out more about all this. I know I ought to be active and on top of things and the bank makes it seem easy too... But I would like some kind of neutral information. I mean, the bank wants me as its customer, so I'd like objective advice from somewhere. As it is now, I just know I ought to do something, but I don't know what.

While getting themselves and their children ready for the beach, all four engage in the discussion about the pension system. When all bathing suits are found, floating devices pumped up and lunch packed, I close my notebook, rub my wrist and thank them for taking the time to share their thoughts on the pension system with me.

The frequent occurrence of the expression 'ought to' (*borde*) took me by surprise. An early entry in my field diary reads: 'What is this? Everyone says they 'ought to' something. What does that mean?' One of the most common responses from people is to first say they 'do not know much about the pension system', and then that they know they 'ought to'. People talk about how they feel they ought to know more about the pension system, how they ought to do something about their future pension, how they ought to work more and how they ought to save more money.

A carpenter whom I talk to in the southern region of Skåne sounds almost apologetic as he immediately begins to tell me how he has tried to seek information:

I'm afraid I don't know enough about the pension system or how it works. I ought to, though. I'm self-employed so I really ought to know more. And I've tried to find out more about all this. I've tried to get my act together and do something... I mean, I've talked to people at the bank and at the insurance company about this. But I still haven't really done anything about my pension...

A young woman working in a flower shop in Karlstad, a town in the western region of Värmland, tells me she knows she 'ought to think more about it', meaning her future pension. She says it is 'important to plan and be one step ahead of things'. An equally young man, in his twenties, that I met on the street of that same town almost acts as if he feels guilty as he quickly tells me, with a concerned expression:

I know this is important. It just still seems so far away. But I feel as if I ought to get more informed about this. It's all in the back of my head somewhere, and I do know where I put those papers that they send out. Right, I know where the papers are and I know I ought to get involved. It's just that no one I know talks about the pension system and I don't think anyone does anything about their pensions either. Not my friends anyway.

I often sensed that a lot of people that I talked to had been thinking about their pension and the pension system for quite some time but were at a loss to figure out what to do. Realizing they probably should do something but not knowing what; hence the 'ought to'.

Like many others, a woman I talked to in a smaller town in the same western regions feels she is too young (she looks to be in her late twenties). She starts out by stating that: 'Pension? No, it's still so far away,' only to say, after a couple of sentences: 'But I really ought to do something I guess. I don't know what though. I've heard you get more money, that you can get a lot, if you're really active and engaged and change those funds and all that. It's

probably really, really important. But... God, I'm too young to think about retirement.'

A man unloading the content of a huge shopping trolley into the trunk of his car in Ullared, a shopping haven close to the west coast, says:

I know that I can influence the level of my pension, but I still don't do anything. It's too complicated. And there's no time, either. There are so many other things that one has to be engaged in and choose actively. But sure... I know I ought to do something about my pension, because I get really depressed when I open up that Orange envelope.

A woman I met and talked to in Ljusdal, up north in the region of Hälsingland, claims that she is too lazy to do anything:

I don't have the energy to get involved in all of that now. Every year when I get that envelope, however, I think that I ought to do this or that... Change funds or something. Every year, that's what I think. But do I actually do anything? No! Doing something about my pension just becomes yet another thing I know I ought to do, but don't. Perhaps I'm lazy... but it *really* is also way too complicated to begin to understand and get involved in.

The one shop on the island of Singö, in the northernmost part of the Stockholm archipelago, is a place where people often stop and talk to each other. A man I talked at length with there reflects on why he feels as if he ought to do something about his own future pension. 'It has to do with the fact that we're now reminded of the pension every year. I, for one, feel I ought to think more about it... Do something about it. The question is: What *can* I do? I mean, how can I really change anything?' His rhetorical remark is left hanging in the air. A man I sat down to talk to as he was cleaning his boat in the nearby harbor town of Grisslehamn also makes the connection with the government information sent out in orange envelopes, before mentioning some of the things he feels he ought to do: 'Right, the Orange envelope. You know, they seem useless to me. I mean I don't get much practical use out of that information they send me. But they do get me thinking, however... About how maybe I ought to work more. Or at least try to earn more money. Or maybe open a savings account or something.'

There is one thing that is often mentioned by those who talk specifically about what they think they ought to do about their own future pension and that is to save money. In a small south-central town I talk to a middle-aged woman who claims that she is frustrated because she knows she 'ought to save money to get any kind of retirement'. The problem, she says, is that 'there's never anything left from my salary to save! I don't know what to do

then!' And here is, for example, how a man I talked to on his beat as a security guard outside a department store in the middle of the west-coast city of Gothenburg, reaches the conclusion that he should start putting away money for his own future pension. 'Hmm... I don't know as much as I ought to about the pension system, I guess. It's still so distant from me... but hey, I've turned 40 so perhaps I should... Well, I know I need to do something soon. Start saving perhaps? Yes, I ought to begin to save some money. I think.'

A woman sunbathing on one of the nice beaches of the large island of Öland off Sweden's east coast suggests that more direct and individual advice from the state to the citizens would help her know what it is she ought to do. She says:

I know I ought to do something. I would like more government information about this, though. I don't feel I know enough. Most of the information I get is from banks and other companies that want to sell insurance or something. I wish the state information was more direct and said things like: 'You will receive very little in pension. We recommend you to begin saving now.' Or something like that.

I wonder if the often-used phrase 'ought to' may indicate that people by now (the interviews were conducted in the seventh year of the current national pension system) do understand that they have been handed a greater responsibility, and agency, for their future pensions. What seems to be unclear, however, is what they are to do with this responsibility and agency. 'Ought to' also seems to imply a kind of bad conscience. The effect of not having done what one is supposed to do. Of knowing but not acting. After listening to all those 'ought to' I cannot help wondering if one of the effects of Sweden's national pension system is the creation of a nation of guilty citizens.

Managementality and Variations of Bureaucratic Practice

This chapter deals with the differences and similarities in practices used by the two government authorities in charge of the different parts of the Swedish national pension system. The Social Insurance Agency administers the larger, redistributory part of the pension system, while the PPM is in charge of the mandatory funded part of the system. The aim here is to explore how new forms of governance are promoted by means of some of the bureaucratic practices used in the administration and implementation of the national pension system.

One of two points of departure in this chapter is that of Foucault's concept of 'governmentality' (Foucault 1991). As already pointed out in chapter one, studies of 'governmentality' are concerned with analyzing rationalities of modern statecraft and power. Such attempts to shed light on, as it were, the 'art of government' often set out to explore the workings of particular governmental practices and technologies. It is here that I find James Scott's study of large scale state planning relevant (1998). Scott pays specific attention to bureaucratic practices such as 'state simplification' and 'processes of legibility' in and by which citizens are reformulated as governable subjects to enable for planning (ibid.:1-9).

Studies of 'governmentality' are, however, more specifically concerned with looking at how state practices work to manage and conduct the subjects, the citizens, by means of technologies that internalize such conduct. The object, it has been suggested, is to pave the way for 'the conduct of conduct' (Dean 1999:10; Gordon 1991:48), by way of 'panoptic' practices used in modern statecraft.¹²³ This chapter explores some examples of 'state

¹²³ The reference here is, of course, to Foucault's (1977:195-228) famous analysis of Jeremy Bentham's eighteenth century prison construction of the Panopticon, a surveillance tower in the middle surrounded by separate slots for the prisoners all around. It should be noted that Karl Polanyi too uses the Panopticon as an illustrative example of state supervision and control (Polanyi 1957[1944]:140).

simplifications' and looks at how processes of governmentality are promoted by the state authorities in charge of the national pension system in Sweden.

Another point of departure here is the ongoing international development often referred to as the shift in state administration 'from government to governance' (cf. Pierre and Peters 2000; Kjaer 2004). The development of new ways in which the state governs has, for example, led to the newer government agencies, instead of implementing social reforms by way of central planning, being decentralized and influenced by notions of individual agency and freedom of choice (cf. Lindvall and Rothstein 2006:50-ff; Rothstein 2005). Such processes of 'modernization', as it were, and the organization of new kinds of state agencies could be seen as being part of the larger international shift from 'government to governance' within public administration. New forms of statecraft bring forth new ways of governing, and recent developments involve processes such as the individualization of responsibility and an increased dependence on expert knowledge (cf. Jessop 1999; Rose 1996b, 1999b; Sharma and Gupta 2006).

Managerial Techniques

Since the 1990s a particular set of business-type managerial ideas and techniques, generally known as New Public Management, NPM (Hood 1991), has developed and taken hold in state agencies. These ideas and practices of public administration involve, for example, shifts towards privatization, steering by goals and results, an emphasis on the provision of service, viewing citizens as customers or clients, the development of automation, the measure of performance by accounting and auditing techniques, an excessive use of contract-writing and public-private partnerships and a shift to greater competition in the public sector, with rivalry as the key to lower costs (Hood 1991; Power 1999[1997]; Shore and Wright 2000; Strathern 2000; Pollit and Bouckaert 2004; Jacobsson and Sundström 2007). While the diffusion of such ideas and techniques is viewed as global, the development involves considerable variations between different nations (Pollitt and Bouckaert 2004). It has further been suggested that Sweden and the Swedish government is one of the leading practitioners of NPM ideas and techniques 'at least regarding the development and implementation of modern management and accounting techniques, especially management by results' (Jacobsson and Sundström 2007:16).

My interest in looking at some of the practices and techniques adopted by the Swedish pension bureaucracies, and how these may be seen as part of an ongoing process of what has elsewhere been called 'managerialization of the state' (Jacobsson and Sundström 2007:16). The general development of the marketization, financialization or managerialization of government (see respectively Fairclough 1993; Martin 2002; Jacobsson and Sundström 2007) is

here exemplified by some of the particular managerial techniques used in the administration of the national pension system in Sweden.

This chapter focuses on certain practices of state power and planning with an emphasis on how new forms of governance, often adopted from the corporate sphere, are being put to work in state administration. Paying close attention to new techniques by which the state governs its subjects and combining the concepts of 'governmentality' and 'managerialization of the state', I suggest that the different government practices dealt with here might be thought of as part of a process of state managementality. Put simply, this is an attempt to explore what a state sees with its new corporative-toned spectacles on.

The ethnography below contains an example of a state simplification project in which the two pension bureaucracies set out together to make the population 'legible', as Scott (1998) would phrase it. We shall see how they do this by outsourcing the research to a company in the marketing business and thus adopting and adapting the marketing techniques of corporations. After focusing on such a joint venture between the different state agencies, we shall then look at variations of bureaucratic practices and devote the remainder of the chapter to examples from each of the two government agencies in charge of different parts of the national pension system. We shall see how the Social Insurance Agency places the entire redistributory part of the national pension system within a framework of accounting and auditing. We shall also look at how the PPM, the government authority in charge of the funded part of the system, promotes managementality by reformulating citizens as actors in the market.

But before we explore the various managerial ideas and practices in use at the two government authorities in charge of the national pension system in Sweden, I shall present a background to why there are two parts of one system and why different bureaucracies administer them.

Bureaucratic Imbalances

We have already in chapter three dealt with the fact that the different parts of Sweden's national pension system, one based on redistribution and the other on fund-investment, are seen as the result of a political compromise in the early stages of the creation of the system. We have also briefly touched upon the fact that there are two different government authorities – the Social Insurance Agency and the PPM – in charge of the administration of the different parts of the pension system. In this chapter we shall look in more detail into these two government authorities, and in particular their practices, to see what they have in common as well as what seems to differentiate them.

The national pension system in Sweden has, up until the inauguration of the current system in 1999, been administered by the same government

authority which is responsible for administering other benefits included in the national social security system, such as health insurance, parental benefits, disability allowance and housing allowance – the Social Insurance Agency.¹²⁴ At initial stages in the construction of the new pension system it was decided that the premium reserve part of the new system was to be administered by the new government authority, the PPM, since the Social Insurance Agency was, for various reasons, seen as not being suitable to administer the funded novelty of the new pension system. Interviews with key actors involved in the creation and administration of the various parts of the new system show that one of the main reasons for the design with two separate bureaucracies for one pension system was the prevailing notion of bureaucratic inefficiency at the Social Insurance Agency. The Center Party representative in the Working Group on Pensions sheds light on the view of the Social Insurance Agency as inefficient:

The Social Insurance Agency has always been a colossus on feet of mud. It has been in charge of all of the benefits all the time and it has not been particularly efficient at it. And to trust them, when they could not even handle their own computer system, with the task of building an entirely new system of saving with entirely new computer systems the programming of which did not yet even exist... That was a hopeless thought. So we were quickly agreed that this was something that had to be built in a separate environment.¹²⁵

There are many stories afloat about how the personnel at the Social Insurance Agency outnumber the personnel at the PPM yet do not comply with their given tasks as efficiently. Such stories are told both by people employed at the Social Insurance Agency and at the PPM. While visiting the customer service of the PPM, located in Söderhamn a few hour's train journey north of Stockholm, the stories of how efficiently their customer service was run, both in comparison with customer services in general and more specifically compared with that of the Social Insurance Agency, were plenty.¹²⁶

Apart from the prevailing notion that the Social Insurance Agency was too inefficient to handle the administration of the entire pension system, the view that the new premium reserve part was to be treated differently is expressed by bureaucrats of both authorities. An official at the executive level

¹²⁴ Until 2004 called the Board of Health and Welfare, in Swedish *Riksförsäkringsverket*, RFV.

¹²⁵ Interview November 1, 2006.

¹²⁶ The Head of Department at the PPM customer service mentions, not without pride, that they 'won last year's [i.e. 2004] national championship in telephony (*SM i telefoni*), and we are nominated this year too! We compete in the section of banking and insurance but we are the only government authority to participate. And we won!'

in the PPM recalls the reasoning of, and the political struggle behind, the division into two authorities:

It all happened very fast. RFV was in charge of the previous pension system but they had absolutely no experience of handling financial documents, so a new government authority was created for that part of the system, while the income part remained where it was previously. But also, the Ministry of Finance did *not* want to give the funding for the premium pension system to an authority under the control of the Ministry of Health and Social Services, since they considered that money to be part of public savings and something especially important to the Ministry of Finance at that time.¹²⁷

At the Social Insurance Agency another official presents a similar line of thought, but phrased somewhat differently: 'The premium reserve part of the pension system was seen, especially by the Conservatives, as something to be particularly proud of and it should not be soiled by the hands of the Social Insurance Agency. In a way it was presented as its own universe.'¹²⁸

What might be described as an imbalance between the two government authorities seems to have emerged almost instantly. The new pension authority, the PPM, received more public attention and interest from the media than the Social Insurance Agency did. One effect of this was that other novelties of the new national pension system were overshadowed by the premium pension part. Apart from the funding set aside for information strategies about the introduction of the new pension system in general, the new government authority, the PPM, was also granted its own information budget to launch campaigns about the new funded part of the national pension system. One of the old-timers of the pension system administration at the Social Insurance Agency sums up the perceived imbalance between the two government authorities in a few sentences: 'There was friction between the authorities from day one. The PPM aimed to profile themselves as a new authority and so they ran their own campaigns about fund placements and all that...'¹²⁹

The zone of friction between two state agencies in charge of different parts of one national social security policy lies at the heart of this chapter. Behind the bickering about financial injustices and media attention, we find competing notions of what a *real* government authority is and does. But before going into those issues, let me first briefly describe the setting.

¹²⁷ Interview November 3, 2005. The interviewed Head of Department at the PPM here goes into an argument about the importance of the Ministry of Finance being able to show that the nation's finances were in order and doing well since the issue of membership of the European Monetary Union was on the political agenda in the early 1990s.

¹²⁸ Interview November 16, 2005.

¹²⁹ Interview May 13, 2005.

Variations of Bureaucratic Settings

The two bureaucracies are only a swift ten minutes walk, right through the core of the capital, apart. The headquarters of the PPM utilizes several floors at the top of one of the very first modern inner city malls in Stockholm, Gallerian. The entrance to this government authority melts in with the commercial surroundings, with its metal and glass door squeezed in between huge display windows where mannequins wear as little as possible in order to attract customers to step inside the adjacent store and buy lingerie. The building is owned by one of the largest private pension insurance companies in Sweden, the AMF pension, making AMF the landlord of the PPM.¹³⁰

Behind the reception desk at the 7th floor entrance to the PPM offices is a small waiting area beyond which the corridors of offices and different sized meeting rooms begin. The executive offices as well as the executive boardroom, together with the open office landscape of the Communications Department, are all situated on this main entrance floor. The various sized meeting rooms bear names that correspond to the colors of some details in the interior design of each room. Where, for example, the ceramic plate in the middle of the table is yellow, the room is called 'the yellow room'. Other, smaller, meeting rooms one floor up have been given names such as: 'The Shack' (*Skrymslet*), 'The Shed' (*Skrubben*) and 'The Aquarium' (*Akvariet*).

The customer service of the PPM is located in Söderhamn, a small town two hours train ride from Stockholm central station. This is where all telephone calls to the government authority go, and it is here that the large computers of the funded part of the system are situated. All in all, the government authority in charge of the funded part of the national pension system has 210 employees all working, in one way or another, with the premium pension system either at the Stockholm headquarters or at the customer service in Söderhamn.¹³¹

Already in 1902 a central bureaucracy in charge of national health and welfare issues in Sweden was first set up and it was, until 1961, called the National Insurance Institution (*Riksförsäkringsanstalten*). The large bureaucracy was then reorganized and renamed the Board of Health and Welfare (*Riksförsäkringsverket*, RFL). A third reorganization of the central bureaucracy in charge of implementing and administering social policies and national social security programs took place recently and was completed in 2004. The Board of Health and Welfare then changed names again and is now called the Social Insurance Agency.

¹³⁰ The pension insurance company, the AMF pension, is owned by the Confederation of Swedish enterprise (*Svenskt Näringsliv*) and the Swedish Trade Union Confederation (*LO*).

¹³¹ Numbers published in SOU 2006:111.

Back in 1930 a competition among architects was launched in which the winner got to design a building suitable for the headquarters of the bureaucracy in charge of the Swedish national social insurance system. Architect Sigurd Lewerentz won with his entry, a construction typical for the time, between neoclassicism and functionalism. The National Coat of Arms hovers above the main entrance to the Social Insurance Agency. On opening the heavy door one enters an oval courtyard inside the square building complex. The courtyard opens up to the sky, allowing light to flow into the offices with windows facing the yard. Two golden clocks on opposite sides of the inner oval are constant reminders of time for the bureaucrats working in this 'building dedicated to work' (RFV 2002:20). After crossing the courtyard and climbing the few steps up to the inner main entrance the reception is straight ahead, while the common lunchroom is to the left and the specially designed staircase with steps measured so as to ensure swift climbing and descending between floors is to the right. All meeting rooms at the Social Insurance Agency traditionally bear names with connotations of emotions, such as 'The Joy' (*Glädjen*), 'The Thought' (*Tanken*) and 'The Feeling' (*Känslan*).

Lewerentz designed the interior of this functionalistic building down to the smallest detail. All areas were to be kept strictly, clean and orderly. No curtains were allowed to block the natural light from the windows. To enable late working hours specially designed globe-shaped ceiling lamps were hung in generous numbers and orderly formations all over the six-floor building complex; no lamps on floors or desks were allowed, to ensure that the character of strict order was complete throughout the building.

The entire bureaucracy of the Social Insurance Agency amounted, in 2005 to 14 750 employees nationwide, of whom between 530 and 665 work with the administration of pensions in some way. 25 people work at the Department of Pensions at the Stockholm-based headquarters.¹³²

In some ways these two different kinds of state agencies might be said to be typical of the times in which they were established. It has been suggested that the older, more central civil service administrations such as, what is now called, the Social Insurance Agency were set up as 'reform bureaucracies' with the task of implementing the social policies of a 'strong state' (Rothstein 2005:189; Lindvall and Rothstein 2006:50), while many of the newer institutions, predominantly shaped during and after the 1990s, seem to reflect the changing nature of government direction. Now that we are somewhat familiar with the background and setting of the two government bureaucracies in charge of administering the national pension system, it is time to look at some of the practices they adopt.

¹³² Numbers published in SOU 2006:111.

Making Up 'The Insured'

As already stated, this chapter is devoted to exploring the situation in which, while *both* pension bureaucracies exist in a reality where in a general way they are to subscribe to practices formerly found exclusively in the corporate sphere, *some* of their practices differ in such a way that a competitive tension and friction is created and upheld between them. I shall begin with an example of how both state agencies work, quite unproblematically and unquestioned it seems, within a managerial kind of bureaucratic reality.

In the ethnographic example that follows the reader is invited to 'see like' the Swedish state pension administration in a project of making the citizens of Sweden 'legible', according to Scott's terminology (1998). An important way for the state to make the population and society more legible and, thus, governable is to embark on various attempts to categorize the entire citizenry, what Ian Hacking calls 'making up people' (2007[1986]). The evolution of statistics and the development of classifications play intrinsic roles here, and Hacking argues that an increased use of statistics and classifications in the mid-1800s in fact created novel kinds of people when 'new slots were created in which to fit and enumerate people' (ibid.:150).

The process whereby individuals representing the state involve themselves in constructing images, or models, of their fellow citizens in order to better understand them, control them or inform themselves about them, is a strategically interesting site that invites study of the relationship between state and citizen as well as of issues concerning power and politics. Ulf Hannerz has suggested that such an observation site also allows for a study of how culture flows between certain positions in contemporary society. One such process through which culture passes is 'between governments and their subjects, or citizens' (Hannerz 1992:46). The flow of meaning emanating from such a process mostly moves from the center outward, however, involving, for example, processes in which the state fits 'categories of individuals into different slots' (ibid.:49). A government's categorization of a population can be viewed as an attempt by the state to understand its subjects – the citizens – by way of constructing images of them with criteria selected by the state itself so as to be able to act and to implement policy (Scott 1998:24).

On a general level it seems reasonable to assume that most organizations need to know their members. So just as a corporation has an interest in knowing and understanding its customers, it is useful for the state to know and understand the citizens. What the process of gaining such knowledge looks like, i.e. what tools and methods are used, has an effect on the outcome of the process. Of particular interest in this chapter are some of the practices and techniques, otherwise used by corporations, and now frequently used also within state administration. With the managerial government, the actual techniques by which the state places citizens into slots or slices up the population come from the business of marketing. As suggested by Marianne

Lien (1997:265), marketing research institutes and the techniques used there operate as intermediate translators between company and consumer. Lien concludes that the marketing companies produce 'a distinct kind of knowledge which is highly commoditized' (ibid.:266). She argues that this commoditization of knowledge about the consumer, or in this case the citizen, turns the marketing company into an intermediate translator. Marketing exercises also serve as tools for self-reflection used by marketing managers, and, further, as distancing devices used to emphasize differentiation.

In my view, the following example of how government authorities set out to find out who the citizens are in order to inform them better about the workings of the national pension system may be seen as such a state simplification and process of making people up. We shall also look into what happens after the people are made up, as it were.

'Who are they?', 'What do they already know about the pension system?' and 'Hey... What do we call them?' These questions are raised around the table in the meeting room where communications personnel and marketing analysts from the two pension bureaucracies meet to initiate a project of creating a joint communications plan for the national pension system. It was during 2004, the fifth year of the new pension system, that the idea of 'harmonizing' the public information about the system between the two bureaucracies was raised. The project of coming up with the joint information strategies of the Insurance Agency and the PPM lasted through 2005 and entailed investigations into 'who we are talking to' and 'what they know' in order to write a joint communications plan in which the two state agencies agree on information strategies concerning the whole of the national pension system, and not just their respective parts of it. The logic of the project is that the role of the state is now to inform its citizens, followed by the informed citizens acting in accordance with this information.

Segments of Citizenry

But in order to inform the citizens the state must first find out who they are and what they already know. While striving to answer the questions voiced at the initial meeting, the state agencies adopt various kinds of consumer-survey and marketing techniques. The following is an ethnographic description of the two pension bureaucracies acting in a corporation-like manner.

The question of what to call the citizens is settled quite quickly at that first meeting of the communications planners of the two government authorities. The personnel from the PPM report that they have grown accustomed to calling them 'the savers' while a person from the Social Insurance Agency says that they have strict orders to call them 'the insured'. After a brief discussion someone recalls the existence of a document signed by both authorities stipulating that 'the insured' is to be the official term used

by both authorities in reference to the citizens of Sweden. The managementality within the state is highlighted by the fact that neither government agency uses, or even suggests the use of, the term 'citizens' as they plan their future information strategies regarding the national pension system.

To answer the first two questions of who they – 'the insured' – are and what they know about the pension system, the mission of finding this out is initiated. One of the in-house analysts, Lars, explains to the rest of the working group what a 'segmentation analysis' is and what the expected outcomes of such a marketing technique might be. Note how an initial assumption here is that people's knowledge about the national pension system is not sufficient:

What we want to find out eventually is people's attitudes towards, and knowledge about, the pension system. The first question is: How do we find them? And when we have found them: What do we say to them? Maybe their low level of knowledge about the pension system is due to attitudes and values that they hold about other things in life. If we're really unlucky, it's not age or income but attitudes and values that influence what knowledge people have, which makes it difficult for us. How do we reach the ones who think it's okay to be on the dole, for instance? The level of knowledge might be a matter of attitudes. So, what we'll do is first a quant and then a qual.¹³³ When we have all the answers, we'll stir the pot and five or six neat target groups will pop out. After that, we'll take it to the next level and go deep. We'll do focus groups.¹³⁴

During the months that follow the communications group meets regularly to plan and prepare for the large-scale marketing research that a major marketing company is to conduct. During the meetings the members of the group often engage in discussions about how they might find out more about, as they put it: 'the attitudes of the insured'. The following dialogue around the meeting table serves to illustrate the struggle of these bureaucrats in their attempts to get to grips with the very general and diffuse attitudes of an entire population. The handful of analysts and communications personnel of two government authorities are here 'seeing like a state' as they brainstorm about the citizens of Sweden in simplifying ways in order to 'read' them, to make them legible and to treat the resultant categories (sometimes called segments, here called target groups) as if they were actually existing groups of real individuals.

Britt: We want to know what the target groups do in their spare time.

¹³³ Meaning 'quantitative' and 'qualitative' investigations.

¹³⁴ From fieldnotes March 15, 2005.

David: Yes, it's about lifestyle.

Lars: We'll find out about that if we run [through the vast data-systems of the Social Insurance Agency] where they live, their age and their income, because then we'll know what newspaper they read. Just by combining those parameters they'll fall right into a certain lifestyle category.

David: Sure, people are so predictable. But, then, how do we find out about their attitudes and values?

Lars: Well, it's important to find their economic personality. If they save money or if they spend it all every month.

David: Right. If they are risk-takers or not.

Lars: Exactly, we'll need to know their risk behavior.

Britt: Hey, I know! Let's ask what car they drive. That's foolproof. Tell me what car you drive and I'll tell you who you are.¹³⁵

The process of preparing and planning for the segmentation survey is a collaborative task of bureaucrats from the two pension authorities and the marketing company. Issues of phrasing the questions of the survey are discussed at a series of meetings at the three collaborative sites of the Social Insurance Agency, the PPM and the marketing company.

Mikael from the marketing company participates, for example, in a meeting with the analysts and communications personnel at the joint working-group of the two pension bureaucracies. He wants to know precisely what the purpose of the forthcoming survey is. In order to begin putting the questionnaire together he also needs to know what the expected results of the survey are. The members of the working-group forward the question to their superiors in the hierarchy of each bureaucracy and to the joint group of executives from both state agencies. The issue is discussed at various meetings at the higher level of the state bureaucracy and brought back to the working-group that presents it to the next meeting with Mikael from the marketing company. He then takes the issue back to his superiors and a draft questionnaire is produced and presented to the working-group at the pension bureaucracies. This first draft takes the same route up to the higher level of the bureaucracies, down to the working-group, back to the marketing company, up its hierarchy, down again, back to the working group and so on.

A questionnaire intended to divide an entire population into categories, with regard to their attitudes toward and knowledge about the national pension system, is eventually produced and the actual survey can be conducted and analyzed. The collaborative work ends here. The marketing company withdraws from the meetings for some weeks. The working-group deal with other issues of future communication strategies of the pension system, and await the results of the marketing survey.

¹³⁵ From fieldnotes April 19, 2005.

Eventually the day comes when the working-group is invited to the headquarters of the marketing company to be presented with the results of the survey – six segments of the Swedish population.

Presenting the Population

The six categories were presented and described at one meeting and then later discussed, named and presented to other constellations of bureaucrats at different levels within both government agencies. What follows is an abbreviated account of the prolonged process of getting to know the six segments.¹³⁶ We shall then see how a process of dealing with these constructed categories as if they are real-life groups of actual individuals follows the initial phase of getting to know them.

The segments are presented as number one: ‘Hesitant passive ones’ (*Tveksamma passiva*, amounting to 24 per cent of the population). Mikael says that this is a category of people who are doing pretty well. ‘They don’t really worry about their pension. They don’t know much about the pension system and they don’t have much faith in it either. There are more women than men in this group. They find the information about the pension system difficult to understand. But’, he concludes, ‘they are just lazy’. Next up for presentation is a segment of the Swedish population called ‘Passive optimists’ (*Passiva optimister*, 14 per cent of the population). They, we are told, are pretty much like the former group of people ‘but these have a more positive outlook on the future’. There are more men than women here. They are young, want to have careers and are quite materialistic. They do not know much about the pension system but they have faith in it. They are prone to risk in their savings. ‘So, you see, there is some resemblance with segment one but there is an optimism here’, Mikael points out.

A third segment called ‘Prepared for pension’ (*Beredda på pensionen*, 27 per cent of the population) is presented as ‘the oldest group’. They, we are informed, know a lot about the national pension system and have faith in it. They do not think they will be able to retire early, are not prone to take risks with their savings and they make ends meet on a low, but stable, economic level. ‘They have cut their coats according to their cloth’ (*Anpassat munnen efter matsäcken*), Mikael sums up. Next is a group of people that the marketing company originally called ‘The anxiety segment’, later to be named ‘The pension pessimists’ (*Pensionspessimisterna*, 15 per cent). They are low-income workers or unemployed, have a minimum level of education, they are mostly women and the people in this group have ‘absolutely no interest in economic issues’. They try to understand the information about the pension system but, says Mikael, ‘they probably have a hard time reading in general’.

¹³⁶ From fieldnotes November 11, 2005.

The fifth, and smallest segment (nine per cent of the population) is called 'Friends of the public pension' (*Allmänna pensionens vänner*) and consists of people who, according to Mikael, 'do everything right'. They read carefully, and understand, the government pension information, they change premium funds often, they have high salaries and are interested in private economic issues and in the financial market and they have hopes of retiring early. The sixth and last segment presented is called 'The independents' (*De oberoende*, 11 per cent of the population). They do very well, earn the most, are mostly well educated men with a high interest in economic issues. Their knowledge about the national pension system is high but, says Mikael 'they just haven't bothered because they don't have to. They are wealthy!'

Let us now see how the process of making up people evolves into a process of making them appear real, as the typology described above goes through a gradual change from fiction to fact, 'as if similarly classified cases were in fact homogeneous and uniform' (Scott 1998:81). What follows illustrates how these six constructed categories of the Swedish population are negotiated and discussed within the state bureaucracies *as if* they were groups of actually existing citizens.

Making Them Appear Real

At the beginning of a working group meeting on a November morning, some time after the categories have been presented to the state agencies, Lena from the PPM exclaims happily: 'I sent the segments to our customer service and, guess what!? They recognize them! They say that these are the ones they talk to. Well, with the exception of the two last ones... they don't call in much.'¹³⁷

In the process of planning what information these different categories of the population may be in need of, the working group of analysts and communications personnel from both the Social Insurance Agency and the PPM talk increasingly about the six segments as if they were actual real-life groups of citizens in need of information. At various meetings they discuss issues such as, for example, which of the segments is 'the worst off'. They all agree that it is 'the pension pessimists' and set out to help them by discussing what it is 'they need to know'.

'They need to know that their pension is influenced by their income and their premium pension choices', says Bertil. He gets a swift response from Lena who says: 'But it's silly to make them believe that things will get better. I mean, what can they do? Sending them the message that they need to work harder and retire at an older age does not feel good. They probably can't step in to their boss and demand a higher salary just like that.' 'You're right', says Bertil, 'and to talk to these people about fund placements, income-

¹³⁷ From fieldnotes November 23, 2005.

development, the automatic balancing and such things, is probably of no use either.’¹³⁸

Another example, which might be seen as part of a process of confirming the accuracy and actual existence of the six statistically constructed segments, occurs when the working group presents and describes the segments at a workshop to which personnel from local branches of the Social Insurance Agency as well as from the PPM customer service are invited. ‘So, do you recognize them?’ Britt wants to know after the power-point presentation of the six categories. A round of spontaneous answers is blurted out from the workshop participants: ‘Yes. I have experienced them all.’ ‘Sure, these are the ones I meet.’ ‘Of course I recognize them!’ ‘Right. Great! Our investigation confirms that we are on the right track,’ Britt concludes.¹³⁹

The above instances of presenting the six categories of future pensioners may be seen as processes not only of legitimization and reification, but also of turning the particular ‘segments’ into ‘black boxes’ (Latour 1987). The communications personnel work at making the six segments of the population appear real by gradually talking about the segments *as if* they were actual groups of individuals out there waiting for more pension information from the government authorities. It is around this time, some ten months after the meeting where the initial question ‘Who are they?’ was asked, that the process of defining and finding ‘the insured’ shifts toward a communicative turn.

The marketing company has conducted a second survey, this one with the purpose of ‘finding out what they already know, now that we know who they are’. It is in the process of going through the results of this follow-up survey that the working group of government communicators ‘discovers’ that ‘people actually know enough!’¹⁴⁰ The discussions at the meetings at various levels of the two government authorities now seem to take a communicative turn. The talk at the working meetings from this point on is no longer about the different characteristics and possible needs of specific segments of the population, but about how to develop, improve and make better use of the one common public information channel of the two bureaucracies – the annual and individual pension information sent out with the Orange envelope.

It seems that the process of making the population legible has gone from the slotting and categorizing of the population, dividing them into six neat and simplified groups, to now lumping the six segments together in one all-encompassing category consisting of the entire Swedish population and concluding that ‘they know enough!’ The process of state simplification has come full circle and it has done so with the help of tools borrowed from customer survey practices and the market of marketing.

¹³⁸ From fieldnotes December 5, 2005

¹³⁹ From fieldnotes December 14, 2005.

¹⁴⁰ From fieldnotes December 13, 2005.

The communicative turn described above in which a state simplification project shifts focus to prioritize communicative aspects of the project rather than the actual subjects of the state should be seen in the light of an ongoing expansion of the business of communication. Much in line with the notion of managementality within government, a considerable growth in information activities has been noted as taking place within Swedish government bureaucracies (cf. Premfors and Sundström 2007; SOU 2007:107). An ongoing process, which began in the 1990s, enhances the importance of communicative activities as well as strengthening the role of communicators as experts within government bureaucracies. Such a process involves, for example, the establishment of larger Communications Departments in state agencies, a professionalization of state-employed communications and public relations personnel as well as the outsourcing of communicative services in which state agencies pay private PR businesses to undertake government information (Franklin 2004; Larsson 2005a, 2005b; Kjellgren 2002). Such developments are seen here as contributing to the sudden communicative turn reported above.

My aim in taking the reader through this process of state simplification by means of marketing practices has been to show how the pension system bureaucracies attempt to make sense of who they themselves are, who the citizens are and what their respective roles and responsibilities are. By constructing a typology of citizens with the assistance of a marketing company the Swedish pension system bureaucracies attempt to understand who their subjects are. The simplification project continues with a process of making the constructed subjects appear real before a communicative turn alters the focus of the project to dealing instead with what are primarily the communicative aspects of public pension information.

I shall now move on to look at some of the differences between the two government authorities in charge of Sweden's national pension system as well as to provide examples of variations of bureaucratic practices found there.

Bureaucratic Rivalry

What the two different government authorities, the Social Insurance Agency and the PPM, do and how they do it affects the way they look at one another, as well as at their own identity as bureaucracies. In this part of the chapter the differences between the two pension authorities in Sweden are dealt with. My suggestion is that differences in practices and identity cause tension between these two bureaucracies – something that, in turn, seems to have created a kind of competitive rivalry between them. What is at stake, it appears, is which state agency is the best equipped to administer the national pension system. It should be noted here that the issue of how the administration of the pension system might be organized in the future was the subject of

investigation by a parliamentary committee during the time that I was conducting fieldwork at the pension bureaucracies. Many officials at the two state agencies saw the mere fact that the administration was under investigation as a sign that a major reorganization concerning the bureaucracies in charge of the national pension system was to be expected. In 2006 the committee published its report (SOU 2006:111) presenting various scenarios of a unified administration of the national pension system. The prospect of a future reorganization, and all the corridor talk about the results of the committee, may well have enhanced the competitive tension between the PPM and the Social Insurance Agency at the time.

The bureaucratic rivalry is made visible in the many discussions about the different characteristics of the two bureaucracies and the different practices they adopt. The variations in characteristics and practices are the topic of concern at meetings both informal and formal. I have laughed at jokes about the other bureaucracy in the corridor at coffee break, I have attended executive meetings where the practices of the other bureaucracy have been strongly criticized and I have interviewed bureaucrats of various rank and position at both the Social Insurance Agency and the PPM and listened to them talking about the benefits of their bureaucracy and the flaws of the other one.

The various accounts can be said to focus around issues of what does and does not constitute a real government authority. These notions point towards, but never clearly express, the Weberian ideal model of the hierarchical, impersonal and rational administrative system (Weber 1958[1946]). Before focusing our attention on the examples of the different practices in use at the two bureaucracies, I shall linger a while on the variations of the notion of what constitutes a real government authority. We shall see how the Social Insurance Agency, for better or worse, is portrayed as the real bureaucracy, while the PPM, also for better or worse, is not seen as a real bureaucracy.

The Social Insurance Agency has recently undergone a major reorganization in order to become a more efficient and customer-oriented government authority. Somewhat against a general trend of decentralization of state agencies, the large organization in charge of Sweden's social insurance system, including some 50 different kinds of social benefits, has in fact been centralized. In January 2005 the National Social Insurance Board was merged into one organization with the 21 previously independent regional Social Insurance Agencies, and the reorganized bureaucracy took the name of the Social Insurance Agency with some 16 000 employees spread in 330 offices all over the country.

The 'heaviness' of the bureaucracy is often brought up at meetings both official and informal, in meeting rooms, corridors and lunchrooms at the headquarters of the Social Insurance Agency in central Stockholm. There is much talk about the 'slowness' of the administration and 'the jungle of forms'

that meet the benefit-seeking citizen in his or her contact with the bureaucracy. The Social Insurance Agency has several different 'in-house' projects and working groups, of various scale and scope, engaged in mapping, understanding and suggesting changes of and in the multitude of bureaucratic processes going on within the organization.

The Social Insurance Agency is often portrayed, both by employees inside the bureaucracy and by individuals at various sites outside it, as a stereotypically large and heavy bureaucracy - a 'colossus on feet of mud'.¹⁴¹

'Our customer service becomes overloaded because the clients can't find the form on which they apply for a pension among all the forms they can download from your web-site. People call our customer service angry as hell but they're really angry at *you* not us!' a bureaucrat from the PPM complains at a meeting with colleagues from the Social Insurance Agency.¹⁴² The bureaucrats from the Social Insurance Agency are aware of the abundance of forms available and several attempts are made to reduce the number of forms as well as to make 'contacts with the insured less bureaucratic'. 'It is way too much and overwhelmingly bureaucratic as it is now', says one Social Insurance Agency employee at the meeting.

At another meeting between officials from the two authorities alternative formats of the public pension information available are discussed. One of the employees at the Social Insurance Agency sighs heavily and looks a bit embarrassed as he lets the people from the PPM know that the old audio cassette is still very much in use at the Social Insurance Agency: 'Oh God, I so want to get away from the audio cassettes we still have. But there's always someone, at some local office in Dalarna, who doesn't know how to use a CD! We are such a huge bureaucracy and things change so slowly,' he says using a region in mid-Sweden to represent a presumed rural backwardness.¹⁴³

Yet another example illustrating how the employees at the Social Insurance Agency themselves paint a picture of their organization as too large and heavy is when the two groups of officials talk informally about next year's budget for their respective department's. It soon becomes clear that the budget-procedure at the PPM is already completed. The official from the Social Insurance Agency shakes her head: 'What! Already?! Just like that? Everything seems so much easier at your place. Here it's like a huge mill that has to grind slowly through everything before any kind of decision.'¹⁴⁴

¹⁴¹ Interview November 1, 2006.

¹⁴² From fieldnotes April 28, 2005.

¹⁴³ From fieldnotes April 20, 2005.

¹⁴⁴ From fieldnotes November 3, 2005.

Not a Real Authority

Despite the heaviness and slowness of the organization, it seems this is part of what makes it a more trustworthy and real government authority, at least in comparison with the PPM – the more market-oriented state agency. What follows are examples illustrating both how employees at the PPM view its organization and how officials of the Social Insurance Agency criticize the PPM for not being authoritative enough.

A long-time employee at the PPM recalls the early days of the new government authority:

In the beginning many people here seemed to think that we were not really a real government authority. People were recruited from banking and from the financial world to operate the new government agency, and there were lots of lawyers, too. The general view was that the PPM was not an ordinary state bureaucracy. And there was a huge respect for the stock market.¹⁴⁵

The dual function of the PPM, and in particular a perceived imbalance between the two roles of the bureaucracy – as state agency and market actor – are the target of a lot of criticism, especially from officials at various levels within the Social Insurance Agency.

‘The PPM’s starting point seems to be how to inform the public about the fund market. They act as if they want to join the fund market. It is not good,’ says one bureaucrat high up in the hierarchy at the Social Insurance Agency.¹⁴⁶ At another meeting another bureaucrat, also from the Social Insurance Agency, sharply comments that: ‘The PPM is a government authority. But the thing is that they see themselves as being a part of the market.’¹⁴⁷ On several occasions employees at the Social Insurance Agency talk, in various ways, about possible ways they can think of that might work to make the PPM ‘more authority-like.’¹⁴⁸ As one upset employee at the Social Insurance Agency told me, ‘They [the PPM] should act more as a government authority than as an insurance company and stop promoting themselves.’¹⁴⁹ Another time a heated discussion flares up at a meeting in which executives of both authorities are participating. The PPM is accused of being ‘un-authoritative’, at which Leif, a PPM executive claims defensively that they are ‘merely obeying customary accounting practices’. Anders, from the Social Insurance Agency, then suggests that the PPM ‘ought to put your foot down

¹⁴⁵ From fieldnotes February 15, 2006.

¹⁴⁶ From fieldnotes November 16, 2005.

¹⁴⁷ From fieldnotes November 29, 2005.

¹⁴⁸ From fieldnotes November 15, 16, 18 and 29, 2005.

¹⁴⁹ Interview November 16, 2005.

and claim publicly that you don't give a shit about the market', at which point Leif from the PPM calmly states that 'we are a large actor in this market and we are merely complying with the rules given'.¹⁵⁰

The argument of which of the two is the better, or more *real*, government authority goes on at various levels and with different degrees of seriousness within the bureaucracies. The previous example in which charges are made that the PPM is acting more like an actor in the market than a government authority is of a more serious kind, whereas the following exemplifies a friendly bickering that also takes place as representatives of the two authorities meet to talk about one issue or another. Here is a dialogue between Johan of the PPM and Bo of the Social Insurance Agency at a meeting concerning the so-called harmonization of the public information published at the bureaucracies' web-sites:

Johan: Perhaps we could write some of the more general pension system texts together? Instead of each of us producing similar ones.

Bo: Right. But how much of that work would you guys pay for? You're such a small part of the pension system.

Johan: Yes, but we are the active part. Here people have to get involved and really do something themselves.

Bo: Yeah. You're so cool and hip. You're really action!¹⁵¹

Such jokingly friendly mock-arguments between personnel at the two bureaucracies often concern how quick, small and modern the PPM is compared with the huge, heavy, slow and old-fashioned Social Insurance Agency. The view that each bureaucracy holds of itself seems to correspond with that of the other. In other words, both the PPM and the Social Insurance Agency seem to agree that the former is the smaller, more modern and market-like government authority and the latter the larger, tardier and more bureaucratic one. The different characteristics of the two bureaucracies were, in fact, confirmed in a consumer survey conducted during the early years at the PPM. The survey concerned the public images of both state agencies and its findings of the survey were illustrated by a cartoon in which the PPM was portrayed as 'a young guy, a yuppie-type with brief case' and the public image of the Social Insurance Agency was represented by 'an old lady in a knitted cardigan'.¹⁵²

The ongoing arguments between officials of the two pension authorities are, it seems, not so much about how the two bureaucracies differ in character. That they do differ is something employees at both places seem to agree upon; the argument is, rather, about which kind of bureaucracy is the

¹⁵⁰ From fieldnotes November 29, 2005.

¹⁵¹ From fieldnotes April 20, 2005.

¹⁵² From fieldnotes September 29, 2005.

preferred organizational form. The discussion is essentially about the role of state agencies in future directions of government administration and new forms of governance.

We now turn to look at how some of the practices used at the two bureaucracies differ in character. First, there is the example of how the Social Insurance Agency makes use of market practices and techniques such as audit and accounting as tools of governance. After that we accompany one of the PPM's public informants as he sets out to teach union members about the financial market. Such communication practices are viewed here as managerial tools of the state to make citizens reshape themselves as market actors.

An Accountable Pension System

In 2002 the Swedish government began publishing annual financial statements concerning the national pension system. This novel practice is seen here as part of an ongoing and more general turn towards management practices being used as governing tools of the state. While the pension information sent out annually is directed to each and every citizen (chapter five is entirely dedicated to the examination of this), the Annual Report of the national pension system is, rather, a tool of governance aimed, as we shall see, at managing 'the conduct of conduct' (Dean 1999:10; Gordon 1991:48) of policy-makers and politicians. Pointing to the notion that this governance instrument is not primarily directed towards the public and/or the individual citizen is the fact that when, during the spring of 2007, I called the customer service of the Social Insurance Agency to request the latest issue of the Annual Report, the lady at the other end of the line had no idea as to what I was referring to. In fact, she insisted that what I was asking for was the Orange envelope (i.e. the individual pension information that we shall learn more about in the following chapter). Customer services connected me to a secretary at the Department of Pensions. She too was surprised at my request and commented: 'Not many people know about the report and no one has ever asked for it!' I had purposely not mentioned that I was researching the pension system and needed the report for work, but chose to call as a Swedish citizen giving my home address for them to send the Annual Report to.

The illustration on the cover of *The Swedish Pension System Annual Report 2005* is a so-called scatter diagram. Each little unit represents 'the amount of an inkomstpension account balance', we are informed by the text on the inside of the cover.¹⁵³ The units contain various shades of blue and the darker

¹⁵³ The Social Insurance Agency uses the Swedish term 'inkomstpension' in all their English information when referring to the income pension part of the system. Choosing

the dot, the more the accounts of that specific amount. An arrow points to one particular little dot in the upper left-hand corner of the colorful diagram. That unit represents the account of an average Swedish citizen and at the end of the arrow it says: 'Average Svensson'.¹⁵⁴ The cover of *The Swedish Pension System Annual Report* of 2005 is a fine example of what James Scott discusses in terms of state simplifications and an attempt to make the population legible (1998:80ff). This particular simplification concerns the Swedish population as future pensioners, and using a corporate technique such as an Annual Report paves the way for such a process.

On the back cover of the Annual Reports we are informed that: 'The assets and liabilities of the system are shown according to the principles of double-entry bookkeeping'.¹⁵⁵ It was the Head of the Department of Pensions at the Social Insurance Agency at the time who came up with the idea of applying such a corporate practice to the national pension system. At one meeting that I attended he was introduced as 'the guy responsible for the creation of the world's largest financial statement'.¹⁵⁶ He rather proudly states that *The Swedish Pension System Annual Report* 'is the only real annual report published by the Swedish state'. In an interview he explains what inspired him to apply accounting practices within the government authority: 'I was really tempted to create a maximally transparent system; to create the world's first financially accounted for national pension system'.¹⁵⁷

In the previous chapter we dealt with the technicalities embedded within the national pension system and we saw how the intricate financial system is linked to, among other things, both the national growth and statistical calculations of the demography of Sweden. *The Swedish Pension System Annual Report* claims to show clearly such connections, as the information published in the Annual Reports reads: 'This new application of conventional accounting clearly reflects the economic and demographic relationships and processes that determine society's capacity to provide a financially and socially sustainable system of pension insurance'.¹⁵⁸

What such a notion of transparency seems to entail is primarily to show the political decision-makers the interconnectedness of the different parts and functions of Sweden's national pension system. The then Head of the Department of Pensions at the Social Insurance Agency explains how he hopes that the Annual Report might make politicians treat the income pension system differently. The Annual Report, he states, 'makes everything

not to translate the term might be interpreted as a way of asserting the uniqueness in technicality, as a way of 'patenting' the 'invention'.

¹⁵⁴ Svensson is a very common Swedish surname and the expression *Medelsvensson* translates as 'average Swede'.

¹⁵⁵ From *The Swedish Pension System Annual Reports* of 2003, 2004 and 2005.

¹⁵⁶ From fieldnotes of November 29, 2005.

¹⁵⁷ Interview November 16, 2005.

¹⁵⁸ From the *Swedish Pension System Annual Reports* of 2003, 2004 and 2005.

so obvious. It shows that if the technicalities of the pension system are altered, it affects the outcomes somewhere else within the system.' The Annual Report, he holds, hinders the politicians from altering the technicalities of the national pension system since: 'They cannot take something from one part of the system and pretend it has no effect on the entire system. What they are doing become more obvious. That clarity is one of the beautiful things about the Annual Report.'¹⁵⁹

The Swedish Pension System Annual Report is, as we have seen, a tool of governance, a managerial instrument used to keep politicians in check and at a distance. It also serves to explain the technicality of the automatic balancing and to neutralize the negative responses and reactions the activation of this technicality is expected to receive. The criticisms of the automatic balancing from both politicians and the media was such that some of the technocrats of the pension system thought the technicality might not survive being activated. The transparency of the pension system's Annual Report is expected to have a proactive effect in saving the technicality from becoming a scapegoat. Here is how the person who at the time was Head of the Department of Pensions at the Social Insurance Agency reasons about what might be at stake:

If we account for all the assets and liabilities of the income pension system, it will not be so easy to just do away with the 'evil' balancing when it is activated. Everyone will be able to see, down to a single crown, how much is missing from the budget of the pension system and that will explain why the balancing had to be activated.¹⁶⁰

Michael Power argues that managerial practices such as accounting and auditing used within state agencies may be seen as instruments of control, surveillance and inspection (1999[1997]:128ff). Increasing importance given to such new instruments of governance is part of what Power calls an 'audit society' (1999[1997]) and of what Strathern, in turn, discusses as 'audit cultures' (Strathern 2000).

The practice of accounting as applied to the national pension system is seen here as a tool of management. The Annual Report of the state agency is intended to make the financiality of the national pension system visible; accounting for the assets and liabilities of a national pension system is seen as a way to influence the attitudes of both decision-making politicians and the citizens. The publication of *The Swedish Pension System Annual Report* is, I suggest, to be seen as an example of the managementality within government. In other words, the novelty of publishing an Annual Report of Sweden's social security benefits is in line with the larger ongoing trend of what have been called New Public Management techniques. Such a shift from public

¹⁵⁹ Interview November 16, 2005.

¹⁶⁰ Interview November 16, 2005.

administration to public management effectively recasts the notion of the state in a corporate cloak. The conception of the state resembles that of a corporation – Sweden Inc. – and it follows that the image of the population is that of stakeholders even though the managerial tool of the Annual Report is more directly aimed at conducting the conduct of politicians.

We shall now turn to see what practices the other government authority in charge of the national pension system in Sweden applies to manage the public, as it were.

State Agency and Market Actor

The PPM is the smaller, quicker, more market-oriented government authority of the two pension bureaucracies. Already from the very beginning it used a personal tone in its public information, and the new government authority took it as its mission to get ‘the savers’, as it were, to make ‘active choices’.

As I have already briefly touched upon, a general process of informalization of public information has been under way for several decades now (Mårtensson 1987; Ohlsson 2008, 2007:168-169; Premfors and Sundström 2007; SOU 2007:107). We have also, in chapter three, noted that the government information published by the new pension system agency, the PPM, was from the outset highly personal; the PPM writes directly to me as an individual, informing me about the choices I am to make. While the content of the PPM’s public information has varied over the years, the informal tone has persisted in the government agency’s public information (Ohlsson 2007, 2008).

The PPM is both a government authority *and* an actor in the financial market. Acting within a managerial framework is, thus, for this particular state agency part of its official mission as a government authority. The PPM is to inform ‘the savers’ about risk, volatility, portfolio theory and other concepts of the financial market. The different roles and responsibilities held by the state and each individual citizen respectively are quite clearly stated in the legislation and other official documents. The PPM is to *assist* the savers but not to *advise* them, and it is the individual saver, not the government authority, who carries the financial risk of the fund choices (SOU 2005:87). Let us now look into how such an assignment is practiced.

We have already, in the previous chapter, met Sten the traveling PR person at the PPM. We now accompany him as he teaches members of a local branch of the Swedish Union of Clerical and Technical Employees in Industry (*Svenska industritjänstemannaförbundet, SIF*) how to choose funds within the premium pension part of the national pension system.¹⁶¹ Sten is booked on demand and easily accessible via the web-site of the government authority.

¹⁶¹ From fieldnotes October 27, 2005.

Since he began working at the PPM in 2001, Sten is constantly on the road informing groups of people about the premium pension in general and topics such as portfolio theory and financial risk in particular. He visits all kinds of workplaces, and talks in school auditoriums, attends conferences, workshops and seminars and is sometimes, as on this particular evening, one part of an extended program on the topic of pensions.

The large conference room at the hotel in Södertälje, a town just south of Stockholm, is filled with union members. Sten awaits his introduction on the threshold. 'I'm always a bit nervous before I begin, but once I get going – I'm almost ecstatic!' he says to me just before he walks out and begins his 'pension show' filled with enthusiasm and personal touch. Sten says he sees it as his mission to 'make people more enthusiastic about the premium pension' and to 'get them to understand that this is *not* difficult'. The way Sten sees it, the biggest problem of the premium pension part of the pension system is that 'people don't know the difference between interest and shares, which means they don't understand risk'.

The concept of risk is central to the public information of the PPM and the government authority is persistent in its particular definition of the term. Risk is defined by the PPM as 'a measure of how a fund's value varies over time. High risk means that the value fluctuates up and down substantially. Low risk involves small fluctuations.'¹⁶² Getting the savers to understand and accept such a meaning of risk, having them identify themselves in terms of the degree of risk-taking and teaching them to define a level of risk that they are comfortable with are all included in the marketized practices of this particular government authority.¹⁶³

'So, what is 'risk'?', Sten asks spreading his arms in a shrug-like gesture in front of the audience in Södertälje:

It sounds a bit dangerous, doesn't it? But what are you afraid of? Don't forget that 'risk' can also mean 'chance'... But remember that it is *you*, and only you, who can decide about *your* money and where the limits of *your* risk-taking are drawn. [] A great rule of thumb to remember is that the longer time you have to retirement, the higher the risk you can choose. And now you wonder: 'What is a longer time?' Well, that is difficult to say. Everyone needs to figure out their own individual attitude towards the concept of risk. But as long as you are fully aware of what you have done – then anything is okay.¹⁶⁴

Sten not only represents the PPM, he can even be said to personify the

¹⁶² From the glossary at the end of the brochure 'How your premium pension works', published by the PPM in English in 2006.

¹⁶³ Information assembled from www.ppm.nu, web-site accessed February 29, 2008.

¹⁶⁴ From fieldnotes October 27, 2005.

government authority in charge of the funded part of the national pension system. The individualization process may, in a sense and in this particular case, be seen as reversed when the state, personified by Sten, goes out and meets groups of citizens in order to promote the process of turning them into financially literate and informed risk-takers. Sten himself estimates that, by the Fall of 2005, he had done an average of 100 presentations a year all over Sweden, and in the process ‘talked premium pension system to 20 or 25 000 people’.

But Sten is only *one* of the tools that the state uses to ‘make up people’ as market actors, to create a financially literate and legible population. Several other, considerably less personal, tools have been developed and are provided by the PPM in order to assist, albeit not advise, the savers in their pension fund placements. Such tools, in print and/or electronic form, are generally talked about as ‘savings direction’ (*sparanvisning*), ‘decision-making support’ (*beslutsstöd*) and ‘portfolio thinking’ (*portföljtänkande*) and, more specifically, they are called ‘alarm clocks’ (*väckarklockor*) and ‘the Harbor pilot’ (*Lotsen*).

Due to the dual role of the PPM, the boundaries between the authority’s managerial practices both as a state agency and a market actor are continuously contested and negotiated. The situation is illustrated here with a comment made by Ingrid at the Communications Department on the day the Harbor pilot was inaugurated in December 2005. She says:

We are not supposed to educate the people in how to save in funds, but we are to provide help to the ones wanting it. The goals of the PPM were extremely high in the beginning, when we were to get involved in public education in economic theory. We have now realized that perhaps that is not our mission. But we are to provide assistance to those who realize that they want to take care of their fund savings.¹⁶⁵

While there seems to be a notable difference in how the PPM understands its task as a state agency today and how such a mission was perceived in the early days of the bureaucracy, there are still plenty of instruments of governance in the managerial toolbox of the PPM. Teaching citizens about portfolio theory, asking them to identify themselves in terms of risk-takers, providing public information about the financial market in general and issues of volatility and risk in particular are here viewed as attempts by the state to create a population of market actors by way of a process of managementality.

We have now seen how the Social Insurance Agency as the large and heavy, stereotypical bureaucracy, almost ideal in the Weberian sense, uses accounting practices in its public information, while the smaller more market-like state agency of the PPM makes use of a personal communicator and

¹⁶⁵ From fieldnotes December 13, 2005.

individualizing tools of guidance in its attempt to construct a population of, as it were, informed pension fund savers. While both these government authorities in charge of different parts of the national pension system adopt managerial tools, bureaucratic differences between them prevail, causing friction and a kind of rivalry between them. The situation of two competing government authorities may perhaps be viewed as the ultimate way to ensure total managementality within the government. Handing the administration of one national pension system to two rather different government authorities should, from a market perspective, make the administration more efficient.

A comment made by an official employed at the Social Insurance Agency illustrates how the situation is experienced from within the state agency:

The PPM has been way too cocky. They promote themselves and sell their products in a way not at all suitable for a government authority. They consider themselves too special to share bed with us. But the government put two players on one ball. They are more alert than we are, but we just keep going and going. They bite our tail sometimes, and we roar back at them. But, sure, from a competitive perspective the tensions between us have made us both better too, I think.¹⁶⁶

In this chapter we have focused on some of the similarities and differences between the two different government authorities in charge of administering the redistributory and funded parts of the national pension system in Sweden. The joint ‘simplification’ effort to ‘make up’ the citizens, the Annual Report of the income pension system and the various ‘decision-making tools’ of the PPM are seen here as examples of managementality promoted by the state. This chapter has also explored the differences in character and practice of the two bureaucracies in charge of administering the national pension system and we have seen how a bureaucratic rivalry seems to have evolved between them.

In the following chapter we shall open one of the main conveyor of managerial messages between the state and the citizens – the Orange envelope. But before that, we shall listen to what people say they do in order to acquire a sense of security when thinking about their old age.

¹⁶⁶ Interview November 16, 2005.

IV. 'I feel secure when I save'

I began talking to the woman in a shop and now we are sitting on a bench in the sun talking about pensions and sipping take-away latte. Tourists stand in groups listening to guides and looking up at the eighteenth century houses surrounding the central square in Stockholm's Old Town. Pia tells me she is a physio-therapist, aged 37 and single. She has agreed to sit down and talk about the pension system for a while. She is quite interested in it and has given it much thought, she says:

I was really curious and interested in the pension system in the beginning. I made an effort to find out how it worked and what I could do. Me and my friends talked a lot about it. Some didn't want to be bothered, but I remember thinking: 'I want to learn this and do what I'm supposed to. I want to be responsible and choose funds.' Because I think that the good thing about all this is that we are all getting more involved in our own future pension now and not leaving it all up to the government. I still think that. But after a while, when I kept losing money on all my fund choices, no matter what I did, I just lost interest. It's like roulette, really. Totally unpredictable and insecure. And that's what I get upset about - the *insecurity* of the pension system!

Pia has taken her sun-glasses off and has a stern look in her eyes as she sits quiet for a while. I ask her if she is doing anything else now that she has stopped being involved in choosing funds. 'I save!' she says. 'That is the one thing I can do that makes me feel secure. I earn a lot right now and I have no kids or huge loans or anything, so I put away 2 500 every month towards my retirement. I feel I have to. I don't trust that national pension system one bit, so to save privately is a way to take care of myself and be responsible.'

The notion that something needs to be done in order to secure one's own future pension is commonly voiced. During the summer of 2005 I listened to many people talking about how they feel they are not really able to do whatever it is they ought to be doing in order to handle the demands placed upon them with the national pension system. This interlude narrates what people say they are doing in order to feel a sense of security that the national pension system does not seem to provide.

A lot of people say they realize that they will have to work more, earn more money and probably retire at a later age than they want to. But what practically everyone I talk to mention as a way of making sure there will be some money left for them when they retire is – to save. Some say that is what they would do if they only could, while others, many – young and old – are already doing so. People choose to save anything from a couple of hundred crowns to several thousands a month in order to secure their future pension. There are, however, several other ways people talk about as ways of making sure they have something to live off as they get old. Some people I have talked to mention buying insurances, stocks and property. Others talk about paying off loans or changing lifestyles. First, however, here are some of the voices I collected that deal with how they put away money regularly now in order to have something to live off as they get old and retire.

In a village in the region of Medelpad up north in Sweden I spoke to a woman who is sure of her situation: 'There will be no money left when I retire, that much I know. I'm 39 now and anything can happen until I retire, we don't know what. That's why I need to save as much as possible on my own.' Another woman, this one from Gävle, a medium-sized town in the eastern region, rests assured with her private savings. 'I don't think too much about the pension system actually,' she says. 'I feel secure with what I put aside in pension savings in the bank every month.'

In the street in the small town of Arboga further south-west, I met two young men dressed in jeans and concert T-shirts and stopped them to talk about the pension system. After the initial comment of 'not knowing much about it', they began talking about their pension savings, however. 'I've opened a pension-savings account', says the one with short hair, sounding rather pleased with himself. 'I put away 300 crowns every month in a special account.' 'Hey, me too,' says his long-haired friend. 'But just 200. That will have to do.' 'Yeah, well, I think you have to save money. Otherwise you probably won't have anything when you get old,' his friend with the shorter hair replies.

After having knocked on the door of a house with a pool in the garden in a small town by the sea in the southern region of Östergötland, the woman, in her fifties, who opened the door invited me in. She had a lot to say about the pension system. She explained that she is not at all worried for her own sake, as she is quite well-off and also not entirely dependent on the new pension system. It is for the younger generations that she is really concerned. 'There will be nothing left for them. And they don't realize it yet! We have three children and I have advised them to start saving towards their pensions early on in life. You see, most of us here in this country are socialized into a sense of security. Thinking it will be alright. But it's not like that any more.'

Outside the local store on the island of Singö in Roslagen north of Stockholm, I got talking to a young man who was one year into his university studies. He says he does not have any money to put away now that he is studying, but goes on with saying:

I will open a pension saving account as soon as I get a job. I know I'll have to do something to see to it that I'll be okay when I get old. Mom gets on my case all the time about this. So I know that I have to save some money. It's okay, I think. It's like a reverse student loan, really. I'll have to put away money now in order to have some later, and with the student loan you get money now and pay back later.

Many also tell me that getting private pension insurance is a way to attain a sense of security with regard to their financial situation as they get older. The man of a young newly married couple at the table next to mine in a café in Gränna in the southern region of Småland says:

I will definitely sign up for a private pension insurance of some kind later on. I don't feel safe with the national pension system. But having a private pension insurance would make me feel much more secure, I think. Of course, everyone may not be able to do that, for economic reasons. But I will certainly try to do so.

To be able to invest successfully in the financial market is something that several people I talk to mention as something that might secure their pension. A woman in her thirties that I spoke to in a grocery store in Grisslehamn, a small harbor town north of Stockholm, says: 'I guess I'll have to put aside some money later on... I don't exactly know how, though, but I could probably get into stocks or something. But I don't know enough about these things yet. I'll have to do something but it's difficult to know *now* what will be the best for me when I get old.' A man in a stationary store in Ljusdal, up north in Hälsingland, shakes his head and says: 'Well, I don't think there will be any money left for us when we get old. I guess I'll have to try to save some. Or just invest everything in stocks or risk-funds or something... That might be profitable! It's all so insecure.'

Some people suggest investing in other things than capital and several talk about real estate and other kinds of properties as a form of pension insurance. The woman with the pool in her garden, for instance, says: 'My friends place their money in capital but I think of my house as a pension insurance.' A woman from Nyköping, in Södermanland just south of Stockholm, says her plan is to 'buy houses and properties while I am working and then sell them as I get old and stop working. I see houses as my private pension insurance.' And a man I talked to up north, in a village in Jämtland,

tells me that 'people up here talk about their land properties and the forest that they own as their pension insurance.

Something else, apart from saving, getting insurance and investing in capital or property, that people mention they plan to do in order to secure their financial situation as pensioners is to not have any debts or loans left to pay by then.

'I've heard that the best thing you can do is to see to it that you're out of debt. Me and my husband tried pension savings and all that, but no... I feel that the security lies in that we will be out of debt when we retire,' says a woman in her thirties I spoke to in a park in Borgholm on Öland, an island off the east coast. Many people say that they will see to it that they have smaller monthly expenses as they get old and that this will be a way for them to get by on whatever pension they might receive. 'The way me and my girlfriend talk about this is that if we manage to keep the monthly expenses down and if we have paid off all our loans by then... We'll manage when we get old,' says a man in his early thirties whom I talked to in a village in the northern region of Jämtland.

Others plan to change life-styles in various ways as they grow older. A middle-aged man in a bookstore also up north, in Ljusdal, Hälsingland has it all figured out, he says:

My strategy to manage as I get old is to not have any debts and to have low housing expenses. I think you have to cut your expenses a lot in order to get by as you get old. You can't count on buying expensive clothes or have costly habits. I think we all could, and have to, practice living differently. We can get accustomed to having a different standard of living, a lower one, just as we have gotten used to having the high standard we now have.

While another man, this one in his thirties and from Nyköping just south of Stockholm, has more adventurous plans to make ends meet as a pensioner:

I plan to move to India, or somewhere else where living is inexpensive. I know plenty of people my age who have those kinds of plans for their retirement. I'd love to be able to save enough to buy property in Greece. It seems like a nice place to grow old. There's no way the little money I'll receive in pension will be enough for any kind of life here, that's for sure.

A slightly older man that I talked to in Norrtälje, just north of Stockholm, has a somewhat grimmer outlook about his future. He begins by saying: 'I just hope my expenses are low enough by then, so that I can get by on the little money I'll receive from the national pension system,' but continues by stating: 'But then again, I don't think I'll live all that long. I often say that I might live

until I'm 60. That'll be enough. So I don't have to worry about saving for my pension.'

There is something ironic in what all of these people are talking about. They tell me of plans they have and precautions they are taking in order to achieve a sense of security as they think about themselves growing old. They are all citizens of a welfare state with a so-called universal, redistributory national pension system as a part of the general social security system. But Sweden's current national pension system seems to make people insecure, as the state now does not make any promises of future pension levels. As a woman in the eastern town of Gävle puts it: 'I'm not sure I'll get any pension at all. But I'd like to feel secure. I mean, isn't that the whole idea of a pension? Security.'

The irony is also that, as a sort of side-effect of the insecurity of the national pension system, the market for private insurance and pensions savings accounts seems to be booming. And the advertising campaigns of banks and insurance companies selling financial solutions said to secure one's well-being in old age run, of course, during the same months that the government sends out the individual pension information to every citizen. Reminding everyone to think about his or her old age.

Governance Through an Orange Messenger

Marking the end of winter, arriving with the promise of spring, brightly colored envelopes are sent out every year from the Swedish government to some six million citizens. The Orange envelope contains specific and individual information about each citizen's future pension; there are pension prognoses, personal financial pension account statements, an official government decision on accumulated pension benefits and information about the national pension system. The individual pension information sent out annually from the state to the citizens was written into the legislative documents of the new national pension system, thus highlighting the increased importance given to government information in a situation in which new responsibilities are handed to the citizens.

The Orange envelope rapidly became a hit trademark and the symbol of Sweden's new national pension system. This chapter opens up the envelope and looks inside it, exploring it as a conveyer of messages from state to citizen, as an orange tool of governance.

The pension information sent out every year is viewed here through a Foucauldian perspective as 'an instrument of governance' and one of the 'political technologies' (Foucault 1977, 1991; Dreyfus and Rabinow 1982) that are embedded within and (as asserted in chapter three) make up the national pension system in Sweden. Put differently, the Orange envelope is seen here as a disciplinary tool for the government to manage its subjects – the citizens. It resembles the surveillance technology illustrated by the notion of the Panopticon in which individuals are constantly visible and subjected to observation. In such a situation the observed individual is 'the object of information, never a subject in communication' (Foucault 1977:200). This kind of power relationship, in which an abstract power watches over individual and isolated subjects, is 'continuous, disciplinary, and anonymous' (Dreyfus and Rabinow 1982:189) and, as a result, the individual, not being sure when he is being observed, 'becomes his own guardian' (ibid.).

Accepting the view that policy can be seen 'as a form of power which works upon the individual's sense of self' (Shore and Wright 1997:29), the individual pension information is the tool by which such power is promoted;

it is a powerful ‘technique of the self’ (Burchell 1996) sent out from the Swedish government to the citizens. Drawing on Rose’s (1999b) notion of ‘responsibilization’, the Orange envelope is seen here as a key carrier in the development of an entrepreneurialized citizenry that governs itself (1999b:139). Such a process, argues Rose, leads to the possibility ‘to govern without governing society – to govern through the “responsibilized” and “educated” anxieties and aspirations of individuals and their families’ (1999b:87-88). Building upon Michael Power’s notion of the ‘audit society’ (Power 1999[1997]) and of audit techniques as ‘the control of control’ (1999[1997]:12), Rose proposes that such techniques, or tools, are ‘entirely consonant with one key vector of the strategic diagram of advanced liberal styles of governing: autonomization plus responsibilization’ (1999b:154).

While this study makes no claim to be an actor-network study, the perspective from which government information is described and analyzed is influenced by certain concepts within actor-network theory (ANT) based on the notion that the Orange envelope is an object with agency. The individual government information is seen here as a non-human actor, an actant, entangled in a network of other human and/or non-human actants (Callon 1998; Callon and Latour 1981; Barry and Slater 2002). Callon and Latour’s use of the concept of ‘translation’ within actor-networks also seems to be useful here as we take a close look inside the construction and contents of the Orange envelope. Translation, according to Callon and Latour, is a process involving ‘all the negotiations, intrigues, calculations, acts of persuasion and violence’ by which one actor, in the broad sense, seizes the authority to ‘speak or act on behalf of another actor’ (Callon and Latour 1981:279). ‘Performativity’ is yet another concept used, and in part developed, by Callon (1998, 2007), of importance in this view of what the Orange envelope is and, not least, what it does.¹⁶⁷

In sum, this chapter explores the Orange envelope as an instrument of governance, a disciplinary tool of the state promoting the responsibilization of individual citizens. Let us open it up and peek inside.

Inside the Orange Envelope

My personal Orange envelope of 2006 consists of six pages. The first page displays six different alternatives of my individual future pension.¹⁶⁸ These prognoses vary depending on at what age I might retire; the ages 61, 65 and

¹⁶⁷ For a comprehensive history of the evolution of the notion of performativity from Austin (1976) to Callon (1998), via Butler (1990, 1997), see MacKenzie, Muniesa and Siu (2007:2-4) and also MacKenzie (2003), MacKenzie and Mollo (2003).

¹⁶⁸ I have chosen to describe the content of the Orange envelope of 2006, and not the earlier or later editions of the government product, since it was the one produced in 2005, while I was conducting my fieldwork.

70 are suggested. The level of my supposed future pension also varies depending on the national economic growth, giving the examples of my pension at zero per cent growth and at two per cent growth. Just looking at these six alternatives I easily conclude that if I want to retire at the age of 61 and the growth of Sweden is zero there is absolutely no way I will survive on my share of the national pension. If, however, I manage to hold a job until I am 70, and if Sweden manages to have a two per cent growth, I might just be able to get by on the pension I am forecast to receive. The calculations behind my personal pension prognoses assume, however, that I will maintain exactly the same monthly salary I had two years ago all through the years up until I retire.

Turning now to page two and my personal pension accounts. Displayed here are the accumulated value of both my income pension and my premium pension, that is the sum of my pension contributions since my first employment in 1980 and the result of my fund placements since 1995.

Page three in the Orange envelope of 2006 is dedicated to my fund placements on December 31, 2005. Here is information about the funds I have chosen, if any, and the value they held on the last day of the previous year. I am also provided with information on how much my funds have changed in value during the year that has passed.

Page four of the content of the Orange envelope is actually the decision of a public authority, or in this case the combined decision of two government authorities. It is a decision stating how much pension credit I am to be granted for the year 2004. The amount is based on my declared income for that year, and if I wish to appeal the decision and get it reconsidered by the authorities I can do so by writing a letter to the Social Insurance Agency. Instructions for how to file an appeal are given in a footnote on the page, together with the address where it is to be sent.

The fifth page of the information in the Orange envelope is a page with the headline 'What influences the size of your public pension?' The officials involved in the production of the Orange envelope call this page 'the explanation of the system' (*systemförklaringen*). This page, or a similar, somewhat easier version of it (called 'the light version of the explanation of the system'), contains no individual pension information but is, rather, a general account of the factors that influence the level of a person's future pension. Stated here are the three factors of: 'your income', 'the economic growth' and 'when you retire', with brief explanations of the three.

The last, and sixth, page of the content of the Orange envelope is a page with information on where I may obtain more information, should I have any further questions.

A New Public Information Device

To send out individual pension information every year is one of the novelties of the current national pension system. The emphasis on the importance of such government information activities is underlined by the fact that one section of the government Bill on the new national pension system deals exclusively with the annual pension information. Section 8:5 of 1993/94:250 '*Reformation of the national pension system*' reads: 'All those who have been granted pension rights during the year shall receive information about this earned pension and a calculated future pension'.¹⁶⁹ The following is suggested, in the Bill, as one of the reasons for this annual information:

Information about both the redistributory and premium reserve pension is to be given. By providing such information annually, also to younger age-groups, the individual may get a general overview of his/her economic situation after retirement and, thus, the basis for his/her own judgment of, on a voluntary basis, building a complementary pension (Section 8:5 in 1993/94:250).

We have already (in chapter three) looked into some of the technologies that enable the dual shift of previously government responsibility to both a technical sphere of numerical constructions and an individual level. We shall focus here on the role of individualized government information in a process of responsabilization of Swedish citizens. It seems the state's responsibility within the current national pension system is to provide information to the individual citizen. The Orange envelope is one way of providing such information. One may say that the general content of the Orange envelope is a letter of discharge sent out from the state to the citizen; it is the messenger that hands over the responsibility for a pension from the state to the individual. The importance of informing the citizen is stressed not only in the actual government Bill but also repeatedly emphasized in the communication policies at the two pension bureaucracies. As, for example, here in the joint communications strategy of 2004 that reads:

With the reformed pension system the insured are faced with more choices and more risks than in the old system. [] The shift in risk-taking from the state to the insured implies a change of system that places great demands on continued communication. [] The communication will make the insured understand their own

¹⁶⁹ Proposition 1993/94:250. *Reformering av det allmänna pensionsystemet*.

responsibility and how, by acting in various ways, they can affect what pension they eventually will receive.¹⁷⁰

The content of the Orange envelope is, thus, more than seemingly neutral government information concerning each citizen's future pension. It also carries with it normative messages and educational efforts regarding how the responsibilized citizen should act.

When the national pension system was legislated and soon to be launched, the many preparatory activities at the pension bureaucracies involved not only the administration of the new pension scheme and its different parts, but also communicative aspects of how to inform the public about the new system. One of the major tasks was, of course, the form and content of the entirely new government information device – the individual pension information to be sent out every year. The job was not to be handled by the Communications Departments at the government agencies but was exposed to public procurement on the advertising and PR market.

There were six PR agencies, regarded as sufficiently serious and professional, left in the tendering procedure to produce the annual government information on pensions. The agency that finally got the job had covered the entire meeting room in orange as they presented their idea to impressed pension bureaucrats.¹⁷¹ The main idea of the PR people's presentation was that since two different authorities were now to administer and give information about the new national pension system, it was important to do so with one clear product. It would, further, be beneficial if that product could have a distinctive color that would set the new and important government information apart from other official documents. Orange, they argued, was precisely such a distinct and alerting color. A particular shade of orange was produced for the purpose, and the new shade was given the name English Fox. The front of the Orange envelope in bold, capital solid letters in a typeface called 'Champion welterweight' reads: THE PUBLIC PENSION (*DEN ALLMÄNNA PENSIONEN*), with 'income pension premium pension guarantee pension' printed in smaller capitals underneath. The Orange envelope containing personal pension information has, since 1999, been delivered in March or April to each and every tax-paying Swedish citizen.

The content of the second Orange envelope sent out during the Spring of 2000 was a special one, since it contained the sum of each citizen's accumulated pension thus far during his or her lifetime, recalculated and presented as 'pension rights' within the new national pension system. The content read as an account of one's personal life translated into numbers.

¹⁷⁰ From the official document: *Kommunikationsstrategi för den allmänna pensionen 2005-2007*. Dnr RFV 08478/2004. Dnr PPM 04-90.

¹⁷¹ Interviews May 1 and 13, 2005.

Margareta was employed in the Communications Department at the Social Insurance Agency at the time and here is how she recalls the Orange envelope of 2000:

Do you still have your envelope from 2000? No? Too bad, because it is the most fantastic letter you have ever received. It lists your entire life in numbers! All your jobs, possible unemployment, marriage, divorce, childbirths, part-time jobs... Everything! It is not often you get to see the events of your life in black and white like that. And you see how the different situations actually have an effect on your economic situation. The content of that year's envelope was like a condensed version of your life.¹⁷²

Margareta also recalls that the pension bureaucracies did a small survey to see how such a numerical account of major events in an individual's life would be received. 20 people were asked to participate in the testing of the content of the Orange envelope in the year 2000. 'They each got to see their own individual accounts and we were watching their reactions as they looked it through. It was incredible and terrible. Four of them broke down totally and cried so that we had to sit and comfort them,' says Margareta explaining that the numerical listings of the very personal events in each individual's life caused the strong emotional reactions of some of the people taking part in the test.

Educating the Population

The politicians and experts in the Working Group on Pensions did not, of course, know that the annual individual pension information was to be sent out in bright orange envelopes. They did, however, recognize the increased importance of informing the citizens about the new demands and responsibilities shifted on to them with the design of the new pension scheme. The public was to become both informed and educated. The members of the Working Group on Pensions describe, in various ways and different terms, how the idea of 'a general public education' was embedded within the construction of the new national pension system.

Before we listen to what the creators of Sweden's national pension system have to say about its educational, perhaps even disciplinary, qualities here are some notes on the emergence of general public education in Sweden.

With the 1842 primary education code (*folkskolelagen*) Sweden got a unified and national primary school system in which all children between the ages of 7 and 12 were to attend school in order to receive education primarily

¹⁷² Interview May 1, 2005.

in reading and writing skills as well as in the Christian religion. This first public education plan of six years of schooling for all Swedish children was made mandatory in 1882. Thereafter, a popular movement of people's education (*folkbildning*) was developed in the Sweden of the early 1900s. The idea of educating the masses did not exclusively stem from socialist ideals, since the idea of a general people's education based on night-schools and study groups had strong followers at the liberal end of the political spectrum, as well as within non-political organizations (cf. Bengtsson 2002; Arvidsson 2005). It has been argued, however, that while the liberal versions of people's education aimed at enlightening and disciplining the Swedish people, the people's education emanating from the workers movement saw it as a way of integrating the working class and other marginalized groups into society (Bengtsson 2002:79-80; Arvidsson 2005:17).

So, while the vision of a well-educated population is deeply rooted in, and connected to, the development of the Swedish welfare state, various initiatives to educate the Swedish population came from a number of directions. The notion of educating the population by way of a national social policy can thus be seen as a continuum and not a break in the idea of a people's education in Sweden.

It has been argued that public education in itself may be viewed as a kind of ethical Foucauldian technology. Ian Hunter (1988, 1994, 1996), for example, suggests that the emergence of popular education promotes not merely a general ability to read and write, but simultaneously works as a kind of social and ethical technology. Hunter calls popular education 'a powerful supervisory technology embodied in a specific apparatus of government' (1988:262) and the emergence of a state school system 'a key technology of government, responsible for the moral and social training of the population' (1994:xx). He argues that a public school system, in fact, works as an ethical technology with the ability to 'raise the cultural level of whole populations – to achieve near-universal literacy, for example – through the normative formation of personal attributes' (1988:268).

It is suggested here that, while the Swedish state still seems to see as its mission to educate the citizens, the content of such teaching alters with the times. The public education promoted by the national pension system consists, as we shall see, of part work ethics and part market know-how. Here is how the members of the Working Group on Pensions talk about the educational aspects of the pension scheme they constructed.

'Yes, of course there is!' one Social Democratic representative quickly replies to the question of whether there is an idea of general education embedded in the design of the national pension system. 'People *want* to have more control over their own existence and they want to know how to. And there are so many other things in society that teach us to get control over our

own conditions', she says.¹⁷³ The other Social Democratic representative talks about how the members of the committee agreed on the importance of raising public awareness of pensions in general and the new national pension system in particular: 'We want people to understand that a pension is not something you go out and pick from a tree the day you need it. It is something that is built into your *entire* professional life.'¹⁷⁴

The Conservative representative in the Working Group on Pensions talks about 'learning processes' and draws on historical parallels as she discusses what the committee members hoped the pension system would teach the citizens:

One of the reasons Sweden did so well in the industrialization was that, thanks to the primary education code of the mid-19th century, we had a literate population. But just as not all children probably learned how to read and write even if they attended school in the 19th century – many probably thought it was a drag – we still got a large group of Swedes who were able to read and write. And now we have a pension system leading the way... We are now learning how to see certain economic contexts. And we are learning that others cannot create welfare for us, but that we actually need to participate in that too. And we are learning to see how much we ourselves must save for the future. But I believe it is a learning process and what may seem very difficult now will not become standard until, perhaps, in ten or fifteen years time.¹⁷⁵

Such a notion of the national pension system as a government instrument designed to educate the population in certain ways is not only an implicitly political vision but an issue clearly stated in official government directives. Both the Social Insurance Agency and the PPM receive yearly directives to 'raise the public knowledge' about the pension system.¹⁷⁶

It seems, in other words, that the citizens must increase their knowledge about the pension system, and while doing so the pension system is educating the citizen. It is the responsibility of the state to provide sufficient information to the citizens in order to improve their knowledge, but it is the responsibility of each citizen to pass the course, so to speak.

¹⁷³ Interview November 30, 2004.

¹⁷⁴ Interview March 3, 2005.

¹⁷⁵ Interview November 26, 2004.

¹⁷⁶ From fieldnotes March 3, April 5, May 3 and October 11, 2005, and in official government documents S2003/1610/SF and Fi2005/2822.

Invest, Work and Save

We shall now look into what the public education brought about by the national pension system might entail. What, more specifically, is it that the state, through the national pension system, wants the Swedish population to know more about? Let us first listen to what the members of the Working Group on Pensions recall on the issue of learning and the possibly educational aspects of the national pension system that they constructed.

Some of the committee members categorized as ‘experts’ are particularly outspoken about what kind of knowledge is promoted by the national pension system. They talk about how the group discussed how a ‘general education in economic thinking’ could be gained through the design of the new pension scheme. The interviews with the committee’s experts reveal that there were hopes of how the pension system in general, and the premium reserve part in particular, would raise public interest in the stock market and fund savings. One of the experts, an economist, in the Working Group on Pensions, says:

Everyone in the committee was aware of the fact that this was an entirely novel way of thinking, and that people would therefore need to learn how to think in new ways in order to accept it. Particularly regarding the premium reserve part of the pension system. But then again, and if I remember correctly, some 50 per cent of the population already had savings in funds at the time, so it was not entirely new to people. On the other hand, that means that the other 50 per cent did not. So to them fund savings and all that were something totally new and something that they were now forced by the state to learn.¹⁷⁷

Another of the members of the Working Group on Pensions reasons around the same theme:

There seemed to be, from the Conservatives and the Center Party, a certain interest in educating the people through the premium reserve part of the pension system. As I understood it, they wanted to create an interest in that sort of capital accumulation. I’d say they wanted to turn the Swedish people into little capitalists and shareholders in general. They didn’t talk in such terms, of course, but to me it was obvious that those were the kinds of views they held. Their concern was that not only a few were to be interested in whether Swedish business does well or poorly, but that *every* one was to be involved in this.¹⁷⁸

¹⁷⁷ Interview December 20, 2004.

¹⁷⁸ Interview December 2, 2004.

Financial skills, market knowledge and economic thinking seem to be an educational theme built into the national pension system. Another is the benefit of working more.

From the fact that each citizen's level of future pension is based on his or her entire life of accumulated salaries follows the fact that the more one works, or rather the more taxable income one has in life the more one will receive in pension. It should be noted that the technicality of 'the ceiling' limits the 'pensionable income', as it were, to a yearly income of 307 500 SEK (see chapter two for more details on the design of the pension system). The 'principle of life-income', combined with the technicality of 'the ceiling', means that a long life with a steady but not too high income is a financially good option when it comes to maximizing one's pension level within the national pension system. And the older one is when one retires, the more one receives in pension.

Here is how one of the secretaries in the Working Group on Pensions recalls the committee's discussions about the importance, through the yearly pension information, of making people wanting to work more and longer:

It was clearly emphasized, by many on the committee, that the pension system *in itself* was to function as an incentive for people to work. If your accumulated income matters, it's an incentive to have taxable income. And it was then extremely important for everyone to receive information about their accumulations: 'How much will it become if I continue to work as I am now doing?' 'What if I work more?' And to receive every year a statement about the status of one's future pension was considered to be a very important incentive in itself. There was great concern that the information sent to the individual should be relevant and useful. They agreed early on that this was an incentive for people to influence their own behavior.¹⁷⁹

Teaching people the importance of work and of paying taxes were issues that the constructors of the pension scheme hoped would be promoted by the public information about the design of the system. One of the expert members says about the discussions held by the political representatives in the committee:

They wanted to create a sort of collective consciousness about how things are economically connected. Maybe not precisely about how much one's pension will be, but more about people getting a feeling

¹⁷⁹ Interview December 2, 2004.

for how important it is to have an income, and that it is important to have a taxable income.¹⁸⁰

Yet another educational effort that the national pension system was seen to provide might be called 'the benefits of frugality' since it involved teaching the advantages of saving. In fact, one of the aims outlined in the new national pension system was to increase the level of public saving. The introduction to the government Bill on the reformation of the national pension system reads: 'The reformation of the pension system aims at increasing its contribution to public saving and also that it will, more than today's system does, stimulate the supply of labor' (Proposition 1993/94:250).

A member of the Working Group on Pensions recalls how the committee talked about how pension information could teach people to save: 'The issue of public information was important. The purpose of the annual send-outs was to give every body a chance to see if... Well, if you want to save a bit extra towards your pension, well, then you do just that.'¹⁸¹

One of the economists in the Working Group on Pensions laughs as he remembers a revelation that he got during the discussions within the committee: 'I said to K [the Chairman of the committee] that if he wanted to increase the household savings he should create a pension system that is perceived as insecure. Because if you create stability people will think they do not need to save.'¹⁸²

Other committee members link the educational message of saving more to the prevention of shock among the population. One of the expert members of the Working Group on Pension claims that:

The politicians said that information was needed so that people would not be surprised, or even shocked, when they retired. People should know what it is all about and they should be able to see how much they will receive in pension. If you are pleased with what you see - fine. If you think it's too little, you'll have to try to add some to it somehow.¹⁸³

An interview with one of the Social Democratic representatives sheds light on such a perspective, as she compares the new national pension system and its annual and individual pension information with the past pension system when people got to know about the level of their pension when they retired: 'People were very, *very* disappointed then. Now they get disappointed once a year! I think that is revolutionary! Really, it is absolutely *fantastic*'¹⁸⁴

¹⁸⁰ Interview November 26, 2004.

¹⁸¹ Interview December 1, 2004.

¹⁸² Interview November 18, 2004.

¹⁸³ Interview January 13, 2005.

¹⁸⁴ Interview March 3, 2005.

To sum up, some of the main lessons taught through Sweden's national pension system are that it is good to maintain a steady income all through life and work up until old age, and that it is important to save money and to learn how to invest on the financial market.

Now that we have examined the educational aspects of the government pension information sent out annually in Sweden, we shall shift focus and look more closely at the production of this instrument of governance. Interestingly, the educational efforts connected with the restructured national pension system follow a long trajectory of state education in Swedish society. With the current pension scheme, this cultural-historical tradition is linked up with new forms of governance and normative messages from state to citizen.

Among the Knowledge Workers

If we view the individual pension information as an instrument of governance and an educational tool, the bureaucrats involved in the production of the Orange envelope can be seen as the teachers, the mediators of knowledge. It has been suggested that such a category of expertise may be defined as 'knowledge workers' (Rose 1999b:147; Fuller 2001:182). It may also be argued that the work of such experts, or knowledge workers, is a form of translation, in Callon and Latour's (1981) sense of the term.

In a similar line of thought, Robert Reich (1992) has brought forward the concept of 'the symbolic-analyst', a job category consisting of people with a broad spectrum of skills and tasks that are flexible and continuously changing. Symbolic analysts, suggests Reich, solve, identify and broker problems by manipulating symbols (1992:178) and the services of a symbolic-analyst – problem-solving, problem-identifying, and strategic-brokering activities – can be traded worldwide (ibid.:177). Reich argues that knowledge *per se* is not as important to the symbolic analyst as 'the capacity to effectively and creatively use the knowledge' (ibid.:182). A common denominator of these symbolic analysts is that they apply systemic thought to identifying and solving problems (Reich 2000:48). Rose has suggested that the provision of such knowledge paves the way for self-governing, and 'webs of knowledge' are created in which individuals are enwrapped and 'through which their actions can be shaped and steered and by means of which they can steer themselves' (Rose 1999b:147).

Holmes and Marcus (2005:235) have argued that particular 'cultures of expertise' evolve around such knowledge workers, experts or symbolic analysts, and that a certain kind of knowledge and information is diffused from such cultures of expertise out in society. It should be pointed out that the increased dependence on expertise in contemporary forms of state control is an important aspect of new and emerging governance structures. 'A new formula of rule depends on expertise', asserts Rose (1996b: 41). Ong (2005)

shows this to be evident in her research among technocrats in Southeast Asia, as does Shore (2000) in his study on the building of the European Union. Sassen (2006) points out the increased dependence on expertise within governance on a global level.

An increased dependence on various kinds of expert knowledge is also evident in the wake of the restructured pension scheme in Sweden. Let us now see what goes on among some of the knowledge workers of Sweden's national pension system. As different kinds of knowledge workers, such as economists, lawyers, communications personnel and advertising consultants, assemble to produce the contents of each year's Orange envelope, the discussions among them sometimes reveal certain tensions and conflicts.

Before we join the working meetings, let me illustrate by way of the term 'trademark', the, still existing, conflicting logics of state bureaucracy and the advertising industry. As already mentioned, the Orange envelope quickly became a very well recognized symbol of the national pension system in Sweden. Bureaucrats and communications personnel at the pension system authorities sometimes call it 'the trademark of the pension system'. As one state official high up in the pension bureaucracy asserted at a meeting about future communication strategies: 'We need to monitor and protect our trademark.'¹⁸⁵ It seems, however, that using the word 'trademark' about government information often causes a certain discomfort among bureaucrats.

Every year a group consisting of technocrats and personnel from the Communications Departments of both the Social Insurance Agency and the PPM assemble to work through the content of next year's Orange envelope. At one such working meeting an official from one of the Communications Departments seems to bite her tongue after saying: 'The Orange envelope is such an important trademark, although it's not *really* a trademark... of course.'¹⁸⁶ Bruno, a consulting copy-writer from an advertising agency sometimes participates in these meetings and there is a notable difference in the way he talks comfortably about the Orange envelope as a trademark. As, for example, when he halts a discussion of whether or not synonyms such as 'the send out' and 'the letter' should or should not be replaced with the term 'the Orange envelope' in all public information: 'The Orange envelope is the trademark we are selling here. So we should always use that term.'¹⁸⁷

We shall now pay a longer visit to the working group that every year develops a new improved content of the Orange envelope and see how state officials and commercial advertisers struggle with the translations of knowledge. The group meets on a weekly basis, democratically alternating

¹⁸⁵ From fieldnotes December 18, 2005.

¹⁸⁶ From fieldnotes May 18, 2005.

¹⁸⁷ From fieldnotes May 31, 2005.

meetings between the headquarters of the two different bureaucracies in charge of the pension system administration.

During the early months of 2005 the group worked to compile the content of the various versions of the Orange envelope to be sent out to approximately six million people during the Spring of 2006. That particular edition of the Orange envelope was to contain a special letter from the state to every Swedish citizen becoming 22 years of age during 2006. At an early meeting possible formulations and headings of such a letter was discussed and at the following meeting Bruno, the representative from the advertising agency, handed out copies of a letter that the commercial agency suggested should be used in the government information. The headline of the letter read: 'Congratulations – you are rich!'

As the bureaucrats and technocrats of the working group read it in silence, Kerstin from one of the Communications Departments in the pension administration explains the purpose of the letter to the rest of the group: 'The 22-year-olds receive this letter in their Orange envelope plus an explanation of how the pension system works. We want to catch their interest as well as to guide them through the pension system.'

Paul, one of the senior advisers of the group, who had worked on the content of the Orange envelope from the very beginning, clarifies the purpose of the letter to be sent out to a group of young Swedish citizens presumably without much interest in pension issues: 'It is not so much about raising their knowledge about pensions, more about informing them of the fact that there is a national pension system and that employment means pension. If we manage to raise their interest in this, they'll turn the page and read about how the system works. But, I must say, I am disturbed by the headline of the letter. I see the point, but...' He shakes his head and Bruno, the ad guy, replies: 'Yes, well it's an old commercial trick, so to say... I know it's a step away from the tone of the Orange envelope, but this letter is addressed to a group of people where we need to find something that catches their interest and makes them take part in this.'

Sven, from the Social Insurance Agency asks cautiously: 'But we can't risk seeming not serious about this?' At which Paul replies: 'Right. No, it is too much like advertising. And it might be perceived as a kind of mockery. I mean, many 22-year-olds haven't yet begun to earn money.' Bruno from the advertising agency insists: 'But the purpose of the letter is to give them a kick forward. It is a wake-up call.' After a brief discussion on how a younger group of people might read the suggested headline, Paul ends the discussion by asking Bruno to come up with other alternatives for next week's meeting – 'something stricter, more state-like or bureaucratic.'¹⁸⁸

The above account illustrates how different kinds of knowledge workers participate in negotiations and struggle in the process of translation (cf. Callon

¹⁸⁸ From fieldnotes May 4, 2005.

and Latour 1981). With the notion of translation Callon and Latour lay emphasis on the processual character of the identity of, and relationship between, actors, thus shedding light on the political aspect of such a process. The way in which representatives of the government bureaucracies and of the commercial advertising industry discuss the wordings in the public information about the pension system is seen here as such a process of translation.

More or Less State-like

One of the purposes of making the envelope bright orange was, as we have already seen, to create attention around the novelty of the new national pension system in general and the individual pension information in particular. A person involved in the compiling of the annual information from the very first orange envelope recalls that 'the idea behind the choice of color was that this send-out would stand out. It should have a different color so as to not look like an ordinary advertisement, nor an ordinary letter from the government in a brown or white envelope.'¹⁸⁹

The advantage of making the government information less 'government-like' is, of course, the attention it attracts. A disadvantage of such a move seems to be that the important government information is confused with commercial advertising and discarded. A recurring concern of the administrators of the national pension system is that the public seems to confuse government information with commercial advertising from banks and pension insurance companies.

The flip-side effect of having created a successful orange-colored trademark of Sweden's national pension system seems to be that the citizens do not always take the information from the state, which includes important government decisions, seriously. This dilemma is often the topic of concern and discussion at communications meetings held at the pension system bureaucracies. Here is a brief example of how Lisa and Kurt at the Social Insurance Agency talk about this at a meeting about future information activities: 'One of our main priorities must be to get people to open up the Orange envelope,' says Lisa, and Kurt replies: 'Yes. So why not print something on the outside of the envelope? Something about that it contains an important government decision.'¹⁹⁰

At another meeting, a board meeting with the Heads of Departments of both state agencies present, a major topic of discussion was the importance of 'doing something' with the Orange envelope. A recently conducted marketing survey had shown that not as many people as they had expected knew where

¹⁸⁹ Interview May 3, 2005.

¹⁹⁰ From fieldnotes December 13, 2005.

to find information about their future pension. The correct answer was, of course: in the Orange envelope. Bengt opens up the meeting by presenting the survey results and concludes by saying: 'So, we need to raise the public knowledge about the Orange envelope. People need to know what it contains. This really feels like an important part of our communications efforts.' Martin, high up in the bureaucracy at the Social Insurance Agency, asks: 'But what more can we do? Print on the outside of the envelope: *'This is an important letter from the state'?*' Gunilla, Head of one of the departments at the PPM replies: 'That's what we should do! The Orange envelope is too hip. We need to make it more boring.'¹⁹¹

One of the main conclusions after innumerable meetings about future communications efforts and strategies concerning pension information is that the Orange envelope is, after all, *the* most important information channel, as it were, through which the government can inform and educate the citizens about the workings of the national pension system as well as about each citizen's personal pension situation. Another realization at the pension bureaucracies is that something has to be done with this uncomfortably successful pension system trademark that travels from the government into the homes of more than six million citizens with a cargo that seems to render many people uncertain or confused.

The issue of what to do with the national pension system's 'most important channel of information', as Hans at one of the Communications Departments puts it, is brought up at a series of meetings at both state agencies during the Fall of 2005. Typically, the personnel in the Communications Departments declare a need to 'bring in professional ad people on this', while some of the more technocratically oriented bureaucrats in other departments within the two authorities respond with hesitation to the notion of handing over the Orange envelope for a make-over by an advertising agency.

After several meetings where the subject of 'what to do with the Orange envelope' is discussed, Hans wraps up the discussion by saying:

We want to look over the Orange envelope as a concept. Not to make it round and blue, but the way it looks has not been changed since day one, so people still think that it is as difficult to understand as it was then. Maybe we need to paste stickers on the outside or something? So that people understand that something has happened on the inside. Well, we'll have to look it over. This is one information channel we fully control so that is where we are focusing our efforts now.¹⁹²

¹⁹¹ From fieldnotes January 20, 2006.

¹⁹² From fieldnotes January 4, 2006.

Hans' comments point to the problematic situation of having a successful government trademark carrying complex information and being continuously rephrased.

Besides all the different versions of texts providing general information about the national pension system, the content of the Orange envelope has changed, too. The very first Orange envelope, sent out in 1999, contained an official government decision regarding each citizen's accumulated pension for the years 1995, 1996 and 1997. In 2000, as we have already noted, a compilation of each citizen's retroactively accumulated pension rights all the way back to 1960 was enclosed in the envelope, together with an official government decision stating the past year's earned pension rights. The Orange envelope of 2001 also contained retroactively earned pension rights but now including those earned not merely by 40 years of taxable income but also those collected from years of studying or doing military service. 2002 was the first year that the PPM and the fund-saving part of the national pension system was included in the information and since then the basic structure and content of the individual pension information have been the same. There is the official government decision on the latest accumulation of pension rights. There are the financial statements of the individual pension account from the Social Insurance Agency and the document stating the value of the individually chosen funds from the PPM.¹⁹³ There is a sheet of personal pension prognoses and a page with general information about the national pension system.

While the basic content has remained the same since 2002, the layout and disposition of the information enclosed in the Orange envelope have changed significantly over the years. Headings and texts have been altered as well as some of the key figures used in the numerical examples and calculations, thus changing the information provided from year to year. Work on the phrasing of the texts within the envelope is continuously being undertaken in order to make the printed information more understandable to the public. It seems to be a commonly known fact that the content of the first year's envelope was very difficult to understand and a continuous effort is being made to improve the texts and the numerical information. In a document circulated within the Social Insurance Agency, the aim of finally having cut the number of words in the Orange envelope in half is claimed to have been successfully achieved.¹⁹⁴ Bureaucrats at both the Social Insurance Agency and the PPM talk about 'a constant development' of the annual individual pension information and of the Orange envelope as a 'work in progress'.

To make individual pension information from the state into a brightly colored, successful trademark of a national pension system, on the one hand,

¹⁹³ As of December 31 the previous year.

¹⁹⁴ From document with heading 'Fewer words – Better info', November 2005.

and to talk of its being 'too hip' for citizens to take seriously and of how to make it 'more boring' and 'government-like' signify two forms of state-administration organization, and ways of governance, that point in different directions. The creation of the Orange envelope and, as we shall see, the large-scale commercial campaigns that accompany its annual distribution exemplify a new, market-like approach to state administration and governance. The bureaucrats' concern with making the government pension information more official and 'boring' points to the fact that bureaucratic objectivity and impersonality (cf. Weber 1958[1946]) still linger on. Herzfeldt (1992) has discussed this in terms of 'the production of indifference', and in a similar line of thought Gustafsson (1994) has written about 'the production of seriousness'.

Orange Campaigns

Not only is the content of the Orange envelope continuously evolving but the context of its annual distribution has also changed over the years. Apart from a couple of years, the annual delivery of the Orange envelope has been accompanied by large-scale nation-wide commercial campaigns. With television spots, press advertising and billboards in public spaces the aim of such 'orange campaigns' has been to raise the public interest in the distribution, and in the pension system, as well as drawing attention to the content of the Orange envelope. The messages of these campaigns, all outsourced and produced by commercial advertising agencies, have varied significantly each time, however.

1999 was the first year of the national pension system and of the delivery of the individual pension information in an Orange envelope. The message of the 'orange campaign' of 1999 was, subsequently: 'There is a new pension system and this is where you find information about it.' The message of the campaign accompanying the Orange envelope in 2000 was: 'Your pension consists of three parts; the public one, the occupational pension and possible private savings.' In 2002 the message of the orange campaign was: 'The entire lifetime is counted.' During the Spring of 2003 the message was that the Orange envelope was to be seen as an important document of value, the message in the television ads being that 'This year your Orange envelope contains something extraordinary valuable'. How to estimate one's future pension was the message communicated in 2004, with a campaign that suggested: 'Compare with Average Svensson – Do you have more or less than the average?' The campaign accompanying the Orange envelope in Spring 2005 put pictures of sliced up carrots all over town. The message of the carrot campaign was to inform the public about the different parts of the national pension system: the income pension, the premium reserve and the guaranteed pension. In addition to the carrots, the different campaign messages have over

the years been promoted with the help of, for example, popular Swedish cartoon characters, a heavily guarded mailman, a car crash and elk-poop.

In a reflexive comment as to why the communicated messages have varied so significantly over the few years of the national pension system, one of the officials who has worked with both the content of the Orange envelope and the campaigns accompanying it from the beginning says: 'Maybe people here at the authorities got impatient? Perhaps they were thinking: "Now that we've said this once –people know it!" But that's not always how it works. I think you have to nag and wear people down more and communicate *one* single thing much more strongly and much longer.'¹⁹⁵

The fact that banks and insurance companies often run their own versions of 'orange campaigns' during the Spring weeks when the six million orange envelopes are being sent out can be said to further emphasize the dilemma of having a strong government trademark with a content that is perceived as unclear. As banks and insurance companies use the well-known, bright orange, state information device in their own advertisements to sell private pension insurance or pension-savings accounts to their customers, the trademark of the Orange envelope is, with marketing logic, strengthened. But the information purpose of the Orange envelope, to send important individual pension information from the state to each and every citizen, is weakened since the government information is confused with commercial advertising.

A somewhat ironical twist is that the messages of the banks and insurance companies have been significantly more consistent. The overall message from such financial corporations is: 'Bring your Orange envelope in to us and we will help you'. Just as an illustrative example. In the window of a bank I pass daily is a large poster with the words: 'We can do more with your orange envelope', and a picture of an elegantly folded origami rooster made out of an Orange envelope.

The ever-changing content of the Orange envelope, the different messages of the orange campaigns and the counter-campaigns from the private banking and insurance industry taken together seem to cause some confusion among the recipients of the Orange envelope. At a workshop where officials of various ranks and communications personnel from both the Social Insurance Agency and the PPM talked about future communication plans for the national pension system, a heated discussion breaks out. Bureaucrats and customer service employees share their experiences of encounters with bewildered citizens asking them for help with different issues concerning their future pensions. The accounts tell how people do not seem to understand how the national pension system works nor what their own responsibilities in securing their future pensions are. In the discussion that follows some workshop attendants suggest ways to improve the Orange

¹⁹⁵ Interview May 13, 2005.

envelope as a conveyor of information, while others want to sort out what went wrong and when. The discussion comes to an end when a woman from a local branch of the Social Insurance Agency in southern Sweden says in a loud voice: 'Listen, there's no use crying over spilled milk now. Besides, we created this confusion ourselves.'¹⁹⁶

In this study, the individual pension information sent out every year is seen as an orange-colored instrument of governance. We have heard how the politicians, technocrats and bureaucrats involved in the construction and administration of Sweden's national pension system talk about the increased importance of information. Interviews with the creators of the pension scheme highlight a notion of the yearly pension information as an educational tool. It might be said that the Orange envelope, or rather its content of information about each citizen's pension status, could be seen as the state's attempt to conduct the conduct of its citizens.

A kind of general public education is seen as being promoted with the national pension system in general and the pension information sent out annually in particular. The population is being educated and disciplined as every citizen learns of the benefits of a long working life with a steady income, of the importance of saving money privately and of the advantages of learning how to be a successful financial investor. The educational and disciplinary aims of such a governance project might be said to be the creation of a financially literate, industrious and frugal population. Such governing messages are not, however, spelled out as clearly in the texts and charts inside the Orange envelope.

This chapter has also visited the knowledge workers within the Swedish pension system administration and seen how bureaucrats, technocrats, communications personnel and advertising people are involved in different struggles and ongoing negotiations concerning the Orange envelope. Put differently, the Orange envelope may be seen as an artifact where two different directions in state governance meet. An older, Weberian notion of bureaucracy as impersonal and objective is manifested in the pension bureaucrats' ambition to create more 'state-like' and 'boring' pension information. While a newer, more market-like and corporate approach to state governance is increasingly salient as the state agencies let commercial advertising companies in on the production of government information.

In sum, it seems the Orange envelope is a hit as a trademark of Sweden's national pension system but is not equally successful as a government information device. After barely a decade with the current national pension system and the novelty of annually delivered individual pension information from the state to each Swedish citizen, it might still be too soon to judge whether or not it is a successful instrument of governance.

¹⁹⁶ From fieldnotes December 14, 2005.

After this peek inside the Orange envelope it is time to listen to what people claim they do with the individual pension information that the government sends to them every Spring.

V. *'I just throw mine away'*

The woman leaning against a railing, taking in the afternoon sun, looks to be my age, 40 something. Short hair, glasses, looking at her watch. Her name is Anna. We are both waiting for relatives outside the main entrance to the amusement park in Gothenburg, the second largest city in Sweden. They are late so I strike up a conversation about the pension system. She recently changed career, as she puts it, 'late in life'. She is now happier with what she does but earns less money and is therefore a bit concerned with how that will affect her future pension. I ask her if she has looked at the information in her Orange envelope. She smiles and says:

Right. The Orange envelope. When it arrives I usually first put it in a pile with other papers. I just let it sit there for a while. When I get curious I open it, look at the figures and then quickly throw it in the garbage. I feel as if those figures don't really matter much. It's just prognoses, guesses really. What do they actually say about anything? And I wonder how much it costs to send out all those envelopes to everyone. A friend of mine opened up her envelope only to read that she will get four crowns in pension. Four crowns! The postage for sending it to her is more than that. A lot of our pensions disappear in the administration of the pension system, I think. I'll have to start betting on the horses or something. Try to get rich quick somehow.

Anna shrugs. Her family arrives. She wishes me good luck, and I return the wish.

A lot of Swedes are familiar with the Orange envelope. The arrival of the annual pension information is becoming a kind of national event, something that happens to and concerns all adult citizens. Sort of like filing taxes in the beginning of May, or voting every fourth year towards the end of September. But receiving mail is not something you do, like signing the income-tax declaration or putting a ballot in an envelope. So what do people

actually *do* with the pension information that the government sends out in millions of orange envelopes every Spring?

Information sent in an envelope can be opened, read, understood and saved. It can be opened, read and *not* understood, opened and not read, or remain unopened. I have heard a lot of stories of what people say they do with their Orange envelope. And of what they say others do with theirs. A friend of mine told me about her friend who claims he keeps all his Orange envelopes unopened in his freezer. Someone else told me about his relative, who is an artist and collects each year's envelope for a modern art project of sorts.

Many of the people I met during my travels around the country say they just throw away their Orange envelope without opening it. Others say they open it and read it. They often add, however, that they are not pleased with what they find out.

Well, I don't exactly throw myself at it to look at what it says,' quips a man I met in the street in the small town of Hammenhög down south in Skåne. 'Eventually I open it and look inside. But, you know, I still never know how much I will receive the day I retire, so I don't know what use it is.' A woman eating ice cream in the western region of Värmland, a bit further north, tells me she 'looks at the numbers', she pauses for a second before she says: 'Well, let's just say it's not fun reading.' A woman I stopped outside the huge department store in Ullared, in the southwestern region of Halland, first claims she throws her envelope away straight after looking inside it. She then changes her mind and says: 'No, wait a minute... I think I save them. Yes, they're in a drawer... I get depressed when that envelope arrives. I just bury it in a pile of papers somewhere.' A man at the gas station in the small town, Tranemo, also in the western part of the country, tells me he puts his envelopes neatly in a folder; then he laughs and says: 'But first I look to see how much my future pension has increased! No, seriously I get really sad if I think too much about it.'

A man I met in a tiny village up north in Jämtland paints a rather descriptive scene as I ask him what he does with his pension information:

I let the Orange envelope lie there for a while after it has arrived. I ponder long and hard about whether I should open it or not. Then, as I light a fire in the fireplace I just rip it open, check what it says and throw it in the fire.

One thing I noticed when asking people about their Orange envelope was that many seem to confuse the bright orange government information with commercial advertising. A woman reading in the shade at a campsite on the eastern island of Öland tells me that she has planned to go to her local bank in the Fall because she is confused with all the different pension information she has received: 'Sometimes it seems to come from banks and private

pension companies and other times from the state. When you receive a lot of information and some of it is advertising, it's difficult to know what you really *have* to do and what others just *want* you to do.' In Arbrå, a small town in the northern region of Hälsingland, I ask a young man working in a pizza parlor about his Orange envelope and he immediately says he 'throws that advertising away. I've heard it's useless. My friends tell me we won't get any pension anyway, so why bother? I don't know what to think.'

In fact, many people say something like 'I just throw it away' and claim to have never opened the Orange envelope. 'Oh, you mean the one no one ever opens', a woman in the southern town of Simrishamn smilingly told me.

Two young men I stopped in the street in Åmål, a small town in the western region of Dalsland, begin bickering as they talk about the Orange envelope:

- I don't understand anything in that Orange envelope. I usually just throw it away.
- No, I always check it out at least. Open it and read it through. But ten minutes later it's all gone from my head anyway!
- That's why I don't even bother. I think if I followed the stock exchange and was involved in those things I'd be better off... But I'm not, so I just throw it away.

At times the people telling me that they throw away their Orange envelope also tell me why – they do not want to think about their pension. On Singö, an island in the northernmost part of the Stockholm archipelago, a young woman who probably has some 40 or 50 years left until retirement responds in a straightforward manner: 'I throw away my Orange envelopes and try not to think about things like that just yet,' she says. A young man in a small town in the western region of Värmland tells me he does not open his envelope because he 'would rather not know what is written in there'. A couple in their fifties are having coffee outside their camper at a campsite in the inland region of Västmanland. The man nods as the woman seems to speak for both of them. She says: 'Well, we open them and we look inside and then we say: "Oh, my God! How are we to survive on this?!" And then we throw them away and deny we ever saw them.' They both laugh heartily and do not seem to worry about their future pension, at least not on this summer afternoon.

A fisherman in Grisslehamn, a harbor-town in Roslagen, north of Stockholm, talks as if he would like to forget all about his pension, but is unable to do so. 'The Orange envelope comes as a reminder every year. So one can't forget about it or *not* think about pensions,' he says and goes on to tell me what he did *not* do as he was reminded about his pension this year: 'I had planned to go to the bank with my Orange envelope this year. Just to

get some advice and sort things out with them. But, you know, I honestly don't even know if I ever opened it. And I don't know where it is now.'

Reflecting on how people react to, and what they claim they do with, their Orange envelopes, I wonder if the act of throwing the envelope away may be thought of as a form of resistance or protest. Like voting with a blank ballot in an election in which none of the political parties appeal.

There is a new national pension system and because of the added individual responsibility the government has decided to send pension information to every citizen every year. The citizens cannot do anything about the envelope being sent to them; each of them will receive an Orange envelope in the mail every Spring. What they *can* do is to not open it or to throw it away. But the bright orange pension reminder is sent out the following year too, and trying to *not* think about the pension system is also an activity.

Concluding Notes and the Notion of Civis Economicus

Throughout this book I have explored Sweden's national pension system as a political technology that enables processes of depoliticization and responsabilization 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 technologies within the system were continuously being invented and implemented.

The construction of Sweden's national pension system is a compromise consisting of both a redistributational 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 contribution-based. 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 current national pension system is another 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 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 now been recast as apolitical concerns. The national pension system has, instead, been turned into a seemingly necessary scheme of social engineering seen to hover above political differences, public debate and democratic scrutiny. The 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. Increasingly the role of the state is to provide information and the possibility of new knowledge and skills to the citizens, while the novel role of the citizen is 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 shall briefly recall the main arguments of the chapters of this book.

In chapter two I situated the issue of public pensions within a political context by offering a brief historical setting of the general idea of pension as well as of pension systems as an important part of the development of the Swedish welfare state. This chapter also dealt with how the new national pension system was created. In chapter three my interest was focused on some of the particular technologies of the pension system design and of how these operate to divide and relocate responsibility and agency. I showed that numerical calculations and statistics effectively work to depoliticize the issue of pensions, in that they shift the agency of and responsibility for future pension levels away from the political sphere to a seemingly neutral sphere of intricate equations. I also pointed to how other technologies embedded within the construction of the pension scheme set off a dual shift in which agency and responsibility are simultaneously moved to each individual citizen in a process of responsabilization.

Chapter four aimed to shed light on how bureaucratic practices work to promote new forms of governance in what I have suggested might be called the managementality of government. I showed how the two government authorities in charge of the administration of different parts of the national pension system adopt, together and separately, practices more commonly used in corporate settings. These include, for example, accounting techniques, PR efforts and customer marketing surveys. The ethnographic examples I brought forward here were marketing research, accounting and a form of public relations and information campaign in which a government employed PR person travels around the nation teaching citizens how to invest in the financial market.

In chapter five I zoomed in on the state's main information tool focused on the Orange envelope as an instrument promoting new forms of governance. The chapter reveals how politicians and bureaucrats alike see the pension information sent out every year as an educational instrument that promotes messages of discipline and conduct from the state to every citizen. By opening up the Orange envelope and looking closely at its contents, I argue that it may be seen as aiming to teach the Swedish citizens the benefits of lifelong employment and of earning a regular and taxable income. The individual pension information further emphasizes the importance of saving money privately as well as conveying lessons about the advantages of learning how to become a profitable actor in the financial market.

There are several aims with this study. In particular, I have wanted to look at how and by whom the policy was created and shaped. I have also wanted to explore what the policy does, that is its performativity, by, for example, paying attention to how agency and responsibility are relocated by the design of the policy. A broader interest has been to begin to discern the altered roles of, and relations between, state and citizen that are brought about with such contemporary forms of governance in a market state.

By paying close attention to what people say and do at various sites in the trajectory of Sweden's national pension system I have tried to highlight how various technologies embedded in the design of the pension scheme enable the division and relocation of responsibility and agency and how the issue of public pensions has thus been depoliticized. I have also shown how the government bureaucracies, by adopting managerial and corporate tools, work to promote new forms of governance. By focusing on one new instrument of governance, the individual pension information sent out annually, I have attempted to shed light on a process of responsabilization and how one particular political technology is created and put to work with the purpose of educating and disciplining the population by 'the conduct of conduct' (Dean 1999:10; Gordon 1991:48).

My interest has been to explore the workings of politics in a market state. More specifically, I have wanted to study the new forms of governance that are being brought forward in a contemporary setting in which the logic, language and practices of the market are given increasing salience also within the realm of government. I have pointed to how a national pension system may be seen as a political technology constructed with a set of interconnected technologies that bring about processes of depoliticization and responsabilization. By viewing as transformers the different actors involved at various sites of the policy process, I have wanted to underline the transformative aspects of such new forms of governance where societal change is to be brought about by way of governmental attempts to shape the way citizens 'live, act and think', as Shore and Wright have it (1997:i).

Discursive Discrepancies

There is a noticeable discrepancy between how the politicians, experts, technocrats and bureaucrats talk about Sweden's national pension system and how the citizens, in a general discourse, talk about it.

The politicians seem pleased to be relieved of their agency and responsibility with regard to deciding about raising pension ages or altering pension levels. The technocrats of the pension system seem equally relieved and pleased with the fact that formerly political decisions about the national pension system have now been relocated to pension system technicalities designed by them. Politicians and bureaucrats see the fact that the citizens, under the current system, have increased agency and responsibility to see to it that they receive the kind of pension they expect, as a significant and transformative aspect of the new national pension system.

The citizens, however, seem reluctant to take on such a responsibility and many react, instead, with anger and frustration at having been handed it. My ad-hoc interviews with Swedish citizens suggest that people have, in fact, understood that there is a new element of individual responsibility in the construction of the current national pension system. Exactly what this means and what they can, should and are able to do to secure their financial situation in a distant future seems, however, not yet clear. The citizens of Sweden are reminded of their pension every Spring as they receive the Orange envelope with individual and detailed information about their future pensions. Many of the people I talked to say they disregard it, other say they confuse the government information with commercial advertising. Some express how they feel unsuited and ill-equipped to handle their new responsibility to take care of their own future pension. They react with anger and frustration at both politicians and the pension system. People say they feel cheated and that they are insecure, which leads to many of them resorting to saving privately in order to feel a sense of security with regard to their future pension.

The Contours of Civis Economicus

Ultimately the state is involved in 'making up people', in the sense that, in order to govern, it provides visions of those who are to be governed (cf. Hacking 2007[1986]; Hannerz 1992; Scott 1998). In the evolving gap between how the governing talk of governance and how the governed view it, the contours of an emerging new ideal citizen are taking shape. The makers and shapers of contemporary politics, elected politicians, their appointed experts, technocrats and officials in the state administration, seem to have a certain kind of individual in mind as they draw up the guidelines of social policy for a welfare state in transformation.

The notion of such an ideal citizen is, I suggest, constituted around economic theory's model *Homo Economicus* and carries assumptions of a natural and general human economic behavior. I propose to call such an idealized contemporary citizen *Civis Economicus*, thus emphasizing the focus on the state- citizen relationship in connection with the imaginary figure.¹⁹⁷ With such an ideal citizen as a model of the characteristics and capabilities of contemporary citizens, those who govern make their decisions as well as shape and sharpen their tools of governance. A key feature of *Civis Economicus* appears to be that he or she instinctively bases all life's decisions on economic self-interest. Such a citizen is, it seems, assumed to be motivated, and able, to seek knowledge and information, as well as to manage numbers and capital by the possibility of personal economic profit at all stages of life. A *Civis Economicus* is an entrepreneurialized and responsabilized citizen who makes so-called economically rational decisions based on self-interest all through life, whether they have to do with housing, child bearing, education, choice of partner, employment or retirement.

Civis Economicus might be said to resemble the 'ideal man or woman' that Richard Sennett (2006) has discussed. Sennett describes such an ideal human being as a rare and particular kind of individual who is capable of meeting the challenges of, and prospering in, the contemporary unstable and fragmented social conditions that are emerging. Sennett points to how superficial human relations and individual self-management signify such conditions, causing low levels of loyalty and trust as well as high levels of anxiety and insecurity.

Insecurity as Incentive

There is the general dilemma of having a social security system in which the insecurity of the citizens makes the system itself secure. In other words, constructing a national pension system as a self-regulating, closed financial system where nothing more than what is paid into it is paid out reverses the notion of security in the relationship between state and citizen. Where previously the state provided a sense of security for the citizens, the citizens now remain insecure while providing for the security of the state with regard to financing future pensions. Insecurity may thus be viewed here as a kind of life-long incentive to make citizens work, save and invest. As Richard Sennett asserts: 'Insecurity is not just an unwanted consequence of upheavals in markets; rather, insecurity is programmed into the new institutional model. That is, insecurity does not happen *to* a new-style bureaucracy, it is made to happen' (Sennett 2006:187). Seemingly reading the minds of some of the

¹⁹⁷ The notion of 'economic citizenship' was put forward by Saskia Sassen (1996) but relates not to the relationship between states and citizens but between states and corporations.

Swedish citizens that I listened to as they expressed their insecurity and feelings of distrust with regard to the constructors of the national pension system and the system itself, Richard Sennett asks rhetorically: 'How can you commit to an institution which is not committed to you?' (ibid.:196).

There are transformative and reproductive aspects of the ideal constructions outlined above. In other words, the governed subjects are likely to change in accordance with the ideal expectations being placed upon them. Paul Willis's now classic study, *Learning to Labour* (1977), of how a particular culture works to produce and reproduce class structures is just one example of an analysis of the construction of governable subjects. Willis's seminal work shows how British working-class boys produce and reproduce their positions in the working class. Instead of getting an education that will move them out of their working class, the school system is organized in a way that makes them learn to labor. Several contemporary studies have been conducted inspired by Willis's work. Kenway and Kraak (2004), for instance, have studied class-reproduction among young boys in Australia in the 1990s. And with the tools provided by Willis, culture-reproduction in US prisons has been researched by Nolan and Anyon (2004).

Clifford Geertz's reasoning about how a model *of* something may also may work transformatively as a model *for* something (Geertz 1973:87-125) is useful in studies of how ideal notions work to transform subjects towards such ideals. Garsten and Jacobsson (2004), along such a line of thought, have studied how a discourse of employability works both to establish the normative category of 'the employable individual' (ibid.:276) and to shape the way a person situated within such a category conceptualizes him or herself and to indicate what is expected of him or her. 'It requires adaptability, flexibility, learning capacity, and generally a reflexive attitude towards one's work, worklife and role in the labour market at large' (ibid.:277). Not far from the description of such an employable individual, but situated more generally within the global economy, is Garsten and Hasselström's notion of 'market man' (Garsten 2002; Hasselström 2003; Garsten and Hasselström 2004). Focusing on the construction of market-oriented human actors, they describe the construction and character of *Homo Mercans* as 'flexible, autonomous, self-reliant, and disciplined' (Garsten 2002:243). They suggest that *Homo Mercans* is seen 'as a model for thought and action in the global economy' (Garsten and Hasselström 2004:212).

In a similar line of thought, the new conceptualization of a market-minded citizen works as a model for thought and action with reference to the Swedish pension system in which each individual is to internalize and act upon insecurity and risk as well as assuming responsibility for his or her future pension. Such a model of the economically rational citizen – a *Civis Economicus* – that those who govern seem to have in mind does not always, it seems, rest quite as comfortably with the governed, the citizens for whom it is to be a model. At least not yet. But a transformation is under way. As we have

seen in this study, Swedish citizens do think about their pension and worry about how they ought to do something about it, and many do take precautions in order to feel secure about their old age.

Some people I talked to claimed that they did not trust politicians any more, some said they had little faith that they would receive any state pension in the future, some felt cheated, some were angry, some said they felt insecure. Such responses to the national pension system may be seen as reactions to a break in the idea of the welfare state. Where the welfare state previously gave the promise of future security, no such assurances are provided within the new national pension system in Sweden. The sense of insecurity and distrust, and the varying degrees of anger that many of the people I interviewed give voice to, may be interpreted as reactions to such a shift in the conceptualization of the welfare state.

New Forms of Resistance?

In the early days of the new national pension system, just in time for the very first mandatory choice of funds, a small group of people gathered in front of the Parliament to burn their Orange envelopes in protest against the new national pension system. Also during the Fall of 2000, a few scattered columnists published their critical views on the new pension scheme. Other than that, there has not been much public protest or demonstration against, or even critical discussion and debate about, the construction and implementation of Sweden's new national pension system.

People I talk to claim they no longer have faith in the government, they do not open their Orange envelope, they view real estate as a pension plan. Could these actions, or non-actions, and predominantly negative responses, be seen as forms of resistance?

Common forms of resistance are collective and coordinated actions such as the formation of unions, strikes, bans, demonstrations and protests (cf. Edwards 1979; Friedman 1977; Scott 1985). Other resistance strategies have been discussed such as, for example, 'indirect resistance' (Ong 1987) and 'everyday forms of resistance' (Scott 1985), and are actions that are typically individual and uncoordinated in character. As examples of 'everyday forms of resistance' Scott lists 'foot dragging, dissimulation, desertion, false compliance, pilfering, feigned ignorance, slander, arson and sabotage' (Scott 1985:xvi).

If, as Scott has argued (1985, 1990), varying forms of resistance reflect the conditions and constraints under which they are generated, new forms of governance might bring about new forms of resistance. As Jana Sawicki concluded already two decades ago, 'if relations of power are dispersed and fragmented throughout the social field, so must resistance to power be' (1988:185-6). Recent studies, within research of workplaces and employment, suggest that attitudes such as distrust, skepticism, cynicism and disloyalty may

be seen as forms of resistance (Belfrage 2008; Fleming and Spicer 2003:159; Garsten and Jacobsson 2004). In their research on governance and self-regulation in labor market politics, Garsten and Jacobsson put forward 'withdrawal of loyalty' (2004:281) as a type of resistance found at workplaces where the discourse of employability is strong. They show that people, in order to distance themselves from self-governance at the workplace, refuse to 'identify themselves with the desired characteristics of the employable individual' (ibid.).

Seemingly disparate actions such as buying private pension insurance, throwing away the Orange envelope unopened or cursing at the national pension system and the politicians who brought it about could, thus, be seen as specific and new forms of everyday resistance to Sweden's new national pension system. But if forms of resistance reflect the form of domination they resist, the irony is that some new kinds of resistance may target the governed subject rather than the governing power. An act of disobedience, or of lack of compliance, directed as a protest against political decisions may rebound on the resisting individual. Put simply and more specifically, resisting the responsibility for my own future pension does not affect the existence or construction of the national pension system; it might, however, affect my own life at a later stage.

When politicians, of parties from both Left and Right, reach settlements through negotiation and compromise and decide to 'take care' of their agreement over time, that is, to maintain the agreement no matter what other political differences might come up; when political agency and responsibility are relocated to the numerical inventions of technocrats and the life choices of each individual citizen; when the state informs the citizens that it is all up to them – and the nation's growth rate; when the actual individual financial effects do not show up for a decade or so, what, then, are 'the possibilities of subversion' to hand (Sharma and Gupta 2006:14)?

Back at the Bank

Thinking back to the young construction worker spending his lunch break at the bank, I realize that he must have just received his Orange envelope, and the 2000 issue at that. The learning process had probably just set off in him. He opened up the envelope, saw the numbers, read the information, became worried and bewildered. He realized that he himself was supposed to do something about his future pension, but he could not figure out from the government information sent to him what he should do to secure his financial status some 40 or 50 years ahead. The banks and insurance companies had at that time just begun to send out their commercial advertisements about the financial products they had to offer and the young man could not distinguish between the government information about the national pension system and

corporative attempts to get him to be a customer. Not knowing where to turn for advice about his new role as a citizen, he put the commercial advertising and the state information in one big colorful pile and went to the bank to get some financial advice and a sense of security.

New forms of governance and shifted directionalities of agency, responsibility and risk are now produced through processes and practices of neoliberalization at the nexus of statecraft and market-making. The promise of a secure future, previously issued by the welfare state, is gone; instead, there is an increased dependence on fluctuating markets, expert knowledge and responsibilized citizens. These are all factors that brought the young sheet-metal worker into the bank on his lunch break that day. I wonder if he has a steady job with a good, and taxable, salary. And I wonder if he has been able to begin to put away money towards his future pension and if he has been successful in his fund placements.

Further Research into the Unknown Future

Will the outcome of learning processes sparked off by the construction of the national pension system result in a population of rationally economic citizens? Will all citizens eventually act with self-interest towards financial maximization throughout their lives, basing all life's decisions on economically calculated grounds, and looking to profit from the cradle to the grave? Is, I wonder, the result of such social engineering in a market state total compliance? Or are there alternative responses to such new forms of governance? Will new forms of public debate, of protest, resistance or disobedience emerge to challenge the managementality of contemporary government?

The fieldwork of this study was conducted during the seventh year of Sweden's national pension system. The policy is, as this text is being written, not yet a decade old. Public education takes time. It is still too soon to study the outcome of the learning processes of a population. A decade is not enough when it comes to exploring societal transformations. It will be for future generations to research.

I wish for a long life. I want to see my children grow into adults and I would like to spend time with my grandchildren. Greedily I want many more years with the new-found love of my life. I hope to remain healthy for several more decades, and I would like to undertake a follow-up to this study focusing on emergent responses to the new forms of governance that have evolved during the late 1990s and early years of the twenty first century. If no one else has done it, I hope to do it myself in 40 years. I have not been able to save much yet in order to secure my future pension, and I still have no clue as to how to invest successfully in funds. So if I am still around when I am 87, I know I will still be working.

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