

Human Capital A New Paradigm ? A Complete Paradigm ?

Jane Jenson
Director, Family Network, CPRN
and
Department of Political Science
Université de Montréal

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Can human capital qualify as a paradigm?

- Have had “human capital” discussions for many years
 - before it was called “human capital” it was called education,
19th century liberals saw education as the route to social well-being
 - the post-industrial economy of the 1950s and 1960s was based on the service economy and an educated middle class
- so, to qualify as a paradigm shift, there needs to be more than that...



Why do we think it is a new paradigm ?

- what's new?

what is the vision of the just society in the human capital approach?

- The notion that it is *sufficient* to provide equal opportunity to develop and enhance human capital
- that is, it is *just* :
 - to provide *capacity*
 - to *invest* in the future



To be a new paradigm , it must

- Be much larger than just human capital that addresses only one dimension - the individual preparing for work life
- be at least as good as the old paradigm address the same range of problems

What is this “proto-paradigm” ?

- It is a social investment paradigm
- The role of the state is as a social investment state
- The result is a new citizenship regime, with its own:
 - representation of principles
 - definition of social citizenship
 - representation of state interests

	“Social rights” Citizenship Regime	“Social Investment” Citizenship Regime
<i>Representation of principles</i>		
Time perspective	present focussed – avoiding the past of depression and war by improving the present	future focussed – improving the present so as to prepare the future
Key social cleavage	class and hierarchical social relations	inclusion / exclusion
Location of wealth production	goods production – the industrial economy	knowledge production – the service economy
Vision of citizens’ rights	equality in the here-and- now	equality of opportunity for future success

	“Social rights” Citizenship Regime	“Social Investment” Citizenship Regime
<i>Definition of social citizenship</i>		
Major risk for individuals	lack of income due to a life-risk (unemployment, childbirth, old-age, etc.)	lack of skills and exclusion (long-term poverty, out-dated skills, criminality, etc.)
Goals of public spending	equality in the present , via redistribution of wealth and access	Inclusion in the present and equality of opportunity for the future
Social benefits accrue ...	to the citizen worker and his/her dependants based on relationship to the labour force	to those preparing for citizenship – children or those engaged in improving their “employability”
Form of security promised to individuals	income security against life risks	trampoline into the labour force



	“Social rights” Citizenship Regime	“Social Investment” Citizenship Regime
<i>Representation of state interests</i>		
Major risk for states	economic cycles and downturns generating consumption and spending shortages	an economy which can not compete in global markets and a society facing threats to social cohesion
Macro goal of public spending	counter-cyclical spending for equilibrium	economic competitiveness and enhanced social cohesion
Instruments to achieve equality	full employment ; redistribution of income	services to enhance human capital (eg -early childhood initiatives, education) and employability (eg -training, employability, workfare)



As a paradigm of citizenship

- it is *no more than* a set of representations
 - do not confuse rhetoric with results
(remember the old...)
- there will always be *gaps*
(this is also the lesson of the old)
- there may very well be *contradictions* between different elements,
when the “hard choices” have to be made

What are the limits ?

will ask two questions:

- What would be needed for social investment to really work ?
- What are the limits that can already be anticipated ?

use children and family as example

What would be needed ?

- if we were really to *guarantee* equality of opportunity in the acquisition of human capital ?
 - Access to early childhood education
 - with the accent on education
 - Access to quality education throughout life, including throughout the school years, university and labour market retraining

What are the limits already visible ?

- early childhood education will be a private good, available only to children with parents who can afford to invest in it
- UNLESS
 - early childhood education is *accessible*
 - early childhood *services* are *available*
 - early childhood programmes are *educational*
- only one Canadian jurisdiction is doing this

Why these limits ?

- with *employability* as the citizenship responsibility of adults,
that is, “*any job is a good a job*”

there is no guarantee that parents will be able to provide for their families

- this was the classic dilemma for 19th century liberals...
- led to public schooling

What is the challenge ?

- hard for families to rise above the poverty line
 - little labour available to mobilise
 - the good jobs are still unequally distributed
 - the good jobs are not yet available
- therefore, to prepare the future need to spend public money now
- the social investment citizenship regime is not cheap...

What's the gap ?

- there is a disconnect in the “time” perspectives of the regimes :
 - equality *for* the future
 - social inclusion *now*

equality of opportunity depends on

- either:
 - equality of private capacity
(ie redistribution by markets or taxes)
- or
 - equality of access to services

What's the problem ?

- a trampoline into the labour force does not guarantee a good landing
- the regime can't work if there is no access to either good income or good services
 - in the present, need for good jobs OR good services
 - in the future, need people who had parents with good jobs or had access to services

Is there a contradiction ?

- meeting social need in the future,
requires economic success now

not the other way around,

which is how the social investment
paradigm puts it...

What's the gap?

- distribution remains the heart of the problem...

distribution of access to

- good jobs now,
- income now or
- services now

- or all of the above !



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e-mail: family@cprn.org

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