

SOCIAL RETURN ON INVESTMENT (Forecast SROI)

Irregular work in agriculture -Humus Job
(Italy)





1 The Social Return on Investment (SROI)

The SROI methodology, which incorporates social, economic, and environmental values into financial terms, was used to analyze the case study. This framework takes a holistic approach to evaluate the impact of social innovation on people and is used to make decisions about resource allocation. There are two types of SROI: evaluative and forecasting. Evaluative SROI is conducted on established organizations and social innovations. In contrast, SROI forecasting is conducted on potential activities, estimating the social return on investment for a start-up or social innovation.

The present study focuses on the evaluative SROI analysis of Humus Job, and it is guided by fundamental research questions such as: what can be the impact of the network contract on the farms and farm businesses that adopt it? Does this impact the created network and the social return on investment? What is involved in having a 100% ethical certified company? What are the advantages and disadvantages?

To undertake the analysis, the research team first examined the theoretical background and the services offered by Humus Job along with its network. Stakeholders were then involved in screening and validating the possible outcomes that the social innovation could generate. This approach helped in identifying how social innovation can generate a social return on investment by linking financial proxies to the outcomes.

1.1 Exploring change

The Journey of Change (JoC) serves as an SROI (social return on investment) instrument that depicts the effects generated by the analysed activities. It maps out the connections between the resources employed (inputs), the activities executed (outputs), and the resulting outcomes for the stakeholders.

Through a collaborative approach involving stakeholder engagement and information gathering, the JoC proved crucial in determining the tangible outcomes of the Humus Job innovation.

Examining social innovation began with developing a Journey of Change (Table 1) by the research team, which was later refined with a second JoC, made in collaboration with the practice members. This collaborative effort served to validate and refine the outcomes identified in the first phase of analysis. The final JoC was generated by comparing the two versions and extrapolating the most significant material outcomes for the social innovation in question. This analysis was validated through a comparison with the research group at the University of Gloucestershire (UGLOS). One of the most significant challenges faced in this exercise was to present and clarify the JoC to practice group participants, but this was effectively overcome thanks to their cooperation from the outset of the drafting process. With the help of the stakeholders and the UGLOS group, the final draft of the outcomes was



reached. The exercise emphasized the importance of accounting for negative outcomes to gain a comprehensive understanding of social innovation and its limitations.

1.2 Evidencing change

The data collection process for the Humus Job survey was executed seamlessly, as the survey design effectively fulfilled its intended objectives without requiring any modifications. This enabled comprehensive coverage of all farmers within the Humus Job network, facilitating the acquisition of essential data necessary for computing the indicators related to measuring "outcome change" for each specific outcome.

A desk analysis of social innovation, in conjunction with data collected during the participatory group process, identified the relevant material outcomes. An outcomes-based survey was then developed to collect data for identifying the indicators to be linked to financial proxies for the final SROI calculation.

This survey was specifically designed to identify indicators within the Humus Job network context and better understand the social network dynamics among its members. The survey was distributed among Humus Job members soon after it was developed and collecting responses took longer than expected. Most likely, they did not perceive the relevance of compiling the survey, which did not benefit; indeed, additional information for research purposes. As a result, data collection was delayed and needed more time to be completed.

Efforts were made to fix the situation by contacting those in charge of social innovation and requesting maximum dissemination of the questionnaire, along with an invitation for completion to allow for full data collection and indicator identification. Eventually, it was possible to collect data from all farmers involved in the Humus Job network.

1.1 Valuing change

1.1.1 Forecast SROI findings

The summative SROI Impact Map for the Humus Job Social Innovation is given in Table 1 below. A range of wellbeing impacts over a forward looking 5-year benefit period (2022-27) are generated for 75 farmers and 150 farm workers. Outcomes are spread across four impact pathways, with value generation dominated by social and community wellbeing, and the beneficial outcomes related to improvements in relational and personal wellbeing.

The findings of the SROI demonstrate that an estimated €450K investment in the further application and scaling up of the Humus Job Social Innovation represents a potential 320% return to individuals, communities and society with respect to wellbeing impacts for farmers and farm workers. Over the prospective benefit period the overall return for each Euro invested is forecast to be 3.20 Euros. Despite impacting on a larger number of stakeholders over a longer benefit period this is comparable to the equivalent impact of Humus Job



between 2018 and 2022. This is largely due to structural differences in the organisations involved.

Just over half of outcome benefits (57% of the total) are derived from distinct improvements in Social and Community Wellbeing for farmers and farmworkers. The two outcomes generating benefits relate largely to acceptance and respect by farmers within the network and farm workers within the local community. For farmers an increase in respect and acceptance within a network of peers (i.e. other farmers) creates a desire to cooperate and support others as well as feelings of belonging and cohesion. Rather than seeing other farmers as pure competitors, the respondents indicate the recognition of benefits through respect and acceptance. Farm workers on the other hand are more concerned about their acceptance into the local communities in which they must live and work, while to a certain extent, residents in those communities recognise the potential for enrichment.

An additional outcome recognised by both farm workers and farmers is the improved access to information and support services, and the ability to share information across the network leading to improvements in relational well-being.

Improvements in Economic Wellbeing make up the smallest proportion of outcome benefits (7% of the total) for the HJ network. The two key outcomes identified in the Journey of Change relate to financial sustainability of the farm (economic wellbeing) where the sample of farmers indicate potential for diversification and stability of their financial situation as a result of support from the network in addressing employment issues. There is also a negative economic outcome resulting from the fact that Humus Job can result in greater costs and commitment to farm management (-€ 6,208). Indeed, the pilot study carried out in relation to the Humus Job innovation did identify some negative feedback from farmers who felt they were more than capable of addressing their own employment problems, were less likely to cooperate with others, and did not see the value in paying money to an organisation that they felt would not improve their current situation.

Improvements in Personal Wellbeing (18% of the total) form another important area of outcome benefits generated. This is not surprising given that the focus of the Humus Job innovation is to provide greater security for both farmers and farm workers, and avoid the problems associated with hiring illegal agricultural labour. The personal wellbeing of farmers is enhanced through improved emotional quality of life as a result of involvement with the Humus Job network. In particular both farmers and farmworkers identify an improvement in well-being arising from reduction in stress and anxiety. For farmers, being part of a wider network is identified as providing support and reducing the bureaucratic burden associated with finding and hiring legal workers, while for farm workers it provides an added element of job security through being able to move from one location to another much more easily. Farmers also identify benefits associated with improvements in self-esteem, confidence, and control as a result of involvement with the HJ network. Such outcomes arise from being part of a wider network that can assist in alleviating employment issues, and enabling farmers to have more confidence in their ability to access quality workers when they are required.



Table 1: Italy Forecast SROI Impact Map (SI: Humus Job)

Impact Pathway	Outcome	Stakeholders (No.)	Indicator/s of Change	Outcome Change (%)	Financial proxy (Value €/Unit)	Present Value (€)	Present Value (%)
Personal Wellbeing	Improved emotional well-being and reduction of anxiety	Farmers (75); farm workers (150)	Extent to which stakeholder feels less anxious about their financial security; worry less about the problems of farming work	39%	(8) Valuation for improved emotional well-being arising through the Common Assessment Framework (€771 per person p.a)	€ 113,741	18%
	Improved mental well-being through reduced bureaucratic burdens (hiring people)	Farmers (75)	Extent to which they spend less time on paperwork related to the employment of farm workers; has it easier to hire quality farm workers	49%	(2) Well-being valuation of improved autonomy and control (€1,487 per person)	€ 27,888	
	Improved quality of life through self-esteem, confidence and control	Farmers (75)	Extent to which they'll try something even though there is a possibility that it may not work; feel in complete control of what they do; feel confident in making changes to the way they run the farm; have the ability to find solutions in difficult situations	61%	(6) Cost of Cognitive behavioural therapy (CBT) to build psychological resilience and self esteem (€1,473 per person p.a)	€ 114,299	
Economic Wellbeing	Improved skills and knowledge through Humus Job network participation. New ideas and practices	Farmers (75)	Extent to which they have acquired more skills that help me in work or daily life; has increased levels of knowledge and understanding of issues related to corporate hiring; are more likely to engage in new activities / adopt new practices, having learned from other network members; have more awareness of possible solutions to the farm's problems	59%	(9) Cost of employability skills training in regular sessions with counsellor / coach (€1,732 per person)	€ 39,530	7%



	Improved economic well-being and finances	Farmers (75)	Extent to which stakeholder feels: more confident in the future profitability of the farm; it has made my farm more financially sustainable; It has enabled diversification; Led to more stable income over a 12-month period; has made farm more efficient	43%	(22) Employment incentive costs (€4,152 per person)	€ 69,559	
	Increased costs and commitment to farm management	Farmers (75)	Extent to which farmer feels that HJ has resulted in increased costs; it has required a greater commitment to the management of the company	37%	(20) Utility bill savings through increased resource efficiency (per farm business) (€133 per farm)	-€ 6,208	
Relational Wellbeing	Improved access to information and services. Improved sharing.	Farmers (75)	Extent to which sharing of knowledge and ideas with others has increased; cooperation with others has increased; have found it easier to access the information; have found it easier to access support and counselling; was able to provide useful information to other farmers in the network	68%	(1) Unit cost of approved social worker (ASW) for community social care (€1,569 per person p.a)	€ 135,561	18%
	Increased sense of purpose and belonging	Farmers (75); Farm workers (150)	Feel they joined a network that supports my business and related activities; are now more willing to engage in partnership-type arrangements; feel that if I needed support could ask for help; feel close to the other members of the network; can trust most of the people in the network	71%	(2) Well-being valuation of improved autonomy and control (€1,487 per person)	€ 122,246	
Social and Community Wellbeing	Increased community cohesion and integration between groups in the community	Farmers (75)	Extent to which they network more with people in their field; are involved in multiple associations, clubs or interest groups; feel accepted by people in the network; feel that people in the network treat them with respect; there is less	70%	(28) Average annual household spend on recreation and culture (€3,545 per household p.a)	€ 316,156	57%



			conflict between different groups within the community					
	Improved sense of community and migrants' acceptance. Community socio-cultural enrichment	Farmers (75); farm workers (150)	Extent to which people accept migrants and immigrants into the community; Ethnic minorities and migrants are involved in community activities; community has been enriched by the arrival of immigrants and ethnic minority people;/ Immigrants and newcomers are welcomed into the community.	65%	(4) Value to an individual (25-45) of feeling like they belong in their neighbourhood (€2,392 per person p.a)	€ 508,149		
						Total Benefits	€1,440,921	100%
						Total Investment	€450,176	
						Benefit-Investment Ratio (BIR)	€3.20 : 1	

The findings of this SROI analysis hold significant potential in enhancing our understanding of the impacts of social innovations like Humus Job. The project's primary objective of fighting irregular work through the consistent employment of legal migrant and non-migrant workers is effectively achieved, as evidenced by the SROI's conclusive ratio. The outcomes demonstrate a multi-faceted enrichment encompassing social, community, and tangible economic benefits for the beneficiaries.

These findings may serve as inspiration for those interested in implementing or studying ethically-driven supply chains that prioritize shared regular workers and cost-effective machinery.

Additionally, the successful implementation of a nationwide network contract, open to interested parties, is particularly noteworthy as it establishes a robust network for the beneficiaries.

Considering the heterogeneity of farmers' backgrounds across various regions in Italy, it is evident that social innovation is adaptable to diverse contexts, resulting in a positive social and economic return on investment.

