13th International Social Innovation Research Conference

"Enabling the change! Social innovation and enterprises for a better future"

ALTIS-Graduate School Business & Society, E4Impact Foundation
Università Cattolica del Sacro Cuore (Milan)
September 8-10th, 2021

Conference stream: Call for Papers & panels

Financing social impact

Chairs:

MARIO CALDERINI
Politecnico di Milano
email:
mario.calderini@polimi.it

VERONICA CHIODO
Politecnico di Milano
email:
veronica.chiodo@polimi.it

LEONARDO BONI
Politecnico di Milano
email:
leonardo.boni@polimi.it

Description:

The existing literature has a significant gap in both theorizing and empirical evidence regarding the extent to which capital structures of hybrid organizations with a social mission differ from those of commercial enterprises (Arena et al., 2016; Siqueira et al., 2018) and which are their financial needs and expectations (Lyon and Owen, 2019). This issue becomes even more urgent in light of some recent trends which are leading some of these organization to transform their managerial and governance structure. For instance, the commoditization of technologies might allow social enterprises to act on a global scale and this broader scale of the intervention determines a larger demand of capital to support it (Scilitoe et al., 2018). Another trend is the increasing hybridization of missions and objective and emergence of organizations such as Benefit Corporations. The plausible drift towards capital-intensive models of organizations with a social mission motivates an emergent appetite for capital. On the other end, the need to engage several financial sources (private and public, impact first and finance first, stakeholders coming from the financial sector and the social sector) is likely to perturb the equilibrium between social and economic objectives and introduces new potential sources of mission drift (Achleitner, Spiess-Knafl and Volk, 2014).

The effort of complementing public funding to support the generation of novel solutions to societal challenges is witnessed by the exponential growth of specialized investors operating in the so-called social impact finance segment. Indeed, more and more financiers are shifting from just filtering out harmful investing to intentionally select and proactively manage organizations able to generate a measurable and additional social impact. However, social impact finance has not yet a proper theorization of its nature and purpose. The social impact investing industry has to be supported in shaping its approaches and instruments so that the support it offers has not to be traded-off against social value in a way that distorts the constitutive value of social entrepreneurship (Chen and Harrison, 2020; Mayer and Scheck, 2018). Indeed, scholars (Findlay and Moran, 2019) introduced the risk of "impact washing", namely the risk that a financial institution makes impact-oriented statements without having any demonstrable substantive social or environmental effects but just for marketing purpose.

Against these open issues, the existing academic research on SII has, thus far, focused on disentangling the uncertainties of this novel concept, setting it apart from traditional finance but failing to grasp the distinctive features of SII implementation strategies (Agrawal & Hockerts, 2019). For example, one overarching unsolved question hindering the legitimacy and attractiveness of this industry is whether investors knowingly accept lower expected financial returns in exchange for nonpecuniary benefits from investing in assets with both social and financial objectives (Barber, Morse and Yasuda, 2020; Caseau and Gilles Grolleau, 2020).
This stream aims to gather together different perspective and evidence on how the different financial approaches, and in particular the social impact investing industry, has to be shaped to effectively unleash the potential of blended-value, patient capital towards realizing sustainable development.

Thus, we invite empirical and theoretical contributions dealing with, but not limited to:

1. **Relationship between (social) financiers and social enterprises**
   - Investment readiness of potential capital recipients
   - Challenges of social ventures in approaching and dealing with different capital providers
   - Investors eligibility and assessment criteria for social enterprises
   - Negotiation of terms and objectives between social financiers and social enterprises
   - Effects of non-financial services provided by investors on investees
2. ***Sustainable Finance and Social Impact Investing***
   - Structure and performance of socially responsible investing and ethical funds
   - Reflections on the utility function of impact investors and the trade-off among impact generation and financial return
   - Measurements and evaluation of social impact generated by social impact investors
   - Assessment of social risk and return and integration in the portfolio building methods
   - Outcome based/Pay for success financial mechanisms and assessment of their diffusion, effectiveness, efficiency and added value
   - Example of new approaches and mechanisms of different funds providers (e.g. public agencies, private capital, public-private partnerships arrangements, philanthropy) in performing social impact investing
   - Empirical studies collecting data on existing practices
3. ***Alternative finance***
   - Approaches and instruments of the Islamic finance
   - The role of social impact in crowdfunding

References

Achleitner, A. K., Wolfgang, S. K. and Volk, S. (2014). The financing structure of social enterprises: Conflicts and implications. *International Journal of Entrepreneurial Venturing*, 6(1), pp. 85-99.

Agrawal, A. and Hockerts, K. (2019). Impact investing: review and research agenda. *Journal of Small Business and Entrepreneurship*.

Arena, M., Bengo, I., Calderini, M. and Chiodo, V. (2018). Unlocking finance for social tech start-ups: Is there a new opportunity space?. *Technological Forecasting and Social Change*, 127, pp. 154-165.

Barber, B.M., Morse, A. and Yasuda, A. (2020). Impact Investing. *Journal of Financial Economics*.

Caseau, C. and Gilles Grolleau, G. (2020). Impact Investing: Killing Two Birds with One Stone? *Financial Analysts*, 76(4).

Chen, S. and Harrison, R. (2020). Beyond profit vs. purpose: Transactional-relational practices in impact investing. *Journal of Business Venturing Insights*, 14.

Findlay, S. and Moran, M. (2019). Purpose-washing of impact investing funds: motivations, occurrence and prevention. *Social Responsibility Journal*, 15(7), pp. 853-873.

Lyon, F. and Owen, R. (2019). Financing social enterprises and the demand for social investment. *Strategic Change*, 28, pp. 47-57.

Mayer, J. and Scheck, B. (2018). Social Investing – what matters from the perspective of social entrepreneurs? *Nonprofit and Voluntary Sector Quarterly*, 47(3), pp. 493-513.

Scillitoe, J. L., Poonamallee, L. and Joy, S. (2018). Balancing market versus social strategic orientations in socio-tech ventures as part of the technology innovation adoption process–examples from the global healthcare sector. *Journal of Social Entrepreneurship*, 9(3), pp. 257-287.

Siqueira, A., Guenster, N., Vanackerc, T. and Crucke, S. (2018). A longitudinal comparison of capital structure between young for-profit social and commercial enterprises. *Journal of Business Venturing*, 33(2), pp. 225-240.

Guidelines for submission

To contribute to the conference, it is possible to submit both paper abstracts or proposals for panel sessions. Following details about the submission:

A. Paper abstracts

Must be maximum 400 words, excluding references (Font: Times New Roman 12-pt, double spaced, 2.5 cm margin all around).

They should articulate: (1) the research objectives or questions being addressed; (2) the conceptual or theoretical perspectives informing the work; (3) where appropriate, the methodology utilised; and (4) the contribution of the paper to knowledge in light of the conference themes.

A maximum of two abstracts may be submitted per presenter (joint papers to be presented by co-authors will also be considered).

To enable anonymity, the authors' names should not appear. Instead, a cover page giving the title of the paper and full identifying information of the author(s) (name, address, telephone and e-mail address) should be included as a separate Word or PDF document.

On abstract submission please ensure you advise the conference stream.

B. Panel session proposals

Must be maximum 400 words, excluding references.

They should include: (1) the panel purpose and its relationship to the nominated conference stream; (2) details of (minimum) three and (maximum) four papers and paper presenters to be included in the panel; and the expected contribution to the panel.

On panel submission please ensure you advise the conference stream.

Process and deadlines

All paper abstracts and panel proposals must be submitted by email to:	www.isirc2021milano.com
Abstract and panel proposals submission due:	28th February 2021
Notification of decision on submissions:	31st March 2021
Optional full paper submission for consideration in best paper awards:	15th July 2021

Enquiries about conference administration and technical issues related to online submission should be directed to the conference administration team at isirc2021@unicatt.it

Guidelines for full paper submissions:

Papers must be written in English and should be sent in Microsoft Word or PDF format.

Papers should be between 5,000 and 8,000 words in length including tables, figures and references.

Tables and figures should be incorporated into the paper. Each table and figure should be given a title.

Please include an abstract and four to six key words.

To enable anonymity, the authors' names should not appear. Instead, a cover page giving the title of the paper and full identifying information of the author(s) (name, address, telephone and e-mail address) should be included as a separate Word or PDF document.

Harvard is the preferred referencing style.