

Socially Responsible Investment in the 21st Century: Does It Make a Difference for Society

CALL FOR CONTRIBUTIONS

Deadline (abstract): 01 January 2012

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Description

Socially Responsible Investment (SRI) - the integration of environmental, societal, governance and ethical issues into investment decision-making – emerged in its modern form in the 1970s. Responding to the Apartheid crisis in South Africa, this form of investment is intended to have a positive impact in society. When asked if divestment played a role in ending South African Apartheid, Nelson Mandella answered “undoubtedly”.

SRI can be described as a product, a practice and a process. It is an investment product in the sense that in addition to financial factors, investors acquire, hold or dispose of companies' shares on the basis of environmental, societal and governance (ESG) factors as well as ethical factors. It is a practice in the sense that SRI is a way to identify companies with strong sustainability records and to engage with companies to encourage improved ESG performance. And SRI is a process through

which shareholders try to influence corporations' behaviour on a range of societal and environmental issues to move towards more sustainable development.

Although SRI manifests itself in many ways and goes by many names it has a common purpose that is long term value creation. "SRI recognizes that corporate responsibility and societal concerns are valid parts of investment decisions. SRI considers both the investor's financial needs and an investment's impact on society. SRI investors encourage corporations to improve their practices on environmental, social, and governance issues (SIF US, 2011). It uses three primary tools to achieve its goals, shareholder advocacy (including engagement and ESG integration), screening both positive and negative, and targeted community investment. This volume explores second half of the SRI mandate examining the impact SRI is having on society

Many scholars have addressed the issue of impact with regard to the financial aspects. They have studied the impact of SRI screens on portfolio diversity (Rudd 1980; Bauer et al. 2005, 2006; 2007; Barnett and Salomon 2006; Kreander et al. 2005; Amenc 2010), the financial return of SRI funds (among whom Bauer et al. 2006 Margolis et al. 2010, Derwal et al. 2005; Renneboog 2008; Kreander 2005). But little research has been undertaken on the other potential impacts of SRI be it organisational, behavioural, cultural or societal, environmental, and ethical.

Critics of SRI suggest that taking these factors into consideration limits the investment universe and as a result generates a lower rate of return than those investments unencumbered by an SRI mandate. Some suggest that SRI investors are not able to have an impact on companies and therefore do not generate the broad positive social outcomes. many who hold this view feel that raising standards and holding companies to account should be left to government regulation. Tensions between those who support SRI and its opponents have been hallmarks of SRI research over the years.

The objective of this book is to explore those impacts. We want to investigate the question of whether or not SRI makes a difference, whether or not SRI generates positive societal and environmental results, whether or not SRI has the capacity and ability to participate to a change towards sustainable development.

In cases where it does not deliver on its expectations, what are the impediments SRI faces in the creation of long term value. Is RI just a buzz word to sell a new financial product that in the end is just like any other financial product? We invite critical papers in SRI to provide a full picture of its impact on society.

Contributions

The list below is by no means exhaustive, and all contributions relevant to the theme of the book will be considered. The volume will feature both conceptual and empirical contributions on these topics. It will take a multi-disciplined approach to the themes detailed above. Given the multi-disciplined nature of the volume a range of methods is expected. The time frame of the volume will examine the impacts of SRI over the last ten years, 2001 to 2011.

External impacts

- What are the societal and environmental impacts of the activity of socially responsible investment?
- What are the societal and environmental impacts and consequences of certain screens used by SRI actors such as for example the exclusion of certain sectors or activities? Any side effects or unintended consequences?
- Why are some societal issues chosen over others for SRI attention?
- Is SRI an invitation to potential extremism (by allowing criteria that are not universals and sometimes controversial like the exclusion of companies with gay and lesbian policies on behalf of certain policies)?
- Impact on the stock quoted companies: do they care about SRI? Do they change practices and behaviour because of SRI? Or on the contrary does it have a negative effect on the companies, for example by pushing them towards green washing?
- How effective is shareholder advocacy as an SRI strategy? How does it compare to screening?
- Are positive approaches to SRI superior to negative approaches in changing corporate behaviour?
- Impact of SRI on the financial system: does SRI raise questions that have an impact on the entire financial system?
- A more philosophical reflection on the impact of SRI
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Internal/organisational impacts

- What are the impacts of developing SRI activities within a financial institution? What organisational changes are required to develop and implement RI? (new skills and competences, new business model, new structure, etc)
- Impact of SRI on other activities of financial institutions? Does SRI remain disconnected from other financial activities or does it influence them?

Other impacts

- Impact on innovation and creativity: does SRI stimulate social and environmental innovation?
- Impact on finance education: How is SRI integrated in finance education? Does it question what is being taught in finance?
- Impact on the legal requirement: SRI is often taken as a reference by the European commission and national governments to show the growing importance of social and environmental issues. How does SRI influence the new regulations and legislations?

Schedule

The submission deadline for initial expressions of interest in the form of abstracts of approximately 2 pages is 01 December 2011. Abstracts should be sent as e-mail attachments to the Céline Louche (celine.louche@vlerick.com) and Tessa Hebb (thebb@attglobal.net).

Contributors whose abstracts are considered appropriate for the theme of the book will then be asked to submit full papers by 01 September 2012. Contributors will be informed of the acceptance (or in some cases rejection) of their contributions or be invited to submit final revised papers by 01 December 2012. It is intended that the book will be published in 2013.

Main deadlines:

01 December 2011	Deadline for abstract (2 pages)
09 January 2012	Notification of acceptance/rejection of contributions
01 September 2012	Deadline for full contribution (max. 8 000 words)
Around 20 September 2012	Meeting at the PRI conference in Toronto, Canada
01 October 2012	Reviewers feedback (papers acceptance is subject to peer review)
01 December 2012	Deadline for final revised contribution

All papers are peer-reviewed.

Contacts

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