Building Blocks for a New Social Architecture: The LEGO™ paradigm of an active society*

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Introduction

In many jurisdictions and regardless of the welfare regime to which they belong, social policy communities now often focus on “new social risks.” They also consider that these risks call for investments - in human capital, in lifelong learning, in early childhood services, in training, and so on – and this despite a clear preference for controlling if not reducing state spending. In these policy communities, concentration on investments and the future is considered an optimal anchor for a “modernising” redesign of their welfare systems. Frank Vandenbroucke, former Belgian Minister of Pensions, describes the situation this way (2001: 4): “… the welfare state should not only cover traditionally defined social risks (unemployment, illness, disability and old age). It should also cover new social risks (lack of skills, causing long-term unemployment or poor employment, and single parenthood).”

Many of the principles of redesign are similar across countries. Attention has shifted from the supposedly passive spending on social protection to investments that will generate an “active society” and an “active citizenship,” appropriate to the new circumstances. The notion of new social risks (Pearson and Scherer, 1997: 6; Bonoli, 2002; Jenson, 2004; Taylor-Gooby, 2004) provides a framework for understanding why such innovations in social policy design and spending are popular in policy circles, even as the programmes established in the “golden age” after 1945 are mired in controversy, both political and analytical.
In general, the new social risks can be summarised as the income and service gaps generated by the transition to post-industrial labour markets and societies, in which there is a decline of well-paid and traditionally male industrial jobs and an increase in low-paid and often precarious service jobs, as well as a rise of the female employment rate overall. The challenges generated by women’s labour force participation (and their concomitant lack of availability for full-time caring) as well changes in family forms (especially the rise of lone-parent families) also create new income and service gaps.

Although social policy communities initially responded to these changes in a variety of ways, gradually a set of shared responses has emerged. In addition to efforts to increase the employment rate – that is, activation – so as to ensure the future of expensive social programmes protecting against “old” social risks, common initiatives include mechanisms for addressing income insecurity from low-paid work, such as income supplements “to make work pay.” Often, these instruments are targeted towards the working poor with young children, in order to reduce the long-term risks associated with poverty during childhood. In addition to instruments for supplementing low earnings and ensuring activation, there is new spending and attention to skills acquisition, and other forms of investment in human capital, especially for the groups considered most vulnerable, such as women heading lone-parent families, young workers, and the long-term unemployed. And, there is new public spending on services for child and elder care.

In many cases these interventions have involved re-mixing public and private provision. The market and family sectors of the welfare diamond (Jenson, 2004) are assigned
greater responsibility for programmes designed to address “old” social risks, such as pensions, health care, post-secondary education and the other classic service areas of the welfare state. At the same time, the family sector is relieved of some responsibility for caring, as public spending on early childhood education and care (ECEC) increases and new benefits to pay for care of elderly and disabled persons are instituted. In addition, wage supplements make the state and the market sectors jointly responsible for the earnings package.

Peter Taylor-Gooby and his colleagues grouped spending on the new social risks under three categories: services for the elderly and disabled; services for families; active labour market support. Comparing spending levels between 1980 and 1999 they found that across all four welfare regime types, there has been an increase in spending in all three of the categories. While the rates and amounts differ, there is no exception to the trend (Taylor-Gooby, 2004: Table 1.1, p. 16).

Associated with these patterns of spending is explicit attention to poverty and to children, families and work-family balance. Poor children and their parents are by no means the only focus; so too are those whose parents are increasingly preoccupied by labour market participation, struggling to earn enough in service jobs that may be poorly paid, and challenged by the stress of reconciling work and family, whether the family is composed of one or two adults. The first conclusion of the final communiqué of the meeting of OECD Social Affairs Ministers in 2005, entitled *How active social policy can benefit us all* put it this way:²
Social and family policies must help give children and young people the best possible start to their lives and help them to develop and achieve through their childhood into adulthood. Providing all parents with better choices about how to balance work and family life extends opportunities, especially for women, and creates economic gains. More family-friendly policies could also help raise birth rates in those countries where they are too low.

Our proposition in this article is that such responses to new social risks have prompted a future-oriented political strategy that evokes the needs of children more than the needs of male breadwinners and their families, as was the case in the “golden age.” In some liberal welfare regimes, the promise is to “invest in children” to ensure a future of well-trained, flexible and productive workers (Jenson, 2001; Lister, 2003). Experts urge Mediterranean and corporatist regimes to follow the Nordic lead, and invest in services for children, and thereby halt the downward slide in birth rates (Esping-Andersen, et al., 2001). Several international organisations also share this focus on investing in children in rich countries, whether the IO is traditionally concerned with childhood or not (UNICEF, 2000; 2005; OECD, 2001).

Such signs of convergence around ideas for a social architecture of activation and investment to reduce the effects of new social risks, prompt us to identify a common shift towards a LEGO™ paradigm. It does not displace the programmes that already exist to provide social protection against the familiar risks of unemployment, ageing, and so on. Rather, we argue that convergence around a LEGO™ is visible when policy communities turn to new social risks. This article is organised, then, around an analysis of convergence. At the same time, however, we recognise that despite sharing common principles, divergences exist, just as they did in the golden years of Keynesianism (Hall,
1989). These differences are evident in the way that the paradigm is implemented. After an initial presentation of ways of thinking about the directions of change in social architecture, we describe the three components of the LEGO™ paradigm. As we do so, we also demonstrate how its implementation varies.

**Thinking about convergence and divergence**

There is very little agreement about the direction of change in welfare states. This remains the case despite at least two decades of consensus that change is occurring, in ways that have been variously labelled “the crisis of the welfare state,” the invention of the “workfare” (and even “wed-fare”) state, social policy “retrenchment,” welfare state “redesign,” “recasting,” “recalibration,” and so on. Some policy analysts, using the “garbage can” metaphor for their analyses of change focus on the process of change (Natali, 2004). Others, such as Wolfgang Streeck and Kathleen Thelen (2005), seek to characterise kinds of change. Despite identifying liberalisation as the common trigger for one type of transformation or another, they do not venture to describe any common direction. Both those addressing processes and types of change leave the matter of direction to others, who for their part dispute about whether there is convergence or divergence occurring.

A first perspective, albeit divided internally, emphasises convergence. One reading of the convergence thesis focuses on heavy tendencies (such as globalisation), sociological change (such as falling birth rates), or ideational and ideological consensus (such as neo-liberalism) and describes them as having a significant and similar impact on social protection systems. For example, using the French regulationist approach, Bob Jessop has
identified a “Schumpeterian workfare state,” while Jamie Peck documents what he calls the “roll-out” of neo-liberalism’s workfare states (Jessop, 1993; Peck, 2001). Another version of this first perspective – one that is both less structuralist and less pessimistic – finds convergence around a set of general principles that organise governance and social policy, although frequently there is divergence in implementation. This is work which uses concepts such as “regime change,” “paradigm shift” and so on. It seeks to identify the large changes in ideas, such as the “neo-liberal turn” (Jobert, 1994), and compares their influence in a variety of policy situations. Some of the literature on “Europeanization” fits here, especially those analyses that grant explanatory weight to common ideas, discourses and networks (for example, Hay and Rosamond, 2002; Radaelli, 2003). Thus, this perspective does not fall into the trap described by Streeck and Thelen (2005: 1) who write of the tendency among those analyzing institutions “to underestimate the extent of change or to code all observed change as minor adaptive adjustment to altered circumstances in the service of continuous reproduction of existing systems.”

A second perspective sees social policy reforms in terms of divergence. While some modifications in spending may be occurring, this perspective relies heavily on the image of path dependency. Fundamental regime differences are sustained through time, despite new challenges (Esping-Andersen, 1996; Pierson, 1998). As Kitschelt et al. write: “institutional divergence has a tendency to persist and to reconstitute itself” (1999: 444), despite the similarities of challenges, in large part because of path dependence.
A third perspective recognises the heavy tendencies accented in the first, but sees their effects mediated by national institutional structures and policy responses, such that there is space for country-specific or regime specific adaptation to new pressures. Moreover, depending on circumstances, convergence or divergence may result. Even if welfare states across the OECD world have faced similar pressures, each has degrees of freedom (Banting, et al., 1997: 390). An expectation of perhaps convergence perhaps divergence is probably the most common found in the literature today (Banting, et al., 1997: 5 and passim; O’Connor et al., 1999: 223). Colin Hay proposes a notion of contingent convergence, in which “differential exposure to processes of economic integration and case-specific (institutional) mediations sustain a contingent process of convergence and divergence” (2004: 260).

Even this brief effort to classify ways of thinking about change reveals the lack of consensus about the direction. Stressing path dependency renders invisible the fact that many regimes are moving simultaneously towards common practices as well as a discourse of the “active society” to respond to pressures on financing and to address new risks. While the notion of contingency is appealing - and seems to represent the real world - it does little to help uncover the common pattern observed across a wide range of countries moving in a similar direction.

In large part the lack of consensus about the direction of change arises because of theoretical and epistemological starting points. In historical institutionalism, for example, there is little attention to even the possibility of policy convergence, because of its
inherent tendency to identify variation. The historical institutionalist project took hold as a reaction against the grand theorising that characterised behaviouralist and neo-Marxist research in the 1950s and 1960s. Where grand theories underlined similarities and convergence in trends and processes across space (and sometimes time), historical institutionalism sought to provide a window through which better to understand policy variations across countries and the institutional configurations that account for them (Steimo et al., 1992: 4; 13). This search for variation has been, if anything, reinforced by the encounter between those analysing welfare states and those conceptualising varieties of capitalism (Hall and Soskice, 2001; Kitschelt et al., 1999).

In the past 20 years, analysis of variation has undoubtedly helped to illuminate differences in social policy that were previously obscured. For instance, critical of quantitative sociological studies that described a single pattern of movement toward “the” welfare state, and by highlighting the differing roles of intermediate institutions linking state, market and society, Gøsta Esping-Andersen could generate his influential three-worlds typology of welfare regimes (1990). In turn, others sought to refine the typology by adding additional variation, and a fourth regime (Ferrera, 1998). Subsequent research also underlined key differences in the extent of reform possible (or impossible) given the path dependent logic and institutional stickiness of each case (Pierson, 1998; Natali, 2004; Palier, 2005 for example).

Obviously, it would be difficult argue that such factors of national circumstances and tradition are not important. To focus almost exclusively on the sources of variation, as does much recent research on welfare regimes, however, may blind us to patterns of
similarity in welfare regime redesign. Of course, there is no point going to the other extreme and suggesting that social policy is simply converging because of globalisation, Europeanisation, liberalisation, or OECDism. The criticisms made by historical institutionalists of the generalisations of grand theory remain as valid today as they were in the 1990s. Nonetheless, it is reasonable to ask whether there are certain patterns of convergence within policy communities, and to describe them, before focusing on differences.

This proposition arises from analyses of an earlier historical moment in which convergence occurred. After 1945 principles of Keynesian macro-economics shaped the policies of most advanced industrial countries, even if small open economies implemented Keynesianism quite differently than did large self-contained ones (Hall, 1989). We recognise in hindsight a significant paradigm shift, starting in the 1930s in a few countries and continuing through the next two decades, promoted by some international organisations but “domesticated” differently. The paradigm contained a wide consensus on a number of general principles about the role of the state, state-society relations, forms of policy intervention, rights and responsibilities of citizenship, and so on. But each jurisdiction did Keynesianism in its own way. To focus on these divergences, without appreciating the importance of the shared principles, would have left our understanding of the post-1945 years impoverished, however.

This historical example, in other words, leads us to assert that convergence does not mean uniformity. The expectation of convergence used here is to a very large extent
comparable to the convergence that resulted in the implantation of Keynesianism in many countries after the Second World War, albeit in different ways and with more or less respect for John Maynard Keynes’ basic theoretical principles. This notion of convergence does not mean an elimination of differences among countries or that institutions and policies are mimicking those developed elsewhere (the idea of Americanisation, for instance). Rather, we use it to imply that there is movement toward a new configuration around the new social risks, comparable in generality to that of the Keynesian welfare states of the post-1945 decades.

Because our goal is to strike a better balance between the study of social policy differences and similarities, we will work with a key distinction between convergence in policy visions about new social risks and divergence in implementation. This distinction is important because our major proposition is that most advanced democracies are currently in a phase of basic redesign. It is a moment for re-thinking the blueprints for the very architecture of well-being, that is the respective responsibilities of families, markets, and communities as well as states.

In this article, we do not focus on where consensus comes from. Doing that would entail analysing the spread of ideas via a variety of networks. It would involve understanding how ideas about new social risks developed in international agencies, including the European Union, were debated by policy intellectuals, and intersected with each jurisdiction’s diagnosis of its own social protection gaps. This is another analytic task
than the one we undertake in this article. Here we seek to describe the convergence in policy visions, and renders visible the *patterns of choice and change*, patterns that can not completely apprehended with an approach that searches for variation, via such conceptual tools as the identification of the worlds of welfare capitalism or of the consequences of path dependency.

Such analyses of variation are perfectly legitimate but they are not our goal. Our proposition, and level of analysis, is more general. It is that as they undertake to redesign their social protection systems, many jurisdictions are converging around a policy vision that is captured by the image of LEGO™. We appropriate the name in two ways. One is as a metaphor, to describe convergence around some basic *building blocks* of a possible emerging social architecture. The other is as an ideal-type to capture the key features of the future-oriented, investment-centred activation strategy currently advocated as a blueprint for welfare state redesign by an increasing number of people in policy circles.

This process of identifying the building blocks for a new social architecture is comparable to the search for the virtuous circle in Keynesianism, when counter-cyclical social spending was understood to be a necessary support for a growing economy. During the decades of neo-liberalism another notion became hegemonic; this was that social spending was actually hindering economic well-being and that economic policy trumped social policy. With the emergence of a certain consensus around a congeries of ideas - those that we label the LEGO™ paradigm - we see again the identification of social
policy as a helpful support for a healthy economy, albeit with forms of spending and types of programmes very different from the stimulus model of Keynes.

Before moving through the next sections, several clarifications are worth stressing. First, to say that ideas about a LEGO™ paradigm are circulating widely does not mean either that they have become hegemonic or that they will. There is no inevitability to this process; political action will determine the future. Second, the fact that we describe this tendency does not mean that we embrace it. This is not necessarily our view of an ideal or normatively preferable social order. It is a description of an ideal only for the proponents of the LEGO™ paradigm; they speak in the next pages. Third, to say that policy communities use a language of investment or of active citizenship in general does not mean that they actually do much to ensure that it occurs. When the architects of post-1945 welfare regimes embraced an equality discourse, they did not all provide equality. Similarly not all LEGOists provide adequate protection against new social risks.

Nonetheless, when these policy communities think about what to do, they often phrase their prescriptions in terms of the LEGO™ paradigm.

The LEGO™ Paradigm

The LEGO™ Brand sees “children as natural learners. These are precious qualities that should be nurtured and stimulated throughout life... ‘Play’ in the LEGO sense is learning. By helping children to learn, we build confident, curious and resourceful adults. For their future. And ours”. http://www.lego.com/build

This quote from the corporate web site and describing the company’s philosophy illustrates at least three key features of what we term the LEGO™ paradigm. First, it
clearly focuses on learning throughout the life course. Play is educational, and such play is invaluable for the future; it fosters the capacity for continuous learning, flexibility and adaptability as an adult. Second, this philosophy is future-oriented. Children now are already creating the future. And finally, it suggests how activities in the present are ultimately beneficial not only for individuals themselves, but for the community as a whole. For LEGO™, successful play in childhood enriches the good of the community as well as preparing children for their working years. This metaphor of constant learning, knowledge acquisition, involvement and engagement as well as the notion of open-ended results and variety (who knows what LEGO™ sessions will produce) is particularly appealing in the “knowledge-based” world. While LEGO™ is a toy, involving play, it is also about “work.”

In the next three sections we describe the ways in which three components of the LEGO™ corporate self-description are helpful for unpacking current policy discussions about redesign of welfare regimes to face new social risks. In this analytic exercise we do not pretend to provide a systemic comparison of all responses; that has been done elsewhere (for example, Taylor-Gooby, 2004). Rather, by an accumulation of examples from a wide range of countries and institutions we seek to demonstrate the presence of convergence in principle around a vision of social protection as well as divergence in implementation. In each section we pay attention to the European Union because of its importance in shaping the way that Member States now understand and address new social risks. It has more scope in this area than in the traditional domains of protection.
against “old” risks, where well-entrenched interests at the national level make efforts to co-ordinate across Europe more difficult. 

**Learning as the route to security**

In policy circles sensitive to the challenge of new social risks, individuals’ security no longer means protection from the market. Security has come to mean the capacity to confront challenges and adapt, via life-long learning to acquire new or up-date old skills as well as via early childhood learning. Acquisition of human capital is proposed as a response to the changes associated with de-industrialisation, the growth of services and, particularly, the emergence of a knowledge-based economy. It is touted as the way to ensure continued connection to a rapidly changing labour market.

Education has long been acknowledged as one of the foundations of a successful modern economy, and the current situation is no different. As the Irish Minister of Education recently put it: “The never-ending search for competitive advantage in the global knowledge economy has led all public policy-makers to focus on education as a key factor in strengthening competitiveness, employment and social cohesion.” Yet, as an “old” social risk the public-private mix in formal schooling is being recalibrated in many countries, with families and individuals being assigned responsibility for a greater share of the costs. As fees are raised and privatisation rolled out, families are given more responsibility for their children’s school success and especially for their human capital acquisition at the post-secondary level.
At the same time, however, the LEGO™ paradigm prompts attention to the new social risks and the many situations well beyond the institutions of formal primary, secondary and post-secondary education in which human capital is acquired and learning occurs. These situations are receiving new funding (as we noted above), in part because the effects of successful investments in life-long learning are considered to go well beyond the labour market. The 2001 Communication of the European Commission on *Life Long Learning* [COM (2001) 678 final], for example, sees such learning as contributing to the goal of attaining “active, tolerant and committed citizens.” The European Trade Union Congress echoes this vision when it insists: “… the concept of lifelong learning is broader than employment and employability. There are two equally important aims for lifelong learning: promoting active citizenship and promoting employability” (ETUC, 2001).

The LEGO™ paradigm’s focus on learning is, therefore, broader than formal schooling. When apprenticeships could prepare workers for their whole working life and when almost half the population was not expected to be in the labour force at all, lack of access to new technology and to skills, both up-dated and basic, was less of a challenge. Now, in the knowledge and service-based post-industrial economy and confronted with new social risks, policy communities fear the entrenching of new patterns of exclusion, following from inadequate access to knowledge as well as the deterioration of skills due to withdrawal or exclusion from the labour force. The solution proposed is learning throughout the life course. Responses range from promoting a start in very early childhood to retaining skills by encouraging the most experienced older workers to
postpone retirement. Policies also include attention to groups “at risk” of inadequate skill acquisition or retention, both children and adults.

In addition to the European Union, the OECD has been an important actor. For example, senior policy analysts, reflecting on a high-level conference entitled *Beyond 2000: The New Social Policy Agenda*, called for a social architecture to face up to what they termed new social risks (Pearson and Scherer, 1997: 6; 8): “A new approach to social protection will have a stronger emphasis on interventions earlier in life and more preventive (and less remedial) measures. The goal would be to re-define equity and security in terms of barriers towards life-course flexibility ….” At the 1997 Employment Summit the European Union also agreed to four pillars for its Employment Guidelines, two of which were “employability” and “adaptability.” This emphasis on “activity rather than passivity” was embraced in, among others, the 1998 Swedish National Action Plan (NAP) for employment, because it was seen as reflecting long-standing Swedish approaches to active labour market policy (eiro, 1998). The attention to the need for activation has also led some social democrats to call for “transitional labour markets” that will provide meaningful choices and supports to people as they move from full-time to part-time, from unemployment to employment, into leaves for training or parenting, from paid work to voluntary work and so on (Schmid and Gazier, 2002).

The LEGO™ paradigm also promotes a view of the knowledge economy as one in which risks are not evenly distributed across the population; certain categories are more “at-risk.” For example, the book assembling documents and policy papers developed during
the Portuguese Presidency of the European Union in the first half of 2000 (a presidency
during which the European social model was given new direction) puts it this way
(Rodrigues, 2002: 5-6):

Knowledge is becoming the main source of wealth and power, but also of
difference, between nations, regions, companies and people. … new risks of
social exclusion, of a digital divide, emerge involving all the workers who can
not keep up with this pace of change. Labour markets tend to new forms of
segmentation between workers with voluntary mobility based on up-dated
skills and workers who run the risk of involuntary mobility due to out-dated
skills.

Canada's “innovation strategy,” as described by Prime Minister Jean Chrétien, makes a
similar point (Canada, 2002: Foreword):

In the new, global knowledge economy of the 21st century prosperity depends on
innovation, which, in turn, depends on the investments that we make in the
creativity and talents of our people. We must invest not only in technology and
innovation but also, in the Canadian way, to create an environment of inclusion,
in which all Canadians can take advantage of their talents, their skills and their
ideas; in which imagination, skills and innovative capacity combine for maximum
effect.

There is convergence, then, around the notion of the importance of human capital and
learning into adulthood as part of an adjustment to the new economy and to promote
social inclusion. Most obviously, most countries include training and programmes for
displaced workers as part of their tool box of active labour market policies. But the
LEGO™ paradigm’s emphasis on learning shapes more than the familiar programmes for
workers in transition from school to work or displaced by economic restructuring. The
paradigm involves that, but it involves more than that.

Across a wide range of countries attention to early childhood education and care (ECEC)
as part of any learning strategy is escalating, based on a growing body of scientific data,
especially from cross-time panel studies, of the long-term effects of early educational experiences. Writing of risks of social exclusion, the European Council said, for example (2001: 72):

There is a considerable body of international research which demonstrates that subsequent performance in education is strongly influenced by early developmental experiences and that well targeted investment at an early stage is one of the most effective ways of countering educational disadvantage and literacy problems. Children from poor backgrounds and vulnerable groups are often particularly at risk of missing out in this regard.

The 2002 Barcelona EU summit set targets for levels of childcare availability: “Member States should remove disincentives to female labour force participation and strive, taking into account the demand for childcare facilities and in line with national patterns of provision, to provide childcare by 2010 to at least 90% of children between 3 years old and the mandatory school age and at least 33% of children under 3 years of age” (quoted in Plantenga, 2004: 3).

The OECD has emerged as a flagship organisation in the transformation of “childcare” into “early childhood education and care” (Mahon, 2005). It has undertaken an ambitious series of studies of ECEC, launched out of the 1996 Ministerial meeting on *Making Lifelong Learning a Reality for All*. The Organisation also reports that a clear pattern has emerged: “The trend in all countries is toward full coverage of the 3- to 6-year old age group, aiming to give all children at least two years of free publicly-funded provision before beginning compulsory schooling” (OECD, 2001: 48 and *passim*). The international organisation supports this trend, in addition to recommending that parental
leaves be long enough to provide care for newborns but not so long as to allow mothers’
own human capital to stagnate.

Countries such as the United Kingdom and Canada, that have been major laggards in the
provision of even custodial day care, have launched efforts to improve their ECEC
services. After its 1997 victory, for example, New Labour immediately announced a
National Childcare Strategy and the creation of new spaces in nursery schools. In the run-
up to the 2005 election, the Chancellor of the Exchequer Gordon Brown promoted his 10-
year Strategy for Childcare as a key electoral plank as well as a way to “give every child
the best start in life” (HM Treasury et al., 2004).

But it is not only the laggards that are concerned about ECEC. Indeed, it might be said
that this emphasis on early childhood in the LEGO™ paradigm takes a page from the
book of some Nordic countries; in both Sweden and Finland municipalities are legally
bound to provide a childcare space to any pre-school child whose parents wish to have
one.12 This commitment to universal provision means that goals for early childhood
education go well beyond the notion that childcare is necessary so that mothers can seek
employment, or to allow the reconciliation of work and family life. Pre-school education
and early remedial interventions for developmental delays are deemed essential so that
children will have the foundational skills to be life-long learners and avoid the long-term
costs associated with childhood poverty.
If new attention to early childhood programmes reflects a convergence, there is no consensus about how to deliver services. It is, for example, ironic that France, a country often lionised from afar for its excellent facilities for pre-school education, over the last two decades has steadily expanded public funding of babysitting and informal care for infants and toddlers (Jenson and Sineau, 2001: Chapter 4). This kind of care is widely acknowledged as being of less certain quality. But France is not alone in multiplying the ways to spend public money on childcare. Even within one regime type there are significant divergences. Although in 1996 Finland guaranteed places in childcare centres to all parents who wanted them, the next year it also made available an allowance for parents who wished to use private childcare. These both followed the 1985 decision to extend the Finnish carers’ allowance to parents providing their own childcare. In 1998 the Norwegian government introduced an allowance for parents who cared for their own children and did not use public childcare services, and this in the name of quality child-rearing, it was justified as allowing parents time to transmit their values to their children (OECD, 1999: 26). For its part Denmark guarantees childcare primarily only to working parents.

There is also significant divergence in ideas about who is responsible for the costs of childcare. Not only have several central governments off-loaded costs to municipal and regional authorities, but there has been an increase in the parental share. For example, the Netherlands’ legislation on childcare that came into effect on 1 January 2001 – described by the Minister responsible as a “milestone” in addressing the new social risks associated with high rates of women’s employment, changing families and integration of immigrants
(Geus, 2004) – is based on an expectation that collective agreements will push employers into covering one-third of the costs of childcare. Income-tested subsidies to parents are available only when employers fail to meet this expectation.

Choices about how much attention to pay to quality, to universality and to parental provision in ECEC as well as to its costs represent divergence in implementation of the LEGO™ paradigm, despite the convergence around the notion that the knowledge economy creates new social risks for women and for children. The range of choices reflects a degree of uncertainty about where to put the human capital emphasis. For example, the Finnish government officially states that “early childhood education and care is a part of life-long learning” (Ministry of Health and Social Affairs, 2002). Yet, as the French case illustrates, the activation goal and perceived need to minimise the risk that mothers would be blocked from labour force participation trumped the needs of toddlers for high quality childcare.

The French policy design as well as the EU’s Barcelona targets reflect two concerns about women’s human capital that is at the core of the LEGO™ paradigm’s attention to new social risks. The first concern is that human capital is being “wasted” by the fact that well-educated women are not participating in the labour force, in those jurisdictions where social policy encourages familialist arrangements (Esping-Andersen, 1999: 70). Therefore, many jurisdictions, especially in Catholic Europe, that initially designed policies with incentives for parental childcare are now discouraging full withdrawal from the labour force. For example, Germany’s 2002 Job-Aqtiv law allows parents caring for
children for three years to accumulate eligibility for future unemployment insurance claims (*International Reform Monitor*, 2005: 68). While parents are still doing the caring, they are also receiving a signal that the task is temporary and they are still in the labour force, in much the same way that Swedish parents on extended parental leave are still counted in the active labour force. A second version of the human capital theme arises from the notion that women are particularly at-risk of succumbing to exclusion from the knowledge-based economy. For example, when the European Commission (2000: 14-15) considered its *Social Policy Agenda* for the period 2000-05 it said “the structure of the labour market – in particular gender segregation and low skill and low wage employment – needs to be addressed.”

As these examples demonstrate, a shared understanding of the importance of learning and investments in human capital to protect against new social risk can lead in some cases to a focus on children’s pre-school *education*, while in others the attention is more on the conditions for *activation* of women. In the latter case, babysitting and unregulated care may be considered a suitable substitute for quality care. Some jurisdictions are refusing this either/or choice, however, and they are being pushed to do so by experts in child development who stress the need for “holistic services” (for example, Moss, 2004: 9) and that “employment policies need to join hands with our family policies” (Esping-Andersen *et al.*, 2001: 23), in a way true to the LEGO™ paradigm.

**Investing in future life-chances**

Thus far we have observed that the emphasis in the LEGO™ paradigm on individuals and their human capital, both as life-long learning and as ECEC, owes a good deal to
practices initiated in some of the Nordic welfare regimes. Several pursued active labour market policies well before the OECD and the EU embraced them. Moreover, these countries have been acknowledged leaders not only in policies for work-family reconciliation but also in making ECEC universally available. Thus, their contribution to the first dimension of the paradigm is significant. In this next section we will observe the initiatives and framing ideas come more from the liberal welfare regimes and international organisations as well as from the European Union.

In the LEGOTM paradigm, social policy is future-oriented because it is investment-oriented (Saint-Martin, 2000). Investments imply a particular notion of time, because investments generate dividends in the future, whereas consumption (labelled an expense by accountants) is something that occurs in the present (Jenson and Saint-Martin, 2003). Such a perspective provides the logic for shifting from passive expenditures; this is a vision that de-legitimates the role of the state in the protections against new social risks: “societies have to spend now to support those in need, but they also have to invest now, to reduce social breakdown in the future” (Martin and Pearson, 2005).

This notion of preventing the worst has resulted in many countries choosing to supplement low incomes, especially of the working poor. While some, such as Britain, provide in-work benefits to adults without children, it is more common to target such new spending to families with children, such as Canada does so within the National Child Benefit (Jenson, 2001; 2004). The goal is to ensure that children will not be subjected to a childhood of poverty, with its negative consequences. Social knowledge about the
relationship between childhood poverty and future life chances and circumstances are an important spur. As UNICEF’s experts at the Innocenti Centre put it, echoing a broad consensus in academic research (UNICEF, 2000: 3): “Whether measured by physical and mental development, health and survival rates, educational achievement or job prospects, incomes or life expectancies, those who spend their childhood in poverty of income and expectation are at a marked and measurable disadvantage.” Policy communities have taken up and developed this analysis of the new social risk of childhood poverty. For example, in the manifesto for the Neue Mitte that Chancellor Gerhard Schröder co-authored with his British counterpart, poverty was identified as “a central concern, especially among families with children” (Blair and Schröder, 1999).

The World Bank – no proponent liberal state expenditures – finds the investment frame a useful one for justifying new public spending. Indeed, it is worth quoting its position at length because it captures the logic of the investment perspective that currently informs many discussions about the state’s role vis-à-vis new social risks:16

The under-25 age group is unique from an economic perspective, and crucial for human development and economic growth. It represents the highest leverage point for investments to build human capital. These investments also maximize social mobility and are the principal means by which to reduce intergenerational poverty. There three main reasons for this:

1. The benefits to investment are maximal because they have the longest possible period to accrue;
2. The opportunity costs of a child’s time – particularly at very young ages – are lower than at any other time in the life cycle;
3. There are a wide variety of externalities, including intergenerational effects, that are lost in the absence of these investments.

Moreover, there are extremely high costs associated with the irreversibility of a child’s development. Consequently, children and youth are a clear target for public sector intervention to ensure socially optimal investments,…

Canadian business leader Charles Coffey makes a similar point (2002: 2):
Early childhood development programs are rarely portrayed as economic development initiatives...and this is a mistake. ... Studies find that well-focused investments in early childhood development yield high public as well as private returns. For every $1 spent on child care there is a $2 economic benefit. The benefit comes back through increased tax revenues, and decreased social, education and health costs.

Such future-oriented calculations imply a conception of equality different from the one that informed the post-war welfare state when social policy focused on redistribution and on fostering greater equality in the here-and-now (whether or not those goals were ever achieved). In contrast, the LEGO™ paradigm emphasises equality of life chances. Wolfgang Streeck (1999: 6) has termed them “supply-side egalitarianism,” by which he means the deployment of social resources to improve and equalise the marketability of individuals and their ability to compete.

There is a social inclusion dimension to this notion of equality. Indeed, such thinking about social investment has produced definitions of poverty that measure more than income. They are meant to provide an indication of whether people can actually and actively participate in their community. Recent work intended to advance the “child poverty agenda” in France, for example, uses measures of poverty that make visible the effects of social exclusion on children’s capacity to participate fully in society; these are correlated with but not the same as having insufficient income (Ponthieux, 2003). Such measures follow directly from, among other things, the concepts underpinning the UN’s Human Development Index and the European Union’s statistical work to develop indicators of social exclusion, and thereby to measure non-monetary disadvantage.
The investment theme has gone further than the idea of activation or limiting poverty. It includes an investment idea that stresses saving and accumulation of assets, with responsibility shared by governments and families. For example, several countries now have programmes that provide incentives to save money, in general or in personal retirement savings accounts. In addition to tax deductions provided for the latter, New Labour introduced Britain’s *Savings Gateway*, with the incentive of matching public funds for low-income individuals, government assets being conceptualised as one pillar – alongside skills and work, living standards and quality public services – for reforming the social model (Blair, 2001). Several countries now spend public money to provide all children with an initial endowment that will grow in value and be available as a “stake” as they near adulthood. New Labour has instituted the *Child Trust Fund*. The Canadian government has enriched the *Canada Education Savings Grant* with a *Canada Learning Bond*. Both provide incentives to parents to save for their children’s post-secondary education, either as tax savings in the case of the former or via matching contributions from public funds in the case of the CLB.

The investment and savings theme in the LEGO™ has taken another form as well, encouraging individuals to take responsibility for their key life transitions, by “saving time.” For example, explicitly addressing the new social risks theme, the Netherlands recently introduced an individual life-cycle savings scheme. It is described this way by the Dutch Minister of Social Affairs (OECD Observer, #248, 2005):

> The money in the savings account can be used for various forms of unpaid leave, such as caring for children or ill parents, schooling, a sabbatical or, indeed, early retirement. This reduces the risk of unwanted withdrawals from the labour market, particularly by working mothers, and unnecessary
absenteeism because of illness or disability. … This new life-cycle approach to social policymaking has great potential to create a welfare state that supports efficiency and equity, now and in the future.

The notion that time must be “saved” before it can be “spent” is quite different from the various sorts of career breaks and leave schemes developed to address “old” risks, such as childbirth or to open up jobs for the unemployed.17 These were granted according to need rather than on the basis of good planning.

**Activity enriches the collective good**

The company promises that when children play with LEGO™ they are building not only “their future, but ours.” There are several versions to the idea that combating new social risks benefits everyone. One is a simple notion of prevention. For example, a report to the Government of Ontario, that has profoundly influenced Canadian policy discourse, puts the issues together this way (McCain and Mustard, 1999: 15):

> Over time, increased community-based initiatives and investment (public and private) in early child development and parenting, will pay off through a population with better competence and coping abilities for the new global economy…. This investment will be much more cost-effective than paying for remediation later in life, such as treatment programs and support services for problems that are rooted in poor early development.

But the larger idea, clearly expressed in a recent article entitled *Time to change. Towards an active social policy agenda*, puts it this way (Martin and Pearson, 2005):

> “The evidence is there to show that active social policies can make a real difference to people’s lives. And we must not forget that in doing so, active social policies not only help the poorest and most disadvantaged in society. More and more productive workers mean healthier economies, and everyone gains from that. Active social policies can benefit us all.”
There are two ideas embedded in this position: that work is the route to maximising individuals’ well-being; and that the well-being of society and social cohesion depend on such activity. These two ideas lie at the heart of strategies for spending to confront new social risks, and have resulted in activation strategies being adopted widely.¹⁸

This complex of ideas marks a clear renunciation of any commitment to a traditional division of labour, as there was when the male breadwinner model dominated many social policy regimes. Gone is any distinction (except for the small minority that might afford it) between those who should be active in the labour market, “bringing home the bacon” and those who should care for hearth and home, kith and kin. At the Stockholm summit in spring 2001, the European Union made a common commitment to raising the female participation rate to 60% by 2010, an 8% increase in a decade, albeit with different goals in the three worlds of welfare capitalism. In Bismarkian welfare regimes, it is to increase the number of contributors to social insurance programmes, and thereby put them on a stronger actuarial footing. Therefore mothers living in couples as well as lone parents are targeted. In liberal welfare regimes it is to reduce the rates of social assistance among lone parents by removing the anchor of the original programme, which allowed lone mothers caring for children to substitute parental childcare for labour force participation. In social democratic regimes, the goal is provide families with greater resiliency in the face of labour markets that are more flexible, contingent, precarious and so on.
The goal is to strengthen social cohesion as well as the economy by increasing the employment rate and reducing costs. Finland’s vision document for social protection in 2010, for example, states (Ministry of Social Affairs and Health, 2001: 9): “The wellbeing of our society will be rooted in the maintenance of working capacity and general functional capacity allied to individual initiative.” By this they mean people will work two or three years longer, maintain their health so as not to burden their families and the social protection system, and take responsibility for themselves. These goals appear higher on the list of the “Vision for 2010” than do the familiar ones of limiting poverty, ensuring quality services and redistributing income. In Italy, the 2002 agreement to reform labour market and employment benefits was titled the “Pact for Italy” to indicate the extent of the general interest involved in, among other things, improving lifelong learning and education.19

One of the most often mentioned element of the new social risks is women entering the labour force. We have seen that the LEGO™ paradigm recognises the challenge of raising rates of women’s employment and pays a good deal of attention to services for the non-parental care of children. These publicly funded services have both an individual and societal dimension. They are intended to help individual families reconcile work and family obligations and individual children to prepare for school. But they are also meant to reap the long-term advantage for the whole society that subscribers to the LEGO™ paradigm believe (based on the research results of experts in child development) will come from spending to ensure school readiness. As Chancellor Gordon Brown is fond of saying: “Our children are our future and the most important investment we can make as a nation is in developing the potential of all our country’s children. Together we can ensure
that no child is left behind” (HM Treasury, 2001: iv). Or, put another way by another
Minister, also from a country that has relatively recently discovered the need for more
investment in childcare services: “… together we are working on the future of the
European Union. A future which will benefit from good childcare!” (Geuz, 2004).

Another area where the LEGO™ paradigm makes the claim that activity enriches the
collective good is with respect to older workers, who are being called on to remain in the
labour force longer, thereby limiting their pension claims. Numerous countries are
reducing the availability of early retirement, part-time pensions, and disability pensions.
The discourse of active ageing (as we see in the Finnish quote just above, calling for
functional capacity) underpins these moves, alongside the straightforward financial
motive of sustaining pension systems. Almost everywhere there is a growing emphasis on
health prevention as well as creating the conditions of population health, that is the
conditions under which the statistical probability of being healthy is raised. Individuals
become more responsible for maintaining their own health, in the interests of us all.
Indeed, the Dutch have been made responsible for saving the time to be sick or disabled.

Here we see that the ageing society – sometimes described as one of the new social risks
– creates numerous challenges for the LEGO™ paradigm. Not everyone can be active in
the labour force; disabilities and vulnerabilities are real at all ages, but certainly they
touch the elderly frequently. Moreover, their vulnerabilities may hinder the capacity of
others, whether a spouse or child, to remain active in the labour market and even, in some
cases, in their own social networks (Jenson, 2004: 16). If we use the criteria laid out by the World Bank and quoted above, the elderly are not a good investment.

This contradiction is rarely confronted head on within the LEGO™ paradigm and is more often left to those struggling with the “old” social risks, such as pensions and health care. When population ageing is raised as a new social risk and in social investment terms, however, it can lead to conclusions such as (Martin and Pearson, 2005):

The final dimension in the active social agenda is to reorient policies away from an excessive emphasis on pensions. That people are living longer is a fantastic achievement of modern society, but we have to make sure that the benefits are shared fairly across the generations. Financial transfers for pensions and other age-related benefits are rising with ageing societies, but they are now so high that social investments in the needs of younger generations risk being crowded out.

As the authors of this recommendation themselves recognise, this will be no easy task.

**Conclusion**

In this article we have sought to accomplish several things. The first is to identify and classify the social architecture that is emerging from the various efforts to “recast,” “redesign” or “recalibrate” the welfare mix in response to new social risks. Our proposition is that recognition that such new social risks exist has prompted convergence toward a LEGO™ paradigm, which is a general policy vision that stands on three key principles.

One involves convergence around the idea that there is a need to protect against the new social risks emerging in post-industrial economy, sometimes described as a knowledge-
based one. Promoters of the LEGO™ paradigm anticipate the threat of new inequalities and “divides” being created by unequal access to technology and skills. Beyond formal schooling, then, acquiring human capital and skills via life-long learning and early childhood education are identified as routes to security. Learning is important because it will help foster social inclusion into an “active society.”

Key policy levers are active labour market policies and ECEC, imported and adapted from the long experience of Nordic countries. There are major divergences in the incorporation of these levers into each national setting, however. Some jurisdictions have gone quite far in developing educational pre-school settings that prepare youngsters for school, provide early intervention for any developmental delays and allow children to catch up on language, developmental or socialisation skills. They understand all children benefit from ECEC, not only those who are disadvantaged or whose parents need day care because they are employed. Other jurisdictions, however, still target childcare to working parents or seek to retain aspects of familialism – such as encouraging parents to provide their own childcare – even as they proclaim the need to activate the female labour force. Another divergence exists around active labour market policies. In some jurisdictions these remain close to the original Nordic vision, while in others they are little more than a programme to force people into the labour force and off what are viewed as unnecessary and costly support programmes, such as disability pensions or social assistance.
A second principle of the LEGO™ paradigm shifts the definition of equality, anchoring it firmly in the liberal notion of equality of opportunity and thereby focussing on future life chances. This is an “investment” more than a “consumption” paradigm. Its first and most comprehensive manifestation was in the liberal welfare regimes; it is spreading from there. The most threatening social risk identified is poverty, especially “child poverty.” With its long-term effects on educational attainment as well as social exclusion and even criminality it mortgages the future.

Key policy instruments to enact this investment principle are income supplements and other new forms of public spending. Income supplements (often taking the form of tax expenditures) are intended to narrow the gap between income earned and the needs of the household. Here too there are divergences. In countries that did not provide significant family allowances and other child benefits after 1945, income supplements to the working poor loom large in the social architecture. In other cases they are a minor part of the policy mix. In addition, in a wider range of countries, policy communities are pushing the investment metaphor by creating incentives for families or individuals to accumulate assets and saving. In some places the currency of choice for savers is money and elsewhere it is time. In both cases, however, individuals and families are being trained to take responsibility for themselves and to think of themselves as planners and investors.

The third principle of the paradigm asserts that activity and investments enrich the collective good. In particular, the LEGO™ paradigm conceptualises an active society as
benefiting everyone, both directly and indirectly. Even those without young children benefit from preparing them for school. Everyone benefits from seniors engaging in active ageing as well as staying longer in the labour force.

The paradigm described in this way is fully congruent with the policies of activation that so many countries have put into place. It also can accommodate new fears of declining birth rates, of low employment rates, and so on. Our claim is not, then, that the LEGO™ paradigm has gone unobserved, or we are the first to identify its components. Our claims are much more modest. Our first claim is that there is a shape to what is happening, a new blueprint emerging, and that it is shifting the welfare mix. Therefore, it is a moment when new hybrids may take shape that cross the welfare regime types, and that break with the principles of the past. Our second claim is that if there is convergence around a LEGO™ paradigm it is around a framing vision, implementation may vary quite widely. Our third claim is that LEGO™ is a good name for this vision because of its emphasis on the future, on human capital investments and life-long learning, and on the benefits to the collectivity of making work of play.
These authors identify four welfare regime types: Nordic, corporatist, liberal and Mediterranean (Taylor-Gooby, 2004: 16).

For example, since 1998 the Commonwealth of Massachusetts in the United States has offered a license plate for cars that bears the slogan “Invest in Children,” with artwork donated by the United Way. The extra money raised by this more expensive plate is used to fund public childcare services.

Of course, such policy and spending decision may also have spill-over effects when choices are made about how to reform existing programmes in a situation of limited financial resources.

In order not to confuse the words of policy communities with those of academic analysis, we have deliberately excluded the latter from the next section of this article, unless they are speaking as advocates of a particular policy position.

As well as other forms of inequality, two of the countries where LEGO™ talk is most prevalent are still not doing as much for children as other places. Tony Blair has made ending child poverty a key theme for New Labour. Despite significant declines in child poverty rates it still ranks 20th out of 26 countries in the “League Tables” of child poverty (UNICEF, 2005: 7, 6). Recently, the OECD shamed Canada for its serious lag in developing ECEC services, despite all the talk about investing in children (OECD, 2004a).

This may seem little more than a banal statement, but controversy over addressing children “in the here and now” or treating them as “adults in becoming” is a lively one. See, for example, Lister (2003) and OECD (2001: 8).

Of the role of the European Union, Trine P. Larsen and Peter Taylor-Gooby write: “The area of new social risks, compared with old social risks, offers particular opportunities in this context. New social risk policies can be broadly understood as investment, supporting economic competitiveness by expanding the workforce, rather than as an additional burden of welfare consumption. … Since national governments in most European countries are less concerned with new than old social risks and spend less on them, and the interests of social partners and other organisations are typically less heavily involved, the opportunities to develop new policies are more open” (in Taylor-Gooby, 2004: 183). Similar arguments can be made about the reasons Canada’s Social Union agenda began its re-haul of income security programmes by focusing via the National Child Benefit. Policies for “children” were not part of the post-1945 social protection regime (Jenson, 2001).


Liberal welfare regimes, with the exception of the UK, consistently have spent a higher proportion of GDP on post-secondary education, because of the contribution demanded from students and/or their families. In 2004 the Blair government pushed the UK toward this model, with the controversial reform of higher education. Germany, France and Italy are also actively considering such a move in order to shake loose more funding for universities (Lundsgaard and Turner, 2004).

The complementarities between the post-Luxembourg EU Guidelines and the Swedish tradition were observed in a major comparative study carried out by the National Institute for Working Life (*Arbeitslivcentrum*). See the interview with Lars Magnusson in *Working Life. Research and Development News*, #3, 2001.

The Canadian province of Quebec also moved toward a system of universal provision in the 1990s, in order to accomplish a multitude of goals, from reducing poverty to fighting black market employment and encouraging parents to move into employment.

Indeed, in the OECD’s country note, this issue was flagged: “in terms of the diversity of provision, the review team questions the policy preference accorded to expanding individual care arrangements in national and often local policy (for both financial and ideological reasons). Given the difference in staff qualifications and the known benefits of quality childcare centres to children’s early development and learning” it is important for public support to be devoted to the more expensive centres (where the staff has higher qualifications, and therefore, is better paid) (OECD, 2004b: 47).
14 This allowance is available after parental leave and can be claimed until the youngest child reaches age 3 or enters a day care programme.

15 “This type of policy orientation, which also includes ‘in-work’ benefits or work subsidies, is sometimes seen as ‘neo-liberal’ and coercive, but actually has a long and honourable history as part of Swedish social democratic active labour market policy” (Ferrera and Rhodes, 2000: 5).

16 This is from the website of the World Bank group: web.worldbank.org/WEBSITE/EXTERNAL/TOPICS/EXTCY/0,,contentMDK:20243901~menuPK:565261~pagePK:148956~piPK:216618~theSitePK:396445,00.html

17 For example, in the mid-1980s Belgium created a paid Voluntary Career Break to although workers to meet family or other circumstances. They were not “saved for,” and employers had to replace the worker on leave with another from the unemployment rolls (Jenson and Sineau, 2001: Chapter 3). In the case of maternity – and in contrast to “parenting time” – all countries in the EU of the 15 (except the UK) provide generously paid maternity leaves. This has been the case for several decades, since childbirth has always been treated as a health – and therefore “old” – risk. For details see www.childpolicyintl.org/maternity.html

18 The International Reform Monitor, #9, 2004: 8 (http://dnb.ddb.de) reports that activation strategies have been adopted in virtually all the 15 countries it monitors.

19 Since the Pact was not signed by the largest union confederation, its relevance may be more symbolic than real.

20 As Anton Hemerijck (2001: 250-52) has written of hybridisation, with respect to the EU’s OMC: “The Open Method of Coordination constitutes a powerful stimulus for policy learning and innovation… innovative combinations of domestic policy learning and supra-national learning may cause considerable hybridisation in welfare and labour market policy.”

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