

**FINANCE AND ECONOMY FOR
SOCIETY: INTEGRATING
SUSTAINABILITY**

CRITICAL STUDIES ON CORPORATE RESPONSIBILITY, GOVERNANCE AND SUSTAINABILITY

Series Editor: William Sun

Recent Volumes:

- Volume 3: Business and Sustainability: Concepts, Strategies and Changes – Edited by Gabriel Eweje and Martin Perry
- Volume 4: Corporate Social Irresponsibility: A Challenging Concept – Edited by Ralph Tench, William Sun and Brian Jones
- Volume 5: Institutional Investors' Power to Change Corporate Behavior: International Perspectives – Edited by Suzanne Young and Stephen Gates
- Volume 6: Communicating Corporate Social Responsibility: Perspectives and Practice – Edited by Ralph Tench, William Sun and Brian Jones
- Volume 7: Socially Responsible Investment in the 21st Century: Does It Make a Difference for Society? – Edited by Céline Louche and Tessa Hebb
- Volume 8: Corporate Social Responsibility and Sustainability: Emerging Trends in Developing Economies – Edited by Gabriel Eweje
- Volume 9: The Human Factor in Social Capital Management: The Owner-Manager Perspective – by Paul Manning
- Volume 10: Finance Reconsidered: New Perspectives for a Responsible and Sustainable Finance – Edited by Bernard Paranque and Roland Pérez

CRITICAL STUDIES ON CORPORATE RESPONSIBILITY,
GOVERNANCE AND SUSTAINABILITY VOLUME 11

FINANCE AND ECONOMY FOR SOCIETY: INTEGRATING SUSTAINABILITY

EDITED BY

SHARAM ALIJANI

NEOMA Business School, Reims, France

CATHERINE KARYOTIS

NEOMA Business School, Reims, France



United Kingdom – North America – Japan
India – Malaysia – China

Emerald Group Publishing Limited
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2017

Copyright © 2017 Emerald Group Publishing Limited

Reprints and permissions service

Contact: permissions@emeraldinsight.com

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

British Library Cataloguing in Publication Data

A catalogue record for this book is available from the British Library

ISBN: 978-1-78635-510-2

ISSN: 2043-9059 (Series)



Certificate Number 1985
ISO 14001

ISOQAR certified
Management System,
awarded to Emerald
for adherence to
Environmental
standard
ISO 14001:2004.



INVESTOR IN PEOPLE

LIST OF TABLES

Chapter 4

Table 1	Discounted Cash Flow Analysis with Positive Cash Flows Early and Negative Cash Flows Late.	82
Table 2	Discounted Cash Flow Analysis with Negative Cash Flows Early and Positive Cash Flows Late.	83

Chapter 7

Table 1	CSR and SRI Motivations and Targets.	142
Table 2	Breakdown of WBCSD Best Case Studies by Issue.	149
Table 3	Breakdown of WBCSD Best Case Studies by Motivation.	149
Table 4	Breakdown of WBCSD Best Case Studies by Stakeholder.	150

Chapter 8

Table 1	Trends in Retail Banking Branches 2009–2013.	170
---------	--	-----

Chapter 9

Table 1	Components and Financial Functions (Melicher & Norton, 2011).	183
---------	---	-----

Chapter 12

Table 1	A Snapshot of the Main Impact Assessment Studies in Microfinance Literature.	257
Table 2	Characteristics of a Capabilities-Based Conceptual Framework.	265

Chapter 14

Table 1	An Aggregative Model of Capability and Social Innovation.	302
Table 2	Methodological Approaches to Impact Measurement.	307

Chapter 15

Table 1	Selected Social Innovation Cases: United Kingdom. . .	343
Table 2	Social Innovation Business Model Typologies.	344

Chapter 16

Table 1	An Aggregative Model of Dilemma Approach.	357
---------	---	-----

LIST OF FIGURES

Chapter 2

Figure 1	Share of Global Wealth of the Top 1 per cent and Bottom 99 per cent, Respectively.	29
Figure 2	Share of Global Wealth of the Top 1 per cent and Bottom 99 per cent, Respectively: The Trend 2014–2020.	30
Figure 3	Financial Assets in Multiples of GDP.	35
Figure 4	Top 10 Decile Income Share in the United States, 1917–2007.	38
Figure 5	Share of All Financial Assets by Net Worth Group in the United States.	43
Figure 6	US Distribution of Investment Assets, 2010.	44
Figure 7	Top Five US CEOs Annual Remuneration versus Top Five US Fund Managers CEOs, 2013.	46
Figure 8	Ratio of CEO-to-Worker Compensation in the United States, 1965–2014.	49
Figure 9	Change in CEO Pay and Average Worker Pay in the United Kingdom, 1980–2013 (UK £).	50

Chapter 4

Figure 1	Economic Trajectory and Sustainability.	79
----------	---	----

Chapter 5

Figure 1	Joint Development of Finance and Mathematics from Mutual Relation to Embedding (ca 1000 AD – Present).	96
----------	--	----

Chapter 7

Figure 1	Objects and Methods of Analysis Used by the Main CSR Rating Agencies in 2003.	143
Figure 2	CSR Rating Agency Tradeoff between Scope of Compilation and Complexity of Analysis.	143

Figure 3	Typology of ESG Controversies in the Banking Sector between 2010 and 2014 (For Vigeo and Sustainalytics Respectively).	153
Figure 4	Conceptual Framework of CSR as a Set of Two Agency Relations.	156
Figure 5	Agency Relation Government – Company’s Management.	157
Chapter 9		
Figure 1	Direct and Indirect Finance (Mishkin, 2009).	183
Figure 2	Vicious Circle (Reinhart & Rogoff, 2008).	185
Figure 3	Securitization Process.	189
Figure 4	Financial Packaging (Lucas, 2008).	190
Figure 5	Financial Packaging (Poszar et al., 2013).	192
Chapter 12		
Figure 1	The Goals of Impact Assessment (Hulme, 2000, p. 80).	256
Figure 2	The Conventional Model of the Impact Chain (Hulme, 2000, p. 81).	262
Figure 3	Outline of the Core Relationships in the Capability Approach.	264
Chapter 13		
Figure 1	Social Rationality.	277
Chapter 14		
Figure 1	Social Innovation Empowerment Cycle.	298
Figure 2	Multidirectional Effects of Knowledge Exploration and Absorptive Capacity.	301
Figure 3	The Capability and Open Social Innovation Cycle.	303
Chapter 15		
Figure 1	The Social Business Model Framework (Michellini, 2012).	334
Figure 2	Adapted Social Innovation Business Model Canvas.	335
Figure 3	Beneficiary as Actor Social Innovation Business Model.	338
Figure 4	Beneficiary as Customer Social Innovation Business Model.	339
Figure 5	Beneficiary as User Social Innovation Business Model.	340
Figure 6	Community-Asset-Based Social Innovation Business Model.	342

Chapter 16

Figure 1	Micro-Macro Linkage..	353
Figure 2	Actor-Situation Model.	354
Figure 3	Analytical Model of Actor-Centered Institutionalism. . .	354

LIST OF BOXES

Chapter 8

Box 1	The Innovation Haka in the Banking Sector: Dematerialization and Digitalization.	168
Box 2	Main Organizations Supporting Banking Innovations (Working Groups, Conferences, Awards, Networking) . . .	171
Box 3	Health and Justice – The Two Main Types of Local Banking Clients (Regulated Professions) in France . . .	175

Chapter 15

Box 1	Progetto QUID	322
Box 2	Libera Terra	324
Box 3	Progetto QUID	325
Box 4	Semi di Libertà and Progetto QUID.	326
Box 5	Catering Solidario	328
Box 6	Piano C	330

LIST OF CONTRIBUTORS

<i>Sharam Alijani</i>	Neoma Business School, Reims, France
<i>Dirk Baur</i>	University of Western Australia, Crawley, Australia
<i>Gérard Béduneau</i>	International Banking and Finance Institute, Paris, France
<i>Julienne Brabet</i>	Paris Est Université, IAE Gustave Eiffel, Paris, France
<i>Javier Castro-Spila</i>	Sinnegiak Social Innovation, San Sebastián, Spain
<i>Manuela Celi</i>	Politecnico di Milano, Milano, Italy
<i>Thomas Clarke</i>	University of Technology Sydney, Sydney, Australia
<i>Pascale de Rozario</i>	Conservatoire National des Arts et Métiers, Paris, France
<i>Alessandro Deserti</i>	Politecnico di Milano, Milano, Italy
<i>Asmae Diani</i>	Sidi Mohamed Ben Abdellah, Fez, Morocco
<i>Davide Forcella</i>	Centre for European Research in Microfinance, Brussels, Belgium
<i>Soheyla Gholamshahi</i>	University of Technology Sydney, Sydney, Australia
<i>Bruno Gizard</i>	Autorité des Marchés Financiers, Paris, France
<i>Alexis Gouin</i>	Candriam, Brussels, Belgium
<i>Catherine Karyotis</i>	Neoma Business School, Reims, France
<i>Tamami Komatsu</i>	Politecnico di Milano, Milano, Italy

<i>Thomas Lagoarde-Segot</i>	Kedge Business School, Marseille, France
<i>Jessica Li</i>	Neoma Business School, Reims, France
<i>Sébastien Lleo</i>	Neoma Business School, Reims, France
<i>Alvaro Luna</i>	Sinnegiak Social Innovation, San Sebastián, Spain
<i>Joseph Onochie</i>	Baruch College Zicklin School of Business, New York, NY, USA
<i>Peter V. Rajsingh</i>	New York University, New York, NY, USA
<i>Alexandre Rambaud</i>	AgroParisTech, Paris, France
<i>Dieter Rehfeld</i>	Institute for Work and Technology, Westphalian University, Gelsenkirchen, Germany
<i>Jacques Richard</i>	University Paris Dauphine, Paris, France
<i>Francesca Rizzo</i>	University of Bologna, Bologna, Italy
<i>Hideko Sakurai</i>	Chuo University, Tokyo, Japan
<i>Grégory Schneider-Maunoury</i>	Humanis, Paris, France
<i>Ayako Sendo</i>	Takushoku University, Tokyo, Japan
<i>Jean-Michel Servet</i>	The Graduate Institute, Geneva, Switzerland
<i>Judith Terstriep</i>	Institute for Work and Technology, Westphalian University, Gelsenkirchen, Germany
<i>Alfonso Unceta</i>	Sinnegiak Social Innovation, San Sebastián, Spain

EDITORIAL ADVISORY AND REVIEW BOARD

Fabienne Alvarez
*Professor of Management,
Department of Economics and
Business, University of Antilles and
Guyane Pointe-à-Pitre, France*

Ralph Bathurst
*Senior Lecturer, School of
Management (Albany), Massey
University, New Zealand*

Lawrence Bellamy
*Professor & Associate Dean,
Chester Business School, Chester
University, UK*

Robert Chia
*Research Professor of Management,
Glasgow University, UK*

Blanaid Clarke
*McCann Fitzgerald Chair of
Corporate Law, Trinity College
Dublin, The University of
Dublin, Ireland*

Thomas Clarke
*Professor of Management &
Director of the Center for
Corporate Governance, University
of Technology, Sydney, Australia*

Barry A. Colbert
*Reader & Director of CMA Center
for Business & Sustainability,
School of Business & Economics,
Wilfrid Laurier University, Canada*

Alexandre Di Miceli da Silveira
*Professor, School of Economics,
Business and Accounting, University
of Sao Paulo (FEA-USP), Brazil*

Gabriel Eweje
*Associate Professor & Director of
Sustainability & CSR Research
Group, Department of Management &
International Business, Massey
University, New Zealand*

Hershey H. Friedman
*Professor, Department of
Economics, Brooklyn College of the
City University of New York, USA*

Lyn Glanz
*Dean of Graduate Studies, Glion
Institution of Higher Education and
Les Roches-Gruyère University of
Applied Sciences, Switzerland*

Adrian Henriques
*Visiting Professor, Department of
Business and Management,
Middlesex University, UK*

Øyvind Ihlen
*Professor, Department of Media
and Communication, University of
Oslo, Norway*

Lin Jiang
*Professor of Management, Business
School, Renmin University of
China, China*

Eamonn Judge
*Professor & Research Director,
Polish Open University, Poland*

Elizabeth C. Kurucz
*Assistant Professor, College of
Management and Economics,
University of Guelph, Canada*

Richard W. Leblanc
*Associate Professor, School of
Administrative Studies, York
University, Canada*

Céline Louche
*Associate Professor, Audencia
Nantes School of Management,
France*

Christoph Luetge
*Peter Loescher Professor and Chair
of Business Ethics, Technical
University of Munich, Germany*

Guler Manisali-Darman
*Principal of the Corporate
Governance and Sustainability
Center, Turkey*

Malcolm McIntosh
*Professor & Director of Asia Pacific
Center for Sustainable Enterprise,
Griffith Business School, Griffith
University, Australia*

James McRitchie
*Publisher of CorpGov.net and
Consultant, USA*

Abigail McWilliams
*Professor, College of Business
Administration, University of
Illinois at Chicago, USA*

Roland Perez
*Professor Emeritus, Economics
and Management, University
Montpellier I, France*

Yvon Pesqueux
*Chair of the Development of
Organization Science, CNAM
(Conservatoire National des Arts
et Metiers), France; President-elect
of International Federation of
Scholarly Associations of
Management (IFSAM)*

David Pollard
*Reader in Technology Transfer and
Enterprise, Faculty of Business and
Law, Leeds Metropolitan
University, UK*

Lars Rademacher
Professor, Department of Media Management, MHMK (Macromedia University of Applied Sciences), Germany

Simon Robinson
Professor of Applied and Professional Ethics, Director of the Centre for Governance, Leadership and Global Responsibility, Leeds Metropolitan University, UK

David Russell
Head of Department of Accounting & Finance, Leicester Business School, De Montfort University, UK

Ian Sanderson
Professor Emeritus in Public Governance, Faculty of Business and Law, Leeds Metropolitan University, UK

Greg Shailer
Director, Australian National Centre for Audit & Assurance Research (ANCAAR), The Australian National University, Australia

John Shields
Professor & Associate Dean, Faculty of Economics and Business, the University of Sydney, Australia

Jim Stewart
Professor of HRD & Leadership, Coventry Business School, Coventry University, UK

Peter Stokes
Professor of Sustainable Management, Marketing and Tourism, Deputy Dean, Faculty of Business, Enterprise & Lifelong Learning, University of Chester, UK

Ralph Tench
Professor of Communication, Faculty of Business and Law, Leeds Metropolitan University, UK

Christoph Van der Elst
Professor of Law, Law School, Tilburg University, The Netherlands

Wayne Visser
Transnet Chair of Sustainable Business at Gordon Institute of Business Science (GIBS), South Africa; Senior Associate, University of Cambridge Programme for Sustainability Leadership, UK

Suzanne Young
Associate Professor, La Trobe Business School, Faculty of Business, Economics and Law, La Trobe University, Australia

ACKNOWLEDGMENTS

The publication of this volume would have not possible without a collective effort of researchers who have participated in a series of seminars, colloquia, and conferences on the themes covered in this book.

Two important research groups have been instrumental in stirring scholarly research and bringing to life this collection. Most contributions emanate from a series of research sessions held in the Special Interest Group “Business for Society” at EURAM (European Academy of Management) from 2014 to 2016. The second largest group of contributors has been involved in the SIMPACT project, the acronym for “Boosting the Impact of SI in Europe through Economic Underpinnings,” a three-year research project by a consortium of twelve European research institutions and universities funded under the European Commission’s 7th Framework Programme. A third group of contributors conduct scholarly research as practitioners in the European banking and financial institutions. We wish to express our thanks to all for their scholarly work and intellectual commitment. Their names appear on the preceding page in this volume.

In addition to the above group of researchers, our special thanks go to our colleagues at NEOMA Business School, Mr. Mark Holdsworth for his engagement and hard work throughout our internal copyediting process, Dr. Frederic Nlemvo, Chair, Department of Strategy and Entrepreneurship and Dr. Maryline Thenot, Chair, Department of Finance for their suggestions and academic support. Similarly, we wish to thank our colleagues at the International Research Center on Sustainability and HABITER Research Center at Reims Champagne-Ardenne University, Dr. François Mancebo, Dr. Stéphane Rosière, and Dr. François Bost for their interest and support.

Our warmest gratitude is addressed to Dr. William Sun, “Critical Studies on Corporate Social Responsibility, Governance and Sustainability” Series Editor, whose suggestions and support were particularly appreciated throughout the editing process.

The volume chapters provided by EURAM research group were double-blind reviewed, while all other chapters were simultaneously single-blind and editor reviewed.