

Gayle Peterson · Robert Yawson · Ellen J. K. ·
Jeremy Nicholls

Navigating Big Finance and Big Technology for Global Change

The Impact of Social Finance on the World's Poor

palgrave
macmillan

CONTENTS

1	Big Finance, Big Technology, Wicked Problems, and the World's Poor	1
	<i>The Basics: What Are Big Finance, Big Tech, Social Finance, and Wicked Problems?</i>	1
	<i>Big Finance and Big Technology's Role in Social Change</i>	8
	<i>Sustainable Development Goals: Solving the World's Wicked Problems</i>	13
	<i>What Are Wicked Problems?</i>	14
	<i>Conclusion</i>	26
	<i>References</i>	26
2	Wicked Problems and Deliberate Leadership: Finding True North	33
	<i>Deliberate Leadership Framework</i>	33
	<i>Deliberate Leader Learning Process</i>	48
	<i>Conclusion</i>	53
	<i>References</i>	54
3	Promise and Peril of Big Finance	59
	<i>Big Finance and Sustainability</i>	59
	<i>ESG Challenges</i>	63
	<i>What Is not Included</i>	70
	<i>ESG and Tales of Two Climate-Focused Investors</i>	72

<i>The Case of the McKnight Foundation Carbon Efficiency Strategy</i>	82
<i>Conclusion</i>	85
<i>References</i>	86
4 How Do We Know? Measuring Impact	91
<i>Ten Lessons About Impact</i>	91
<i>Time to Scale Impact Measurement</i>	100
<i>Capturing Economic, Social, and Environmental Value</i>	105
<i>The State of Impact: What Do We Mean by More Impact?</i>	112
<i>The Wider Ecosystem</i>	121
<i>Bridging the Gap Between Financial and Impact Accounting</i>	123
<i>Conclusion</i>	127
<i>References</i>	128
5 The Surround Sound of Technology as an Accelerator of Social Good	131
<i>Introduction</i>	131
<i>Technology as an Accelerator of Social Good</i>	133
<i>Technology and the Role of Deliberate Leadership</i>	134
<i>Challenge 1: Control Over Technology's Implementation</i>	135
<i>Challenge 2: Control of Assets and Cryptocurrency</i>	137
<i>A New Channel of Philanthropic Aid for Charities</i>	146
<i>Challenge 3: Control of Voice and Privacy</i>	146
<i>Conclusion</i>	150
<i>References</i>	151
6 From Theory to Practice	155
<i>UBS and UBS Optimus Foundation</i>	155
<i>The DIB: Partners, Committed Financing, and Measurable Results</i>	160
<i>Future-Fit Foundation</i>	166
<i>The Future-Fit Foundation Business Benchmark</i>	168
<i>Is Future-Fit Anything New?</i>	174
<i>Progress to Date</i>	178
<i>Conclusion</i>	180
<i>References</i>	182
Correction to: Promise and Peril of Big Finance	C1
Index	183

LIST OF FIGURES

Fig. 1.1	Mapping social finance (<i>Source</i> Adapted from 2018 Global Impact Investors Network)	6
Fig. 1.2	Overview of social finance marketplace (<i>Source</i> Adapted and re-drawn from Gadaf Rexhepi [2017])	7
Fig. 1.3	UN Human Security Framework (<i>Source</i> Adapted from UN Development Programme, 1994 by pfc social impact advisors [Reproduced with permission from pfc social impact advisors, llc])	22
Fig. 1.4	Human Security Framework and unintended consequences matrix (<i>Source</i> Adapted from UN Human Security Index prepared by social impact advisors [Reproduced with permission from pfc social impact advisors llc])	23
Fig. 2.1	Leadership and organizational culture in supporting innovation (<i>Source</i> Reproduced with permission from pfc social impact advisors llc.)	34
Fig. 2.2	Deliberate Leadership threats and opportunities analysis (<i>Source</i> Reproduced with permission from pfc social impact advisors llc.)	36
Fig. 2.3	Deliberate Leader ecosystem of organizations working on human security (<i>Source</i> Reproduced with permission from pfc social impact advisors llc. 2016. ClimateWorks Foundation: Lessons in Leadership and Learning)	41
Fig. 2.4	Deliberate Leader alignment framework (<i>Source</i> Reproduced with permission from pfc social impact advisors llc.)	44

Fig. 2.5	Deliberate Leader learning process (<i>Source</i> Reproduced with permission from pfc social impact advisors llc.)	49
Fig. 2.6	Deliberate Leader reflection and recalibration (<i>Source</i> Reproduced with permission from pfc social impact advisors llc.)	50
Fig. 3.1	Milestones of social responsible investing and ESG (<i>Source</i> Adapted from Amel-Zadeh 2019)	60
Fig. 3.2	ESG categories (<i>Source</i> Adapted from Amel-Zadeh [2019])	62
Fig. 3.3	Growth in ESG assets by region 2014–2018 (<i>Source</i> Adapted from Global Sustainable Investment Alliance’s 2018 Global Sustainable Investment Review; conversion to US currency based on currency exchanges as of 31 December 2017)	62
Fig. 3.4	Challenges of ESG Mainstream (<i>Source</i> Adapted from Amel-Zadeh [2019])	63
Fig. 3.5	T and exxon ESG scores: comparison by rating firm (<i>Source</i> Adapted from Amel-Zadeh [2019])	64
Fig. 4.1	The feedback loop (<i>Source</i> Adapted from Feedback Labs, 2017)	99
Fig. 4.2	Concern’s community conversations methodology (<i>Source</i> : Developed from Concern Worldwide Community Conversations Trainer of Trainers Manual, 2013)	100
Fig. 4.3	Estimates of average world GDP per capita (<i>Source</i> Adapted from Bradford De Long 1998)	103
Fig. 4.4	The elephant curve of global inequality and growth, 1980–2016 (<i>Source</i> Adapted from Alvaredo et al. World Inequality Report 2018)	104
Fig. 4.5	Investors’ agency and fiduciary duty to whom?	116
Fig. 4.6	Financial ecosystem vs. social impact ecosystem	121
Fig. 5.1	Unbanked adults by country (%), 2017 (Adapted from Fig. 2.1, p. 36. World Bank Global Findex Database [2018])	141
Fig. 6.1	UBSOF DIB Model (<i>Source</i> [pfc 2019] UBSOF, 2017)	158
Fig. 6.2	Principles of a Sustainable World (<i>Source</i> Adapted from pfc social impact advisors [2019], Future-Fit Foundation 2019)	169
Fig. 6.3	Future-Fit Foundation’s theory of change	176

LIST OF TABLES

Table 1.1	Sustainable Development Goals	15
Table 3.1	Comparison oil and gas companies renewable energy investments	67
Table 3.2	Non-annualized returns (percentage) by selected sectors	75
Table 3.3	Risk adjusted returns 2007–2019: ESG manager, XLE, and S&P	75
Table 3.4	Annual returns for S&P 500 and S&P sectors: 2015–2018	76
Table 4.1	Illustration of select SDG goals, targets, and indicators	93
Table 6.1	Break-Even Goals for waste	171
Table 6.2	Assumptions underlying the Future-Fit offering	177