

## **The Great Risk Shift: The individualization of economic and social life in Australia**

### **Introduction**

The workshop was held at The University of Queensland on December 2-3, 2008. It was opened by Professor Cindy Gallois, Executive Dean of the Faculty of Social and Behavioural Sciences, who welcomed the participants to the University and Brisbane.

The workshop brought together 17 participants drawn from a range of social science disciplines and universities in Australia. The disciplines represented included philosophy, demography, economics, history, sociology, social work and anthropology. The interdisciplinary approach was designed to encourage a more comprehensive assessment about the extent and nature of social and economic changes in Australia.

The objectives of the workshop were to: (1) critically examine the thesis that Australia is undergoing a 'great risk shift' from collective responsibility to individual risk management; (2) explore the social and political consequences of institutionalising individualism in various social and public policy fields; (3) consider the value of alternatives to individual risk management approaches (4) and foster debate and interdisciplinary engagement among social scientists about the dynamics of economic and social risk.

Where possible papers from each of the participants were circulated before the workshop to allow participants to read the papers and allow more time for discussion.

### **Rationale**

Over the last fifteen years, an expanding social science and popular literature has examined social institutions in terms of the way in which they manage and allocate risk of various kinds. Traditionally, the social-democratic welfare state has been viewed as a set of institutions for the social management of risk. State funded unemployment benefits and public health systems, for example, have been seen as ways of sharing or pooling risks that may affect members of society over the course of their lifetime. Extending this analytical framework, measures to redistribute income and wealth have been seen in similar terms, as sharing the risks associated with accidents of birth. There is considerable discussion in contemporary social theorizing and in social commentary about a profound change in these institutional arrangements, in particular the individualization of collective responsibility for managing risks and insecurities (Beck, 1992 and Beck and Beck-Gernsheim, 2002).

The main thrust of the 'individualisation' thesis is that the social order provided by the post-war welfare state, the traditional family and stable and secure work is in decline (Jamrozik, 2005) and is being replaced by an ethos of '*leading a life of one's own*' where risks and responsibilities are borne by individuals (Bessant, Hill and Watts, 2002). The central neo-liberal economic argument in favour of such a transfer is that individuals are best qualified to judge their own circumstances and should

therefore be free to choose their own risk management options. Critics of the neo-liberal approach have argued that, in practice, corporations and their senior managers have avoided risk by transferring it to individual workers and households. The institutionalisation of individualism through contemporary social and economic policies raises interesting and important questions for the social sciences.

Some writers (Beck, 1992 Hacker, 2006) have seen this 'great risk shift' as heralding a fundamental transformation of society. Others (Pierson, 2002) have pointed to the resilience of the welfare state, noting the persistence of most of the main institutions developed during the social-democratic era (public health and education systems, pensions and other forms of income support and so on) and the absence of any sustained decline in the ratio of public expenditure to national income. Finally, a variety of new proposals for risk management have been put forward, often seeking to combine the strengths of social-democratic and neo-liberal approaches. These include schemes based on loans with income-contingent repayment (Chapman, 2006), grant-based proposals and financial innovations (Ackerman, 1999).

## **Proceedings**

The first day began with some reflections on historical changes in the welfare state (John Murphy), shifts in economic thought in Australia (John Quiggin) and considerations about demographic changes in Australia and what these mean for managing risk and uncertainty (Peter McDonald). The discussion that followed these stimulating papers focused on the need to be specific about the national context when discussing social theories of risk. There was also a note of optimism in the discussion about economic policy, in terms of whether the risks generated by the global financial crisis would present opportunities to rethink various forms of collective responsibility for social and economic risks.

The second session shifted the comparative perspective from history to some cross-national comparisons. Developments in the UK and the USA in terms of retirement policies and superannuation were discussed, following presentations from Howard Karger and Myra Hamilton. Both these papers made the point that the embrace of an economic self-reliance discourse is less pronounced in Australia, although in some areas of social policy, such as superannuation and unemployment policies there is greater convergence.

The third session of the workshop sought to get beyond policy and politics and consider the philosophical questions associated with the push for greater autonomy and self-provision. Catriona Mackenzie outlined two competing conceptions of autonomy, one concerned with relational autonomy and the other with 'maximal choice' autonomy – a view that equates individual autonomy with the satisfaction of subjective preferences and assumes that autonomy is best promoted by maximising the range of choices available to individuals and minimising regulatory and other forms of constraint on individual choice. Jeremy Moss highlighted the contradictions in the embrace of individualism by neo-liberal governments. In terms of a case study, he argued that drought-relief assistance is far less conditional than the receipt of the unemployment benefit. And that this is the case because of the different way in which we assign responsibility for luck and misfortune. Both these papers presented

persuasive arguments about the limitations of autonomy as it is conceived within neo-liberalism and neo-conservatism.

The first day ended with an open discussion session where participants reflected on themes from the earlier presentations. During this session there was some agreement about the need to be cautious in using a risk discourse to describe contemporary social and economic change. Part of the reason to be cautious is that some of the discourse about new risks associated with technological change and labour market restructuring are not that different to the old risks, which were the subject of welfare state regulation in the post-war period. Another reason to be cautious is that a focus on risk can quickly turn into a discussion about 'risky individuals', which is a discourse that potentially deflects attention away from the factors that generate risks (such as segmented labour markets or environmental degradation).

The second day began with a discussion about the ways in which different social disciplines approach the questions of risk, ranging from technical calculations bound by rational thought where risks are understood as real events or dangers to sociological approaches where risks are mediated by social factors. There is also the constructivist position, which understands risk debates as something that might occur without any substantial relation to a real world.

The conceptual discussion was followed by a consideration of individualism within different social policy fields. Leesa Wheelahan presented a paper on equity in higher education. One of the themes in the paper is that human capital talk conceives of access to education in terms of individual attributes, which can have the effect of disguising class differences in educational outcomes and promoting the economic value of education at the expense of non-vocational benefits. Barbara Pocock presented a paper on what is happening to the labour market and the associated insecurities generated by precarious employment for low-income workers. Barbara made the point that contemporary labour markets are major risk generators for large parts of the population. Jon Altman discussed the mainstreaming of economic risk in remote-living Indigenous communities through the encouragement to abandon CDEP schemes and community housing in favour of home ownership and jobs in the 'real economy'. Jon made the argument that individuation is by no means the only response to the contemporary needs of remote-living Indigenous Australians. There are a range of other responses including 'hybrid economies'. One of the interesting conclusions reached in the paper is that homogeneity and normalisation processes are themselves risk-generating. In another social policy field, Greg Marston presented a paper on the contradictions within welfare-to-work programs aimed at the unemployed and other income support groups. The discussion focused on the way in which the political discourse around welfare-to-work is couched in terms of individual self-reliance through labour market participation, while the policy implementation undermines people's self-determining capacity.

The next session on day two focussed on the social sciences and risk management. The aim of this session was to consider how risk is being researched, how risk is being transferred to non-state actors and the role that technology is playing in risk management. Catherine McDonald presented the paper on the changing relations between non-profit community organisations and governments through a case study of child protection policy in Victoria. Her analysis highlights the dangers involved in

risk transfer in terms of accountability and transparency. Rob Watts presented a paper that opened up what he called a 'reflexive space' in the workshop program to think about the role that the social sciences have played in perpetuating a certain form of hysteria and categorical thinking about risk factors and groups in society, such as young people. Rob's paper makes the argument that 'at risk' descriptions can take on a life of their own and lead to all sort of misrepresentations. In his paper Paul Henman considers the role of non-human actors in managing risk, that of technology, which has increased the capacity for surveillance and monitoring of populations. Paul discussed some of the dilemmas of using risk management technologies, including their capacity to reduce complex social phenomena to a statistical score.

The final session of the second day moved the focus towards policy approaches that might better fit the conditions of late modernity and the transitions that people face. Bruce Chapman presented a paper on how income contingent loans could be used in other social policy contexts beyond higher education to allow people greater security, while not exposing them to the risks of borrowing money in conventional financial markets. Brian Howe presented a paper on designing labour markets and social policies to meet the needs of modern lifestyles where people are making multiple transitions in and out of the paid workforce. His paper discussed this with reference to the concept of transitional labour markets as advocated by Professor Gunther Schmid of the Social Science Research Centre in Berlin. Transitional labour markets are receiving increasing attention in the European context, where the importance of promoting a lifecycle approach to work is being given some prominence. The aim is to promote both flexibility and security through a less rigid labour market and welfare state system of financial support.

The workshop concluded with some general discussion about the need to continue the conversation between disciplines on the extent to which Australia is experiencing a risk shift and that there needed to be more debate and critique about the extent to which these developments are in the public interest.

## **Outcomes**

The papers from the workshop will be published in a book edited by Greg Marston, Jeremy Moss and John Quiggin entitled *Risk, Responsibility and the Australian Welfare State*. The book will be published by Melbourne University Press in 2009. The organisers and participants would like to thank the Academy for their financial support.