



Briefing 2.2

Report on approaches to social investment from the scientific perspective



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1. Overview

This report presents the current state of research and scientific debate on the ‘Social Investment’ policy paradigm in European countries. An extensive review of literature and scientific sources is presented in this document covering the areas of social investment research in selected countries of the European Union.

2. Key policy implications

The report explains the reasons why this new paradigm and strategy of social policy has been established and developed by social scientists and policy makers. The analysis of scientific literature on the issues and problems of social investments collected as part of the query provides evidence of its significant contribution into knowledge on the “Social Investment” concept, both in theoretical and practical terms. Scientific texts can serve practitioners involved into information searching, planning and conducting activities in the field of social policy.

3. Context

The report takes as the key point of reference the notion of “Social Investment” proposed by the European Commission. It is the assumption that the “Social Investment” approach stresses the case for considering certain parts of employment and social policies - and possibly other policy areas, such as education - as entailing investments improving prospects for future employment and social participation, together with more social cohesion and stability [...] thus stressing the life course dimension of social policies and their long-term benefits for society. (European Commission, 2013, p. 3).

The report is structured as follows: Part 1 sets the methodological foundation of the literature and scientific sources review. This is intended to set the study in wider theoretical context. Part 2 examines the main reasons for establishing the new paradigm. Part 3 is largely based on the understanding the concept of “Social Investment”. Part 4 refers to main approaches to social investments. Following parts 5 and 6 present aspects linked to implementation and institutional aspects of “Social Investment” approach. Part 7 shows national perspectives related to the concept of “Social Investment”. In Part 8 the Authors present critical assessment of “Social Investment” in the context of the scientific literature reviewed. In the last part recommendations for further research on “Social Investment” are formulated.

4. Methodology

The main objective of academic literature review was to identify innovative and strategic approaches to social welfare reform including through social innovation at various levels, including those of the Member State, region and locality described in the existing scientific literature. The following selection criteria of sources were adopted: language: English time frame: from 2000 to 2015 scientific disciplines or subdisciplines: social policy, economics, political science, public policy, law, European studies, public management, third sector thematic fields of analysis: early childhood education and care, family benefits, parenting services, enabling parents labour market participation through care provision for dependents and parental leave, long-term care, maternal/paternal/parental leave schemes, unemployment benefits, minimum income, active labour market policies, social services for the persons seeking employment (e.g. social housing, mental health provision, disability support), old age, disability and survivor.

5. Main findings

Based on the review we draw the following conclusions:

- The “Social Investment” approach and reform agenda are ideas and concepts widespread in the current academic debate and scientific literature.
- The existing scientific literature related to the “Social Investment” perspective focuses on both its theoretical background and empirical aspects of social investments in Europe.
- The literature reviewed includes diverse definitions of “Social Investment”. It covers not only the current debate on evolution of welfare and state regimes but also shows nuances related to particular aspects of the concept in terms of social innovation, social impact and entrepreneurship.
- Defining a “Social Investment” approach is difficult because the literature contains different ideas about the role of the state in the process of shaping social policy systems.
- Historically the origins of the social investment perspective can be tracked back to the early years of the social-democratic Swedish welfare state.
- Social investment is often presented as an alternative to neo-liberal welfare models. In Europe, when limits to deficit and debt financing in the 1990s were set, policy makers became more willing to adopt measures of cost containment together with more active labour market policies.
- European Union institutions have had a large influences on the social investment model. Important contributions have highlighted the potential of social investment as a new perspective on or even a new paradigm for social policy in European counties.
- The “Social Investment” perspective recognizes the importance of market failure, the need for state intervention and the need to control market forces in order to improve both economic and social results of the social policy actions.

6. Interpretation/Limitations

It is important to pay attention to the following two relevant issues. First, the social investment paradigm is a new concept, hence its criticism is based on short-term assessments of implemented solutions and possible future consequences of undertaken actions. Secondly, within this concept different approaches can be distinguished. The social investment strategy is promoted by both social democratic academics and Third Way proponents. Their analyses show many common areas of understanding problems and shortcomings of the welfare state and identify common directions of social investment strategies but differ in many important issues, for example, social policies and their role, understanding equality, productivity of social spending and creation of incentives for activation. Other theorists and practitioners of social investment concepts refer to one of these approaches or combine elements of both of them. Therefore, some critical arguments apply only to a specific approach to social investment (rather than to the

7. Impact & Implications

The aim of the review was to identify innovative and strategic approaches to social welfare reform, which have been described in the existing scientific literature since 2000. Different types of scientific sources in 9 languages were reviewed including: academic papers, monographs, chapters from academic volumes, conference papers and scientific reports, both theoretical and empirical. Based on the review we answer research questions about defining the social investment concept, the main perspectives used to analyse the social investment, instruments of social investment, facilitators and limitations for their implementation in the welfare systems.

The main expected result was to define state of the art in the realm of social investments, also about the existing strategies and instruments in selected European countries. It will make possible the formulation some recommendation for the directions of further research of social investments. The results of this

8. Further information





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