

Diana Auth, Florian Blank, Michaela Schulze

## 20 Years of Social Investment:

## Empirical Evidence and Future Perspectives

### 5th Doctoral Workshop of the German ESPANet Section

University of Applied Sciences Bielefeld, Conference Area, 22nd-23rd of February, 2018

The fifth doctoral workshop of the German ESPANet Section was organized in cooperation with the Research Institute for Societal Development.

Within two days at the end of February, the 5th international doctoral workshop of the German ESPANet section discussed the topic of “20 Years of Social Investment”, especially the empirical evidence and the future perspectives of this social policy approach and of the related social policy research. Participants looked at social investment as a policy on the one hand and as an analytical tool on the other hand.

#### 20 years of social investment

Social investment related policies and research now exist for about 20 years. This development started in the middle of the 1990s when institutions such as the OECD and the EU started to rethink social policy. Neoliberal supply-sided and cost-oriented measures seemed no longer an adequate measure to reach the economic and the welfare goals, and the way back to Keynesian demand-oriented, passive and redistributive social policies also did not appear attractive to these institutions. New forms of social risks – such as in-work poverty, lone parenthood, long-term unemployment or precarious work – emerged. They required new forms of social policy. Furthermore, family forms and gender roles are changing, and demographic change, especially the ageing of Western societies, has been breathing down the welfare states’ necks.

#### Principles of the new paradigm...

Within this socio-economical context, social investment policy was born. Instead of just cutting expenses and benefits, this approach stipulates that welfare states should use resources in a more productive manner – as investments in the human

capital of children, mothers and long-term unemployed, but also of all other employees and those who could become labor market participants. Human capital and capabilities should be enhanced and increased – now and over the life course.

To increase productivity and economic growth and to secure the welfare states’ financial fundament, social policy should focus firstly on high fertility (that means reconciliation of work and family, parental leave and childcare institutions), secondly on education (starting with early childhood education up to life-long learning) and thirdly on the increase of labor participation (especially of mothers, older people, low-skilled workers and the unemployed). One can expect positive effects of this policy such as poverty prevention, decent jobs, gender equality and a well-developed social services infrastructure. This line of argument seems to provide multiple win-win-situations.

#### ... and its critics

Despite these positive aspects, some researchers have formulated criticism. Feminists have argued that care work as such does not play any role, is undervalued and women are “economized” as a part of the workforce. Others have noted a middle-class bias of the investive policies since the middle class benefits most of them. This is the so-called “Matthew Effect” Bea Cantillon has addressed some years ago. Another line of critique problematizes the overarching goal of social investment: economic growth. There are other, more normative or traditional welfare goals, such as social justice or fairness that are also legitimate objectives. With respect to the actual



realization of social investment policies, it should be noted that in times of austerity, welfare cuts mostly hit minimum-income protection and unemployment benefits, while social services stayed untouched or even expanded. The losers of these reforms are often the long-term unemployed, lone mothers or other disadvantaged groups who are then forced to take every job – those jobs are often of low-quality, low pay and low social security, they are precarious, the opposite of decent work investive social policy originally stands for. The “buffer”-function does not work – to use the words of Anton Hemerijck. The problems that austerity policies cause in some European countries (for example rising child poverty) are also problematic and undermine social investment goals – as Denis Bouget analyses in the context of the European Social Policy Network.

### Social investment - still a popular concept in politics and science

Despite these criticisms, “social investment” is now a well-known term of comparative welfare state research and is more and more labelled as the new social policy paradigm. For about 20 years, scientists are discussing social investment from different perspectives. Although different in timing and degree, many Western countries have introduced reforms influenced by investive social policy ideas. Prominent policies deal with active labor market policy, early childhood education, training, reconciliation policies, or prevention and health promotion. Against this background, we were interested in discussing the emergence of different concepts and frameworks, the empiri-

cal characteristics of social investment programs and policies, and options to measure the outcomes of investive policies in different social policy fields. Last not least, we sought to discuss the future perspectives of social investment policies and research.

### The workshop program

We started on Thursday with **Session 1** which focused on aspects of **social inclusion through labor market policies and work incentives**. These are important examples of social investment policies. *Silvia Giradi* from the Luxembourgish Institute for Socio-Economic Research and the Catholic University of Leuven in Belgium spoke about social assistance beneficiaries which are engaged in public works. She gave us an inside view of their feelings about social inclusion. It was planned that *Simone Leiber* from the University of Duisburg-Essen should act as discussant. As she was ill, she offered to give her comments in written form, and thankfully, *Florian Blank* (Institute of Economic and Social Research in Düsseldorf) and *Michaela Schulze* (University of Trier) who are currently speakers of the German ESPAnet Section provide comments.

**Session 2** focused on **social investment and the EU**. *Niclas Beinborn* from the University of Speyer presented his dissertation project about the European Youth Strategy. The latter belongs to the field of soft laws, especially the Open Method of Cooperation, which the EU applies as a method of Europeanization. *Denis Bouget* from the European Trade Union Institute in Brussels and the University of Nantes in France gave a comment on that project. This session was moderated by *Antonio Brettschneider*, the scientific consultant of the Research Institute for Societal Development.

**Session 3**, which was moderated by *Michaela Schulze*, focused on **poverty prevention policies in the social investment context**. Two PhD-projects were presented. First, *Gabriella de Carvalho* from the Autonomous University of Barcelona in Spain introduced her work on poverty policies in Latin America. She analyzed the social investive-driven conditional cash transfer programs in ten Latin American countries in a quantitative manner. The second PhD-project was the one of *Marco Ranuzzini* who works at the University of Modena and Reggio Emilia in Italy. His thesis deals with a social cost-benefit analysis of a local social market in Portobello, a project that focusses on volunteers who engage in poverty prevention by redistributing donated goods. These two projects were commented on by *Bea Cantillon* from the University of Antwerp in Belgium and *Denis Bouget*.

In the evening, a **round table discussion** with our experts from abroad took place. *Denis Bouget*, *Bea Cantillon*, and *Margarita Leon* disputed on the **future of social investment** from their individual scientific perspectives. This event was organized and moderated by *Antonio Brettschneider*. Questions centered on the development of the social investment paradigm, its relation to more traditional approaches to social policy, its position with respect to activating approaches and social citizenship, and its effect on gender equality. The experts discussed the history of the concept, the European context in which it was developed and which contributed to a wider approach to social policy, and stressed the importance of the concept.

The scientists also pointed to the limits and weaknesses. They noted problems of applicability of the concept to Southern European welfare states, the concept's limited analytical value being a "loose, ambiguous concept" and also its relative small importance in national public discourses. Besides, they highlighted distributive issues and conflicts that will occur if social investment policies are pursued at the same level. Social spending cannot be increased anymore or endlessly. Furthermore societies are ageing. They also pointed at a different social and political landscape and the shifts during the last 30 years that make social policy making more difficult. The scientists also discussed on the question of winners and losers of social investment policies and approaches. Additionally, the more general question on the driving forces behind the scientific social investment concept was raised.

The second day started with **Session 4** which addressed the field of **care policies**. Often, they are described as being a core the social investment. *Miriam Lehnert* from the University of Frankfurt held a speech about long-term care policies in Germany and the United States. In particular, she provided a comparison of forms of governance of the transition into long-term care and their effects on social inequality. This presentation was followed by *Josefine Nyby* from the Åbo Akademi University in Vaasa in Finland who was focusing on recent family reforms in Finland. She asked whether these reforms are rooted in a social investment approach or whether they are driven by an austerity policy logic. *Tanja Klenk* from the University of Armed Forces Hamburg and *Margarita Leon* from the Autonomous University of Barcelona in Spain discussed the projects of the PhD students. *Diana Auth* as one of the organizers moderated the session.



## Programme

### Thursday, 22nd of February

Welcome

Dr. Antonio Brettschneider (FGW)

Prof. Dr. Diana Auth (German ESPANet Section)

### Session 1: Social Investment = Social Inclusion through Labour Market Policies

*Activation as the opportunity to be outsiders? Social Assistance beneficiaries engaged in public works, Silvia Giradi*

*Discussant:* Dr. Florian Blank / Dr. Michaela Schulze

*Moderation:* Dr. Florian Blank

### Session 2: Social Investment and the EU

*Europeanization, soft law and social investment – the case of the European Youth Strategy, Niclas Beinborn*

*Discussant:* Prof. Dr. Denis Bouget

*Moderation:* Dr. Antonio Brettschneider

### Session 3: Poverty Prevention in the Social Investment Context

*The Impact of Social Investment Policies on Present Poverty: Lessons from Latin America, Gabriella de Carvalho*

*Discussant:* Prof. Dr. Bea Cantillon

*A walk in Portobello: Poverty contrast and social impact of volunteering in a local social market project in Italy, Marco Ranuzzini*

*Discussant:* Prof. Dr. Denis Bouget

*Moderation:* Dr. Michaela Schulze

### What Future for Social Investment?

**Round Table** with Denis Bouget, Bea Cantillon, and Margarita Leon

*Moderation:* Dr. Antonio Brettschneider

## Friday, 23rd of February

### Session 4: Care Policies: At the Core of Social Investment?

*The production of social inequality in the new forms of governance in the regulation of the transition into long-term care for older people - An empirical, comparative study between Germany and the United States*, **Miriam Lehnert**

*Discussant:* Dr. Margarita Leon

*Recent family policy reforms in Finland: discarding social investment in the name of austerity?*, **Josefine Nyby**

*Discussant:* Prof. Dr. Tanja Klenk

*Moderation:* Prof. Dr. Diana Auth

### Presenters

- Niclas Beinborn, University of Speyer, Germany
- Gabriella de Carvalho, Autonomous University of Barcelona, Spain
- Silvia Giradi, LISER – Luxembourgish Institute for Socio-Economic Research, Luxembourg/Katholic University of Leuven, Belgium
- Miriam Lehnert, University of Frankfurt/M., Germany
- Josefine Nyby, Åbo Akademi University, Vaasa, Finland
- Marco Ranuzzini, University of Modena and Reggio Emilia, Italy

### Discussants and Moderators

- Prof. Dr. Diana Auth, University of Applied Sciences Bielefeld, Germany
- Dr. Florian Blank, Institute of Economic and Social Research (WSI) in Düsseldorf, Germany
- Prof. Dr. Denis Bouget, ETUI, Belgium and University of Nantes, France
- Dr. Antonio Brettschneider, Research Institute of Societal Development (FGW) Düsseldorf/University of Duisburg-Essen, Germany
- Prof. Dr. Bea Cantillon, University of Antwerp, Belgium
- Prof. Dr. Tanja Klenk, Helmut Schmidt University Hamburg/University of the Federal Armed Forces, Germany
- Dr. Margareta Léon, Autonomous University of Barcelona, Spain
- Dr. Michaela Schulze, University of Trier, Germany

### Host

University of Applied Sciences, Bielefeld  
Institute for Social Work  
Interaktion 1  
33619 Bielefeld

---

### Impressum

**Herausgeber:** FGW - Forschungsinstitut für gesellschaftliche Weiterentwicklung (e.V.), Kronenstraße 62, 40217 Düsseldorf, Telefon: 0211 99450080, E-Mail: info@fgw-nrw.de, www.fgw-nrw.de

**Geschäftsführender Vorstand:** Prof. Dr. Dirk Messner, Prof. Dr. Ute Klammer (stellv.)

**FGW-Themenbereich:** Vorbeugende Sozialpolitik  
Prof. Dr. Ute Klammer, Vorstandsmitglied  
Christoph Gille, Wissenschaftlicher Referent

**Layout:** Olivia Mackowiak, Referentin für Öffentlichkeitsarbeit

**Förderung:** Ministerium für Kultur und Wissenschaft des Landes Nordrhein-Westfalen

**Erscheinungsdatum:** Düsseldorf, Juni 2018

**ISSN:** 2510-4098

---