ACRN Journal of Finance and Risk Perspectives
Vol. 3, Issue 4, December 2014, p. 64 – 98
ISSN 2305-7394

A LITERATURE REVIEW ABOUT THE LANDSCAPE OF SOCIAL FINANCE

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***Abstract**: The financial and economic crisis, from 2007 on, adversely affected the whole world. Approximately seven million Americans and two million Europeans lost their jobs, and nearly ten million were pushed below the poverty line (Benedikter, 2011). The rebound in the economy from the effects of the crisis will take some time. Consequentially, public welfare spending has been stretched to the limits and more and more social services are on the verge of discontinuation. Besides the public sector, more and more traditional NGOs stemming from the third sector, and an increasing number of social entrepreneurs as hybrid organizations are emerging, tackling these new societal challenges. As a result, social banking and social finance providing means to start and support such initiatives have become important activities in Europe, despite a seemingly under-developed set of regulations and instruments for rational portfolio building.*

The efficient allocation of financial resources for primarily social and environmental returns, as well as in some cases, a financial return, is the main focus of social finance. Research on social finance has primarily concentrated on the new institutions, mechanisms and instruments that allow financial resources to be created and directed towards sustainable ideas, initiatives, programs or products. The object is to create social and environmental value (Moore et al, 2012).

***Keywords:** Social Finance, Social Entrepreneurship, Social Impact Investing, Social Impact Bonds, Social Finance, Microfinance, GIIN*

Introduction

The financial and economic crisis, from 2007 on, adversely affected the whole world (Kotz, 2009; Hein et al, 2011). Approximately seven million Americans and two million Europeans lost their jobs, and nearly ten million were pushed below the poverty line (Benedikter, 2011). The rebound in the economy from the effects of the crisis will take some time. Consequentially, public welfare spending has been stretched to the limits and more and more social services are on the verge of discontinuation. In addition to the public sector, more and more traditional NGOs stemming from the third sector and an increasing number of social entrepreneurs as hybrid organizations are emerging, tackling these new societal challenges in need for finance. As a result, social banking and social finance providing means to start and support such initiatives have become important activities in Europe, despite a seemingly under-developed set of regulations and instruments for rational portfolio building.

Social Finance is identified in the literature as a relatively new development in the international banking and finance sector (Benedikter, 2011; Lehner et al, 2014, Joy et al, 2011). It is more than just the flow of money into social or environmental projects; rather it can be "conceived as an ethos about the way money is used… ". Social finance as a term and concept can for example also be seen as the discourse around such flows: "that is developing in concrete terms in the new institutions of supply, intermediation, and demand" (Pharoah et al, 2008, p11). The narrative of Social Finance encompasses diverse instruments such as community investing, microfinance, social impact bonds or Crowdfunding (Lehner et al, 2014, Lehner 2014, Belleflamme et al, 2013, Lehner et al, 2014, Lehner, 2013). Players in this field stem from all sectors and often bridge the so far recognized boundaries of these. They comprise amongst others: public funds, (venture) philanthropists, special banks, communitarian efforts, social enterprises and traditional businesses in their CSR activities (Pharoah et al, 2008, Nicholls, 2013, Sparkes et al, 2004, Figeac, 2007).

The efficient allocation of financial resources for primarily social and environmental returns, and a sustainable yet sub risk financial return, is the main focus of social finance (Benedikter, 2011). Research on social finance has primarily concentrated on the new institutions, mechanisms and instruments that allow financial resources to be created and directed towards sustainable ideas, initiatives, programs or products. The objective of such ventures is to create social and environmental value (Moore et al, 2012).

Finance can affect the sustainability and social responsibility of companies (Scholtens, 2006). The World Business Council for Sustainable Development sees the financial industry as a leader with respect to sustainability, and the industry itself claims it makes the world a better place to live (Schmidheiny et al. 2006). Scholars and Academics are skeptical, that socially responsible investing and shareholder advocacy leads to socially and environmentally aspirated activities (Scholtens, 2006).

Scholarly interest in Social Finance has remained behind industry development, but over the last years there is a significant increase in research. All over the world, people with very less income or socially disadvantaged persons are excluded from formal financial systems. These barriers range from partial exclusions in developed countries to full or nearly full exclusions in lesser developed countries. The resulting impacts on absent access to formal financial services for poor or disadvantaged people encouraged the development of informal, community-based financial arrangements to meet their financial needs. An increasing number (see Table 1) of non-governmental, governmental and private organizations have been founded for the purpose of meeting those needs. (Brau et al, 2004). Social Finance is a growing field that often aims to provide resources to support the scaling of social innovation (Pradhan et al, 1998)

The aim of this paper is to provide a current account of the state of literature and theory in the emerging field of social finance. The theoretical perspectives concern the competing definitions, narrations and surrounding discourse of terms such as Social Finance, Social Capital, Microfinance, Social Impact Investing, socially responsible investing and Social Entrepreneurship as seen in literature. The topics and streams that researchers and practitioners likewise are currently

ACRN Journal of Finance and Risk Perspectives
Vol. 3, Issue 4, December 2014, p. 64 – 98
ISSN 2305-7394

focusing on will be clustered and laid out, including a view on possible challenges. A further perspective deals with the participants in the emerging field of Social Investment and the Big Players. Early cases as described in literature demonstrate the practical application. Finally, this paper comes up with open questions for further research.

To fulfill the literature review and the conceptual research agenda a synergetic and structuring review of current literature on social finance and related activities was undertaken. Current research papers, publications, surveys and articles on topics of relevance to social finance were explored.

Competing Definitions in Literature

Definitions are absolutely essential to organize research fields as well as to identify and compare distinguishable phenomena (Beckmann et al, 2014). Scholars have put substantial effort into elaborating and sharpening definitional tools. For example, Dacin et al provide an overview of 39 different definitions of social entrepreneurship (Dacin et al, 2010). A lot of efforts have been made to define Social Finance, Microfinance, Social Capital, Social Impact Investment, Social Entrepreneurship but the boundaries and overlaps remain, to some extent, vague or contested (Beckmann et al, 2014).

Amongst others, Social Finance, Social Capital, Social Impact Bonds competing definitions as outlined in figure 1.

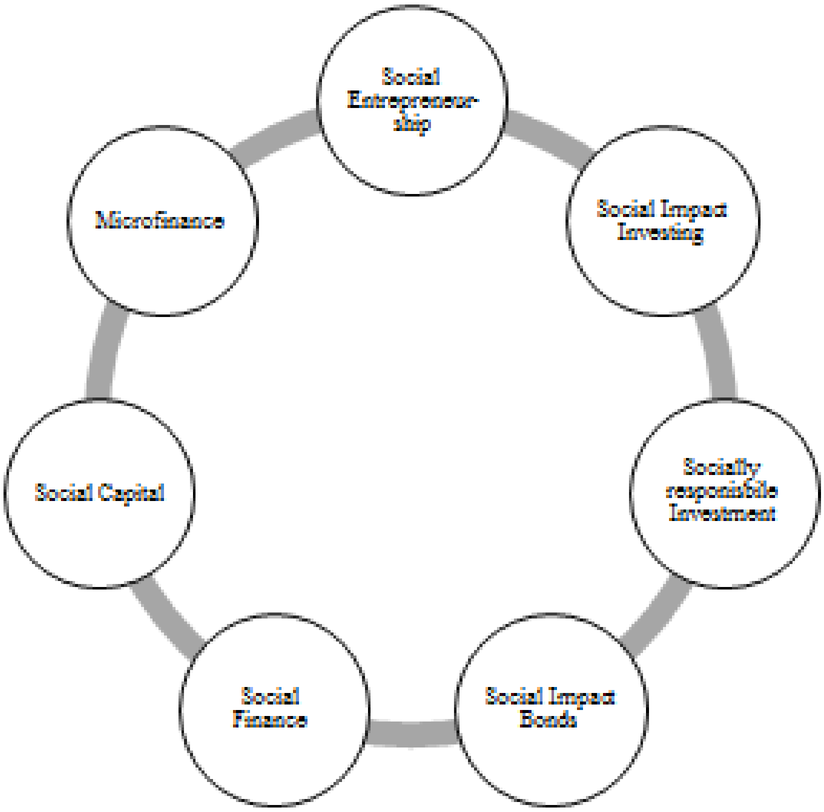

Figure 1: Terms to define

Social Entrepreneurship

Social Entrepreneurship is defined as any individual, organizational or network activity that demonstrates each of the following: sociality (ie a social or environmental mission as its prime strategic objective), innovation and market-orientation (ie a performance-driven, comparative and competitive, outward-looking approach to strategy and operations) (Nicholls, 2008; Dees, 1998). In an academic study published in 2006 Austin et al defined Social Entrepreneurship as "entrepreneurial activity with an embedded social purpose". The focus is on serving a social mission. This is the response in order to reduce the involvement of the government in the economy and society (Nicholls, 2006). "Social Enterprise" as a term refers to the enterprise as an organization (Stevens et al, 2014,) while Sharir et al characterize the activities of the social entrepreneur as a chance agent to create and sustain social value without being limited to resources currently on hand (Sharir et al, 2006). Lehner complemented the term from a practical perspective (Lehner, 2012). He mentioned that social entrepreneurship is "a form of entrepreneurship, where social entrepreneurs create and deliver social value by employing market based strategies and approaches for client and income generation" (Lehner, 2012,). He pointed out, however, that social entrepreneurship as a term and a construct is used in research literature for different phenomena in various contexts – ranging from non-profit organizations in Europa and the United States with attention on commercial income strategies, to entrepreneurial ventures in rural India which focuses on small community development (Lehner, 2012; Peredo et al, 2006).

According to the estimates of the Global Entrepreneurship Monitor 2005 survey, 1.2 M people in the UK (this represents 3.2 % of the working age population) are social entrepreneurs (Santos, 2012).

Social Impact Investing

The term "Social Impact Investing" was coined in 2007 and is defined by the Global Impact Investing Network (GIIN) as "investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return" (Martin, 2013).

Social Impact Investments were made with the intention to generate measurable social and environmental impact alongside a financial return (Martin, 2013).

Socially responsible Investment

Socially responsible investment (SRI) – sometimes termed "ethical investment" – refers to the practice of integrating social, environmental, or ethical criteria into financial investment decisions (e.g. Chadwick, 2012). Traditional investment concentrates upon financial risk and return from stocks and bonds; SRI considers other contents (Statman, 2007; Friedman 2001).

Social Impact Bond

A Social Impact Bond is understood as a contract with the public sector in which it commits to pay for improved social outcomes (Barclay et al, 2013).

Thus the social impact bond concept injects private sector capital into traditionally public sector activities. The fact of these activities should be more cost effective practices in both sectors. Private investors raise the necessary financial resources to fund interventions that are too comprehensive and represent a big challenge, since they involve a considerable financial risk for the public sector. The providers are paid with the invested private funds. Performance targets need to be established, and if met, investors are rewarded with profits (Walsh et al, 2013). Only when the interventions improve social outcome, the government has to pay for the services delivered (Rodin et al, 2012). The best candidates for private funding are programs with high expenditures in the initial stage and programs that concentrate on large numbers of people (Walsh et. al, 2013). Social Impact Bonds are structured in one well-defined social outcome in an intervention area, for example youth offending, youth unemployment or teenage pregnancy (Nicholls et al, 2013).

Social Finance

As mentioned previously, Social Finance is identified in literature as a relatively new development in the international banking and finance sector (Benedikter, 2011; Lehner et al, 2014).

Social finance encompassed the deployment of financial resources principally for social and environmental returns, and in some cases, a financial return. In the last years, research projects concerning social finance have tended to concentrate on the new institutions, mechanisms, and instruments so that financial resources will be created and directed towards transformative ideas, initiatives, programs or products to create social and environmental value (Moore et al, 2013; Pharoah et al, 2008; Joy et al, 2011). As cited in their paper, Moore et al argue that these include new types of asset classes such as impact investing or micro-finance; innovations at the fund level; and new tools such as competitions and challenge grants. “Social financing can be an innovation in itself or it can be a means by which social innovation can be financed” (Moore et al, 2013).

Elli Howard (Howard, 2012) wrote in her article “Challenges and opportunities in social finance” that Social finance incorporates a number of socially-orientated financial activities, like

- Impact Investing – investing for both a financial and a social return
- Social banking – investing deposits in social enterprises
- Charitable banking – banking with a specific focus on the needs of charities
- Providing banking services and advice to financially excluded individuals
- Crowdfunding platforms for funding social ventures (Howard, 2012)

Besides finances, there is a need for human capital and other resources and according to the relevant literature, especially in small entrepreneurial businesses at the bottom of the pyramid, social capital is a means of acquiring knowledge and tools.

Social Capital

Social capital lends itself to multiple definitions, interpretations, and uses. Social capital is defined by the OECD as “networks together with shared norms, values and understandings that facilitate co-operation within or among groups” (www.oecd.org.insights).

Social capital refers to the social networks that are an integral part of social groupings and has been utilized in research and policy as an indicator of the strength of social and community relationships (Putnam, 2000 – in Nicholls 2008). There are a number of key sources of social capital in the context of social and economic development, for example Communities, Firms, Civil Society or the Public Sector (web.worldbank.org). The ability to generate social capital and work together for a common good can be fostered through social interactions among neighbors, friends or groups (the so-called “Community”). Social capital can be used as a substitute for human and physical capital. Social capital benefits firms by reducing transactions costs, but can also have negative effects for a firm and society (web.worldbank.org; Putnam, 1993). As social capital is an essential part to the success of any non-governmental organization, it provides opportunities for participation and gives voice to those who are excluded to affect change (web.worldbank.org; Burt, 2005; Putnam, 2000).

Drawing on the social capital of the many, microfinance is a means to collectively address social needs and empower small entrepreneurs.

Microfinance

Scholarly interest in microfinance has lagged behind industry development, but it has been growing rapidly in the past few years. Before 1997, academic journals published only an occasional article on microfinance, but since that time, academic journals have published hundreds of peer-reviewed articles on the topic (Armendáriz et al, 2010). Ahmed et al propose two definitions for microfinance Institutions and microcredit Institutions.

“A ‘Microfinance Institution’ is a ‘social enterprise’, whose primary mission is to improve the lives of poor people through provision of financial services. Perhaps a for-profit institution could satisfy this criterion if it adhered to a strong ‘double bottom line’ philosophy, but certainly one measure of success must be improvement in the lives of poor people” (Ahmed et al, 2013; Banerjee et al, 2012).

In his book “Banker to the poor: Micro-lending and the battle against world poverty” Muhammad Yunus defines a social enterprise as “a non-loss, non-dividend enterprise, created with the intention to do good to people, to bring positive changes to the world, without any short-term expectation of making money out of it” (Yunus, 2007a), This definition would meet the eligibility criteria listed above.

“A ‘Microcredit Institution’ is a microfinance institution that makes small, non-recourse loans to poor people who are likely to be considered ‘un-bankable’ by commercial banks. Loans are made without collateral. The lender has no legal recourse to recover a loan if the borrower is unable to repay" (Ahmed et at, 2013,)

Both definitions would remove the Microfinance institution label from many meritorious, authorized institutions such as those offering collateralized loans to small and medium enterprises. Some of the for-profit organizations, who first want to meet the various needs and requirements of their shareholders, would not be considered Microfinance institutions either, if their business intention really is aimed to maintain profits. These businesses should be regulated outside a regime established for microfinance (Ahmed et at, 2013).

Table 1: Definitions of Terms

Term	**seen in**
Social Entrepreneurship	Beckmann, M., Zeyen, A., Krzeminska, A. (2014). Mission, Finance, and Innovation: The Similarities and Differences Between Social Entrepreneurship and Social Business, Springer Verlag Berlin Heidelberg
	Stevens, R.; Moray, N.; Bruneel, J. (2014). The Social and Economic Mission of Social Enterprises: Dimensions, Measurement, Validation, and Relation
	Lehner, O. (2012). Social Entrepreneurship Perspectives – Triangulated Approaches to Hybridity
	Santos, F. (2012). A positive Theory of Social Entrepreneurship, Springer Science and Business Media B.V.
	Dacin, T. A., Dacin, P., Matear, M. (2010). Social entrepreneurship: Why we don´t need a new theory and how we move forward from here. Academy of Management Perspectives, 36-56
	Dees, J. G. (1998). The meaning of social entrepreneurship, Kauffman Center for Entrepreneurial Leadership
	Nicholls, A. (2008b). The Landscape of Social Entrepreneurship: A Holistic Topology of Opportunities and Challenges. Oxford: Skoll Centre for Social Entrepreneurship.
	Austin, J., Stevenson, H. and Wei-Skillern, J. (2006). Social and Commercial Entrepreneurship: Same, Different or Both?. Entrepreneurship Theory and Practice, Vol. 30, No. 1, pp. 1-22.
	Nicholls, A., (2006). Social Entrepreneurship: New models of sustainable social change. Oxford University Press
	Peredo, A., McLean, M. (2006). Social Entrepreneurship: A critical review of the concept, Journal of World Business
	Sharir, M., Lerner, M. (2006). Gauging the success of social ventures initiated by individual social entrepreneurs, Journal of World Business
Social Impact Investing	Martin, M. (2013): Status of the Social Impact Investing Market: A Primer; Prepared for the UK Cabinet Office
	GIIN (Global Impact Investment) 2007
Socially responsible Investment	Ruth Chadwick (ed.), (2012). Encyclopedia of Applied Ethics, 2nd ed. Academic Press
	Friedman, A. L., Miles, S. (2001). Socially responsible investment and corporate social and environmental reporting in the UK: an exploratory study. The British Accounting Review, 33(4),
	Statman, M. (2007). Socially Responsible Investments, Investment Management Consultants Association
Social Impact Bond	Barclay, L., Symons, T. (2013). A Technical guide to developing Social Impact Bonds, Social Finance
	Walsh, K., Roman, J. (2013.: Social Impact Bonds; Urban Institute
	Nicholls, A. (2013). The Meaning and Landscape of Social Finance, Said Business School, University of Oxford
	Rodin, J. (2013). A new tool for scaling impact: How social impact bonds can mobilize private capital to advance social good; Rockefeller Foundation

Term	seen in
Social Finance	Howard, E. (2012). "Challenges and opportunities in social finance in the UK", Cicero Marketing and Content Unit
	Moore, M., Westley, F., Nicholls, A. (2012). The Social FInance and Social Innovation Nexus, Journal of Social Entrepreneurship
	Benedikter, R. (2011). "Social Banking and Social Finance: Answers to the Economic Crisis",
	Joy, I., de Las Casas, L., Rickey, B. (2011). Understanding the demands for and supply of Social Finance, The Big Society Finance Fund
	Nicholls, A., Pharoah, C. (2008). "The Landscape of Social Investment: A holistic topology of opportunities and challenges", Oxford Business School, Working Paper, p 11
Social Capital	www.oecd.org.insights
	Nicholls, A., Pharoah, C. (2008). "The Landscape of Social Investment: A holistic topology of opportunities and challenges", Oxford Business School, Working Paper, p 11
	Burt, R. (2005). Brokerage and Closure: An Introduction to Social Capital, Oxford University Press
	Putnam, R. (2000). Bowling Alone, Simon and Schuster
	Putnam, R. (2000). Social Capital: Measurement and Consequences, Kennedy School of Government, Harvard University
	Putnam, R. (1993). The Prosperous Community - Social Capital and Public Life, The American Prospect
Microfinance	Ahmed, F., Brown, B., Williams, S. P. (2013). Tis it time to regulate microfinance? SAGE Publications
	Armendáriz, B., Morduch, J. (2010). The economics of microfinance. MIT press.
	Banerjee, A. V., Duflo, E., Glennerster, R., Kinnan, C. (2013). The miracle of microfinance? Evidence from a randomized evaluation.
	Yunus, M. (2007). Banker to the poor: Micro-lending and the battle against world-poverty; New York: Public Affairs

After the theoretical discourse, the practical implications will be illustrated by empirical cases.

Practical Implications

There are various practical application examples to elaborate on but three examples have been selected. One of the cases discussed is the Peterborough Project. The launch of the first Social Impact Bond (SIB) in Peterborough in September 2010 generated an overwhelming public response.

Another program worth introducing is the Ashoka program. Ashoka is a global professional network of social entrepreneurs (Achleitner et al, 2007). It was founded 27 years ago and it has invested in more than 2,000 social entrepreneurs in 62 countries. The members of the initiative offer innovative and practical solutions to social needs. The initiative focuses on spreading successful solutions for low-income populations (Schmidt et al, 2008).

- Over 30% of Fellows work on education
- Over 30% of Fellows work on economic development
- 1/3 of Fellows work on environment engagement
- 1/3 of Fellows work on the civic engagement
- 70% work with urban populations
- 60% of Fellows work with youth
- 24% of Fellows work with the elderly
- 19% work with conflict or disaster victims
- 10% work with people discriminated due to sexual orientation.

The last of the presented projects is from the Rockefeller Foundation. The Rockefeller Foundation is a global philanthropic organization based in New York City which supports work that expands opportunity and strengthens resilience to social, economic, health, and environmental challenges. A novel impact investment model helps social enterprises and foundations to generate a high social return on investment.

The Peterborough Project

In September 2010 Social Finance Ltd, a not-for-profit financial intermediary launched the world´s first Social Impact Bond in the United Kingdom. The Peterborough pilot, targeted at reducing prison recidivism, generated world-wide interest (Rodin et al, 2013, Fox et al, 2011).

The program is intended to reduce one-year recidivism rates among short-term offenders (McKay, K., 2013). The initial social investors are mostly charitable trusts und foundations (Nicholls et al, 2013). In Peterborough, payments were based on an undisclosed, negotiated value that included consideration for the cost savings to the government but was ultimately based on negotiations between the government and third parties, representing an acceptable level of return for the third party intermediary and investors (eg. McKay, K., 2013). The U.K. government will recompense investors if an independent reviewer concludes that the program achieves a recidivism reduction of 7.5% or greater in the local prison. Investors will receive an increasing return of 13.0% per

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year over an eight-year period, depending on the amount by which the program exceeds the 7.5% target (Nicholls et al, 2013). The pilot is coordinated by Social Finance, who obtained investment funding from private individuals, trusts and foundations to finance the pilot (Rodin et al, 2013).

Several service providers from the nonprofit sector, selected and based on their reputation for high performance, operate together to provide reentry programming for prisoners to prevent recidivism (McKay, K, 2013).

The U.K. government issued no actual bond; it contracts with the parties concerned. The extent and the complexity of these contracts are the main reason why the project took two years to develop (McKay, K, 2013; Disley et al, 2011).

Ashoka

Ashoka is a nonprofit organization based in Arlington, Virginia, USA. Ashoka supports the field of social entrepreneurship. It was founded to identify and support leading social entrepreneurs through a social venture capital approach. The objective is to elevate the citizen sector to a competitive level equal to the business sector. Ashoka operates in more than 70 countries and supports the work of almost 3,000 social entrepreneurs, who were elected as Ashoka Fellows.

The aim of Ashoka is to bring a change in the social system (Schmidt et al, 2008, www.ashoka.org):

1. Market dynamics and value chains

54 % of Fellows have changed market dynamics at a national level within 5 years of election. This means that they have increased access to goods and services, new markets would be created, income for the poor is generated and there is a change in the flow of market information. An example for the changing in the market system is that one of the Fellows has provided insurance coverage to over 75,000 very poor families in 5 states and over 60 hospitals in India. Another example in the change of the market system is that farmers in India have produced over 2,400 videos viewed by over 120,000 farmers showing them the latest technology and practices. 48 % of the farmers adopt the new practices.

2. Public policy and industry norms

57 % of Fellows have contributed to changed national policy within 5 years of election. They do this by drafting legislation, providing testimony or research and organizing citizen actions. The consequence of these actions is that Fellows have achieved changes in the code of conduct, mission statement, or official policy of large organizations or industry. A very impressive example for changes in industry norms is that rates were trained to save lives by detecting landmines.

3. Full inclusion and empathy

More than half of the members of Ashoka see empathy as a major focus of their work. They try to fully include marginalized groups in society. One of the projects concentrates on creating one million jobs for people with autism by working with companies who need people with outstanding memories or extreme attention to detail.

4. Business-social congruence

More than 50 % of Ashoka Fellows have achieved business-social congruence. This means that more than 60 % receive revenue through a for-profit element providing an average of 41 % of their budget. Almost 30 % have a joint venture with a business. One of them is David Kuria, a Kenyan architect. He worked with communities and they now operate 70 pay-per-use toilets and showers across the country, employing 200 youth in jobs ranging from cleaners to cashiers and security officers.

5. Culture of changemaking

66 % of Ashoka Fellows have created culture of changemaking at a national level. Eric Dawson, the founder of Peace First, trained more than 40,000 young people. The result is seen in a 60% average reduction in incidents of violence and a more than 70 % increase in instances of peacemaking. Another program worth mentioning is the "Birthing Project". Birthing Project USA is increasing with the number of women that are perceived and consider themselves to be leaders in the field of maternal and child wellness while encouraging them to become volunteer "SisterFriends" to vulnerable pregnant women. One result of this project is that the average birth weights may increase from 6.5 to 7.5 lbs.

As seen in table 1, there are a lot of organizations operating in the field of social entrepreneurship. Only a small number is actively engaged with paradigm building. Big organizations such as Ashoka sometimes seem to claim legitimacy by setting the discourse rather than being purely outcome focused, thus leading to the emergence of specially adapted models of social communication and action by these. Nicholls (2010) sees that organizations consciously construct and promote new rationales and logics of social reality (Nicholls, 2010) – whether it's good or bad, remains to be seen.

The Rockefeller Foundation

"A recent evaluation of the Rockefeller Foundation's Program-Related Investment Fund concluded that it has "generated modest financial returns for the Foundation, contributed to investees' financial sustainability and generated positive social returns on a variety of fronts," (Miesen, 2014).

Program-related investments (PRIs) can be powerful social investment tools (Bishop, 2010). They can take many forms, including purchases of passive debt and active equity. Gradian Health Systems is a health care social enterprise which benefits from a very promising active equity investment: It's wholly owned by a family foundation (Miesen, 2014).

This model is called "foundation-owned social enterprise," or FOSE. Gradian is known as a "single member limited liability corporation" (SMLLC). SMLLCs are common in the business world, but they are rarely used in the social sector. The FOSE model can be an attractive option for both investors and investees, provided the investor is more committed to achieving a social, not just financial, return on investment (Miesen, 2014).

Gradian Health Systems sells the Universal Anaesthesia Machine (UAM), a medical device designed specifically to address the difficult operating theater environments found in many low-resources hospitals throughout the world. In contrast to traditional anaesthesia machines, the UAM can function without consistent electricity or a source of compressed oxygen— and these are two major concerns for low-resource hospitals. It is also simple enough that hospital technicians can perform maintenance and repair.

Rather than donating the UAM to hospitals that need them, the device is sold at their cost. So it is possible to keep the price low (Miesen, 2014).

The investment reduces (or eliminates altogether) the need to spend time and resources on fundraising and financial reporting, which allows the social enterprise to focus on operations.

The FOSE model isn't appropriate for all social enterprises or all foundations. If it's likely that a social enterprise will be profitable, a foundation's funds are probably better invested in higher-risk, lower-return ventures, as the social enterprise can probably raise capital in more traditional debt and equity markets (Bishop, 2010; Miesen, 2014).

The Global Players

The purpose of the paper was to show the theoretical input and streams but it also called for a search of the Big Player in the emerging field of Social Impact Investing. The special field of Social Impact Investment was chosen, because it is a fast growing market and there is relatively little relevant literature available.

The following table shows the global players in the field of impact investing. Impact Investing has the ability to support social entrepreneurs all over the world to develop innovative and sustainable ways to solve some of our most pressing social problems.

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
The Abraaj Group	2002	Private Foundation	Equity	Direct	Asia, Middle East und North Africa, Turkey, Central Asia, Sub-Saharan Africa, Latin America	7.5 million USD	Supports best-in-class organizations focused on entrepreneurship, job creation, healthcare, education, community engagement
Accion	1961	Privat Foundation	Equity and Debt	Direct	Africa, Asia, Latin America, U.S.	unknown	Accion works to create economic opportunity by connecting people to the financial tools they need to improve their lives. Over time, Accion has helped to build 63 microfinance institutions (MFIs). Strong MFIs, push the frontier of financial services through innovation and investment, and develop high industry standards that center on the needs of clients. Accion provides early-stage equity, quasi-equity financing, and loan guarantees to help grow MFIs sustainably and support a financial ecosystem that will radically enhance the efficiency, reach, and scope of financial services at the base of the economic pyramid.
Acumen	2001	Private Foundation	Equity	Direct	South Asia, Sub-Saharan Africa	85 million USD	Emerging leaders and breakthrough ideas. Acumen invests patient capital in business models that deliver critical, affordable goods and services to the world's poor. Since 2001, Acumen has invested in enterprises that provide access to water, health, energy, housing, agricultural services and education to low-income customers.
The Annie E. Casey Foundation	1948	Private Foundation	Debt	Intermediate	United States	225 million USD	Dedicated to building better futures for disadvantaged children. In pursuit of this goal, the Foundation provides grants and investment capital to support innovative, cost-effective responses to children and families' needs. The Foundation's grants support work at the state, city, and local levels.

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Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
Big Society Capital	2012	Independent financial institution	Equity and Debt	Intermediate	United Kingdom	1 billion USD	The overarching aim is to help frontline social sector organizations increase their social impact by improving their access to long term, effective finance. To achieve its goals, BSC invests in social investment finance intermediaries (SIFIs) that provide appropriate and affordable finance and support to social sector organizations. SIFIs include social banks, social funds and social impact bonds. By supporting SIFIs, BSC connects socially motivated investors with social sector organizations, thereby bringing more capital into the social sector than BSC alone could provide. BSC invests both equity and debt in SIFIs that focus on broad areas of financial inclusion, education, employment and skills, housing and shelter, mental health, physical health, social cohesion, and well-being.
The Bill & Melinda Gates Foundation	1977	Private Foundation	Equity and Debt	Intermediate	Developing Countries	1 billion USD	In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people—especially those with the fewest resources—have access to the opportunities they need to succeed in school and life.
Bridges Ventures	2002	Independent financial institution	Equity	Direct	Great Britain	773 million USD	Bridges Ventures focus on opportunities where investments can generate investor returns through helping meet pressing social or environmental challenges – be it backing businesses that generate jobs in underserved markets, or building environmentally friendly care homes for the elderly, or providing flexible financing for innovative community transport models.

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
Calvert Foundation	1988	Independent financial institution	Debt	Intermediate	global	420 million USD	Calvert Foundation is a nonprofit organization that connects impact investors with people living in underserved communities around the world through its Community Investment Note. The Note, which starts at USD 20 and is available in various terms and rates up to two percent, invests in organizations around the world developing affordable housing, promoting education and healthy living, creating jobs, and protecting the environment.
The California Endowment	1996	Private Foundation	Equity and Debt	Direct and Intermediate	California	1 billion USD	Expand access to affordable, quality health care for underserved individuals and communities, and to promote fundamental improvements in the health status of all Californians
Capricon Investment Group	2007	Private Investment firm	Equity	Direct	Africa	3.5 billion USD	Capricorn has invested in the development of green field agriculture in Africa, working with large farms and engaging smallholder farmers in preparation of land and education about sustainable farming techniques.
CDC	2012	Public Institution	Equity and Debt	Direct	Africa, South Asia	116 million USD	CDC is a provider of scarce long-term capital to private sector entrepreneurs in developing countries to reduce poverty through it supports building businesses and creating jobs.
Christian Super	1984	Public Foundation	Equity	Intermediate	Australia	700 million USD	Christian Super searches for investment opportunities that provide both strong investment returns and a valuable contribution to society and the environment. The firm seeks to invest capital according to Christian values, including respect for life and sustainability, and with a vision that sees finance as a tool for long-term value creation. The fund invests in areas such as microfinance, renewable energy, sustainable agriculture, and social enterprise.

Members	**Founded**	**Funding Source**	**Equity/Debt**	**Direct/Inter-mediate**	**Where acting**	**Financial Resources**	**Aims**
CITI Foundation	1812	Banking operation	Debt	Intermediate	global	24.8 million USD (only in 2013)	Citi Microfinance offers a diversified set of financial services to the sector, including direct and structured financing; local currency financing, leasing, foreign exchange, and interest rate hedging; cash management solutions; and product distribution partnerships with MFIs for micro savings, remittances, and life insurance products.
Community Capital Management	1998	Public Foundation	Debt	Intermediate	United States	2 billion USD	CCM's primary goal is to offer investment vehicles that produce above-average, risk-adjusted returns while benefiting the community and the environment.
Credit Suisse	1856	Banking operation	Debt	Intermediate	Developing Countries	1.8 billion USD	Credit Suisse manages USD 1.8 billion in impact investments, primarily focused on microfinance and sustainable agriculture, on behalf of approximately 4,000 clients, including private individuals, institutional investors, and development finance institutions. The bank has a decade-long history of engagement that includes managing microfinance funds for its clients and facilitating capital markets transactions in microfinance (e.g. IPOs and structured finance). In January 2012, in collaboration with Swiss fund manager responsibility, Credit Suisse structured and distributed the Fair Trade Fund which provides working capital to agricultural cooperatives supporting small farmers in developing countries. Credit Suisse is also exploring new impact areas that include health and education.
The David and Lucile Packard Foundation	1964	Private Foundation	Equity and Debt	Intermediate	all over the world	180 million USD	The Foundation has made loans, guarantees, and equity investment to serve future needs.

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
Deutsche Bank	1870	Banking operation	Debt	Direct and Intermediate	global	2 billion USD	Deutsche Bank's impact investing activities are concentrated in community development and microfinance, and are carried out by the bank's New York City-based Community Development Finance Group. In the U.S., Deutsche Bank has invested more than USD 1.2 billion in community development, which includes affordable housing, green real estate, new business development, and support services. Internationally, Deutsche Bank has provided loans, sub-debt, guarantees, and other financial products to microcredit institutions since 1997 and currently manages six microfinance funds totaling over USD 200 million. The Deutsche Bank Americas Foundation supports social enterprises in education, housing, environment, and community development throughout the world.
DOEN Foundation	1991	Public Foundation	Debt	Direct and Intermediate	Africa	180 million USD	DOEN supports the early efforts of entrepreneurs operating within two themes, Green and Inclusive Economy. They are concentrated in the areas of fair trade, renewable energy, social ventures, and micro, small, and medium enterprise financing, by providing subsidies, loans, and/or equity investments. The foundation also helps connect pioneers with other parties and resources in its network.
Enclude	unknown	Global advisory services firm	Equity and Debt	Intermediate	global	250 million USD	Enclude assists financial institutions and public and private sector organizations in improving their profitability and effectiveness to better meet the needs of the un(der)served by designing, connecting, financing, and building inclusive financial products and services. Enclude's Capital Advisory connects clients with the capital they need to finance their growth, and links public, private, and philanthropic investors to inclusive

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
							investment opportunities.
Enterprise Communtiy Partners	1982	Private Foundation	Equity and Debt	Direct	United States	13.9 billion USD	Leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities; Enterprise leads research and undertakes policy advocacy work in U.S. community development and investment in affordable housing, green retrofits, and community facilities
Esmée Fairbairn Foundation	1961	Private Foundation	Equity and Debt	Direct and Intermediate	United Kingdom	35 million USD	The foundation makes grants to support diverse organizations working in the arts, education and learning, environment, social change, and sustainable food. EF seeks to support the development of the impact investing market and to attract investment funds to the voluntary sector (e.g. non-governmental organizations, social enterprises, and community-based projects). The Finance Fund invests both through intermediaries and directly in charities and social enterprises, offering equity, debt, and loan guarantees.

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
The F.B. Heron Foundation	1992	Private Foundation	Equity and Debt	Intermediate	United States	260 million USD	Heron Foundation's capital is most commonly used to support an enterprise's growth, or to support a change of business model that improves, preserves, or sustains an enterprise in order to increase employment and livelihood for people in the community. The foundation invests in direct debt and equity, and also invests in bonds and fixed income securities, private equity, and public equity through active managers.
FMO	1970	Banking operation	Equity and Debt	Direct	global	8.4 billion USD	FMO supports sustainable private sector growth in developing markets by investing in ambitious entrepreneurs. It believes a strong private sector leads to economic and social development, empowering people to employ their skills and improve their quality of life. FMO specializes in sectors where its contribution can have the highest long-term impact: financial institutions, energy, and agribusiness, food, and water.
Ford Foundation	1968	Private Foundation	Equity and Debt	Intermediate	Latin America, Africa, Middle East, Asia	575 million USD	The financial resources are concentrated in investments supporting livelihood development, affordable housing, and provision of financial services.

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The Gatsby Charitable Foundation	1967	Private Foundation	Debt	Direct and Intermediate	Sub-Saharan Africa, United States	1,7 billion USD	Gatsby's grant-making in the U.K. supports research on plant science and neuroscience, science and engineering education, government effectiveness, mental health, and the arts. Additionally, Gatsby has a significant program supporting African economic development with the aim of stimulating economic growth. In 2004 Gatsby created African Agricultural Capital (AAC), a venture capital fund that invests in agriculture-related SMEs in East Africa, with a goal of unlocking opportunities in agricultural value chains. More recently, the focus of Gatsby's grant-making has shifted to include support for large-scale programs aimed at developing sub-sectors of an economy, and there are now programs supporting the cotton, textile, and tea sectors in Tanzania.
Generation Investment Management	2004	Private Foundation	Equity	Direct and Intermediate	global	unknown	Generation has built a global research platform to integrate sustainability research into fundamental financial analysis. We focus on key drivers of global change, including climate change and environmental degradation; poverty and development; water and natural resource scarcity; pandemics and healthcare, and demographics, migration and urbanization.
Goldmann Sachs Urban Investment Group	2001	Banking operation	Equity and Debt	Intermediate	United States	2.4 billion USD	UIG provides flexible financing for community development projects that respond to the needs of low- and moderate-income communities and support public sector priorities.

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
Gray Ghost Ventures	2003	Private Foundation	Equity and Debt	Direct and Intermediate	Developing Countries	69 million USD	GGV helps create and finance locally-managed regional microfinance funds through a combination of debt and equity. GGV, along with the DOEN Foundation (DOEN), formed the Gray Ghost DOEN Social Ventures Cooperative, a leading impact investment fund focused on early- and seed-stage enterprises in the developing world that use innovative applications of proven technology to address the needs of underserved populations. GGV initiated efforts to provide financing to affordable private schools in emerging markets.
Impact Community Capital	1998	Privat Foundation	Equity	Direct	United States	1.7 billion USD	Impact Community Capital finances affordable housing and community facilities that benefit low-to-moderate income individuals, families, and communities.
Inter-American Development Bank Group	1959	Banking operation	Equity and Debt	Intermediate	Latin America, Caribbean Countries	14 billion USD	It serves national, provincial, and municipal governments, as well as non-governmental organizations and private sector companies through loans, grants, and technical assistance. The IDB’s funding is primarily raised through borrowings from international capital markets, retained earnings, and contributions from its member countries.
International Finance Corporation (IFC)	1956	Banking operation	Equity and Debt	Direct	global	45.3 billion USD	IFC’s vision is that people should have the opportunity to escape poverty and improve their lives. IFC addresses development challenges in emerging markets through direct investments and advisory services to firms. IFC also works at a policy level to improve business environments and set standards of social and environmental practice.

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Jonathan Rose Companies	1989	Real estate investment and advisory firm	Equity	Direct	United States	173 million USD	Jonathan Rose Companies is a leader of transformative change by creating green urban solutions as replicable models of environmentally, socially and economically responsible plans, communities, buildings and investments. Their mission is to repair and strengthen the fabric of cities, towns and villages, while preserving the land around them.
J.P. Morgan	2007	Banking operation	Equity and Debt	Direct	global	unknown	J.P. Morgan's Social Finance business serves the growing market for impact investments in direct response to client interest and the increasing recognition that innovative business models can complement limited public sector and philanthropic resources by delivering market-based solutions to achieve sustainable and scalable social and environmental impact. The group publishes research to provide thought leadership to the market, commits J.P. Morgan capital to impact investments, and provides investment services to its clients.
The Kresge Foundation	1924	Private Foundation	Equity and Debt	Direct	United States	67 million USD	Award grants to support new construction of facilities (such as libraries, hospitals, schools, museums, and community centers) and renovation projects. Through its Social Investment Practice, the Foundation makes PRIs in the form of loans, deposits, equity, and guarantees to support the needs of low-income individuals and communities not well served by the private finance sector. Kresge supports areas such as healthcare, affordable housing, community development, and human services.

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
Leapfrog Investments	ca. 1800	Private Foundation	Equity	Direct	Africa and Asia	135 million USD	It invests in high-growth companies in Africa and Asia that serve emerging consumers with financial tools, including insurance, savings, and mobile financial services. Leapfrog's fund targets top-tier returns alongside sustainable social impact, with its portfolio companies serving the vast untapped market of low-income people seeking affordable financial safety nets and springboards.
LGT Venture Philantrophy	2007	Private Foundation	Equity and Debt	Intermediate	global	32 million USD	LGT VP is committed to improving the quality of life of less advantaged people in developing and emerging countries, specifically in the areas of education, health and sanitation, agriculture and forestry, renewable energy, and information and communications technologies (ICT). LGT VP supports portfolio organizations through financial capital in the form of grants, debt and equity, transfer of business and management know-how, and access to relevant networks.
LOK Capital	2000	Private Foundation	Equity	Direct	India	90 million USD	The focus is on financial inclusion, education, health, and livelihoods; Lok Capital aims to promote inclusive growth by supporting the development of high potential social enterprises that deliver basic services to the BoP in a scalable, affordable, and commercially viable manner.
Lundin Foundation	2005	Public Foundation	Equity and Debt	Direct and Intermediate	Africa	12.8 million USD	Investment activities are focused on three thematic areas: agriculture, financial inclusion, and access to energy.

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MacArthur Foundation	1978	Private Foundation	Debt	Direct	global	228.4 million USD	The Foundation fosters the development of knowledge, nurtures individual creativity, strengthens institutions, helps improve public policy, and provides information to the public, primarily through support for public interest media by grants and loans. The International Program focus on international issues, including human rights and international justice, peace and security, conservation and sustainable development, girls' secondary education in developing countries, migration, and population and reproductive health.
Morgan Stanley	2009	Banking operation	Equity and Debt	Intermediate	global	10.6 billion USD	Morgan Stanley's Global Sustainable Finance (GSF) group harnesses the power and discipline of the capital markets to enhance environmental sustainability, advance economic opportunity, and support community development. The firm has intermediated more than USD 800 million of microfinance equity, debt, and structured product securities to the benefit of more than 30 microfinance institutions worldwide. In addition, since 2006, Morgan Stanley has provided more than USD 7.8 billion to develop affordable housing, build small businesses, create jobs, and strengthen communities in the United States. The Firm has also invested over USD 2 billion of its own capital in large-scale wind, solar, and geothermal power generation projects.

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
National Communtiy Investment Fund	1996	Private Foundation	Equity and Debt	Intermediate	United States	5.8 billion USD	NCIF catalyze economic development in low-income and underserved communities across the US by supporting mission-oriented financial institutions. NCIF supports the mission-oriented financial industry by supplying research and metrics for banks and their investors, sharing knowledge and best practices, connecting banks to decision-makers, and encouraging collaboration between banks within the sector.
Omidyar Network	2004	Private Foundation	Equity and Debt	Direct	global	622 million USD	Omidyar Network invests in entrepreneurs who share their commitment to advancing social good at the pace and scale the world needs today. They are focused on five key areas: Consumer Internet and Mobile, Education, Financial Inclusion, Government Transparency, and Property Rights.
Overseas Private Investment Corporation	1971	Private Foundation	Debt	Direct	Developing Countries	333 million USD	OPIC catalyzes support for impact investing through financing and insurance to companies that invest in developing nations. While aiming to maximize positive social and environmental impacts, with a focus on renewable environmental resources, OPIC projects are required to adhere to strict international standards on environmental, labor, and human rights.
Prudential	1976	Privat Foundation	Equity and Debt	Intermediate	Untited States, Asia, Europe, Latin America	1.5 billion USD	Social Investments invests in U.S. economic development and education sectors though private placement debt and equity. The group has expanded its geographic reach to Latin America and Asia with microfinance and social venture investing.

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Responsability Investment AG	2003	Privat Foundation	Equity and Debt	Intermediate	global	2 billion USD	The company is specialized in the development-related sectors of emerging economies such as finance, agriculture, health, education, and energy. Responsibility provides debt and equity financing to non-listed companies with business models that target the lower-income segment of the population and can thus drive economic growth and social progress. Serving both institutional and private investors, responsibility offers professionally-managed investment solutions ranging from mutual funds to individual mandates.
The Rockefeller Foundation	1913	Privat Foundation	Equity and Debt	Intermediate	global	67 million USD	Foundation initiatives focus on strengthening food security in sub-Saharan Africa, protecting economic security for American workers, promoting access to affordable and high-quality health systems in developing countries, and developing strategies and services that help vulnerable communities cope with the impact of climate change.
Root Capital	1999	Privat Foundation	Debt	Direct	Africa, Latin America	500 million USD	Root Capital is a nonprofit social investment fund that grows rural prosperity by investing in small and growing agricultural businesses in Latin America and sub-Saharan Africa.
Sarona Asset Management	2011	Private Foundation	Equity	Direct and Intermediate	global	1.2 million USD	It targets market rate returns in frontier markets and uses progressive management strategies to make investments that support communities and the environment. Capital for this investment came from a Sarona client, the Mennonite Economic Development Associates, a nonprofit organization.

Members	Founded	Funding Source	Equity/Debt	Direct/Inter-mediate	Where acting	Financial Resources	Aims
SNS Impact Investing	2011	Banking operation	Debt	Intermediate	Latin America, Caribbean Countries	3 million USD	SNS Impact Investing is the development investments entity of SNS Asset Management, a leader in socially responsible institutional asset management. Through professionally-managed funds, SNS Impact Investing invests in microfinance and agriculture businesses. SNS Impact Investing creates value for clients, investees, and society by developing, promoting, and/or distributing impact investment solutions. These solutions aim to deliver market rate returns and social impact; Increase access to financial services for poor women
TIAA-CREF	1918	Privat Foundation	Debt	Direct	United States	664 million USD	TIAA’s Social Investment Program represents a firm-level commitment to direct capital towards high quality investment opportunities that also create measurable social outcomes. An overriding objective is to deploy capital in sectors facing ”capital gaps” which have not yet been adopted by mainstream investors.
The Tony Elumelu Foundation	2010	Privat Foundation	Equity and Debt	Direct	Africa	unknown	The Foundation's impact investments focus on supporting innovative African businesses that create financial, social, and environmental impact in key development sectors. The Foundation contributes to impact investing by making investments, as well as through programs, grants, and policy work focused on expanding the field in Africa.The Foundation focuses on providing capital to early stage businesses, typically in amounts under USD 500,000 per investment, which can be structured as debt, equity, or a combination of both.

Members	Founded	Funding Source	Equity/Debt	Direct/Intermediate	Where acting	Financial Resources	Aims
Triodos Investment Management	1980	Banking operation	Debt	Intermediate	Europe, emerging markets	2.2 billion USD	Triodos Investment Management offers both institutions and private individuals the opportunity to invest in a variety of sectors including climate and energy, microfinance, sustainable trade, organic food and agriculture, arts and culture, sustainable real estate, and listed companies with above average environmental, social, and governance (ESG) performance.
W.K. Kellogg Foundation	1930	Private Foundation	Equity	Direct	United States, Latin America and the Caribbean, Southern Africa.	100 million USD	The W.K. Kellogg Foundation (WKKF) is focused on the welfare of vulnerable children, and supports families and communities. Of particular concern is the impact of poverty, which limits children's access to adequate education, nutritious food, economic security, and quality healthcare.

Table 1: Global Impact Investing Network (GIIN), http://www.thegiin.org/cgi-bin/iowa/network/members/index.html; The Global Impact Investing Network (GIIN) is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing.

All figures are translated into US$; the average exchange rates from August 8th, 2014 were used for currency translation

The GIIN is made up of 53 partners. Approximately 59 % are Private Foundations, a mere 9 % are Public Foundations, 21 % are banking institutions and the remaining 11 % include Private Investment Firms or Global advisory service firms. The oldest institution is Leapfrog Investments. The team has over 150 years of experience in emerging markets and over 200 years in financial services, private equity and insurance. Big Society Capital and CDC were founded in 2012.

The types of Social Investment are debt and equity. "Debt finance usually takes the form of loans, both secured and unsecured, as well as overdrafts and standby facilities. Generally these require a borrower to repay the amount borrowed along with some form of interest, and sometimes an arrangement fee. Some of the main types are: Secured loans or mortgages (which take security over a property or asset); standby facilities (that allow organizations to commit to projects before they have raised all the money to meet the full costs); overdrafts (borrowing limits agreed by the bank where a social sector organization has its current account); and unsecured loans (which do not take security over an organization's assets)" (www.bigsocietycapital.com). "Equity investment usually takes the form of shares issued to an investor in exchange for capital. Unlike debt, equity finance is permanently invested in the organization. The organization has no legal obligation to repay the amount invested or to pay interest. Equity investors usually invest in organizations that they believe will grow. In return they expect to receive dividends paid out of the organization's earnings and/or capital gain on the sale of the organization or on selling their shares to other investors" (www.bigsocietycapital.com). About 24 % of the companies invest by providing equity, 26 % provide loans and about 50 % support their clients with both equity and loans.

Direct Investment means that there is a direct response to the needs and interests of the clients. On the contrary, intermediate means that companies only invest in social investment finance intermediaries. These intermediaries must provide investment and other support to social sector organizations that primarily benefit people and communities. Direct investments will be done in 42 %, intermediaries will be consulted in 40 % and both direct and intermediaries in 18 %.

The focus markets span from the developing countries in Africa, Asia and Latin America to Europe and the United States.

The potential investment opportunity for all businesses serving these emerging consumers at the "base of the economic pyramid" across all industries is between \$ 3 million (SNS Impact Investing) and \$ 45.3 billion (International Finance Corporation). The average of the disposable financial resources is \$ 2.4 billion.

Conclusion

The landscape of Social Finance offers a wide range for research. The increased number of research papers in recent years can be seen as a sign for understanding the meaning and importance. Many of the tools, models, and frameworks in the existing finance literature make an important contribution to underpinning on the problems of world poverty and have the potential to significantly move both the theory and practice of Social Finance forward (Brau et al, 2004). It offers the finance discipline possibilities to make a significant difference in the lives of millions of poor people. But commonly accepted theories are still rare (Lehner, 2012).

Definitions are necessary theoretical lenses to organize research fields as well as to identify and compare distinguishable phenomena (Beckmann et al, 2014). In the dynamic evolution of research in the broad field of the landscape of Social Finance, management scholars have therefore put substantial effort into elaborating and sharpening definitional tools. So Dacin provided an overview of 39 different definitions of social entrepreneurship. There are still boundaries and overlaps between the individual terms. But comparisons between research results are only possible if clear systemizations are available.

Three examples demonstrate the practical implications. The term “social entrepreneurship” has emerged as a new label for describing the work of community, voluntary and public organizations, as well as private firms working for social rather than for-profit objectives (Shaw et al, 2007). A network of leading social entrepreneurs is Ashoka. Since its creation is has invested in over 2.000 social entrepreneurs all over the world through a “social venture capital” approach as a way to address major social challenges with systemic responses.

In the UK, Social Impact Bonds formed the foundation for the Peterborough Project. The Peterborough SIB tests whether and how, stakeholders can develop feasible and suitable outcome metrics in the area of offender interventions. The SIB at Peterborough provides an opportunity to test the concept of a payment-by-results model which raises funds through, and shifts risk to, non-governmental investors.

The last example presents a model from the Rockefeller Foundation, called “foundation-owned social enterprise”, an attractive option for both investors and investees.

Table 2 shows the global players in the field of impact investing. Players in this field stem from different sectors, most of them are founded by Private Foundations. Types of social investment are debt and equity and the investments can be made directly or through an intermediary. The average amount of the disposable financial resources is $ 2.4 billion.

A limitation of this paper is that the author cannot be sure that all the relevant literature and studies have been identified. By failing to identify all relevant literature and studies, important theories or models might not be incorporated into this paper.

Questions for further research

For science, Social Finance is a relatively new field that is now opening up. It is interdisciplinary and characterized by great enthusiasm of the stakeholders for the topic. The first decade of social entrepreneurship research was marked by exchanges of experience and definition discussions – without a common definition. Many smaller studies of foundations and think tanks, discussion papers on the Internet, practice-oriented books were published, but hardly any articles in scientific journals. Today we are at a turning point. Well-structured scientific agendas are being drawn up, and working on these subjects will pave the way for the Social Entrepreneurship Development as their next steps towards an established research field (Achleitner et al, 2007).

For the financing of social entrepreneurship, Austin called for the following four essential research questions to be addressed by scientists:

• What advantages and disadvantages are associated with different forms of financing?

• How to determine the optimal mix of financing?

• Which relationships exist between the financing on one side and organizational culture, values, mission and capabilities of the Organization on the other side?

• What is the motivation, the expectations of investors and how do they perform? Are there differences depending on the environment? (Austin, J. E., 2006)

Scientific standard, appropriate answers to these and other research questions will be necessary to provide reliable practice results, based on those social entrepreneurs and their financiers who can align with entrepreneurship.

The economic and political perspective should allow research not disregard it to support legislation with the right framework conditions (Achleitner et al, 2007).

Geobey et al consider three significant lines of future fields of research. First, the generation of multiple investment-specific metrics with different monetary valuations calls for the development of tools that can allow for easier comparisons between these metrics within a single impact investor´s portfolio: this is a necessary requirement for including non-financial metrics in a portfolio.

Second, the cost of measuring the impact has to be borne by one or more parties concerned in a transaction. The decision as to how the costs will be distributed, and the manner in which they will be divided between investor and investee, can change the structure of an impact investment portfolio. Finally, there is a requirement for a greater understanding of metrics as an essential part of the reports, which will give impact investors and social entrepreneurs the methods and tools to self-organize by improving the easy handling of project and investor comparisons and accountability (Geobey et al, 2012).

As a conclusion, Moore et al consider that the absence of a clear epistemology of social finance may provide a rich stream of work for research. As another measure, they suggest that a new research agenda should perhaps examine its institutional antecedents and contexts, so that it is better to understand the boundaries of innovation in this field and its possible impacts and outcomes (Moore et al, 2012).

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