Making sense of social investment

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What is the problem?
What is it represented to be?
political strategy & academic concept
left & right convergence
Significant points of divergence between left and right

- Purpose
- Trade-offs
- Scope
- Policy intersection
To the left
Heavy vs Light Social Investment Approaches

**HEAVY Nordic ‘heavy’ social investment**
- Equality of opportunity
- Strong rights to social benefits
- Generous social safety net - financed through high taxation
- Unemployment benefits/ high transitional payments as productive to support people through transitions, produce human capital - especially in changing economy (Morel et al., 2012, Esping-Anderson, 2001)
- High levels of social expenditure provides high quality public services
- Individualism of welfare system - promotes autonomy of women

**Third Way liberal LIGHT social investment approach**
- Inequalities as important for dynamism of economy
- High welfare payments act as moral hazards -
- Restraint in expenditure through low levels of taxation (Stronger focus on social duties of benefits - stricter conditionality (Morel et al., 2012)
- Higher level of privately provided services than Nordic

Deeming and Smyth, 2015)
RIGHT RIGHT
Current New Zealand and Australian Social Investment Approaches

1. Targets working age payments and their lifetime costs to budgets
2. Targets most at risk cohorts with greatest long term cost to government
3. Looks to provide most efficient welfare spending
4. Development of creative, targeted interventions
Creative forces in the Social Investment Cosmos
Inequality and efficiency

The last casualty of the cold war

Perhaps it is no longer necessary to assume there are tradeoffs between equality and efficiency.
Inclusive employment & economic security

Bowman and van Kooy 2016