



You are cordially invited to

## UCLouvain Economics Seminar

On **Thursday March 1, 2018, from 12:45 to 14:00** **Doyen**  
**22, Place des Doyens, 1**

**Simon Cornée**  
(Université de Rennes 1)

Will give a presentation on

### **A Theory of Social Finance**

#### **Abstract**

Myriad different types of institutions are involved in social finance. This paper attempts to make sense of the diverse ways of operationalizing the delivery of funds by social financial institutions (SFIs). It explores the continuum of feasible SFIs, which range from foundations offering pure grants to social banks supplying soft loans. The in-between category includes “quasi-foundations” granting loans that require partial repayment only. In our model, the SFIs face information asymmetries and trade off costly social screening against social contributions, under the budget constraint that depends on the generosity of their funders. We characterize the SFIs’ optimal strategy and suggest that quasi-foundations can be efficient vehicles for social finance, especially when social screening costs are relatively low.

(Joint paper with M. Jegers (VUB and A. Szafarz (ULB)

#### *Information:*

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