

## EP Seminar 2 - Textbook assignment

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### 1.

In my opinion, that makes absolute sense. The company increased its leverage over investment recipients by creating an equity fund. Second, since there was no private equity in these rural markets, they could help entrepreneurs in the rural markets and generate more revenue by creating venture capital since they were the first in that market. Third, they were able to attract more investors to their socially progressive model. The following quote underlines that: "Although they were able to support modest social initiatives with conditional loans, they were unable to make a greater impact in their role as lenders. They also lacked the equity to support the growth of rural markets. With the help of grants from foundations, this loose association of creative lenders developed a structure for a socially progressive equity fund".

### 2.

It is possible to forego economic gains in order to increase social benefits. Social returns can be jobs. Thus, an increase in economic profit can be obtained by improving social conditions. For example, better social conditions increase the number of new businesses opening. As a result, jobs are created and income levels rise. Thus, a measurable factor can confirm that foregoing economic gains can be helpful.

There exist monetary figures that support the social and environmental benefits that can be inflicted. Here, these numbers are often used to explain how a non-monetary goal will be achieved. For example, "We want to give people an incentive to shop after the Corona pandemic and thus stimulate the economy. For this, each citizen will get \$500 from the government." The same phenomenon can be observed with is with

environmental issues. For example, in the fight against climate change, figures or amounts are given out to show the topic's relevance.

### **3.**

If the company is successful, it proves that it is possible to achieve success even in an area that may be considered unattractive from the outside's point of view. Above all, the social effect plays an important role. However, this is not easy to measure in monetary terms. There are also potential risks. For example, a project like this can lead to the loss of the reputation that has been acquired and perhaps desired.

### **4.**

First of all, it is necessary to present the positive results achieved to the public. Here, the ecological and the social factor play a significant role. These measures can improve public perception. In addition, the partner can be decisive. In this case, O'Brien. This can be justified by the fact that she has a different, perhaps more professional reputation. With these two measures, it should be possible to support projects even better in the future.