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Nordic egalitarianism at the face of evolving social risks

Abstract
This article relates growing social inequalities in the Nordic countries to evolving social risks in the era of globalisation. Vital redistributive arrangements in the Nordic model, and their underlying rationales, are challenged by profound structural changes. New social risks have emerged since the 1970s, stemming from destabilised family and labour market structures. The article considers theories that vary in emphasizing negative, but also positive (emancipatory) aspects of these developments. It adopts a critical realist perspective to delve deeper into the historical and ontological dimensions of social risks. Combining literature review and analyses of comparative data the article assesses how the Nordic welfare states are protecting groups in vulnerable positions such as single providers, their children, low-educated groups in the labour market and non-Western immigrants. As a window to probe the Nordic model’s bulwark protecting these groups, discussions are particularly centred on the situation in the aftermath of the 2007–2008 Great Recession. Results suggest that new social risks are evolving, primarily affecting the most vulnerable. While publicly funded

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education, previously crucial in social redistribution, has become less effective, the
Nordic countries still exhibit a relatively democratic distribution of precariousness in
the labour market, providing a sense of security even for unskilled workers. However,
non-Western immigrants continue to face a disproportionate risk of poverty, leading
to increased segregation.

Keywords: family, globalisation, labour market, new social risks, Nordic welfare model

Introduction

From the early 1990s and onwards, social inequalities in the Nordic countries have
risen at a rate that is modestly but yet notably higher than in other OECD countries
(Pareliussen et al., 2018). Although inequalities are still comparatively low, this
development has raised concerns about the Nordic welfare model’s longer-term ability
to maintain comprehensive redistribution in the era of globalisation and profound
demographic changes (Abrahamson, 2015; Kvist et al., 2012). The purpose of this
article is to discuss these challenges and how they relate to evolving social risks in the
Nordic welfare societies. Hence, this article argues that contingencies that have
become known as “new social risks” have evolved significantly during recent decades,
putting the late modern welfare state to the test.

The article starts by revisiting some of the foundational principles for redistributive
welfare policies to combat industrial social risks as adopted in European countries at
the turn of the 20th century. These principles, particularly important in the Nordic
countries, include a broad recognition of an interdependence of capital and labour as
well as of the deservingness of groups that are especially exposed to industrial risks. It
subsequently discusses how these principles may be gradually withering away in the
post-industrial social order, characterised by a destabilisation of labour market and
family structures. Theoretically, discussions of risks in late modernity are examined
and discussed through the lens of the metatheoretical perspective of critical realism2.
Using comparative data sources, the European Social Survey and Eurostat, alongside
a literature review, the article subsequently discusses if and how “destabilisation” is
passed on and reinforced across the post-industrial generations, and how these risks
are distributed across different groups in society. As a window to probe the Nordic
model’s bulwark protecting groups in vulnerable positions, discussions are particularly
centred on the aftermath of the 2007–2008 Great Recession. This choice is made as

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2 This critical realist approach primarily functions as a conceptional aids for interpreting
societal developments. In that regard, it should be mentioned that influential figures within this
theoretical perspective have objected to the very notion of a post-industrial society. Instead,
they prefer conceiving the changes as an intensified (international) division of labour (Sayer
& Walker, 1992). Furthermore, the empirical part of the article cannot claim to be grounded
in critical realist methodology. However, the methodological choice of considering patterns in
social risks during the time of economic crisis, leans on Bhaskar’s insight that “in periods of
transitions or crisis, generative structures, previously opaque, become more visible” (Bhaskar
quoted in Danermark et al., 2002, p. 104).
this socio-economic juncture clearly demonstrated the impact of economic globalisation (Lane, 2013).

**Background**

The year 2023 marked a significant milestone in the history of the welfare state, the 150th anniversary of the Verein für Socialpolitik (VFS). This German association, established in 1873, brought together economists, legal scholars, sociologists, and business owners. From the onset, the association produced a high number of discussion papers calling for social reforms to alleviate social risks caused by an unfettered industrial capitalism. These writings had a significant influence on Bismarck’s social reforms carried out in the 1880s, and which were soon spreading around Europe (Wehler, 1985). VFS’s analyses pinpointed a growing interdependence between owners of enterprises and workers. Laissez-faire economics, the economist Adolf Wagner (1871, p. 193) argued at a meeting leading to the founding of VFS, “weakens the desire to work, the interest of the workers in the flourishing of the business, the striving to save on the processed material and the work tool through careful use”.

To realise the workers’ full productive potential, the owners had an interest in their protection against the ubiquitous risks of work accidents, sickness, unemployment, etc. In a report concerning the need for national disability insurance, VFS-member, Fritz Kalle (1878, p. 655) outlined an important part of the rationale: “The worker who has the awareness that the first accident damaging his labour power can push him and his family down into beggars easily thinks that the moment must be devoted to enjoyment, since the future is an uncertain one.”.

In other words, by the means of social protection, one saw a potential for installing a new temporality among workers. Allowing them a more stable and predictable future, they were expected to develop an interest in the prospects of the enterprise and a corresponding work ethic. Although a cynical and harsh tone towards the working class at times, and the well-known concern for countering “socialist agitation” appearing numerous times throughout the VFS publications, one traces a certain understanding of the miserable situation of workers and their families. Hence, we notice how deservingness was gaining a foothold as an important driver of social reform. Indeed, as de Swaan (1988, p. 161) notices, during that period, social risks were increasingly construed as caused “by a loss of earning capacities or opportunities, devoid of any connection with the victim's character or walk of life”.

In the 1890s, spurred by the sweeping state-driven social policy innovation in Germany, Denmark, Norway, and Sweden introduced different social insurance programmes (Kuhnle, 1978). Finland, while also influenced by these developments, was somewhat slower, implementing its first social insurance programme in the 1910s. As in Germany, Nordic governments were of a conservative observation then (only in Denmark had social democrats gained representation in parliament), and introducing

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3 As regards quotations from all non-English sources, translation has been provided by the author.
these programmes clearly aligned with the interests of their constituencies, improving conditions for the dawning industrial economy (Baldwin, 1989). Among other things, enhancing social conditions resonated with Scandinavian employers’ vested interest in catering to an increasingly scarce workforce at the face of significant overseas emigration at the time (Senghaas, 1985, pp. 91–92).

Also in the Nordic countries, we notice how social security programmes were conceived of as a potential productive factor. For example, the Norwegian Ministry of the Interior presenting the proposal for the sickness, disability, and old age insurance argued that mandatory coverage of these programmes would spur workers’ self-direction and responsibility (Ormestad, 1948, 27–30). Likewise, the argument presented by the Swedish commission established to consider a compulsory social insurance system, was coined along the lines of promoting an interest among workers in upholding the emerging industrial social order (Rothstein & Trägårdh, 2007, p. 237). The Swedish state’s support of the expansion of union unemployment funds in the early 20th century were motivated by the expected positive socio-economic consequences in terms of maintaining effective demand in times when the economy slowed down (SOU, 1996).

The first half of the 20th century saw a further consolidation of the notion that capital and labour, beneath the overt conflicts characterising their relationship, were fundamentally interdependent. A way of understanding of workers having an important role in the economy also as consumers gained a foothold. Epitomised in industrialist Henry Ford’s “ideology of high wages” (Gramsci, 1971, p. 311), its underlying rationale was further entrenched through Keynesian economic policies, with comprehensive social security programmes playing a critical counter-cyclical role (Kaufman, 2012).

Particularly, the Nordic countries went to great lengths in institutionalising their political economy along these principles, with Finland, with its non-Keynesian, procyclical model, as the exception (Mjøset, 1993). Strong corporatist structures were established, with employers and workers developing “encompassing interests” (Olson, 1982). In this framework, negotiations were structured to ensure mutual respect for each other’s fundamental interests, fostering the development of compressed wage structures. Along with the relatively generous social security benefits, this arrangement was vital to securing a high degree of equality within the Nordic societies (Barth et al., 2015).

The idea of conceiving workers and other risk-groups as deserving subjects of social protection gained broad political support. As Kildal and Kuhnle (2005, p. 16) write on the development of universalism in the Nordic welfare states: “the categories of citizens with ‘undisputable’ legitimate needs for protection […] gradually expanded”. Hence, in line with Titmuss’s (1976) perspective on universalism, social benefits were largely regarded as “compensation […] for social costs and social insecurities which are the product of a rapidly changing industrial-urban society” (Titmuss, 1976, p. 133). The expansion of social services for families was driven by the belief that it would have wider positive impacts on society, with healthy and qualified citizens stimulating economic growth and productivity (Myrdal & Myrdal, 1934).

The purpose of this historical sketch is to highlight that the allegedly “solidaristic” welfare arrangements that were developed to benefit wide parts of the working population, also served a critical purpose in the Nordic accumulation regime, i.e., its
core model for growth and prosperity across the sphere of production and social reproduction (Mjøset, 2001). The encompassing social protection and institutionalised industrial relations were instrumental in strengthening the Nordic countries’ international competitiveness, and as such were an important part of the mode of economic growth of small, open economies (Katzenstein, 1985).

The 1970s marked the transition to a post-industrial social order. Beyond most workers now being employed in the service sector, this new era became characterised by a feminisation of the labour force and an accelerated internationalisation of the economy. The post-industrial transition coincided with a crisis in Keynesian economics. New supply-side economic policies were introduced. From around the 1990s, the internationalisation of the economy attained a global scale. It allowed companies to make locational decisions on an activity-by-activity basis; value chains could now be distributed across various companies, whether situated in the same region or overseas, with some of the stages potentially located on the other side of the globe (Nordic Council of Ministers, 2011). These processes entailed massive outsourcing of low-skilled jobs, causing a partial separation of markets from societies.

Compared with other European countries, during the 1990s and 2000s, the Nordic manufacturing sector saw remarkable sourcing of goods and services from suppliers abroad (Eurostat, 2019). Hence, the structural interdependence between capital and labour within the confines of the nation-state gradually deteriorated. With reference to Finland, Ali-Yrkkö et al. (2011, p. 368) contends that in this period “large corporations are detaching themselves from their original home countries and national institutions”.

Marking a dramatic step away from the interdependence rationale, in 1990, Swedish employers terminated centralised wage bargaining, and in 2007 their Finnish counterpart did the same. In Denmark and Norway, however, the centralised wage bargaining system remained in place. Yet, both countries, along with Sweden, saw slightly declining union membership rates starting around 1990 (Bhuller et al., 2022). Neo-corporatist practices and institutions persist in the Nordic countries, and this arrangement is still vital to the Nordic model but the modifications heralded a shift towards a more decentralised and fragmented bargaining system, with greater emphasis on local negotiations and individual employment contracts.

Workers were also using new possibilities for seeking work experience abroad in an emergent transnational division of labour. This trend was notably observable among Nordic workers (Harsløf & Zuev, 2022), while the Nordic countries have also received high numbers of job seekers, in particularly from Eastern European countries (OECD, 2012). These developments are also weakening the structural interdependence between capital and labour. For example, the interest of Nordic employers in making heavy investments in apprentices arguably declines when they can hire fully-trained workers from abroad (Brox, 2005). Moreover, the within-country recruitment of apprentices has been found to decline following increased competition from educated foreign workers, with the consequence of deteriorating capacities for vocational training (Brekke et al., 2013).

New social risks appeared, emerging from the interrelated destabilisation of labour markets and families. In large part, the Nordic countries spearheaded these
developments (Harsløf & Ulmestig, 2013; Sandstrom & Gardarsdottir, 2018). Labour markets became more knowledge-intensive, dynamic, and characterised by higher turnover (Bonoli, 2007). One manifestation of these dynamics was the surge in organisational changes adopted in public and private companies. Indeed, the Nordic countries have been exhibiting immense organisational changes, topping European league tables on most parameters (EuroFound, 2017). The nuclear family took a blow: family dissolutions, nonmarital cohabitation, and single parenthood rose (Popenoe, 1987). From declining union density pertaining to the sphere of production to growth in single-adult households in the sphere of social reproduction, individualisation increased.

However, critical realism, a perspective that will be elaborated on in the subsequent section, invites us to delve deeper into the historical and ontological dimensions of these risks. Whilst seemingly a story of decay, the rise in new social risks does not necessarily reflect a rise in underlying problems. Indeed, during the age of industrialism, severe problems of abuse and misery were hidden behind the factory gates or within the confines of the family home. To some extent, societal growth, more job opportunities for women and men, the gradual expansion of the welfare state, and cultural emancipation, allowed such hidden problems to manifest, and be attended to (Harsløf & Ulmestig, 2013). Hence, the emergence of new social risks also reflects the parallel emergence of new social opportunities.

Nevertheless, from the 1970s, new contingencies arose. These included in-work poverty, finding oneself with low or obsolete skills, school drop-out, work-life imbalances, and single parenthood (see: Bäckman et al., 2011; Lindberg et al., 2018). A critical property of these types of risks is their apparent individual manifestation. While old social risks were obviously related to circumstances that victims could do little to prevent (cyclical unemployment, sickness, old age, the death of a providing spouse, etc.), the new social risks generally lacked a “smoking gun”. Hence, victims of new social risks may more easily be construed as undeserving, while the measures that could potentially alleviate these types of risks may more easily be construed as encouraging moral hazard.

A critical realist perspective on evolving social risks in late modernity

In the previous section we alluded to the ambiguities lurking in the development towards a post-industrial social order, entailing both opportunities and risks, both emancipation and subtle subjugation. This section reviews some theoretical positions that put different emphasis on these aspects. First, however, it briefly sketches a metatheoretical approach set up to critically discuss these perspectives and tease out the central theoretical elements to be taken further in the analysis.

In recent years critical realism has become a popular metatheory, with its aim to relate observable events with more deep-seated, “real” structures (Sayer, 1992, 2000). In this perspective, the relationship between capital and labour that developed in the early 20th century, discussed in the previous section, can be theorised as a structure which generates a mutual interdependency conducive to the taming of social
inequalities. One promising approach within this school of thought is Jessop’s (2004) evolutionary perspective that relates gradual changes in structural conditions to the shifting articulation of social mechanisms. For the present analysis, such a perspective encourages us to abandon the dichotomous distinction between old and new risk in favour of a perspective that acknowledges the gradually changing dynamics that may complicate, reinforce or concentrate social risks, as the underlying mutual interdependence diminishes.

In an approach that resembles critical realisms’ line of reasoning, Offe and Hinrichs (1977) argue that when analysing why certain phenomena occur in society, it is not enough to demonstrate the interests underlying their persistence. One must also consider why certain societal phenomena do not encounter resistance or why the resistance they encounter is insufficient; it is necessary to investigate why reality “accepts” these phenomena. Following this logic, one may argue that social risks evolve and take new forms, as these developments do not obstruct the prevailing interest constellations and are thereby (partly) accepted.

Among scholars attending to the societal shifts occurring in the late 20th century, and the individualisation it brought about, sociologist Anthony Giddens probably articulated the most positive perspective. Giddens’s viewpoint suggests that the evolving social structures during that period were not solely restrictive or limiting to individuals but could be harnessed as forces for individual autonomy. In the increasingly volatile labour market, structural changes allowed individuals more agency to pursue careers and disrupt traditional and predefined employment trajectories (Giddens, 1991). Considering the fundamental changes in peoples’ intimate life, he emphasised the “pure relationship […] entered into for its own sake, for what can be derived by each person from a sustained association with another; and is continued only in so far as it is thought by both parties to deliver enough satisfactions for each individual to stay within it” (Giddens, 1992, p. 58).

Giddens hereby advocates a view that implies that the structural changes associated with late modernity and their impacts on people’s intimate lives are acceptable. More critically, fellow sociologist Zygmunt Bauman, emphasised how the fundamental insecurity entailed by the structural changes was “[…] penetrating all aspects of individual life – the sources of livelihood as much as the partnerships of love or common interests, parameters of professional as much as cultural identity, modes of presentation of self in public as much as patterns of health and fitness, values worth pursuing as much as the ways to pursue them” (Bauman, 2000, p. 135).

A central point in Bauman’s perspective is that the choices of individuals have

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4 This dialectical perspective resonates with Bhaskar’s (2014) emphasis on looking for what is “absent” in the given study context.

5 In a discussion of Gidden’s structuration theory, Bauman (1989) offers a critical argument that resonates with the tenets of critical realism. He finds that while Giddens focuses on how structural conditions in society often remain unrecognised by individuals, influencing their misfortunes in social life, one should rather consider the tangible, real-world conditions – the “zero-sum game” inherent in many societal interactions (like applying for a study programme in a situation of limited university places) where some individuals’ adversities are inevitable, irrespective of their awareness of these conditions.
wider social ramifications. Alluding to the dynamic “secondary effects” and “trickling down mechanisms” of individualisation he explicitly opposes Giddens’ optimism, pointing to the weaker groups, including children of disrupted families, losing out under conditions where individuals can act as free agents (Bauman, 2000, p. 90).

Although initially counterintuitive, it is possible to argue that individualisation entails an increase in the quantity and diversity of the social relations of individuals. A departure from traditional employment patterns characterised by lifelong tenure in a single workplace, as well as the growing potential for shifting between professions or areas of specialisation, generates an array of accumulated relationships such as those between present and former employers, colleagues, collaborators, customers, professional networks, and associations etc., just as the post-industrial family dynamic is likely to foster novel and varied social relations, that may include former partners, acquaintances of ex-partners, former in-laws, stepchildren, and stepparents.

The dynamics within these domains reinforces each other, as job changes may necessitate a change in residence, in turn, impacting the family, while changes in family life can affect one’s work life and so forth. Forces subsumed under the notion of globalisation adds further complexity in terms of transnational work and family commitments. Importantly, the effects of individualisation extend beyond the proliferation of personal relationships, generating an abundance of institutional ties linking the individual to a complex network of social systems. In critical realist terminology, a great deal of such relationships can be referred to as “necessary” or internal, in the sense that one position in the relationship is dependent on the other and vice-versa (Sayer, 1992). In Bauman’s (1989) terms they can be considered as (often asymmetric) networks of dependencies. Being material social relations, they are exerting causal powers. Co-parenting ex-partners have legal and moral obligations that tie them together. Obligations among ex-employers-ex-employees may involve pension rights, non-disclosure or non-solicitation agreements but also the possibility of continuing collaboration, obtaining a valuable reference for a future employment, and so forth.

Ulrich Beck situated the rising new social risks in wider discussions about the risk society (Beck, 1986). A central claim in Beck’s approach was the penetrating force of risks across all strata of society. Short spells of poverty and unemployment are becoming challenges for an expanding range of social groups (Beck & Beck-Gernsheim, 2001). In his treatment of the post-industrial, flexible, labour market, Beck (1999) pointed to a “democratization of risks”; the destabilisation of the labour market, he argued, created insecurity across all layers of society. Also in peoples’ private lives, he argued, risks that were once confined to specific groups of people are now distributed in multiple spheres of life and social groups, as a result of the erosion of traditional sources of stability and security, such as family, community, and religion. Beck’s democratisation thesis has been criticised for neglecting the enduring class-based inequalities (Rasborg, 2022). However, this line of criticism may partly be missing the mark. In essence, while pointing at growing inequalities, his argument is that reflexive modernisation blurs the perception of social classes (Beck, 1997).
Methodology

In this article, we explore trends in new social risks using a combination of a literature review and the analysis of international datasets. Regarding the latter, to provide a comparative perspective, a number of European countries were selected in addition to the four large Nordic countries. Hence, in the proceeding analyses, also the United Kingdom, Germany, France, Spain, Portugal, and Czechia are included. Combined, this selection includes a variety of welfare state models.

Data from the European Social Survey Round 5 (European Social Survey European Research Infrastructure, 2018) is used to assess labour market risks. Fielded in 2010, this round included the module “Work, Family and Wellbeing”, from which questions on various aspects of job security were used, as well as information on single parenthood. Using this round is of particular interest, as it concerns living conditions in Europe in the immediate aftermath of the 2007–2008 Great Recession, with several retrospective questions specifying a reference period of 2007–2010 (depending on the date of the interview).

We identified single parents by combining the following information: respondents living with at least one person under the age of 18; having replied that they live with their own children at home; and having replied that they do not live with any husband, wife or partner. This way of approaching the issue of destabilised family structures cannot catch the group who have formed new families. However, from existing Norwegian research (Breivik, 2008), it has been found that living with step-parents does not reduce the risks of being a divorced child, and it is these risks that we will focus on in this study.

With the same data, a variable was constructed using information on employees’ perceived risk of losing their current job (a four point scale, which we dichotomised), whether their job security had deteriorated during a reference period of three years, i.e., the crises period of 2007–2010 (dichotomous), and whether special effort they put into their job was, in part, motivated by wanting to keep their job (two questions concerning primary and secondary reasons for putting effort into one’s work, transformed into one dichotomous variable). Moderate positive correlations between the three variables are presented in Appendix Table 1, suggesting a relationship without complete overlap. With this composite variable, an analysis of variance was conducted to determine the relative precariousness of unskilled workers (using the ESS-syntax provided by Tawfik & Oesch, n.d.) compared with the remaining group of respondents in paid employment.

The post-stratification weight was used in the analyses of ESS to reduce the impact of nonresponse error. Eurostat’s statistics on income and living conditions (EU-SILC), 2019, was used to assess how the risk of poverty (measured as having a disposable income below 60 per cent of the median level) for different groups in the above selection of countries.
Combining literature review and data analyses, this section points at how new social risks have further evolved in the Nordic countries, with some comparison with a selected group of other European countries. It considers the broad notion that under the post-industrial social order, risks are spread more evenly across social groups.

Considering the literature, there may be a reason to question the democratisation thesis as predominant in post-industrial family life. Rather, the literature demonstrates how social risks are increasingly concentrated among children of separated parents. A Danish longitudinal study of time use (Fallesen & Gähler, 2020), found that single parents and parents in stepfamilies spend significantly less time on developmental activities, such as engaging in conversations, reading, and playing with their children. The study controlled for factors likely to influence selection into family type. A Norwegian study revealed that this group of children received less cognitive stimulation concomitant with skill development (Breivik & Olweus, 2006); demonstrating that children of divorce were exhibiting significantly poorer outcomes as regards school achievement. The study also found that divorced children have more frequent changes of schools, showing how individualisation is indeed a social process that multiplies and complicates personal and institutional relationships.

Furthermore, the authors pointed to this group of children being more likely to develop a range of internalising and externalising behavioural problems. This group was found to be significantly more likely to adopt unhealthy behavioural dispositions, such as the use of (illegal and legal) drugs and tobacco. While lower school achievement is likely to be an ever-larger impediment as the knowledge society unfolds, such health dispositions may add to the burden, as exhibiting a seemingly healthy lifestyle has been found to be an ever more salient symbolic quality in the post-industrial labour market (Harsløf et al., 2022).

Of particular interest for the present review, through a metanalysis, Breivik and Olweus found that the Norwegian welfare state, despite its comprehensive provision of services in cash and in kind, did not exhibit lower differences between children of divorced and nuclear families than those prevailing in a liberal welfare society such as the US. In fact, regarding disadvantage in terms of lower academic achievement, the effect size was 33% higher for Norwegian divorced children, than their US counterpart.

Secondly, one can argue that risks are not democratised as social class is significantly affecting risks of family separation. A longitudinal Danish study (Hjern et al., 2021) documented how both parental educational level and household disposable income prior to the birth of the child were strong predictors of separation eleven years later. A Swedish study (van Houdt, 2023) documents how the consequences of separation are also more severe for families of lower social classes, considering more frequent post-separation moves, longer distances between parents, and more shifts from home ownership to rental housing. However, the study also showed that higher social classes experienced larger relative downgrades of housing conditions. The author interprets this fact as indicating a convergence between post-separation families of different class backgrounds – which we can take to support the democratisation thesis. However, her overall conclusion remains that families from lower social classes still face more
significant housing disadvantages in the aftermath of separation. The prominence of social class is an example of how new social risks are evolving; marital instability which in previous decades predominantly affected the higher educated, is now most prevalent among the lower educated (Esping-Andersen, 2013). In Breivik and Olweus’ (2006) Norwegian study, children of divorce had fathers with significantly lower education than children from intact families, but the difference concerning the mothers was not statistically significant. Comparing Sweden to continental European countries, Blossfeld (1993), identified the same pattern, pointing to Sweden having reached a stage where divorce has become normalised to the extent that it trickles down from the higher to the lower educated.

Thirdly, and interesting in respect to how new social risks evolve, the offspring of divorced couples have a higher risk of divorcing themselves (Amato & Patterson, 2017). Again, research demonstrates how welfare state spending does not prevent such intergenerational divorce transmission (Härkönen & Dronkers, 2008). This fact, again, points at how social risks are gravitating towards disadvantaged groups. This gradual change in risk structures is further related to processes of globalisation and immigration. A Swedish study found that non-Western immigrants had elevated risks of divorce and were generally exhibiting high “churning rates” in the sphere of family life (Andersson et al., 2015). Another study found Swedish children of divorced immigrant families more at risk, with less contact with their fathers, and also economic risks due to lacking alimony payments etc. (Kalmijn, 2015). Further adding to the severity of the problem, a Danish study pointed out how the ethnification of the social risk of lone parenthood has entailed a changed construction of the group, now being considered as less deserving of social protection, and subjected to more restrictive control by the social authorities (Jørgensen, 2018).

Figure 1 presents the results from a series of linear regression analyses, considering single parents’ exposure to risk of experiencing income deterioration during the 2007–2008 Great Recession. The analyses have been run separately in each of the Nordic countries, and in our European comparative cases. The outcome measure is a subjective variable on experienced economic situation, and as such, needs to be considered as only taping into relative aspects of deprivation. Moreover, when comparing results across the countries, one needs to be aware of intricate selection processes that are likely to play out (for some groups the knock-on effect of the crisis may have discouraged people from forming single parent households, while it may simultaneously have forced others into them). However, the figure suggests that, except for Finland, the Nordic countries have not provided a particularly secure economic buffer for the single parents-risk group during the turbulent years of the crisis and its immediate aftermath.

The literature generally praises the Nordic countries for their abilities to tackling new social risks. It has emphasised their investments in universal, educational services (free college tuition, student grants, subsidised loans, and the like), to prepare citizens of all social strata for the dynamic and knowledge-intensive world of work (Timonen, 2004; Mjøset, 2001). However, research from Denmark and Norway indicates that in recent years, the very investments themselves have had little effect on social mobility (Heckman & Landersø, 2022; Carneiro et al., 2015).
Again, what we seem to be witnessing is the evolution of social risks. Hence, while welfare state investments in higher education were instrumental in redistributing life-chances for the post-war generation, starting with the cohort born in the 1970s – the first post-industrial generation – this mechanism seems no longer effective (Heckman & Landersø, 2022). Several countervailing mechanisms may be relevant. First, societal disparities of importance for children and young peoples’ accumulation of resources necessary for skill development are growing. We are witnessing an increasing neighbourhood segregation, meaning that children of the same background will increasingly be socialising primarily with others who share their cultural, ethnic, or socioeconomic characteristics (Andersen et al., 2016).

Second, this trend is reinforced, in particular in Denmark and Sweden, by middle-class parents preferring private schools. In these countries, enrolment in private schools has grown dramatically during the two recent decades, in 2020 reaching a level of 28% and 19%, respectively, bringing both countries above the OECD average (OECD, 2020). Finland and Norway have much lower levels of private school attendance (both countries about 4%). Yet, regional differences are significant, in Norway being 16 times as high in the big cities of Oslo and Bergen, compared to the most peripheral county, Finnmark (Gunnulfsen & Møller, 2021). In Finland, the still predominant role of public schools is diverting competitive pressures into growing school catchment area segregation (Bernelius & Kosunen, 2023). Adding to this picture of parents investing more in their offspring’s competitiveness, evidence suggests that a sector of private tutoring (so-called “shadow education”) has been expanding during the recent two decades, in particular in Sweden and Denmark, and moderately in Finland (Bray, 2021).

Now, we move our attention to the labour market. Are risks in the labour market equally distributed along educational divides, as expected by the democratisation
thesis? To assess how different groups of workers are affected by instability in labour markets, under the special conditions of the Great Recession, again ESS Round 5 data was employed. We observe that perceived precariousness is relatively low in the Nordic countries compared with European countries representing other welfare models. Among the Nordic countries, perceived precariousness is highest in Denmark. Indeed, Denmark has relatively lax employment protection, something which is likely to explain this finding (Nordic Council of Ministers, 2011). Perceived precariousness is highest in Czechia. When we consider the relative degree of precariousness felt by the group of unskilled workers, the Nordic countries appear to be shielding this group against experiencing particularly strong risks. Finland is the country with the smallest difference between the skilled and the unskilled. That said, countries representing other welfare models, France and the UK, exhibit differences in this regard that are not much larger. Portugal and Germany stand out as countries with relatively high differences between these groups of workers.

**Table 1.** Perceived precariousness (composite variable ranging from 0–3) among skilled and unskilled workers in ten European countries. Mean and Standard Deviation.

<table>
<thead>
<tr>
<th>Country</th>
<th>Workers’ type</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czechia</td>
<td>Skilled</td>
<td>1.54</td>
<td>0.94</td>
</tr>
<tr>
<td></td>
<td>Unskilled</td>
<td>1.84</td>
<td>0.91</td>
</tr>
<tr>
<td>Germany</td>
<td>Skilled</td>
<td>0.80</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>Unskilled</td>
<td>1.26</td>
<td>0.83</td>
</tr>
<tr>
<td>Denmark</td>
<td>Skilled</td>
<td>0.62</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
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Source: European Social Survey, Round 5. N = 8,253. “Skilled worker” in this analysis denotes all occupational groups except the “unskilled” group as specified in Tawfik and Oesch’s (n.d.) 5-class schema.
Finally, we consider the notion that new social risks are gravitating towards more vulnerable social groups. The underlying idea is that these risks evolve as changes in labour market, family and processes of globalisation increasingly intersect. Figure 2 plots risk-of-poverty rates for citizens and non-citizens from countries outside Europe, as well as the ratio between the two groups. We notice how non-citizens in Sweden are the ones in our analysis carrying the highest risk of living in relative poverty, while patterns for Norway, and to less of an extent, Finland and Denmark, are alike. Again, the figure points out how new social risk-groups are not particularly well protected in the Nordic welfare states.

Even more than in our previous analysis of single providers, very strong, country-specific, selective processes are likely to lie behind these patterns. In Sweden, the group of non-citizens from outside Europe is predominantly people having arrived as refugees or through subsequent family reunification, while in countries such as the UK and Portugal, a much larger proportion is labour migrants (Pareliussen et al., 2019). However, this fact does not counter the observation that the Nordic welfare model displays overt patterns of inequality in how social risks are affecting different groups of the population.

**Figure 2.** At-risk-of-poverty-rate by citizenship, 2019. Per cent (left axis), Ratio (right axis)
Source: Eurostat 2019; own analysis

**Conclusion**

From the outset the Nordic welfare states were predicated on a structural interdependence between capital and labour. Employers and business interests saw a need to invest in the protection of workers against industrial social risks. Among central societal actors, there was an awareness that alleviating social risks across the sphere of production and social reproduction was fundamentally beneficial to the achievement of societal growth and productivity. People who found themselves facing
industrial risks were largely regarded as deserving compensation, as their risk exposure was conceived as integral to an accumulation regime, delivering growth, and prosperity.

The gradual separation of markets from society occurring along the process of globalisation and post-industrial development, partly undermines this idea of interdependence. In important respects, the institutions that had been set-up to foster a constructive relationship between capital and labour were abandoned, although this pattern did not apply across the board in the Nordic region. To put it somewhat simplistically, in the early 20th century, dominant interests made considerable efforts to improve the social conditions of the working population, as it benefitted the industrial economy. However, in the post-industrial era, it appears that interest groups are more willing to “accept” the accumulation and reinforcement of social distress among certain at-risk groups.

Hence, the structural changes occurring around the 1970s gradually changes the game, as new risks appear that are harder to attribute to the conventional social risk antecedents. This article has argued that in the subsequent decades, these new social risks have continued to evolve, further exacerbating social inequalities.

In family life, divorced children seem to face a disproportionately high risk of disadvantage in the post-industrial society. Despite the presence of generous benefits and services, this group struggles to find adequate protection against these risks. Their exposure to a wide range of challenges parallels those faced by children of divorced parents in the United States, an otherwise completely different welfare setting. In particular, they are vulnerable in terms of achieving competencies needed in a knowledge-intensive and competitive post-industrial economy.

The sudden eruption of global economic forces, as witnessed with the Great Recession, captured Nordic single-providers, with the exception of Finland, in (relative) economic hardship, close to what was experienced in European countries approximating other welfare models. The growing intersection of family disruptions with low-education and immigrant background is also a critical issue, as it concentrates and perpetuates marginality. The ethnification of social risks, in itself, may entail that the group loses out also symbolically when it comes to perceived deservingness, as suggested in some research reviewed in this article.

The role of publicly funded education as a vital catalyst for social redistribution seems to have diminished. Studies from Denmark and Norway indicate that it is primarily the children of the middle-class who reap the advantages of universal educational services. Moreover, disparities in educational achievement are perpetuated by factors such as housing and school segregation, enrolment in private schools (in Denmark and Sweden), and, as a relatively new trend, parents’ personal investments in “shadow education” to enhance their children’s competitiveness.

When we consider developments in the labour market, the picture changes slightly. Here, the Nordic countries do exhibit more “democratic” distribution of precariousness. Hence, unskilled workers are to a large degree shielded. It seems likely that the still relatively strong unionisation and the availability of relatively generous social benefits contributes towards Nordic workers’ sense of security. In other words, the notion of the Nordic model as offering “decommodification” may still be valid (Esping-Andersen, 1990).
Considering the risk of poverty, we observe that this is disproportionately concentrated among Non-Western immigrants, a pattern seen most clearly in Sweden. As already mentioned, this disparity may have implications for ideas of deservingness, and is likely to amplify processes of segregation on a wide range of arenas.

Across the period discussed, significant variations exist among the Nordic countries. Finland, owing to late industrialisation, limited overseas emigration, and its distinct turbulent modern history, diverged from the initial pattern observed in the other nations. In our review of later developments, we also note how the countries exhibit different social risk patterns. A critical realist approach may encourage us to regard some of these differences as merely distinct expressions of the same underlying structures. This could be the case concerning various drivers of social inequality. According to the reviewed literature, in Sweden and Denmark, such a driver may be the growing divisions into public and private schools, whereas in Finland and Norway, the same inequality generating mechanism may be channelled through the housing market (in the form of competition for housing in the right catchment area). In Denmark workers have been exposed to the highest degree of labour market risks in the aftermath of the financial crisis. Sweden is seeing the most dramatic development in inequalities, and also inequalities that are most conspicuously concentrated on immigrants.

Yet, to sum up in a general vein, new social risks are indeed evolving in the Nordic countries. First, disadvantages are reproduced and aggravated across generations, in the sense that the offspring of those hampered by new social risks are even more prone to encounter them themselves. Second, risk factors that in previous decades predominantly affected the middle-class, are now gravitating towards the lower educated. And the mechanism which in the past allowed people from lower educated groups to elevate their social status through access to free education is now appearing less effective. Finally, we observe, in line with Bauman’s argument, how different structural drivers of new social risks are intersecting, and their degree of complexity is aggravated. The most noticeable example is how they are intersecting with transnational dynamics, as represented with migration flows, leading to large groups of migrants living at risk of poverty.

In terms of international standards, the Nordic countries still stand out as comprehensive, and, on many metrics, successful welfare states. They are maintaining large public sectors, spending considerable amounts on social services and benefits, demonstrating their commitment to alleviating social risks, old as new. However, from a policy perspective, the observations highlighted in this article carry important implications. Hacker (2004) argues that when faced with more complicated social risks, the welfare state may be less capable to meet its goals of solving social problems – even when upholding the same level of output. The evolving nature of new social risks and their growing interconnectedness may contribute to policy drift. This implies that policies designed to address specific social issues may gradually deviate from their intended goals or become less effective over time. Hence, there is a need to substantially rethink social policies in the Nordic model to hinder growing social inequalities in the years ahead. Of utmost importance is the implementation of measures to reinstate the mechanism of social redistribution through the educational system, considering supportive social services for groups struggling to keep pace.
Acknowledgements

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Appendix

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** = significant on 1% level

References


