1. Social investment: concepts, uses and theoretical perspectives

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The concept of social investment has attracted a good deal of attention in Western social policy circles in recent times. The literature on the subject has expanded rapidly, offering both analytical and normative insights of value to academics, practitioners and policy-makers. In turn, policy developments in various countries – and especially the member states of the European Union – have influenced the way social investment has been defined in the social policy literature. Generally, the normative thrust of this literature is that social investment offers a viable alternative to what are perceived to be the drawbacks of the traditional ‘welfare state’. Although social investment advocates recognize that the welfare state has raised standards of living, they claim that its focus on meeting consumption needs through cash transfers and social services is of limited value to governments facing new economic, political and demographic pressures. Social investment, it is argued, provides an alternative that is better able to cope with these pressures.

Despite its promise, the social investment approach has limitations, some of which were mentioned in the book’s Introduction. It was noted that the paradigmatic conceptualization of social investment by Western social policy scholars as a new ‘welfare state regime’ fails to capture the nuances and complexities of the issues. Their approach also reflects a narrow Eurocentric focus that ignores the role of social investment in other parts of the world. The way the concept has been used in other academic fields has also been disregarded. For example, the contribution of scholars working in the interdisciplinary field of development studies has been overlooked even though social investment features prominently in their writing.

This chapter argues that the social policy literature can be enriched by incorporating contributions from different academic and professional fields into social investment discourse. It also provides a background to the other chapters of this book which, as noted earlier, review and

critically assess social investment policies and programmes in different countries. The chapter begins by observing that the term is not only used in academic circles but has also been employed by the financial investment industry and in politics. It then discusses the way the concept has been employed in social policy, development studies, nonprofit management and community studies. It concludes by offering some thoughts on how an appreciation of these different definitions and conceptual approaches can inform the social policy literature on social investment. It suggests that it may be possible to synthesize these different approaches to promote a comprehensive and globally relevant interpretation that will enhance the academic and policy relevance of social investment ideas.

It should be noted that although widely used, the term 'social investment' is poorly defined and its meaning is often assumed to be self-evident. In addition, few writers have addressed the meaning of related terms such as 'consumption', 'income', 'assets' and 'capital', among others. Although space limitations preclude a detailed discussion of these concepts, this chapter offers some tentative thoughts on definitions. First, it defines investment as the allocation of resources in ways that produce additional, future, value-added resources. These additional resources are also known as returns. The rate of return is the percentage of the original investment that accrues over time. Social investments may be defined as allocations to social programmes that produce returns and promote future social well-being. In addition to accruing to individuals, households and communities, these returns benefit society as a whole. A distinctive feature of social investment is its 'productivist' character: in addition to benefiting people, social investment policies and programmes make a positive contribution to development. Next, consumption may be defined as the use of resources to meet immediate needs and wants for goods and services. Consumption is closely related to income, which is the flow of resources to individuals, households, groups or organizations. Income that exceeds basic consumption needs is often saved to create assets. Assets may be defined as accumulated or 'stored' resources which may be utilized for either consumption or investment. Finally, capital is one of the key factors of production which, together with labour, land, technology, knowledge and skill, comprise the resource allocations that initiate and facilitate the productive process.

DIVERSE INTERPRETATIONS AND PERSPECTIVES

It was mentioned earlier that the term 'social investment' is not only employed in academic circles. For example it is increasingly used by

mutual funds and financial investment firms that offer ‘socially responsible’ investment opportunities. One example is the American firm Domini Investments which explicitly describes its financial products as social investments. Founded by social reformer and activist Amy Domini (2001), it regularly advertises in progressive left magazines in the United States, hoping to attract clients who wish to invest in funds that have positive social and environmental outcomes. As Landler and Nair (2008) point out, financial investments of this kind differ from the social responsibility practices of many businesses in that they permit individual investors to seek returns in ways that are compatible with their social and political preferences.

Politicians have also used the term to refer to government budgetary allocations. While in office, British Prime Minister Tony Blair regularly described his government’s budgetary outlays as investments. Members of the Conservative opposition loudly derided this practice, claiming that the Prime Minister’s attempts to conceal his party’s traditional tax and spend policies by describing public spending as investments would not deceive the electorate. Although this criticism has somewhat tempered the use of the term in political circles, it does not detract from the fact that public spending which promotes future well-being may legitimately be described as social investment. Indeed, Waldfoegel (2010) reports that the Blair government allocated significant resources to social investments with positive consequences for social welfare.

However, it is primarily in established academic fields that the concept of social investment has been popularized. To illustrate, the chapter examines the use of the term in Western social policy or welfare state studies, development studies and its subfield of social development, and nonprofit and community studies. It also contrasts the way scholars in these different fields employ the term, noting in particular that the paradigmatic approach adopted by Western social policy writers differs significantly from its use in the other fields. For example, in social development, social investment is conceptualized not as a new paradigm but as discrete interventions that have an investment function. The use of the term in nonprofit management and community studies reflects a similar approach.

Social Investment, the Welfare State and Social Policy

The concept of social investment has been widely discussed in the interdisciplinary field of social policy in recent years. As noted earlier, some social policy scholars believe that the traditional consumption-based ‘welfare state’ is unsuited to the economic, demographic and social

changes that have taken place in Western countries since the 1980s, when deindustrialization, rising unemployment, ageing populations, changing attitudes and globalization limited the ability of governments to meet the needs of their citizens through comprehensive social services and income transfers. Questioning the relevance of the traditional welfare state, they contend that a more dynamic approach is needed that invests in people's capabilities to participate fully in the productive economy.

Several social policy writers contributed to the emergence of the social investment approach. Gilbert (Gilbert and Gilbert, 1989) was among the first to explicitly address the issue by arguing that the state should function as an enabler rather than a provider of welfare services. Another formative contribution came from Sherraden (1991) who criticized the traditional consumption-based welfare system, arguing for an asset-based approach that promotes savings and investments through matched savings accounts known as individual development accounts (or IDAs). Giddens (1998, 2000) made a major contribution by arguing that the traditional welfare state, with its focus on consumption, unconditional income transfers and the provision of social services to passive welfare recipients, should be replaced by the social investment state. In the new social investment state, governments would prioritize education and skill development which would prepare people to participate actively in the productive economy rather than relying on social benefits. These developments were augmented by Esping-Andersen et al. (2002) whose proposal for a 'New Welfare State' sought to refocus social policy's commitment to income transfers and social services by promoting 'child-centred' human capital investments, affordable daycare, family leave and other employed-focused policies.

Since then, the social policy literature on social investment has proliferated, and while different views on the subject have emerged, this literature shares common features. First, it is exclusively statist, focusing on statutory welfare and neglecting the contribution of nonprofits and faith-based organizations, markets and families, and particularly women. Another feature is the idea that social investment is a new and distinctive paradigm that differs from the traditional welfare state paradigm. What Giddens (1998) calls the 'social investment state' is qualitatively different from the welfare state. Morel et al. (2012) agree and explicitly contrast the emerging social investment paradigm with the Keynesian and neo-liberal paradigms. Although they are not certain that social investment will in fact evolve into a fully fledged paradigm, they believe that its growing acceptance, especially in Europe, suggests that this will be the case. However, not all writers explicitly employ the term 'social investment' to characterize this new welfare paradigm and other terms such as

‘active social policy’ (Bonoli, 2013; Giddens, 1998), ‘Third Way’ reforms (Huo, 2009; Surender, 2004) and ‘New Welfare’ (Taylor-Gooby et al., 2014) have also been used.

Some social investment scholars offer a stadial, historic interpretation of the emergence of social investment, contending that the adoption of the European Union’s Lisbon Treaty heralds the emergence of a new social investment phase in the history of social policy. Hemerijck (2012, 2013) argues that this shift, which he dubs the social investment ‘turn’, is a profound development involving a gestalt switch from traditional welfare transfers to empowering investments (Hemerijck, 2013, p. 39). Similarly, Jenson (2012) claims that the advent of the social investment stage signifies the end of the neoliberal era and its emphasis on individual responsibility, unfettered markets and minimal state involvement. Although the stadial interpretation views the emergence of social investment as a recent development, Morel et al. (2012) believe that formative social investment ideas can be traced back to the 1930s when Gunnar Myrdal first argued that social welfare programmes contribute positively to the economy. However, Midgley (2015) observes that social investment has an earlier provenance. An important precursor was a concern with what was called ‘national efficiency’ in Britain in the early twentieth century when social reformers argued that the country’s low standards of nutrition, health care and education had lowered ‘population quality’ with negative consequences for Britain’s position as a major imperial power. By expanding the social services, the population’s fitness to compete successfully against rival imperial powers would be enhanced.

Augmenting the idea that social investment is a distinctive paradigm, differences between policies that promote social investments and those that perpetuate consumption are usually emphasized. As noted earlier, critics of the consumption-based welfare state emphasize the need for new policies and programmes that invest in human capabilities rather than transferring resources to passive welfare recipients. Morel et al. (2012) offer a helpful schematic representation of this difference, showing that social investments promote labour market participation and prepare people for employment, while consumption-based welfare is concerned with income transfers, social services and decommmodification. They also draw a distinction between repairing and preparing social programmes. While the former seek to meet social needs and solve problems, the latter facilitate participation in the productive economy. Other epithets such as productive versus protective welfare and promotive rather than supportive welfare have also been used.

This distinction has led some scholars to conclude that many governments are shifting their spending priorities from meeting social needs to investing in education, job training and employment activation, with deleterious consequences for those who are not able to participate in the productive economy (Cantillon, 2014; Cantillon and Van Lancker, 2013). As social services and income transfers are replaced by social investments, critics believe that the incidence of poverty and deprivation will increase. However, as De Deken (2014) points out, there are formidable problems in measuring expenditure shifts and assessing their impact. In fact, analyses by scholars such as Hudson and Kühner (2009, 2012) find little evidence that budgetary allocations have shifted from welfare services to investments in OECD countries.

Finally, the social policy literature on social investment is essentially Eurocentric in that it is concerned with developments in Europe and other Western countries. Few writers have examined the emergence of social investment policies and programmes in other countries, and particularly the developing countries of the Global South where, as will be shown later, social investment ideas have featured prominently for many years. One exception is Jenson (2010) who believes that social investment diffused from Europe to Latin American countries fostering the creation of conditional cash transfers and similar programmes. However, there is little evidence that these programmes owe their origins to European thinking. In fact, the inspiration for the Mexican *Prospera* programme (originally known as *Progrresa*) came from Santiago Levy, Mexico's Minister of Finance, who introduced conditionalities into the country's social assistance programme to meet the concerns of officials at the World Bank who were critical of income transfer programmes (Levy, 2006). Similarly, there is no evidence that the introduction of Brazil's *Bolsa Família* programme was influenced by European social investment thinking.

However, Western scholars are becoming more interested in the adoption of social investment policies in the developing world and some have launched research initiatives to study these developments. One example is the ZiF research project into social welfare in the Global South at Bielefeld University in Germany. Another is the World Politics of Social Investment Project sponsored by a group of European scholars. Of course, Western ideas have played a role in the emergence of the concept of developmental welfare and its emphasis on social investment. Some scholars schooled in Western social policy have combined the developmental state concept invented by Johnson (1982) with welfare state thinking to argue that the emphasis placed on employment and education by East Asian governments has fostered a unique approach to

social policy which can be described as developmental or productivist welfare, or more generally as ‘welfare developmentalism’ (Holliday, 2000; Kwon, 2005; Midgley and Tang, 2001). Similar ideas have emerged in Latin American countries (Draibe and Riesco, 2007) and South Africa (Patel, 2015).

Development Studies, Social Development and Social Investment

Social investment ideas have played an important role in the inter-disciplinary field of development studies and its subfield of social development for many years. Development studies emerged after the Second World War when many former colonial territories secured independence from European imperial rule. In addition to training economists, administrators and planners from the newly independent countries, scholars working in the field speculated on how the governments of these countries could modernize their economies and raise the standard of living of their predominantly rural populations. Together with international agencies such as the United Nations and World Bank, they concluded that the key to prosperity lay in industrialization which, it was argued, would transfer labour from the agricultural subsistence sector into modern wage employment, raising incomes and initiating an upward trajectory of growth that would eventually result in the creation of a modern, mass-consumption society.

Many governments embraced this approach and mobilized investments for industrial development, primarily through international aid and borrowing but also through domestic capital. Hall and Midgley (2004) point out that although they were urged to defer consumption, most increased budgetary allocations to medical services, education and other social programmes. Livingstone (1969) notes that it was in this context that attempts were made to rationalize social spending as investments. A major initiative involved the creation of national community development programmes which established village-level agricultural and crafts projects, as well as schools, adult literacy projects, clinics and community centres. These programmes expanded rapidly in the Global South in the 1950s and became a defining feature of the social development approach (Midgley, 2014).

Another major initiative came from development economists who argued that social spending should not be viewed as promoting consumption but as contributing positively to economic development. Myrdal (1957, 1970) was among the first to argue that social spending should be prioritized on developmental grounds, proposing that national plans integrate economic and social objectives through what he described as

unified socio-economic planning (Midgley, 1995). These ideas were very influential in shaping development thinking at the United Nations (1971), which urged member states to transcend the limited focus on industrial investments by expanding social programmes. Schultz (1959, 1962, 1981) played a particularly important role by demonstrating that public spending on health care, nutrition and education are investments that contribute positively to economic development. Unlike Becker (1964), his fellow Nobel prizewinning colleague at the University of Chicago, Schultz focused on the social rather than private rates of return that accrue through human capital investments.

These ideas were welcomed by staff at the World Bank who produced a series of Sector Policy Papers in the early 1970s which used social investment ideas to frame the Bank's lending policies in education, health care, housing, nutrition and rural development. In 1975, these papers were republished in book form and provided an economic rationale for Bank President McNamara's efforts to focus the Bank's lending policies on poverty reduction (World Bank, 1975). Although his efforts were subsequently eclipsed by the Bank's adoption of neoliberal thinking, the social investment approach continued to feature in its lending policies. This is evident in Psacharopoulos's (1973, 1992) work on educational investments which the Bank employed to determine which types of investments produce the highest rates of return in countries at different levels of development. A similar logic was employed by Abel-Smith (1976) who advised the World Health Organization that spending on preventive and primary health produced higher rates of return than allocations to hospitals and curative services.

The adoption of social investment ideas in the developing world gave expression to the principle that people who are healthy, well fed and knowledgeable are far more likely to contribute to economic development than those who are poorly educated, live in poverty, are ill-nourished and suffer from debilitating illnesses. However, with the ascendancy of neoliberalism in the 1980s and the imposition of structural adjustment programmes by the International Monetary Fund and the World Bank, social spending was severely reduced in many developing countries, with negative social and economic consequences. Although the situation has eased, these developments fostered a sceptical attitude towards governments which resulted in international aid being increasingly directed towards nonprofits rather than government agencies. As Lewis and Kanji (2009) observe, this fostered a very rapid expansion of the nonprofit sector in the Global South.

The result is a pluralist approach to social investment that contrasts sharply with social policy's welfare statism and reliance on government

provision. Although it was originally believed that the development process should rely exclusively on government investments, the expansion of nonprofits, grassroots community level organizations and even commercial providers has institutionalized pluralism within the field (Midgley, 2014). In addition to providing conventional social services, many nonprofits are engaged in development activities that enhance people's participation in local projects and raise the standard of living. Grassroots and indigenous organizations have also expanded rapidly in the Global South. Prominent examples include the Bangladesh Rural Advancement Committee (BRAC) and the Self Employed Women's Association (SEWA) in India which direct social investments primarily at women in order to increase their financial independence and well-being (Chen, 2008; Smillie, 2009). Indeed, it is often claimed that these and similar social investment programmes empower women, challenging entrenched patriarchal beliefs and practices.

While social policy scholars are exclusively concerned with national-level interventions, the social development literature reveals that social investment policies and programmes are implemented at multiple levels. The expansion of community development in the 1950s focused on the local level, but as public spending on education, health care and nutrition by national government increased, national-level social investments became prominent. These two levels were subsequently augmented by a focus on the household through what is called the livelihoods approach. Inspired largely by Sen's (1985, 1999) capability approach and its advocacy by the United Nations Development Programme (UNDP), investments are directed at families, and particularly those engaged in smallholding agriculture, to enhance their productive capabilities so that they can compete effectively in the economy and improve their standard of living (Helmores and Singh, 2001; Polak, 2008). These ideas have been accompanied by the growing influence of individualism and the adoption of market liberalism in the field. One example is the commercialization of microfinance, which was previously the prerogative of nonprofits and directly tied to the promotion of small-scale business activities, particularly by women (Bateman, 2010).

Social development writers do not draw a clear distinction between investment and consumption, and social investment is not conceptualized in paradigmatic or stadial terms. Also, Midgley (2014) points out that the development process is no longer defined in narrow economic terms but as a multidimensional process that combines economic, social, cultural, political, gender and ecological components. This has complicated the way the concept of social investment is used in the field. Many investments that may be regarded as having a predominantly productive

function are also viewed as having a social welfare function. For example, many co-operatives engaged in production are simultaneously engaged in providing social services to their members. Similarly, the United Nations Millennium Development Goals initiative (United Nations, 2000) is generally believed to be concerned with meeting consumption needs, but Sachs (2005) points out that meeting basic income, health, housing and nutritional requirements may be viewed as investments that contribute to economic development. As will be apparent, this has confused matters and, unlike social policy with its paradigmatic distinction between investment and consumption, the use of social investment ideas in social development lacks the clarity and coherence of the social policy approach.

Philanthropy, Nonprofits and Social Investment

Although the nonprofit sector has historically been associated with charitable giving, the situation is changing rapidly as nonprofits adopt business methods, improve managerial efficiency and compete on commercial markets for resources. Today, few rely on traditional donations and many now utilize new sources of funding such as user fees and contracts. Many also compete with commercial providers to bid for government contracts and many are funded by foundations that require outcome evaluations to determine whether specified deliverables have been met. Many foundations also evaluate outcomes by calculating the rate of return that accrues to their lending allocations. Grant (2012) observes that the concept of social investment is now being used to characterize these developments in the nonprofit sector. The importance of generating returns is emphasized and the importance of assessing the impact of services on clients is given high priority. New terms such as 'impact investing' and 'mission investing' are now widely employed (Nicholls, 2014).

The new emphasis on social investment has been fostered by the belief that nonprofits should function as social enterprises that not only utilize business methods but also generate income from their services and other funding sources (Nyssens et al., 2006; Kerlin, 2014). Of course, private universities and hospitals have relied on user fees for many years, and in some cases they have accrued surpluses that fund sizeable endowments. These practices have been widely emulated by many nonprofits, and today some also generate resources by selling goods and services on commercial markets. Yunus and Weber (2010) describe these nonprofits as social businesses since they share many similarities with commercial providers except that they do not pay shareholder dividends. Although

surpluses may be used to improve the quality of services, pay competitive salaries and create endowments, they and other social enterprises remain nonprofits.

A related development is the involvement of private investors in the nonprofit field. It was mentioned earlier that a growing number of investors are utilizing established investment firms to engage in socially responsible investing, but there has been a growth of nonprofit investment firms which utilize standard investment practices to attract funds from private donors who wish to know that their donations are used effectively and in socially responsible ways. Solomon (2015) reports that one of the first of these is the Acumen Fund, which was founded in New York in 2001. It has successfully mobilized investments from donors primarily in Western countries to fund projects and programmes in Asia and sub-Saharan Africa that have a measurable, positive impact. Although donors do not expect a dividend, they receive regular reports on how their funds are being used. They also expect that their funds will generate returns. These and similar funds differ from foundations in that they mobilize resources from sizeable numbers of individual donors rather than drawing on established endowments.

A more recent development, which builds on the experience of socially responsible investment, is the payment of dividends to donors. This has been fostered by the emergence of what are sometimes known as venture philanthropy or social venture funds. Some of these funds are managed by well-established commercial investment firms which have created specialized portfolios that provide loans to nonprofits which, together with interest, fees and capital repayments, generate returns for investors. Other are specialized funds that exclusively manage investments of this kind. Although loan repayments place an obvious burden on nonprofits, some have determined that the income they generate from services, contracts and the sale of products can cover their debt obligations, and it appears that more are securing resources in this way. Microfinance has provided an especially lucrative opportunity for venture philanthropists to benefit from nonprofits, and Bateman (2010) observes that this process has accelerated as many microfinance organizations have commercialized their operations. The Internet has also facilitated investing of this kind, and some Internet-based non-profit organizations have successfully attracted donors who fund microenterprise projects in the Global South from which they receive returns, usually in the form of loan repayments.

Another example of the overlap between commercial and nonprofit social investing is the creation of social impact bonds which, as Nicholls (2014) explains, mobilize resources to fund social projects operated by nonprofits as well as commercial providers in the expectation that the

government will repay the capital investment, with profit, on condition that the project meets contractually specified outcomes. Independent evaluators are employed to monitor progress and determine whether contractual obligations have been met. Impact bonds originated in Britain in the correctional field, but as the Organisation for Economic Co-operation and Development (OECD) (2015) reports, they have been established in other countries as well. Like venture philanthropy, impact bonds involve investment risk but also offer the prospect of reward.

Some will question whether the pursuit of financial returns through social investments by nonprofit organizations is in keeping with the sector's traditional philanthropic commitments. Although recent innovations in the nonprofit sector amount to what Salamon (2014) calls a 'revolution' in philanthropy, they blur the distinction between nonprofit and commercial provision, and are probably facilitating the marketization of the field. The relentless preoccupation with generating resources may well become the primary goal of agency staff, at the expense of providing services that meet the needs of those who have historically been served by voluntary organizations. Whether this will sully the use of the concept of social investment in the nonprofit sector remains to be seen.

Community Studies and Social Investment

Although community studies is an amorphous field, it is well established at colleges and universities around the world, being largely but not exclusively concerned with training practitioners to promote social well-being at the community level. In some continental European countries, community studies is linked to social pedagogy which provides community-based educational and recreational services primarily for children and young people. In Britain, it encompasses youth and community work, community organizing and community economic development. In the United States, community economic development projects that create local jobs, improve infrastructure and provide affordable housing coexist with activities that promote political awareness and activism. In addition, coordinating the services of social agencies has been a prominent concern of the field. Also, as mentioned earlier, community development is well established in the developing world.

Various professional and paraprofessional groups including youth workers, social pedagogues, community organizers and community development workers are engaged in the field and a number of professional associations that represent their interests have been created. In many countries, community practice forms an integral part of social

work, while in other countries it takes place in separate fields. Nevertheless, social workers, youth workers, social pedagogues and community development paraprofessionals share a common commitment to promote social well-being at the community level.

These different forms of community engagement have a social investment function even though the term is not widely employed in the field. By promoting non-traditional forms of social learning at the community level, social pedagogues help to mobilize human capital; and in the Global South, community development workers play a similar role by establishing literacy projects, child care centres and health care and nutritional programmes. Because community development programmes are explicitly committed to establishing economically productive projects, creating employment, and raising incomes and standards of living, they actively promote social investments. In addition, as noted earlier, they uniquely integrate economic and social objectives. Local co-operatives are a good example of how economic and social activities are closely integrated, but many other projects including smallholding agriculture, the installation of village water supplies, the construction of village clinics and the creation of microenterprises also have a dual economic and social function, ensuring that productive economic activities result in tangible improvements in people's well-being.

In recent times, the investment functions of community practice have been recognized and more systematically examined. In a discussion of community social work practice, Midgley (2010) argued that the investment function of community interventions needs to be strengthened and repackaged within a wider developmental approach that emphasizes the role of programmes that promote human and social capital as well as employment opportunities. A particularly important contribution comes from Kretzmann and McKnight (1993), who criticize the tendency among many community practitioners to view low-income communities as beset with social problems. Instead, they contend, community strengths should be emphasized and community workers should build on existing assets to establish projects that have a positive long-term effect on community well-being. Their ideas have exerted a powerful influence on community practice in the United States and other Western countries and have also been adopted by the World Bank and incorporated into its lending policies. Moser and Dani (2008) reveal that asset building has been actively promoted by the Bank and is now an important feature of community development in the Global South.

Augmenting community development in the Global South, the asset approach is evolving to give greater priority to community social investments in Western countries as well. As is discussed in more length

in Chapter 7 of this book, this approach now features prominently in community practice in the United States where social investment and local economic projects now form an integral part of the field. It is also shown that social capital theory has exerted considerable influence on the country's community development programmes. In addition, there is a greater emphasis on business investment in deprived communities. Inspired by Porter's (1995) writings, many community economic development programmes in American cities now actively seek to attract business investments. These developments have relevance for community practice in other parts of the world as well.

TOWARD A SYNTHESIS

This chapter has shown that the concept of social investment is not confined to the academic subject of social policy, but has been used in other academic and professional fields as well. Nor, as is commonly believed, is the discourse on social investment a recent innovation in social welfare thinking. Contrary to the view that social investment emerged as a new social welfare paradigm in the 1990s as a response to disquiet about the consumption-based welfare state, it has older roots. Similarly, the widely accepted belief that social investment is a European invention is belied by the widespread use of social investment policies and programmes in developing countries at both the national and local levels. The chapter has also shown that the use of the term in fields such as development studies, nonprofit management and community studies reveals its pluralistic character. This scholarship demonstrates that social investment is not the prerogative of the state but of a variety of agents and institutions operating at multiple levels.

The ways in which the concept has been used in diverse academic and professional fields suggest that a more nuanced appreciation of social investment is needed if the complex issues arising from the use of the term are to be understood, and if proposals for forging effective practical interventions are to be formulated. Although the typological categories employed by welfare state scholars give the field structure and coherence, they oversimplify complex processes. As noted earlier, their approach contrasts sharply with the more fluid use of the term in development studies, nonprofit management and community development, where social investments are viewed as discrete interventions rather than as a new and distinctive paradigm. In addition, social development writers blur the distinction between investment and consumption. Drawing on Keynesian ideas, they contend that allocations that foster consumption,

such as cash transfers, may simultaneously function as investments. Also, particular policies and programmes are not usually classified in strictly consumption or investment terms, but as falling along a spectrum ranging from consumption to investment. The term is also used loosely in nonprofit management, where it refers both to the efficient allocation of resources and the impact of these resources on the future well-being of clients. The way in which scholars in the field now frequently associate social investment with market-based interventions further complicates matters.

To appreciate and accommodate these complexities, scholars in different academic fields should collaborate, share knowledge and learn from each other. The artificial boundaries that currently separate these fields need to be breached so that mutually beneficial learning can take place. Although writers such as Hall and Midgley (2004), Mkandawire (2004) and Surender and Walker (2013) have sought to link scholarship in social policy and development studies, there has been little information transfer and mutual learning between these fields. Scholars in development studies have little understanding of the conceptual approaches used in social policy, and at the same time, innovations in development studies are seldom referenced in social policy. Although these fields deal with different realities and may require different approaches, a synthesis of diverse academic perspectives is urgently needed if a unitary conception of social investment that has universal policy relevance is to emerge.

Collaborative research into the different academic and professional discourses on social investment could also clarify issues. For example, archival research into the history of social investment could be helpful in understanding the complex ways in which social investment ideas have been formulated and implemented at different times. This research could also help to analyse the differences between consumption and investment. It has been mentioned already that social policy discourse on the subject draws a clear distinction between the two, but this is not the case in development studies or community development. More incisive enquiry in this field would help to test the contention that the shift to social investment in Western countries has come at the expense of cash transfers and social services. Since attempts to assess whether this has actually taken place have not produced definite answers, more systematic research into this issue is required. In particular, the extent to which cash transfers promote consumption or investments should be subjected to rigorous analysis. Midgley (2008) contends that cash transfers can have an investment function if configured to achieve this objective. This is obviously the case with conditional cash transfers which are not only designed to alleviate poverty but to invest in human capital by increasing

school enrolments and improving the health of mothers and children (Hall, 2012; Soares, 2013). Similar policy goals have been adopted in South Africa, where the Child Support Grant until recently has not imposed conditionalities (Patel, 2015).

An important issue is whether social investment is a revisionist form of neoliberalism, a social democratic project or a combination of the two. Although Bonoli (2013) points out that different views on this issue have been expressed, a more incisive analysis is needed to excavate the ideological roots of the social investment approach. Again, it is important that the complexities of the issue be appreciated, since it is clear that policy-makers with different ideological proclivities will use social investment in different ways. Midgley (2003) makes this point with reference to asset savings accounts in the United States, observing that the asset approach has supporters on both the political right and left. This suggests that asset programmes, like other social investments, can be configured within broader normative frameworks to pursue very different ideological agendas.

Finally, a unitary conception of social investment which has universal policy relevance is needed in view of the pressing social problems facing the global community. Although the adoption of the Millennium Development Goals and the more recent Sustainable Development Goals has made a significant contribution, concerted effort is needed if the challenges of world poverty, ill-health, poor nutrition, violence, gender oppression and a host of other problems are to be addressed. Academics need to collaborate much more closely to forge what Midgley (2017) calls a One World perspective that unites their disparate interpretations and policy agendas and has global relevance. Through closer collaboration, a conception of social investment may emerge that improves policy interventions and enhances people's well-being around the world.

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