

1. Social investments with interventions

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The Nordic welfare states are known for their welfare model, which combines social protection with economic growth, emphasizing universalism, strong public services, and inclusive social policies. Over the past few decades, the social investment paradigm has become a dominant approach in European welfare policy, shifting the focus from passive income transfers to fostering human capital and positive life transitions. Nordic countries have been the forerunners of implementing social investment thinking in their welfare policies. However, as societies face increasing complexity due to demographic shifts, economic pressures, and technological transformations, it has become evident that the social investment framework requires revision and concrete extensions to address old and emerging challenges and expectations.

This book introduces a new and more comprehensive approach for advancing welfare state research and policymaking by extending the social investment framework with interventions. The approach not only expands the perspective of social investment but also emphasizes the importance of interventions and their impact assessment. Without clear effectiveness criteria, the efficiency of policy measures remains uncertain, and resources may be allocated inefficiently. Therefore, the interventions presented in this book are evidence-based and designed to produce measurable, long-term benefits for individuals and society. This book handles theoretical insights on how this new approach can strengthen welfare state policies and presents empirical case studies on how the effective interventions are implemented in Finland.

This book provides researchers, policymakers, and welfare service developers with a new approach that extends the social investment framework with targeted, effective interventions. The new approach offers concrete practical tools for targeted universalism, aligning with the long-standing debates on universalism and selectivity in welfare state policy, and of course, for the broader challenge of reforming the modern welfare state.

The book is structured into four main parts. Part I introduces the theoretical framework that expands the social investment framework with interventions

into a new welfare policy approach. In Chapter 2, Jani Erola, Pasi Moisio, and Johanna Peltoniemi provide an overarching introduction to this new approach of including interventions in the social investment framework. In Chapter 3, Anton Hemerijck and Daniel Fernandes examine the latest evolution of social investment policies, their performance, and the political and institutional mechanisms that shape their effectiveness. In Chapter 4, Johanna Peltoniemi, Sanna Herkama, Sakari Karvonen, and Anu Muuri then explore how interventions function in the welfare state context, demonstrating the role of intervention in complementing traditional social investment strategies.

Part II of the book critically examines the limitations of the social investment framework in tackling contemporary and future challenges. In Chapter 5, Pasi Moisio and Johanna Peltoniemi argue that the expansion of social investment principles has led to a shift toward a technocratic welfare model, eroding solidarity and civic virtue. In Chapter 6, Juho Saari examines the financial sustainability crisis of the Nordic welfare states, questioning whether they can continue to deliver on their promises under growing fiscal constraints. In Chapter 7, Olli Kangas and Mikko Niemelä analyze the Finnish exceptionalism in the adaptation of the social investment framework in comparison with other Nordic countries. In Chapter 8, Marika Jalovaara, Jessica Nisén, and Johanna Lammi-Taskula analyze the demographic transformations reshaping Nordic welfare states, particularly Finland's sharp fertility decline and aging population. In Chapter 9, Minna van Gerven and Wim Van Lancker explore how artificial intelligence and automation are redefining welfare deservingness, challenging traditional models of social investment. Finally, Heikki Hiilamo advocates for integrating well-being economy principles into welfare policy to ensure long-term sustainability in Chapter 10.

Part III of the book presents empirical case studies of interventions successfully implemented in Finland, demonstrating how interventions can complement the social investment framework. The Housing First program, analyzed by Alekski Karhula, Elisabetta Leni, Pasi Moisio, Veera Niemi, and Joonas Ollonqvist in Chapter 11, provides immediate, unconditional housing to homeless individuals, combined with tailored support services, significantly reducing homelessness and improving well-being. In Chapter 12, Sanna Herkama, Marie-Pier Larose, Tiina Turunen, and Christina Salmivalli examine the KiVa bullying prevention program as an intervention, which has effectively reduced bullying and improved mental health outcomes in Finnish schools. In Chapter 13, Kirsi Peltonen, Mia Huolman, and Sanna Hannula explore interventions for supporting refugee children's mental health and learning, integrating education and healthcare services to enhance resilience and facilitate integration. In Chapter 14, Terja Ristkari, Malin Kinnunen, and Marjo Kurki present the digital parent training program *Voimaperheet*, which combines digital interventions with coaching to support parents of children with behavioral issues,

showing strong results in reducing disruptive behavior. In Chapter 15, Ilari Ilmakunnas, Joonas Ollonqvist, and Pasi Moisio investigate how Finland's pension reforms have incorporated elements of both social investment and intervention, challenging the traditional boundaries of these concepts. Finally, in Chapter 16, Henri Salokangas, Outi Sirniö, Pasi Moisio, and Heikki Hiilamo reflect on Finland's Basic Income Experiment, which demonstrates how large-scale societal randomized controlled trials (RCTs) can generate crucial insights for policymaking.

In Part IV, the editors, together with Paula Saikkonen, conclude the book in Chapter 17 with a reflection on the critiques of the social investment framework and the question of whether the extension of interventions can address these critiques.