The social investment approach to Western Balkan and Eastern partnership countries

Comments

Leonard Geyer, 13.06.2023
Preconditions for SI

• Social investment (SI) comprises a lot of different policies to 
  create (e.g. education, training), mobilise (e.g. ALMP, care) 
  and preserve skills (e.g. unemployment benefits)

• To the extent that it can be generalised, what are the biggest 
  obstacles to (effective) SI policies in Western Balkan and 
  Eastern Partnership countries?
  • Politics?
  • State capacity?
  • Incompatibility with the growth model?
And pitfalls

Investments in people are not necessarily inclusive. Policy design matters (a lot).

• Targeting:
  • Is there evidence of ‘Matthew effects’ (policies benefiting the more affluent/less in need)?
  • Discretion of local official can be double edged sword

• (un)intended side effects:
  • South Korea: Financial support for childcare at home
  • Helps children, but reduces female labour market participation
Social investment and labour migration

• Education and training = prototypical SI policy
• But (youth) brain drain dilemma: emigration of well-trained and educated
• Social investment as locational advantage?
  • Health & care services
  • Childcare
  • Pensions & unemployment insurance