

# Integrating Smallholders into the Global Economy: Agri-businesses, Contracts and Public Policy in South Africa

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## **Abstract**

*This paper intends to contribute to the on-going debate about whether and how agricultural market restructurings can provide viable opportunities for small-scale farmers in Africa. It aims at analyzing contract farming from the smallholders' perspective and at understanding the implications regarding contractual arrangements with processing agribusinesses and/or export firms. Using an original approach that allows linking farm level analysis to territorial and value-chains levels analysis, the research intends to better understanding the complex and multidimensional implications of agricultural structural change.*

*Based on case-studies from the citrus sector in South Africa, the paper argues that contract farming is not a panacea for smallholders. On one hand, contract farming can improve production for farmers; it can also enable better access to services and resources and create real opportunities for smallholders to participate in modern markets. However, on the other hand, the investigation shows that contract farming remains limited both at territorial and value-chain levels: it, mostly involves the already better-off and the larger-scale farmers who have benefited, among others, from significant public support. Moreover, when contract farming includes a handful of smallholders, it can lead to a loss of control and decision rights over production and resources. Overcoming these challenges is essential. The latter will need to be complemented by other measures allowing not only the integration of smallholders into the global economy, but the broader agricultural transformations and structural change.*

## **Introduction**

South Africa is characterized by a highly unequal farming sector, an apartheid 'legacy' which excluded black farmers from resources, market-oriented agriculture, and mainstream food markets. In that context, restructuring agriculture represents not only a decisive element of the ideological transition, but is also seen as one of the conditions of socio-political stabilization.

From the early 1990s onwards, the end of apartheid and related liberalization offered hopes to overcome the duality of agriculture. The production environment has changed (economic deregulation and withdrawal of the state) and markets have been restructured, becoming increasingly consumer-driven and vertically integrated (Weatherspoon & Reardon, 2003; Sautier et al., 2006). In this context, contract farming<sup>1</sup> (CF hereafter) has been considered a powerful tool to integrate (black) smallholders in the mainstream agricultural economy (Sartorius, 2004; World Bank, 2007; Fréguin-Gresh & Anseeuw, 2011), in particular as much of the post-liberalization literature and developers sees CF as a private-led arrangement capable to reduce the transaction costs and risks of smallholders' (World Bank, 2007)..

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<sup>1</sup> Contract farming is generally a form of vertical integration between agricultural producers and buyers (exporters, agro-processing companies or retailers at the end of the value chain). The definition used by Little and Watts (1994) is very comprehensive: 'forms of vertical coordination between growers and buyers-processors that directly shape production decisions through contractually specifying market obligations (by volume, value, quality, and, at times, advanced price determination); provide specific inputs; and exercise some control at the point of production (i.e. a division of management functions between contractor and contractee'. Thus, in South Africa like in other developing countries, CF is today one of the most debated institutional arrangements for production and marketing of agricultural commodities.

The objective of the paper is to contribute to the debate on prospects of CF for South African smallholders. It will focus on whether or not contracts can successfully help black smallholders to improve market access, and therefore contribute to the country's agricultural transformation. The paper is based on insights from the citrus sector, a value-chain characterized by significant restructurings and the recent emergence of CF opportunities for smallholders. Two case studies from the South African citrus sector are presented: the first one refers to a contract linking a private exporter with land reform beneficiaries; the second one focuses on a leading juice processor engaged in a contract with a smallholders' organization. A case-study approach was applied as the analyzed linkages are the result of recent initiatives and do not represent an overall and common trend. However, they illustrate the nature of these relationships, both for export and domestic markets and appear as pioneer initiatives that are given much attention from both the private and the public sectors. Also, contracts do vary. Detailing these case-studies allows thus to cover the existing diversity, before endeavoring to point out common factors related to the citrus sector in particular, or to the agricultural sector in general.

A first section of this paper will present an overview of the implications of South Africa's macro-economic restructurings and transformations on the citrus sector. A second section will analyze the effectiveness of CF and discuss the factors that affect the likelihood of the establishment and sustainability of these contracts for smallholders in South Africa. Finally, conclusions and recommendations are presented in the third section.

### **The South African citrus sector: from public regulation to private standardization of a dual, liberalized, export-oriented sector**

Over the past decades, major evolutions occurred in the production and trade governance patterns within the agricultural and citrus sectors in South Africa. Three factors should be mentioned: the liberalization and deregulation of agriculture; the development of a governance environment shaped by private norms and standards; and the emergence of large oligopolistic actors dominating both production and trade.

First, as most economic sectors in South Africa, the citrus sector was well organized and strongly regulated by the state until the 1970s. Related to domestic political forces enhanced by pressures emerging from the GATT negotiations (Vink & Kirsten, 2000) the agricultural sector, among which the citrus sector, faced increasing deregulation and liberalization pressures, including a reduction in the use of price controls and registration requirements as instruments of trade policy; shifts from cost-plus pricing procedures towards more market-based pricing systems; and the dismantling of the marketing boards and parastatals. Control measures used for local citrus marketing ceased, export controls were cancelled and the board changed its status to that of a private company. At the end of 1995, anyone could register as a citrus export agent.

Second, in parallel –or as a response- to liberalization, deregulation, and specific global developments linked to new food demand patterns, quality standards, referring to technical, safety, sanitary, environmental, and other social considerations, have become almost mandatory since the 1980s (Vermeulen et al., 2006; Jaffee, 2011). The ability to adequately address them determines the level of market access of farmer (Maertens & Swinnen, 2009; Maertens et al., 2011). According to the markets traded on, terms of requirements for quality, volumes, practices, and accreditation, differ<sup>1</sup>. The national safety regulation provides stipulations relating to the grading, packing, and marking of citrus. In addition to the domestic ones, the export sector faces safety standards applied in many Northern countries, in particular Europe, which is the main importer of South African citrus. Standards such as Hazard Analysis Critical Control Points, International Food Safety, Good Agricultural Practices (Eurep/GlobalGAP), British Retail Consortium, Safe Quality Food, organic labels, and private voluntary standards to ensure social

accountability (SA8000, Nature's Choice, Fair-Trade, etc.) are applied to production and all along the value-chain up to the point where the fruits leave the farm (Jooste et al., 2007).

Third, on contrary to what one could have expected of the end of apartheid, these restructurings entrenched the concentration at both upstream and downstream levels, as it occurred in other countries (Reardon & Timmer, 2007; Bijman, 2008; Prowse & Thirion, 2012). On one hand, regarding the upstream segment, production remains dualistic: around 1,400 to large-scale (ranging from 0.5ha to 500ha) export-oriented growers (mostly white) control over 80% of volumes, while a further 2,200 smallholders (mostly blacks), with each having on average less than 100 trees, produce for local markets (Philp, 2006). Even if land reform can be expected to change ownership patterns, implementation remains slow (5% of the area in 15 years) and often unsuccessful (90% of redistributed farms collapse) (Anseeuw & Mathebula, 2008). On the other hand, the downstream segment is characterized by the development of oligopolistic structures which organized itself around a small number of processors, packing-houses, and exporters (Figure 1). Two consequences are directly related to the latter. Firstly, except the informal market which tolerates small, irregular volumes, and variable quality, all other channels are submitted to standards, developed by these private agribusinesses trying to facilitate the adoption of their own specifications. Secondly, in order to reduce their transaction costs and to reduce price fluctuations, the latter chose to work with few preferred suppliers able to provide adequate and reliable volumes and qualities at specific times (Louw et al., 2006).

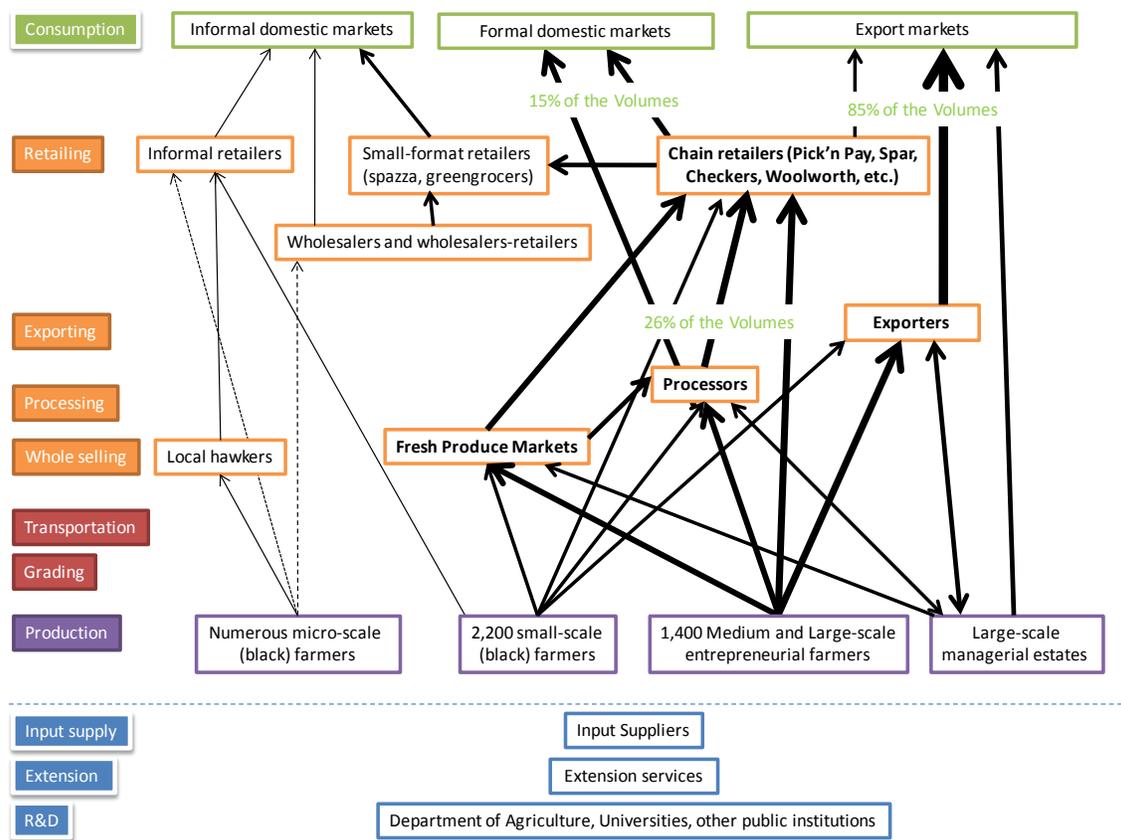


Figure 1: Mapping of the structure of the South African Citrus production. Source: (Fréguin-Gresh & Anseeuw, 2012b)

### **Questioning the effectiveness of contracts for small-scale citrus growers**

In theory, the restructured South African economy and markets should present opportunities for smallholders (Reardon et al., 2003; Reardon & Hopkins, 2006; Vorley et al., 2007). However, due to the evolutions of production and market structures, citrus growers face increasing competition and entry barriers, and have no choice but to comply with standards to access markets. In this context, the pros and cons of CF have to be analyzed.

### **Enhancing Production Capacity – A necessity to reach modern markets**

In a context where high-value crops necessitate input levels and service provision exceeding the financial resources of small-scale growers and where the state withdrew from direct support, CF can play an important role in smallholders' empowerment, access to resources, services, and capital (Minot, 1986; Kirsten & Sartorius, 2002a; Kirsten & Sartorius, 2002b; Bijman, 2008; Minot, 2009). As such, contracts can enable smallholders to access modern markets in several ways.

Firstly, contracts can enable smallholders to access to quality seedlings and adequate inputs, enabling them to provide adequate varieties and quality fruits. The related costs being deducted from the final payment, contracts enable them to access the right inputs at the right moment and, thus, to follow the stipulations required by the standards and certification procedures. Secondly, contracts can also help smallholders to access funds for standardization thanks to direct provision of loans by the agribusinesses or to the agribusinesses' guarantees to banks. Thirdly, they can provide smallholders with quality services. In most contracts, quality and often free of charge technical assistance is provided by agribusinesses enabling farmers to address production issues and, in some cases, to deal with project management aspects (financial management, administration). Contracts involve thus capacity building and skills transfers. Thanks to the combination of these, contracts can enable smallholders to produce in quantity and in quality, to consistently supply their contractors, according to the requirements, providing the tools for the production to reach markets.

Consequently, contracts can be considered as value-adding instruments in a context of lack or insufficiency of public supports, a constraint clearly faced by smallholders. As such, contracts allow farmers to be empowered, as they were not able by their own means to succeed in reaching standards and in producing enough volumes without (agribusinesses') support.

### **Post-harvest support - Enabling to Compete with Large Growers**

Besides the empowerment at production level, contracts do directly facilitate market access (Kirsten & Sartorius, 2002a; Kirsten & Sartorius, 2002b; Louw et al., 2006; Fréguin-Gresh & Anseeuw, 2012a). The latter is of particular importance in South Africa, where market access represented a tool of the apartheid's segregation policies. However, in addition to the emergence of standards, markets' restructurings kept the large majority of the doors closed to new entrants (Maertens al a. 2009; 2011; Jaffee 2011): in many cases, the privatization process of public entities such as parastatals and boards resulted in well established enterprises controlling the oligopolistic downstream sectors (Anseeuw 2004). As such, contracts facilitate guaranteed direct access to output markets that traditionally are controlled by a few dominating stakeholders.

In addition, as agribusinesses have a superior ability in terms of post-harvest handling, infrastructures, storage, and transportation access and management, contracts enable smallholders to achieve the complex logistics issues with regards to transportation from the fields to the packing-houses and/or processing units, and to the harbor or the airports when the products are exported. Although smallholders often deliver citrus to the certified packing-houses by their own means, exporters use specialized transportation to transfer the packaged fruits to the harbor or airports, helping to preserve high quality and to ensure traceability of fruits. One can note that labeling and traceability requirements, two major

concerns in modern markets, are often organized by the agribusinesses. This situation largely explains exporters' strict control over post-harvest handling and transportation procedures. The final shipment to international markets is arranged by exporters which are also the only ones licensed for exportation by national authorities.

### **Transferring Decision-rights over Production and Resources**

Because of the aforementioned positive impacts, contracts have been widely promoted as a means of maintaining high productivity for smallholders. In the South African citrus sector, they are promoted as 'strategic partnerships' representing a tripartite alliance between smallholders, an agribusiness, with government being mediator and (partial) fund provider<sup>ii</sup>. This is particularly the case when smallholders benefit from land reform programmes (Derman et al., 2006).

These 'partnerships' rely on the cost- and productivity-effectiveness in managing, producing, harvesting, collecting, and trading the produce of a single large unit. It also allows agribusinesses to adopt new types of certifications, such as Fair Trade, even if the relevance and the redistribution effects of this social certification can be questioned.

However, in many cases, the certification and decision-rights' transfers offer agribusinesses a lucrative opportunity to expand their activities, to access resources and manage the production at farm level, directly or indirectly, on behalf of smallholders. It results in the agribusinesses having major control over production with the contract shifting most decision-rights and risks to them. In many cases, smallholders do not control anymore production or any stage of the decision process, and find themselves incorporated within production chains, in which they represent only an isolated element and on which they have no orientation power. Generally, the technical capital used does not belong to them, but is made available by the management company, subordinating the farmers' position and developing a dependency situation, since smallholders become unable to withdraw from these relations without losing access to the necessary finances and inputs. The transfer of autonomous family farms into entrepreneurial structures necessarily modifies the relations with the agricultural activity *per se* (Anseeuw et al., 2011): the farmers become rent-seekers or service-providers for the agribusinesses. As previously stated by (Barrett & Mutambatsere, 2005; Reardon & Huang, 2008; Barrett et al., 2012), from a mainstream economics tradition, this situation points out that '[CF] typically displaces decision-making authority from the farmer to the downstream processor or distributor, turning farmers into quasi-employees'. In other analytical terms, this situation is equivalent to a form of 'proletarianization' of small farmers without dispossession (De Schutter, 2011; Borrás & Franco, 2012).

This situation highlights the need to interrogate the expectations, interests and motivations of the actors involved, and to question the sustainability of contracts, economically, politically and socially.

### **Concerning only a few, often already better established farmers**

It is important to mention that CF only concerns a small proportion of farmers, especially when smallholders are considered. This observation drastically questions contracts as a broad-based tool for market integration and – particularly in South Africa - for agricultural restructuring.

Quantifying the scale of contract agriculture, whatever the level of analysis, is extremely difficult. Whereas most studies in this respect focus on its impact at farm level, only a few attempt to estimate the scope of its development in Africa (Grosh, 1994; Little & Watts, 1994). In South Africa, Vermeulen et al. (Vermeulen et al., 2008) estimate that almost 80% of the volumes of fruits and vegetables transformed by the processing industry (21% of the national volumes) and between 70% and 100% of the products sold in supermarkets were supplied under contract, of which only 5% involved smallholders. Indeed, in South Africa like in other countries, *"the crop and commodity-specificity of much of the available data, and the resulting lack of systematic empirical information, make it impossible to assess the precise quantitative*

*significance of production in CF schemes [and in particular smallholders' ones], across the full range of contracted crops, and especially over time" (Oya, 2011).*

Table 1: extent of Contracts in South Africa for selected commodities. Sources: authors' compilation

<b>Sub-sector</b>	<b># of contract farmers</b>	<b># of contract smallholders</b>
Sugar cane	16 045	14 445
Timber	50 000	15 000
Cotton	3 000	-
Fresh Fruits and Vegetables	3 430	278

Compared to the estimated 40 000 commercial farm units and 1.2 million small-scale farms (Department of Agriculture, 2001), the number of South African contracted farmers remains low (less than 1.2% of the total number of farm households in the region). This is confirmed by other studies, among which one implemented in a dynamic agricultural region of Limpopo (Fréguin-Gresh et al., 2012), showing that only a few farmers are engaged in at least one contract, whether verbal or formal, out of whose very few were smallholders, as shown in Table 2. The effectiveness of contracts in terms of inclusiveness can thus be questioned.

Table 2: Buyers, contracts, and types of households in the Tzaneen region, Limpopo, South Africa. Sources: (Fréguin-Gresh et al., 2011)

	Types of buyers	% each type of farming system having at least one contract	Types of contracts
Micro-farmers	No sale	0%	No contract
Subsistence small-scale	No sale	0%	No contract
	Spot markets		
Small-scale producers	Spot markets	0%	No contract
	Local merchants		
Medium-scale producers	Local merchants	57%	No contract
	Fresh Produce markets (FPM)		No contract
	Restaurants		Informal marketing agreements
	Supermarkets		No contract or formal organic production-management contracts
	Processors		Informal marketing agreements or formal production-management contracts
Emerging farmers	Local merchants	100%	No contract or informal agreements
	Road-side stalls		Informal marketing agreements
	FPM		No contract or informal marketing agreements
	Supermarkets		Formal organic production-management contracts
	Processors		Informal agreements or formal production-management contracts
Extensive commercial farmers	Local merchants	27%	No contract
	FPM		No contract or informal marketing agreements
	Processors		Informal gentlemen agreements
	Exporting agents		Formal market-specification contracts
Intensive commercial farmers	Local merchants	50%	No contract or informal gentlemen agreements
	FPM		No contract or informal gentlemen marketing agreements
	Processors		Informal agreements or formal marketing or production-management contracts
	Exporting agents		Marketing contracts

### Factors affecting the likelihood of establishing and sustaining contracts

Literature details internal factors related to the product characteristics and processing influencing the establishment and sustainability of contracts. The factors regard the product (characteristics, market trade-on, nature and need of processing) and the farmers' and agribusinesses' characteristics (asset specificities, uncertainty, performance in fulfilling the terms of an agreed transaction, need for coordination with other transactions with other actors) (Eaton & Shepherd, 2001). However, external factors do also play a significant role in establishing and sustaining contracts.

## Public Incentives

Although the role of the state has officially decreased in South Africa, public action is still strongly engaged in the agricultural sector, and in the linkages between smallholders and agribusinesses in particular. While poverty remains highly concentrated, both socio-economically and geographically, government implements various policy frameworks supporting small-scale (black) agriculture<sup>iii</sup>. The role played by public bodies during the establishment and implementation phases of contracts is significant in number of support programmes and in importance.

Government intervenes directly in the provision of production factors, mainly during the establishment of previously disadvantaged farmers. This is particularly true in the citrus sector where a great majority of the small-scale farms results from land reform: 21% of small-scale citrus farms are on redistributed or restituted state land, 18% are on an equity shares or joint-venture models, 12% are owned by the Land Bank, and only 3% are on private free-hold tenure (Citrus Growers Association, 2010). Smallholders can also access public funding through micro-finance programmes<sup>iv</sup>. In addition, they benefit from capacity building from various public programmes aiming at strengthening compliance to safety regulations. These supports fulfill government's socio-political objectives to promote the previously disadvantaged farmers, even though the system is often riddled with recurrent failures.

Agribusinesses do also benefit from public incentives. The most prominent incentive is related to the *Broad Based Black Economic Empowerment* for agriculture (AgriBEE), an affirmative action policy. Based on a scorecard, businesses classified as BEE benefit from subsidies and government contracts (van Rooyen et al., 2010). One AgriBEE recognized activity<sup>v</sup> is the procurement from black farmers (as contracting small-scale black farmers is potentially risky), within the broader engagement of the agribusiness in rural development. As seen in the citrus case-study, it is clear that AgriBEE's incentives represent an important –even the major- reason for agribusinesses to contract smallholders (see Figure 2).

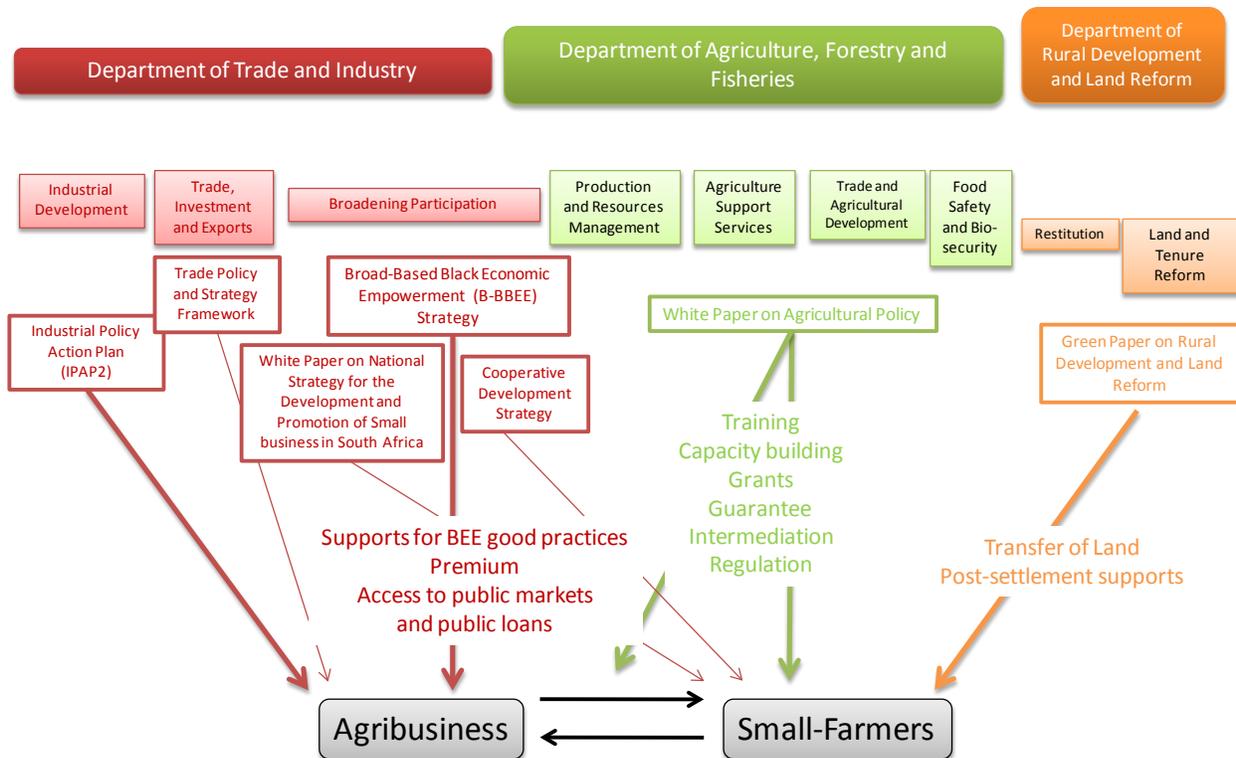


Figure 2: The current institutional environment of Contract Agriculture in South Africa. Source: *Fréguin-Gresh and Anseeuw 2011*

The State also intervenes significantly in various dimensions besides the afore-mentioned direct supports: it can initiate the contacts between the partners by bringing in the agribusiness, engage in the negotiation, establishment and monitoring of contracts in different degrees and forms. It also intervenes as mediator during conflicts or contract breaches.

### Agrarian Structures

Besides the agro-ecological and technical aspects related to the production and marketing facets, South Africa's 'legacy' in terms of past policies, level of public incentives, and concentration of assets, influencing institutional, political, and socioeconomic factors related to its rural transformation (Perret et al., 2005). The permanence of duality of South African agriculture has strongly and deeply influenced farmers' development paths and remains determinant in the ability of farmers to respond to markets' requirements and their possibility to engage into contracts. The differences in scale of production and trade imply competition discrepancies between farmers, negatively affecting the smaller (black) ones. These divergences in production scale and trade lead to biased power relations, resulting in disadvantaged bargaining positions for smallholders. Analyzing the agrarian structure –i.e. farming practices, asset endowment, and farmers' development paths- are essential to understand the modalities, opportunities and limitations of the South African agricultural sector and of contracts as a tool to address these situations.

### Collective Action

Often related to the capacity of farmers to establish networks, collective action is essential. Farmer's organizations facilitate the implementation and the sustainability of contracts (Runsten & Key, 1996). As mentioned by Sartorius (2004), farmers' organizations are beneficial to farm products' trade and

agribusinesses' development. Farmers as individuals are at the weak-end of the economic exchange system, and therefore have to evolve strategies to enhance their market power. Agribusinesses can deal more efficiently with organizations by acquiring representation in the management structure, as well as, allowing the organization to be represented in its own management structure. However, agribusinesses often emphasize the difficulties related to dealing with farmers' organizations and prefer individual, agribusiness-to-farmer procurement routes. As shown in the citrus sector case-study, such practices limit the possibilities for smallholders as they will never be able to attain the required thresholds. Farmer's organizations should be responsible for configuring its members with market requirements including training, extension, technology acquisition, input provision and co-coordinating harvesting-delivery schedules. The agribusinesses, moreover, can further influence the efficiency of the organization by ensuring it maintains records, has no political agenda, is limited in size and that it contains sufficient professional management.

According to one particular more advanced model, smallholders are "empowered" as shareholders and participate (although partly) in governance and executive control of the firms. Consequently, directly engaged in the decision-making processes related to the processing and trade of citrus, it overcomes the afore-mentioned issues related to collective action and also transforms their position from 'market users' to 'market makers'. Support regarding collective action and renewed business models is thus crucial.

### **Multi-stakeholder Initiatives**

Institutional facilitation by international NGOs, donors, and other stakeholders, can assist in establishing linkages between small farmers and agribusinesses. Although such type of engagements is not extensively developed in South Africa, they do appear in particular related to export markets. This is the case with the Fair-Trade certification, engaging numerous land-reform citrus projects in South Africa (Ikegami, 2008). Although the genuinity of such certifications is sometimes questioned (Fouilleux, 2011), engaged producers can be represented and supported on issues such as delivering technical support, campaigning for new prices, revision of existing standards or making the standards more relevant to local practices. These initiatives provide an effective platform to coordinate and communicate among certified producers.

### **Some concluding thoughts**

The objective of this paper was to analyze patterns, effectiveness, and external factors of contracts linking smallholders and agribusinesses in the South African citrus sector. The results show that although contracts can be positive in terms of empowerment, access to resources, services, capital and markets, they also emphasize that CF *per se* is not a panacea, particularly for the smaller farmers.

Certain concerns occur. The results emphasize that smallholders remain overall excluded and do not benefit from contracts as a tool to facilitate their integration into input and output markets. Although significant changes have occurred in South African agriculture, the many entry barriers linked to South Africa's restructured and modernized markets (leading to a renewed regulatory framework mainly through private norms and standards) results in the continued exclusion and marginalization of smallholders with limited access to assets, relying mainly on diversified incomes to sustain their livelihoods. As shown by some authors (Losch et al., 2011; Oya, 2011; Barrett et al., 2012), the inclusiveness of contracts remains thus very limited. Secondly, those who manage to integrate contractual arrangements are generally affected by concerns of transfer of control and decision-rights over production and resources to agribusinesses. The case-studies described not only stress the often-mentioned biased power and negotiations relations between the different partners; they also show that – due to the agribusinesses' oligopolistic position - the smallholders lose control over their resource and production base. These aspects are particularly relevant to South Africa: The country's legacy leads to a dual agricultural sector

with biased inter-farmer competition, unequal agribusiness-(small) farmer relationships and, subsequent, non-inclusiveness or unsustainable contracts.

In order to overcome these issues, Government is intervening directly (making available production factors, capacity building and empowerment programmes, etc.) or indirectly through the promotion of smallholder relationships with well-established large-scale farmers and agribusinesses. The only smallholder (citrus) farmers engaged in contracts (and the related agribusinesses) had indeed benefited from significant support measures and (financial) incentives. Several questions remain. It seems that these benefits are the primordial (only?) incentives for agribusinesses to engage in longer term perspectives with smallholders, interrogating the genuinity of CF as a tool for smallholders. Also, the financial sustainability of such a development model is yet to be considered and the ability to replicate it elsewhere is certainly to be questioned. Lastly, it also questions the core essence of CF, i.e. delivering services for (smallholder) farmers in a context of deregulation and state withdrawal. The state is indeed still present and needed in the support of agriculture, particularly regarding smallholders.

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<sup>i</sup> To access the export markets, exporters have to be registered and to comply with the South African Export Regulations which determine the deliverance of an export certificate when in compliance.

<sup>ii</sup> Although the model occurs commonly all over South Africa, it has been promoted under an official programme, entitled the 'Strategic Partnership Programme' in Limpopo.

<sup>iii</sup> The White Paper on Agriculture (1995), BATAT (1995), the Strauss Commission Report of inquiry into the provision of Rural Financial Services (1996), and the Strategic Plan for South African Agriculture (2001) all explicitly grapple with the challenges agricultural support generally and post-settlement support in particular and refer to the need for enabling conditions for the emerging farmers/land reform beneficiaries. This culminated in 2004 with the announcement by the Minister of Agriculture that a provision of R210 million had been made for the initial rollout of the Comprehensive Agricultural Support Programme (CASP)

<sup>iv</sup> For e.g., the CASP that provides grants for infrastructural development during the settlement phase

<sup>v</sup> Other components are black ownership, management and control within the agribusiness, employment equity, skills development, and corporate social investment.