

SUMMARY

ETF Skills Lab Network of Experts Online Peer Learning Session

RETURNS TO SOCIAL INVESTMENTS: METHODOLOGICAL LESSONS FROM THE WELLSIRE PROJECT

25 June 2026, 10.30 – 12.00 CET

This online peer learning session of the ETF Skills Lab Network of Experts explored the methodological foundations and policy implications of the [Wellbeing Returns on Social Investment Recalibration \(WellSIRe\) project](#). Drawing on evidence from European Union (EU) Member States, the session examined how social investment policies contribute to employment, productivity, wellbeing and sustainable public finances, while also reflecting on methodological approaches to assessing their long-term returns. Welcoming participants, **Cristiana Burzio (ETF)** reminded that the Network’s peer learning sessions are designed to share research projects and practical experiences that are relevant to the Network’s thematic focus. Introducing Professor Anton Hemerijck, Professor of Political Science and Sociology at the Department of Political and Social Sciences at the European University Institute in Florence, she encouraged participants to engage actively in the discussion.

Professor Anton Hemerijck (European University Institute) started by presenting the **Wellbeing Returns on Social Investment Recalibration (WellSIRe) project**, a six-year European Research Council (ERC) Advanced Grant examining the long-term returns of social investment policies across European welfare states. Introducing the project, he reflected on how recent crises—including the Great Recession, the COVID-19 pandemic, demographic ageing, geopolitical fragmentation and the rapid development of Artificial Intelligence (AI)—have reshaped debates on the future of welfare states. While these developments have renewed concerns about the affordability of social protection, Prof. Hemerijck argued that such debates continue to rely on a “zero-sum” understanding of welfare, assuming that investment in education, childcare or labour market activation inevitably comes at the expense of income protection. Drawing on the evidence generated through WellSIRe, he challenged this assumption, proposing instead a “positive-sum” perspective in which social investment strengthens employment, productivity and public revenues, thereby reinforcing rather than weakening the long-term sustainability of welfare systems. He illustrated this argument by referring to the experience of the Great Recession and the COVID-19 pandemic, where countries with stronger welfare institutions and automatic stabilisers were generally better equipped to absorb economic shocks and support a faster labour market recovery.

Prof. Hemerijck then outlined the conceptual foundations of the project, arguing that welfare systems should be understood as dynamic policy configurations rather than collections of isolated interventions. Building on the capability approach developed by Amartya Sen and Martha Nussbaum, he described social investment as a strategy that expands people’s capabilities throughout the life course to complement traditional social protection. Rather than viewing welfare expenditure solely through the lens of redistribution, he argued that governments should pay greater attention to the productive capacity of welfare systems by increasing labour market participation and human capital. This shift, he explained, requires moving the policy debate away from the immediate costs of welfare provision towards its contribution to employment, productivity and sustainable public finances. He also introduced the concept of “Stepping Stone solidarity”, arguing that modern welfare states should not only compensate citizens

for social risks but also help them navigate critical life-course transitions, including the move from education to employment, combining work and family responsibilities, returning to work after career interruptions and extending working lives through active ageing policies.

Central to the WellSIRe project is the proposition that the effectiveness of welfare policies depends on complementarities between different policy instruments rather than on individual measures in isolation. Hemerijck presented the project's analytical framework based on three mutually reinforcing policy functions: **stocks**, which enhance and maintain human capital through education and training; **flows**, which facilitate transitions between education, employment and family life; and **buffers**, which provide inclusive income protection against poverty and social risks. He explained that the project combines macroeconomic analysis, micro-level evidence on material and subjective wellbeing, comparative research on national reform trajectories and studies of policy implementation in European cities to understand how these policy configurations generate cumulative effects throughout the life course. This layered research design enables the project to connect macroeconomic outcomes with the lived experiences of different population groups while also examining how reforms are implemented in practice.

Turning to the empirical findings, Prof. Hemerijck demonstrated that countries combining capacitating services with inclusive social protection consistently perform better across a wide range of economic and social indicators. Drawing on comparative evidence from Organisation for Economic Co-operation and Development (OECD) countries and European Union (EU) datasets, he showed positive relationships between early childhood education and care, female employment, educational attainment, lifelong learning, active labour market policies, longer working lives and lower poverty rates. These policy complementarities were also associated with higher productivity, stronger fiscal capacity and more sustainable public finances, challenging the widespread assumption that generous welfare provision undermines competitiveness. At the micro level, the project further demonstrated that combinations of childcare, active labour market policies and adequate income protection improve both material and subjective wellbeing. Beyond direct beneficiaries, these policies also generate broader confidence in welfare institutions by strengthening people's sense of security, life satisfaction and control over future life-course transitions.

Concluding his presentation, Hemerijck reflected on the methodological lessons emerging from the project. He argued that conventional evidence-based policy approaches often focus on measuring the isolated effects of individual interventions while overlooking the interactions between policies and the institutional contexts in which they operate. Instead, the WellSIRe project advocates a theory-driven and configurational approach that combines quantitative and qualitative evidence to examine how policy packages evolve over time and generate cumulative returns across the life course. According to Prof. Hemerijck, understanding welfare states requires analysing sequencing, complementarities and implementation rather than searching for universally applicable policy solutions. He concluded by introducing his forthcoming research on intergenerational fairness, demographic change and technological transformation, expressing confidence that the social investment paradigm remains well suited to addressing the long-term challenges facing Europe's ageing knowledge economies.

During the discussion, participants explored both the methodological foundations of the WellSIRe project and its implications for policymaking. Responding to questions on the relationship between correlation and causality, Prof. Anton Hemerijck explained that the project builds cumulative evidence by combining macroeconomic indicators, micro-level analyses and qualitative research rather than relying on isolated experimental methods. He argued that this approach provides a more robust understanding of the long-term returns of social investment policies while recognising differences between national and local contexts. Referring to his recently published book, [Governing the Welfare Commons: On Europe's Social Investment Turn](#), he noted that the project's findings would continue to inform future research on welfare governance and policy complementarities.

Participants also discussed how governments can move from reactive welfare systems towards more preventive and investment-oriented approaches. Prof. Hemerijck argued that investing in children, education and skills offers the greatest long-term returns, although the political benefits often extend beyond electoral cycles. He acknowledged that while many governments have gradually incorporated social investment measures into their policy portfolios, they rarely present them as part of a coherent

long-term strategy. The discussion also touched on demographic ageing, skills development and international migration, with Hemerijck reiterating that the most effective reforms combine social investment with inclusive social protection to strengthen resilience, productivity and wellbeing.

In her closing remarks, **Cristiana Burzio (ETF)** thanked **Professor Anton Hemerijck** for sharing the findings of the WellSIRe project and acknowledged the valuable discussion generated during the session. She encouraged participants to continue exchanging reflections through the ETF Skills Lab Network [LinkedIn group](#) and informed them that the presentation, together with the session's summary highlighting the main takeaways, would be made available on the [ETF Open Space](#) platform in the coming days. Burzio also invited participants to complete the post-session satisfaction survey, noting that their feedback would help shape future Network activities. She concluded by thanking all participants for their active engagement, wishing them a pleasant summer and announcing that the ETF Skills Lab Network's online activities would resume in September with a new programme of events.

Resources

All presentations and materials presented at the event can be found at:

<https://openspace.etf.europa.eu/events/online-peer-learning-session-returns-social-investments-methodological-lessons-wellsire>