Social Investment for New Social Risks:
Consequences of the LEGO™ Paradigm for Children*

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‘Effective economic policies are complementary to effective social policies in extending opportunities and mobilizing more assets than are currently available. Equally, effective social policies are necessary to generate economic dynamism and contribute to flexible labour markets; to ensure that childhood experiences do not lead to disadvantage in adulthood; to prevent exclusion from the labour market and society; and to ensure a sustainable system of support for the elderly. Social policies must be pro-active, stressing investment in people's capabilities and the realisation of their potential, not merely insuring against misfortune.’

Final communiqué, 2005 Meeting of OECD Social Affairs Ministers¹

Introduction

Social policy thinking has been profoundly altered in recent years, as the policy pronouncement of OECD social policy ministers about future social architecture reveals. Now policy

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communities assert that economic dynamism depends on effective social policies, that social policies must involve investment (not ‘merely insuring against misfortune’), and that one of the goals of a new social architecture is to prevent intergenerational transfer of disadvantage. Social protection constituted the basic notion of post-1945 welfare regimes but pooling resources to protect against consequences of ageing, ill-health, or job loss is no longer considered sufficiently cutting edge, at least according these representatives of the thirty members of the OECD. Now, the goal is to be proactive rather than compensatory. One result of this shift in ideas is that the best policy mix envisioned often targets children.

This reworking of policy analysis is not due to chance. There are sociological, political and ideational reasons for it. Rising life expectancy rates and falling birth rates as well as increases in women’s labour force participation and in female-headed lone-parent families have all undermined assumptions about the best mix of public and private responsibility for care in the work-family balance. The lingering influence of neo-liberalism and the commitment to ‘activation’ as the way to ensure a modernised social model has brought a redefinition of ‘full employment’ from its Keynesian meaning of the male half the population to employment of virtually everyone. Left and centre left formations have come to understand that protection of hard-won social rights will depend on solving several deep conundrums about financing social programmes in the present and in the future.

In previous policy paradigms, children were not targeted specifically; families and adults were. Now, as in the quotation at the head of the chapter, childhood experiences of disadvantage are understood to have long-term effects, and preparing the future proactively, including by spending on children and their human capital, is sometimes considered more important than protecting adults against the misfortunes of the present. This chapter maps some of the of policy ideas that have made such statements self-evident policy dogma and that shape policy
interventions in many places. I argue that such wide-spread thinking follows from the identification of and a convergent set of responses to new social risks. In effect policy prescriptions for a social architecture now resemble what we characterise as the LEGO™ paradigm (Jenson and Saint-Martin forthcoming).\(^2\) In this paradigm, which is meant to address in particular the new social risks, the main features are: an emphasis on social policy as a productive factor; on investments for the future more than on social protection; and on re-mixing responsibility for employment and family responsibilities. Not all versions of the paradigm, however, target children; LEGO™ for adults does exist. Indeed, the degree to which children are the focus marks a significant difference between a social investment version of the LEGO™ paradigm and others versions.

In this chapter I set out the dimensions of the LEGO™ paradigm, locating it in relation to the analysis of new social risks. I then compare, within the general LEGO™ paradigm, the social investment perspectives adopted in Great Britain and Canada. Finally, I sketch an alternative expression of the same paradigm, deployed in the discourse of the European Union. The social investment version of the paradigm has brought significant attention to the circumstances of childhood and of children. Comparison reveals, however, that while many institutions share an adherence to the LEGO™ paradigm, they maintain a clear focus on the needs of adults, especially women, and on workers and their families. A brief examination of European Union policies documents this variation and the consequences for policy choices about how to confront new social risks.

**New social risks and the LEGO™ paradigm**

Many of the principles of policy redesign are similar across countries. Social policy communities claim that social policy is a necessary support for economic well-being (for example, European
Commission 2005, plus the OECD ministers cited above). They identify new social risks and argue that these risks call for spending on human capital, lifelong learning and training, so that virtually all adults will seek and retain employment. The notion of new social risks (Pearson and Scherer 1997, p. 6; Esping-Andersen et al. 2002, pp. 30ff; Bonoli 2005; Jenson 2004a; Taylor-Gooby 2004) provides a framework for understanding innovations in social policy design and spending, even as the programmes established in the so-called golden age of the welfare state (such as pensions, post-secondary education, and health care, for example) are mired in controversy and threatened with cutbacks.³

The new social risks result from income and service gaps in post-industrial labour markets. Compared to the labour market of the industrial era, there has been a loss of well-paid and traditionally male jobs in production and an increase in low-paid and often precarious service jobs that make many people the ‘working poor.’ There has also been an increase in the female employment rate. Socially, family transformations mean smaller families and a significant increase in lone-parent families. Demographically, there has been a decline in the birth rate and increase in life expectancy. Such restructuring of labour markets and transformations of family and demography create challenges to social care arrangements as well as income security. For example, women’s labour force participation means reduced availability for full-time caring while lone-parent families can not count on a relatively well-paid male breadwinner. More generally, the polarisation of the post-industrial income structure in many countries has generated an increase in low-income rates among young families, whether lone-parent or couples, and therefore the appearance of what has been termed ‘child poverty’ in many policy circles (for example, UNICEF 2000; 2005; European Commission 2005, p. 10). These patterns are often also concentrated among minority ethnic groups and in cities.
Gradually a set of shared responses has emerged to the new social risks and they have significant consequences for the situation of children and families. Attention has shifted from supposedly passive spending on social protection against risk to ‘investments’ that will generate an active society and an active citizenship and proactively insure against the new social risks. Thus, one widely shared policy response has been to try to increase the employment rate. 

Termed *activation* in the language of the European Union, and therefore many European countries, the objective is to raise the proportion of the population of involved in the paid force labour force. One goal of activation policies is to ensure the future of expensive social programmes protecting against ‘old’ social risks, such as pensions and health care, by increasing the contributions to or tax base of such programmes as well as by reducing the number of claimants among the working age population. But additionally, it is to ensure that in the post-industrial labour market, families will combat the effects of low wages and instability of employment by moving all adults into employment, thereby maintaining their market income.

Activation policies clearly have knock-on effects for social policy and services. Gaps in caring regimes are obvious, as women are moved into employment. Training, even in basic skills, is required as efforts are made to move everyone into the labour force. Indeed, in this policy paradigm, the two domains are frequently linked. Early childhood education and care is often promoted as both a way to care for children while their parents – that is mothers – work and as an investment in prevention, to reduce the chance of school failure and therefore the need for basic skills training later in life as well as the likelihood of encounters with the criminal justice system. The title of the 2004 pre-budget document, with which British Labour went into the 2005 election, says it all: *Choice for parents, the best start for children: A ten year strategy for childcare* (HM Treasury et al. 2004).
Therefore, an active society requires some new public spending. Between 1980 and 1999 spending levels on services for the elderly and disabled and services for families as well as for active labour market support increased in all welfare regime types (Taylor-Gooby 2004, Table 1.1, p. 16). Nonetheless, and despite the common pattern, the specifics of activation and support for activation have varied. In continental Europe, for example, some countries have initiated policies and programmes that limit support for those providing full-time care of children by requiring lone-parents to seek employment and by removing incentives for women in couple families not to participate in the labour market (Lewis 2001). At the same time they have improved services, including child care, and developed mechanisms, such as care allowances, that maintain or even create a link to the labour force (by accumulation of pension rights, for example) for the many women caring for family members with disabilities or the vulnerable elderly (Jenson and Jacobzone 2000). Another mechanism that has found favour addresses income insecurity from low-paid work by providing income supplements ‘to make work pay.’ Sometimes termed in-work benefits, they are instruments for supplementing low earnings and ensuring activation. Attention to skills acquisition, and other forms of investment in human capital, especially for the groups considered most vulnerable, such as children, women heading lone-parent families, young workers, and the long-term unemployed also fall under the rubric of ‘making work pay.’

In many cases these interventions have involved re-mixing public and private provision. The market and family sectors 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 support for early childhood education and care (ECEC) increases and new benefits to pay for care of elderly and disabled persons are added to the social
policy mix. In addition, wage supplements make the state and the market sectors jointly responsible for the earnings package of a significant proportion of the employed, a role that the state rarely assumed in the ‘golden age’ of the welfare state.

Explicit attention to poverty, to children, families and work-family balance and to pre-school education as well as elder care are all central to the discussion of new social risks. Poor children are by no means the only focus, nor are lone-parent families. Also targeted are parents increasingly preoccupied by labour market participation, struggling to earn enough in service jobs that may be poorly paid, and challenged by the stress of balancing work and family, whether the family is composed of one or two adults.

Our proposition in this chapter is that such responses to new social risks have prompted a future-oriented policy strategy that often evokes intergenerational solidarity 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 (Saint-Martin, 2000; Jenson, 2001; Lister, 2003). Several international organisations also share this focus on investing in children, whether the organisation is traditionally concerned with childhood or not (UNICEF 2000; 2005; OECD 2001; 2005b). Elsewhere, investment in adults’ human capital, particularly women and youth’s is the expression of concern about new social risks.

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, one that shapes thinking about the new social risks, while providing policy prescriptions for limiting the effects of the social changes that produce these risks. The principles of this paradigm are captured well by this quote from the website of the toy company:
Children are our role models. Children are curious, creative and imaginative. … Lifelong creativity, imagination and learning are stimulated by playful activities that encourage “hands-on and minds-on” creation, fun, togetherness and the sharing of ideas. People who are curious, creative and imaginative, i.e. people who have a childlike urge to explore and learn, are best equipped to thrive in a challenging world and be the builders of our common future.⁶

This quote from the corporate web site describing the company’s philosophy illustrates at least three key features of what we term the LEGO™ paradigm. First, while LEGO is a toy, involving play, it is also about a life-long commitment to learning in order to work. Indeed, play is work because work is – supposedly – creative and playful. Second, this philosophy is future-oriented. Children now are already creating the future.⁷ Ensuring intergenerational solidarity will depend on what happens to them. Finally, for LEGO, successful play in childhood benefits more than individual children; it enriches our common future. Activity in the present is beneficial for the community as a whole.

This discourse of constant learning, knowledge acquisition, involvement, and engagement captures a good deal of thinking about the knowledge-based economy of the present as well as the need to invest now to ensure collective advantage in the future. Therefore, the LEGO™ name serves our purposes in two ways. It is a metaphor, describing convergence around some basic building blocks of a possible emerging social architecture. It is also an ideal-type, capturing the key features of the future-oriented, investment-centred activation strategy currently advocated as a blueprint for welfare state redesign.

The LEGO™ paradigm is a general one, just as Keynesianism served as a general paradigm in the decades after 1945. However, just as the earlier one, it is translated into policy in various ways in different jurisdictions.⁸ We can observe at least two variations in the way that
the LEGO™ paradigm is used. One variation is in the extent to which a social investment perspective is explicitly adopted. A second variation is in the extent to which a focus on children displaces attention to families and adults.

**The social investment perspective. One version of the LEGO™ paradigm**

In the mid-1990s both international organisations and some centre-left political parties developed a new response to the straightforward neo-liberalism of the right that had arrived at an ideational and political impasse. As early as 1994 OECD documents were identifying a continuing need to spend in the social realm rather than simply cut back (Deacon 2001, p. 74). By 1997, OECD reports were saying, ‘by shifting from a social expenditure to a social investment perspective, it is expected that considerable progress can be made in transforming the welfare state and ensuring social cohesion’ (OECD 1997, p. 14). Social policy experts were also moving towards a treatment of ‘welfare as social investment’ (Esping-Andersen *et al.* 2002, p. 9).

The social investment perspective that emerged has been dominant since the mid-1990s in both Canada and Britain, the cases examined here. As a response to new social risks, this policy perspective casts government spending differently than in the post-1945 years. Income transfers and credits designed to end child poverty and the intergenerational cycle of poverty as well as to ‘make work pay’ justify spending on child benefits and income supplements as an ‘investment,’ while simultaneously reducing spending on protection against loss of income due to unemployment (Powell 1999, p. 21; Boychuk 2004, pp. 15-18). Beyond putting children at the centre of much social policy (Jenson 2001; Myles and Quadagno 2000), there is a clear emphasis on ensuring greater levels of activation by investing in learning and in the future, because it will supposedly pay off for everyone.
The social investment perspective is an elaborated version of the three principles of the LEGO™ paradigm: an emphasis on work and life-long learning, orientation towards the future, and the belief that there is a general benefit from everyone being actively engaged. It provides a set of ideas for politicians and policy-makers and has generated tangible effects: it has justified some new spending; it makes sense of the growing, albeit still inadequate, commitment to publicly funded childcare in both Canada and Britain; and it underpins the enthusiasm for distributing assets and encouraging savings.

**A focus on work. Child poverty and parental employment**

Reducing child poverty has been one of the big policy ideas of the Labour government since 1999 when Tony Blair pledged to halve child poverty by 2010 and eliminate it by 2020. Chancellor Gordon Brown then set out to ‘tackle child poverty.’ Income transfers and credits were no gift, however. As Brown bluntly put it: ‘The Government will do all it can to support parents, but in turn it is right that parents fulfil their responsibilities too’ (HM Treasury 2001, pp. iii-iv), and this included doing their part to end the scourge of Britain’s high rate of ‘worklessness.’

Promoting parental employment was also the major idea behind the 1999 overhaul of Canadian social policy and intergovernmental relations, via the National Child Benefit (NCB). Under the heading ‘Ending Child Poverty,’ the federal, provincial and territorial social service ministers said: ‘The National Child Benefit aims to help prevent and reduce the depth of child poverty, and help parents find and keep jobs by providing benefits and services that better support low-income families and their children.’
The focus on employment to reduce child poverty rates had concrete policy consequences, of course. One was a set of measures to cajole and compel parents into employment. The NCB was supposed ‘to ensure that low-income families are better off in jobs’ than they would be on social assistance. Neo-liberalism had insisted, and continued to insist in some Canadian provinces, that ‘any job is a good job’. The social investment perspective, in contrast, tempered its enthusiasm for employment with a human capital dimension as well as recognition that if responsible parents were to leave social assistance for a low-paying job without private social benefits, they would need new services and supports (Finn, 2003; Mendelson, 2005).

In the 1998 green paper, *The Learning Age: A Renaissance for a New Britain*, individuals were encouraged to invest in their own training and learning throughout the life course, with some financial support from the state (Dobrowolsky and Jenson 2005, pp. 210-11). This emphasis on learning throughout the life course is a central element of the LEGO™ paradigm. Skilling and re-skilling can benefit any kind of worker, but there are two versions of the diagnostic that target particular categories of potential workers. It is here that lone-mothers and women in general come into the picture, being one of the groups identified as in need of skill upgrading because they have been too long out of the labour force or because they missed out on basic skills in the first place. In Britain, the emphasis on basic skills training and upgrading predominates in programmes such as *Sure Start* as well as *Excellence Action Zones* and *Excellence in Cities* which target adult learners. Initially, New Labour talked more about training than acting, but the second term (2001-2005) brought increased attention to building skills and sustaining people in work (Dobrowolsky and Jenson 2005, p. 213). Canada went in the opposite direction. In the early 1990s Canada had been, in international terms, one of the biggest spenders on training, but as intergovernmental responsibility for social policy was reworked in a parallel
with the NCB, labour market measures were devolved to the provinces and spending fell off (Lazar 2002, p. ix).

Supportive services are also seen as a measure that could both limit child poverty and increase parental employment. In Canada, the NCB provided for provincial ‘reinvestments’ to access publicly financed supplementary health benefits (for example, dental care and prescription drugs) in order to ‘lower the welfare wall.’ For a transitional period, as parents moved from social assistance to a low-wage job, they would retain these benefits, thereby making it more likely they would see an advantage to taking a low-paying job without private insurance for supplementary health care (for details see Canada 2005, Appendix 2).

In both Britain and Canada, however, the major incentive for parents to move into employment came from the income supplements put into place from the late 1990s on. Reliance on tax credits, both refundable and non refundable, had emerged during the 1980s as a preferred social policy instrument – less intrusive than means-testing; less dependent on costly state employees, because handled by computers dealing with tax returns; less transparent because changes were part of complicated tax codes, and therefore useful for doing ‘social policy by stealth.’ In Britain a series of ‘child-tested’ credits were designed and redesigned. Spending rapidly increased after 1999, and its targets changed from the universal child benefit to in-work benefits and from being weighted towards lone-parent families towards including couple families, especially low-income ones (JRF Findings 2004; OECD 2005b). Treasury documents and speeches by Tony Blair and Gordon Brown regularly summarised the number of children ‘lifted out’ of poverty by these measures. In Canada, the child-tested tax credits in the NCB also are designed to supplement income. Although paid to families whether they have income from employment or not, they have been implemented in a way that any increase in income was initially seen only by families whose income came from sources other than social assistance.
Both countries have experienced a reduction in child poverty since the mid-1990s, some of which must be attributed to these policies, although a good deal is also due to changes in labour market conditions. In 2005 UNICEF predicted the UK would meet ‘the interim target of a 25 per cent reduction in the number of children living in households below 60 per cent of median income by 2004/2005’ (UNICEF 2005, p. 15). In Canada the story is bleaker. There has been an almost 75% increase in the amount of benefit between the pre-NCH level (1997) and the announced levels for 2007 and a much higher proportion of low-income families’ revenue comes from such income supplements (Mendelson 2005, pp. 2-3). Nonetheless, Campaign 2000 reported in 2004: ‘not only is Canada’s record on child poverty actually worse than it was in 1989, Canada’s rate of poverty jumped for the first time in 2002, following five straight years of decline.’ The child poverty watchdog group called on the government to live up to its promises, saying ‘too many children in poverty for too long. Canada needs a social investment plan for children and families’ (Campaign 2000 2004, p. 1).15

Thus child poverty remains widespread, despite the increase in the employment rate due, in part, to the labour force participation of lone mothers. In Canada between 1996 (that is before the NCB reforms) and 2003, the employment rate of women heading lone-parent families with children under age 3 rose 14 percentage points, while that of all women heading lone-parent families with children under 16 rose 15 percentage points, to 46.9% and 64.9% respectively. This meant a substantial reduction in the gap between the employment rates of women in couple families (who were much more likely to be employed) and in lone-parent families. In 1996, the gap for women with children under 3 was 28.1 percentage points and in 2003 it was fully 10 points less, while that for women with children under 16 fell from a 14 point difference to one of only 4 points (Statistics Canada 2004, p. 15). Thus, the activation strategy was showing larger amounts of change than the anti-poverty strategy in Canada’s social investment perspective.16
In Britain, in contrast, the reduction of child poverty occurred despite a very small reduction in workless households and only a slight increase in employment rates of women heading lone-parent families with children under 16. Between 2000 and 2005 their employment rate rose from 51.0% to 56.2%, while that of married or cohabiting mothers with children under 16 was basically stable (going from 70.7% to 71.9%) (UK National Statistics 2005, p. 5). This relatively low employment rate for women heading lone-parent families can in part be accounted for by the unwillingness of the Labour government to impose work requirements on them (Dobrowolsky and Jenson 2005, p. 224). The New Deal for Lone Parents, for example, seeks to foster labour force participation, but only requires lone parents with children of school age to attend an interview with a personal advisor to talk about employment and training options.

The ‘children’s agenda’ – fixed on the future

The child poverty focus also resonates within the LEGO™ paradigm because it can be framed in terms of the future, providing the rationale for the using the label child poverty rather than simply poverty and thereby avoiding ‘merely insuring against misfortune,’ as the OECD social ministers put it. Child poverty is time-sensitive because childhood lasts for very few years and what happens in those years will have long-term consequences. Such ideas have appeared in numerous academic studies and policy papers reporting on the long-term negative effects of a childhood spent in poverty. They are also promoted by advocacy groups in civil society which adopted the child poverty frame for social justice claims well before the policy initiatives of 1999.

Terms such as ‘sure start,’ ‘best start’ and ‘good start in life’ abound in the social investment perspective and they go well beyond a poverty focus. Publicly supported early childhood education and care, both non-parental and parental, are oft-chosen instruments to concretise this future focus. They supposedly do triple duty: fighting the long-term effects of
childhood poverty; helping parents balance work and family; and preparing all children for the labour market of the future. All three arguments are used where child care is discussed as a social investment.

At first, in its 1998 green paper Meeting the Childcare Challenge, the Labour government maintained an employability lens for child care, as well as a focus on the particular needs of low-income children (Randall 2002). Special attention was paid to lone parents, who were described as both facing high costs for non-parental care and forming a potential pool of paid child care workers. In the second Labour government, however, ECEC became an investment target because it would benefit everyone. This quote from the 2003 Treasury paper, Balancing work and family life: enhancing choice and support for parents, is one example among many (quoted in Dobrowolsky and Jenson 2005, p. 219):

Enabling parents to balance work and family responsibilities can make the difference between their participation in the labour market, or their exclusion. For the employer, it can make the difference between being able to retain a valued member of staff or incurring the costs of recruitment and further training. And for children, it gives them the best possible start in life.

The government of the province of Ontario elected in 2003, after years of resistance to new spending on child care by its neo-liberal predecessor, has placed its Best Start programme within a classic social investment frame. As the Minister of Children and Youth Services said when presenting the programme: ‘This is an investment that keeps growing as our children grow. How we choose to support them now will determine the quality of their lives and the lives of all Ontarians in the future.’21

*The collective good – activity and engagement*
As this last quote makes clear, the social investment perspective, in true LEGO™ fashion, is oriented towards the future of the whole society. Canada’s social ministers justified the increased dollars going into NCB benefits and investments this way: ‘Helping children get off to a good start in life is crucial, and governments have recognized that child poverty has long-term consequences for children and society…’ (Canada 2005, p. i). But how is society affected? Policy communities identify three long-term general benefits from a social investment policy stance.

One benefit is that their own and their parents’ experience with social engagement will generate social inclusion and limit their involvement in anti-social behaviour. The OECD was quick to make the link between social cohesion and a social investment welfare state (OECD 1997). Both Britain and Canada have developed social development strategies around services for children intended to increase parents’ engagement in their community and ‘good citizenship’ more generally. Sure Start is one example as are many of the youth-focused programmes that seek to combat the risks of social exclusion (Kidger 2004). Canadian examples are Aboriginal Head Start and the Community Action Program for Children. A key goal of the head start programme, for example, is to help children learn about and retain Aboriginal culture, a perspective that is set firmly within the social investment frame. The mission and mandate states: ‘First Nations people, Métis and Inuit recognize children as their nations' most valuable resource.’

The notion behind such programmes is not only to provide support in the here and now but also to lower the risk of anti-social behaviour and poor citizenship in the future. The British discourse and actions are much more central to public policy interventions than is the Canadian on this matter. Tony Blair’s campaign against anti-social behaviour, wrapped in the language of the rights and responsibilities of citizenship, and the Anti-Social Behaviour Orders in place since
2004 have no equivalent in Canadian political discourse. The community focus of Blair’s initiatives is clear, as is the relationship to negative school experiences; the PM singled out ‘abuse from truanting school age children’ as one of the leading forms of behaviour to be combated. He also framed the development of anti-social behaviours using the key actions of the social investment perspective (Blair 2003):

To those who say the answer is tackling the causes as well as the symptoms of Anti-Social Behaviour I don't disagree. We are investing heavily in the biggest anti-poverty programme for over half a century. Record investment in education, the New Deal, the Working Families Tax Credit, record increases in child benefit and income support, and Sure Start. Our commitment to equalising opportunity has meant sustained support for families under pressure. The life-chances of children are hugely influenced by their earliest experiences, which is why access to post-natal support, parenting classes and early years provision is so important.

A second claim is that collective well-being is advanced by employment, and not only because it contributes to a healthy economy. Adults are considered to be behaving as responsible citizens and building healthy community when they respect the social contract or covenant implied by taking social benefits and using social services; in exchange they should engage in employment and in ‘responsible parenting’. 24 In the same way, investing in children’s ECEC as well as schooling will benefit us all by making them both well-prepared workers and responsible citizens (Lister 2003).

A third way that engagement is good for ‘us all’ is that it teaches responsible middle-class behaviours such as saving and investing. Both Britain and Canada have programmes explicitly designed to encourage low and middle-income families to aspire to accumulating assets. Canadian programmes are, for the moment, limited to savings for post-secondary education. The
Canada Savings Education Grant and the Learning Bond augment the savings of low and middle income families who have established tax sheltered registered education savings plan (RESP). The British government describes saving and asset ownership as a complement to the work and skills, income, and public services pillars of the welfare strategy. Encouraging the accumulation of assets has been one of the big ideas since the earliest days of New Labour. For example, Chief Secretary Alistair Darling said in 1998: ‘We want to build the savings culture. That is good for individuals. It is good for businesses and is therefore good for the country as a whole’ (quoted in Dobrowolsky and Jenson 2005, p. 220). Programmes such as the Child Trust Fund and the Savings Gateway were advocated as the best way to realise the social investment agenda. As Gordon Brown said when introducing the plans for the programme: ‘Child poverty is a scar on the soul of Britain and it is because our five year olds are our future doctors, nurses, teachers, engineers and workforce that, for reasons not just of social justice but also of economic efficiency, we should invest in not just – as in the past – some of the potential of some of our children but invest, as we propose today, in all of the potential of all of our children.’

The LEGO™ paradigm. Some variations compared

Paradigms are implemented in differently in various jurisdictions. While commitment to underlying principles is shared widely, expression in policy varies. We saw this with the implementation of Keynesian thinking from the 1940s through the 1960s and we can observe it too with the LEGO™ paradigm (Hall 1989; Jenson and Saint-Martin forthcoming). The previous section noted some differences in implementation in Britain and Canada, despite a shared enthusiasm for the social investment perspective. In this section, I will account for some of these differences and also briefly document the variation visible when the social investment
perspective, with its focus on children, is not the predominant response to new social risks within the LEGO™ paradigm. To understand these differences it is helpful to observe the interacting effects, within the political institutions of each country, of political ideologies deployed by parties and governments as well as their choices, in particular the decision to reject or continue the trajectory set out by previous governments. In each case, because of the constraints of space, particular attention will be paid to one policy domain – child care, which is central to any discussion of children’s well-being.

**Institutional effects: Politics and choices compared**

Canadian governments took much longer than Whitehall to engage significant action on ECEC. Indeed, Canada devotes only half the public spending to child care that the UK now does (OECD 2005b, Table 1.1), and this despite the federal government dropping new money into the system. In contrast, the UK more than doubled spending on child care between the late 1990s and 2003-04. Nonetheless, it continues to lag behind not only Sweden but even Quebec, which now devotes 0.8% of its GDP to child care (.28% to parental leaves), while the corresponding UK figures are 0.4% and .11% (OECD 2005b, Table 1.1). Both the UK and Canada have chosen to devote substantially more to child allowances, in both cases intended to, among other things, ‘make work pay.’

In Canada, calls for significant reform of child care policy has been heard for over two decades (for this history see Mahon and Phillips 2002). We can pick up the controversy in the late 1990s when social policy thinking at the federal level was converted to the social investment perspective (Saint-Martin 2000). Federal politicians and bureaucrats and their allies in civil society put forward a well-developed social investment reading of the need for investing in children; public support for child care was identified, along with the in-work benefits of the NCB,
as a central instrument for implementing this perspective (details are in Jenson 2004b). Child care was designated one of the possible reinvestments provinces and territories might make within the NCB, and then an additional promise of new federal spending resulted in the federal government signing with provinces and territories the Early Childhood Development (ECD) initiatives in 2001.

Institutions and politics were clearly in play. Social policy (as opposed to direct income transfers to individuals) is a provincial competence in Canadian federalism. The central government can try to incite action but it can nor legislate what provinces do. Moreover, the recent history of federalism since the mid-1990s has been one of provincial governments being increasingly recalcitrant to federal intrusion in their policy domains. Even when they share the social investment perspective and a clear commitment to spending on children, they resist direction from the centre. When they do not share the same policy perspective – for example, when they are firmly neo-liberal – then public funding of child care is not a priority. This opposition is reinforced by the presence in federal as well as provincial politics of a strong neo-liberal populist party which both forms the official opposition and has, since the 1990s, constituted a convincing political threat to the Liberal Party in elections.

With the exception of Quebec, then, Canada has taken much longer to move toward any real new spending on child care, despite the presence of an ‘investing in children’ discourse. In Ontario, for example, between 1995 and 2003 the Conservatives led by Premier Mike Harris simply refused to increase spending on child care services. Indeed, despite their neo-liberal commitment to activation (expressed among other places in their workfare programme Ontario Works), the government preferred to allow mothers heading lone-parent families to substitute parental child care for employment until the youngest child reached school age, one of the highest age of exemption of any province or territory. The significant amount of funds received
from Ottawa under the ECDI agreement went to many other services, including a benefit (somewhat misleadingly labelled the *Ontario Child Care Supplement for Working Families*) that could be accessed by a stay-at-home parent providing a couple’s own child care. Advocates of early childhood education and care term this stance ‘ABC’ — anything but childcare (Jenson 2004b, p. 188). Similar resistance comes from the official opposition at the federal level, the Conservative Party. It advocates spending ‘child care’ funds on allowances to families who use only parental care.

Provincial reluctance is visible even in the 2004-05 ‘great leap forward.’ Four months after the first agreement in principle (that permits a province to access the new money) at the end of April 2005, only six of 13 provincial and territorial governments had signed the accord with the federal government that is the requirement for obtaining a share of the promised $5 billion dollars of federal funding. The slow movement can be attributed to a number of factors, the three main ones being: chariness about recognising Ottawa’s involvement in an area of provincial constitutional competence; lack of enthusiasm for public funding of early learning and continued interest in providing support for parental care; disputes over the legitimacy of limiting public funding to non-profit care providers and excluding the commercial sector.

This brief overview shows that federal and electoral institutions have hindered the full-scale application of the social investment perspective in Canada, and therefore of the child care policies so crucial to it. The British situation is different, for several reasons. First, opposition to the Labour government’s social policy initiatives, even in 2005, have had little political resonance. The Conservatives have yet to find their feet in the post-Thatcher era. This political weakness has allowed the social investment perspective to garner a hegemonic position that it does not enjoy in Canada. Second, while certain important policies, including child care, have been devolved to Scotland, Wales and Northern Ireland, it is Westminster that acts for England.
The Labour government does not have to deal with a strong sub-national government with responsibility in the area and its own ideology.

When we examine Labour’s choices around child care, we can observe an important and early political decision, one that set nonetheless limits to an effective translation of all the talk about investing children into a coherent system of child care provision or even one that fully supports the activation agenda. Immediately after its first election, the Labour government decided to continue one key element of John Major’s government Early Years policy. The fact that the Major government was already active in the policy realm meant that the Blair government had to decide quickly whether to reconfigure the whole domain – toward for example an ECEC model of full-time educational care – or to continue along the same road as the Conservatives. Rather than waiting, the new government immediately reaffirmed ‘the Conservative pledge, and indeed funding commitment, to provide nursery education for all four-year-olds’ (Randall 2002, p. 234), a year later extending it to cover all children three and older. Then, ‘when the new child care policy was launched in March 1998 it was in a sense grafted onto this Early Years policy’ (Randall 2002, p. 235).

This decision to meet the social investment perspective’s commitment to early learning and care with nursery schools had two consequences. Because nursery schools only provide half-day services, parents are still left searching for care the rest of the day, as well as for younger and school-age children. The Labour government decided that these needs could be filled by tax credits or informal care. The legitimacy of informal care was thereby reinforced; this is a second consequence of the 1997 decision. The 10-year strategy for child care set out in 2004 reinforces this legitimacy, by including informal care on the tray of choices (HM Treasury et al. 2004).

Parents of pre-school children are compelled to cobble together part-time nursery school (the public component) with parental or non-parental care for the rest of the day. This key
decision to maintain the emphasis on extending access to part-time nursery schools contributes to the UK’s low labour force participation rate by mothers of young children, a high rate of part-time employment (and therefore low female earnings), expensive child care and low rates of centre-based care (OECD 2005b, Table 4.3 and passim). The weak spots in this system have been identified and singled out by the Babies and Bosses team, which writes:29

… families still find it hard to reconcile work and family life, and further efforts are needed if British parents are to have the same opportunities as those in the best-performing countries … The offer of free early education … in nursery schools is aimed at strengthening child development and reducing the parental share of the cost of childcare. The government is promising to extend free early education to 15 hours/week for 38 weeks/year. This will still leave many parents resorting to private day care and taking time off to transport children from one care source to another - an organisational challenge which could force many more out of full-time employment. Babies and Bosses suggests that childcare support needs to be provided in a more coherent way. The quality, cost, and opening hours of childcare facilities in the UK are also thorny issues for parents.

In other words, large gaps remain to be filled if the social investment version of the LEGO™ paradigm is to be fully instituted in these two countries. Such gaps can be attributed to institutional rigidities as well as governmental preferences and choices.

The LEGO™ paradigm for adults

The LEGO™ paradigm is composed of three elements: an emphasis on work and life-long learning, orientation towards the future, and the belief that there is a general benefit from everyone being actively engaged. One difference that emerges in any comparison beyond Britain
and Canada is the extent to which children’s needs are privileged over those of adults in discourse and action. Examination of the European Union’s social policy perspectives helps to see how the LEGO™ paradigm can vary across jurisdictions.

The European Union has taken to the LEGO™ paradigm with enthusiasm. We owe the term ‘activation’ to Eurospeak. Raising employment rates in the face of ageing societies, declining birth rates, and costly pensions has become the way to ‘save’ social protection. At least since the 2000 European Council in Lisbon the institutions of the EU, through the European Employment Strategy and other social policy areas promote an increase in the employment rate of both women and men. This is done, as the EU documents constantly reiterate, so that Europe can become ‘the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion’ (for example, Commission 2000, p. 2). This is a future orientation that sees active engagement as the way to ensure individual well-being (better jobs) and the collective success of the European economy.

At the same time, European institutions are in the forefront of promoting the notion that economic well-being in the future as well as the present depends on a modernised social policy focused on human capital and capable of facing all the new social risks. One example: ‘While robust economic and employment growth is a vital precondition for the sustainability of social protection systems, progress in achieving higher levels of social cohesion is, together with effective education and training systems, a key factor in promoting growth’ (European Commission 2005, p. 7).

While clearly adhering to the three principles of the LEGO™ paradigm, the EU’s version targets children much less than the social investment perspective does. In the immediate post-Lisbon Social Agenda, children were mentioned only twice, both times in reference to the
International Labour Organisation’s convention on child labour. The poverty analysis focused on unemployment as the major risk factor for poverty, leading to the objective ‘to prevent and eradicate poverty and exclusion and promote the integration and participation of all into economic and social life’ (Commission 2000, pp. 25, 12, 20). In the Social Agenda issued in 2005 for the years 2006-10, children are not mentioned either. Intergenerational transmission of poverty and social exclusion have emerged, however, as significant concerns; indeed the Communication applies an intergenerational approach focused on young people (Commission 2005). Thus, the future orientation of the LEGO™ paradigm is present at the heart of the analysis, but without necessarily adopting the ‘investing in children’ discourse.

One place where European institutions have begun to target the child, however, is in analyses of social exclusion. For a number of years, the Joint Reports on Social Inclusion have identified eliminating child poverty as a policy objective and in doing so have linked the problem to the new social risks of low income and lone-parent families (for example, European Commission, 2005, pp. 10-11). However, child poverty is only one category and its elimination only the fourth of seventh objectives. Analysis remains overwhelming focused on the poverty-employment link – that is the situation of adults facing new kinds of labour markets and low wage jobs – and activation and training are the first two priorities for fixing it (European Commission 2005, p. 10).

The focus on adults is also confirmed by the way that child care is framed in European Union discussions. It remains overwhelmingly within a work-family frame. There is continuity here, despite the best efforts of experts on early childhood to promote the idea that all children benefit from high quality early childhood education and care. As Janneke Plantenga and Melissa Siegel (2004) put it in their position paper for the Dutch presidency’s major conference on child care:
Confirming the goal of full employment, the Barcelona European Council agreed that: “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”.

This is a reading of the need for child care and parental leaves framed by employment policy. It indicates that the EU maintains its focus on ‘reconciling work and family’ that depends on article 119 of the Treaty of Rome (Ross 2000). The consequence is that it targets only rates of coverage; the issue of quality is left aside. This position persists despite pressure to focus on the quality issue and the analyses of the advantages of good quality care that were presented in the mid-1990s by its own Childcare Network (Moss 2004, p. 4 and passim). Even the OECD’s Babies and Bosses analysis, most concerned about parental employment, has recognised the need to incorporate a quality focus (as we saw in the quote in the previous section) and in doing so is more attentive to the early childhood education issue than are the institutions of the EU, for whom child care remains a service for parents.

**Conclusion**

We see clearly, then, that adherence to the LEGO™ paradigm does not automatically lead to attention to children’s well-being. The paradigm may focus on adults’ needs more than children’s, even while it gives rise to policies designed to increase human capital and social services. In the European Union this means that the new social risks are analysed from the perspective of workers and parents, from the perspective of intergenerational solidarity among
the old as well as the young, and from the perspective of integrating employment and social policy. The social investment perspective of the British and Canadian versions of the paradigm is only one among several in use. It does open the policy door to notions of investing in children, but as we have also seen, the talk is not always translated into policy actions that increase their well-being.

By identifying this variation within the social perspective and across the paradigm, this chapter seeks both to uncover the structure of assumptions and diagnosis that are increasingly being applied to discussions of new social risks and social architectures to confront them. We are living in new times, ones that will structure the well-being of future generations, and it is therefore important to understand not only the presence of new social risks but also the consequences of parsing them in policy discourse one way or another.

Notes

1 Final communiqué, 1 April 2005. Available at: www.oecd.org/document/47/0,2340,en_21571361_34360727_34668207_1_1_1_1,00.html, consulted 28 August 2005.

2 The United States since the welfare reform of the mid-1990s is a notable exception to this generalisation. It cannot be considered to share the same commitment to social investment as other liberal welfare regimes, and is probably best described as ‘conservative’ or ‘neo-conservative.’ As a result, the US case is excluded from the analysis and the generalisations developed in this paper.

3 There is no single list of the new social risks. For example, Taylor-Gooby (2004, pp. 4-5) and Bonoli (2005, p. 435) identify the effects of policy design (inadequate pension coverage for some groups, for example) or redesign (privatisation, for example) as a new social risk. I prefer to treat them as policies, and then assess the extent to which they respond well or poorly to the new patterns of risk that individuals and families encounter in the labour market or families.

4 The choice of the term activation, which involved creation of a concept, allows policy communities to make an explicit link to the ‘active labour market policies’ long favoured by countries such as Sweden and somewhat later by the OECD.

5 There are multiple sources of this emphasis on investments to combat new social risks, including the OECD, the European Union (especially the Portuguese presidency in 2000 and the Belgian presidency in 2001), individual countries (especially Britain under New Labour since 1997), and policy intellectuals. For some discussions of the origins see Saint-Martin (2000), Dobrowolsky and Jenson (2005, pp. 204-07), and some key policy documents (for example, OECD 1997; Giddens 1998; Esping-Andersen et al. 2002).
6 This quotation is from the webpage entitled fundamental beliefs, consulted 26 July 2005. 
www.lego.com/eng/info/default.asp?page=beliefs

7 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, p. 8).

8 Peter Hall’s (1989) useful book describes the variety of ways that the general paradigm of Keynesianism was ‘domesticated’ differently in a wide range of countries.

9 In the neo-liberal years of Thatcherism there had been a significant rise in workless households, contributing to a child poverty rate after taxes and transfers of 20%, a ‘score’ higher than all OECD countries but Italy and the United States (UNICEF, 2000, pp. 13-14 and 15). While a correlation between worklessness and poverty might seem obvious, the underlying notion was that, without employment, social transfers of the residual sort Britain had always provided could not move people out of poverty. Thus, the main idea about how to end child poverty was to combat ‘worklessness’ (HM Treasury 2001, Chapter 2) by moving at least one parent into employment.

10 Instituting the NCB involved a major reform in social assistance. It ‘removed children from social assistance’ by locating their support in other programmes (the quasi-universal Canada Child Tax Benefit and the NCB Supplement targeted to low-income families) and was paid directly by the federal government rather than by the provinces and territories, as the child portion of social assistance had been (Jenson 2004b, pp. 177-78).


12 Myles and Quadagno (2000, p. 159) have rightly insisted on the importance of such policy instruments. For a presentation of their advantages, from a policy-maker’s perspective, see Mendelson (2005, pp. 1-2).

13 These are benefits that are accessed by adults responsible for a dependent child, usually under 18 or still in school. They are sometimes called ‘child contingent’ benefits.

14 Initially, all but two provincial governments ‘clawed back’ (reduced) their social assistance benefits by the amount of the federal tax credits. However, as the amount of the benefits has risen since 1999, even some families on social assistance have seen an increase in income.

15 Campaign 2000 is the successor group to the Child Poverty Action Group created in 1983. It takes its name from the House of Commons pledge, voted unanimously in 1989 to honour the retirement of Ed Broadbent as leader of the New Democratic Party, ‘to seek to achieve the goal of eliminating poverty among Canadian children by the year 2000’ (Jenson 2004b, pp. 185, 170).

16 In a 2005 simulation of what family incomes would have been without the NCB, Statistics Canada reported: ‘The results show that because of the NCB, there was a reduction of 8.9 percent in the number of low-income families, meaning that 94,800 children in 40,700 families were not living in low-income situations. For these families, the average disposable income was higher by an estimated 9.2 percent (about $2,200). The analysis also found that the NCB had a positive impact on families with children who remained in low-income situations.

17 Comparing the UK and Canadian situations, we note that in both cases the increase over five years was 5 percentage points, but the UK has a much lower rate of labour force participation by women who are lone parents. The Canadian rate in 2003 was 68% and the British rate in 2005 was 56%.

18 For the British studies, many of which benefited from long-running longitudinal analyses, see Dobrowolsky and Jenson (2005, pp. 209, 224). In Canada, because the longitudinal studies are more recent, the focus has been more on school readiness. See the studies cited in Jenson (2004b, pp.180, 187) for example.
In 1994, for example, Canada’s Campaign 2000 pre-figured later state preoccupations in its *Report on Children and Nationhood*, the message being “If we neglect the next generation, we’re jeopardizing the future of our country.” The *Globe and Mail*, Canada’s main newspaper, headlined its article this way: “Child poverty seen as a threat to Canada’s future” (28 June 1994: A8).

*Sure Start* is the name of Britain’s community based programme. British government ministers and their documents constantly intone the need for programmes that will give children the ‘best possible start in life.’ Ontario now has a *Best Start Plan*, and the NCB promises to help children “to get off to the best possible start in life.”


The language of investment permeates the NCB documents, especially the provincial reports which use a template in which they distinguish ‘investments’ from other spending (Canada 2005, Appendix B).


A clear expression of this position is: ‘But you can’t build a community on opportunity or rights alone. They need to be matched by responsibility and duty. That is the bargain or covenant at the heart of modern civil society. Frankly, I don’t think you can make the case for Government, for spending taxpayers money on public services or social exclusion in other words for acting as a community - without this covenant of opportunities and responsibilities together’ (Blair 2000).


The UK rate of .90% is virtually the same as Sweden’s .93% and Canada is at .63% (OECD 2005b, Table 1.1).

In 1998 Quebec instituted an affordable, high quality, universal ECEC programme, thus far the only one in Canada (Jenson, 2002). The fourth volume of the OECD’s *Babies and Bosses* series (OECD 2005b) focuses on Quebec, holding it up as a model for the rest of Canada.

New Labour did, however, abandon the notion of providing vouchers to parents, choosing instead to mix tax credits and some spending on ensuring supply.

From the summary of the reports conclusion, available at [www.oecd.org/document/39/0,2340,en_2649_33933_34916903_1_1_1_100.html](http://www.oecd.org/document/39/0,2340,en_2649_33933_34916903_1_1_1_100.html), Consulted 28 August 2005.
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