Title

Tackling the big questions in Social Impact Bond research through comparative approaches

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Abstract

This special issue of the Journal of Comparative Policy Analysis brings together four cross-disciplinary articles representing the first concerted attempt to combine comparative approaches to extend theoretical and empirical understandings of Social Impact Bonds (SIBs). SIBs are investment-backed payment-by-results projects and have been subject to vigorous academic debate on their appropriateness and efficacy since the first SIB launched in 2010. In this introduction to the special issue, we outline the state of the academic literature on SIBs, identifying gaps and suggesting five big questions that do not yet have satisfactory answers: 1) What are the administrative or political problems to which SIBs respond?; 2) Where and why do SIBs emerge in particular contexts?; 3) What is the role of SIBs in the evidence-based policy movement?; 4) Is delivering an intervention through a SIB

Tackling the big questions in Social Impact Bond research through comparative approaches more effective than other means and are associated costs justifiable?; and 5) Do SIBs catalyse wider organizational, system, or institutional changes? We then summarize the articles included in this special issue, discuss how they respond to these big questions, and suggest that further comparative research might best address remaining gaps in the literature.

Keywords

social impact bonds; public management; neoliberal; marketization; public service contracting

Introduction

Social Impact Bonds (SIBs) – also known as Pay-for-Success in the US, Social Benefit Bonds in Australia, Social Outcomes Contracts in parts of Europe, and Development Impact Bonds when used for financing development programmes – are a mechanism for leveraging private investment to cover the upfront cost of social interventions, and using government funds to pay for the social outcomes those interventions generate. SIBs purport to promote social outcomes for service users as opposed to organisational outputs by financing interventions in a way that directly connects financial reward for service providers and their investors to the delivery of agreed outcomes, authenticated through performance data and/or evaluations of impact. SIB proponents claim that this shifts the financial risk of intervention failure from government to private investors; enables smaller non-profit providers to access service contracts; and delivers attributable social improvements whilst generating cashable savings for the public purse (Mulgan et al., 2011; Cohen et al, 2010).

Nonetheless, vigorous academic debate has developed around the appropriateness and effectiveness of SIBs. Numerous observers emphasize caution about implications of the SIB model suggesting that claims of their effectiveness remain unfounded, that they may prove

Tackling the big questions in Social Impact Bond research through comparative approaches costlier than traditional financing methods for public commissioners, and that they may ultimately fail to transfer risk from the public to the private sector (McHugh et al, 2013; Warner, 2013; Dowling & Harvie, 2014; Neyland, 2017; Cooper et al, 2017). Increasingly, theoretically driven and empirically robust work is emerging, serving to move the debate beyond the early pro- and anti-SIB camps towards questions that are ever more nuanced (Edmiston & Nicholls, 2016; Tse & Warner, 2018; Lowe et al, 2018; Fraser et al, 2018; Carter et al, 2018).

The aim of this special issue is to showcase this more-nuanced academic work, bringing together contributions from the third International SIB Conference held at the University of Oxford in September 2018. Themed *Comparing SIBs and outcomes-based approaches across different countries and policy sectors - learning from academics and practitioners*, the four articles included in this issue demonstrate the great heterogeneity of empirical and theoretical questions posed during the conference, framed by the various disciplines of social policy, public administration, public management, social ethics, political science, accounting, and economics. Together, they represent the first concerted attempt to draw on a dedicated comparative approach to extend theoretical and empirical understandings of SIBs.

In this introduction, we provide a summary of the growing literature on SIBs to date, including a list of the five big questions yet to be answered by academic work on SIBs. This is followed by an orientation to and discussion of the four articles, including reflections on how they respond to these big questions.

The State of SIB Literature

Public service contracting and management has become increasingly focused on outcomes, the positive results that services produce in the lives of service users and citizens, rather than

Tackling the big questions in Social Impact Bond research through comparative approaches the volume or quality of outputs (Bovaird and Davies, 2011). Building on the momentum of outcomes-oriented reforms in public service delivery, SIBs have been heralded as fixes to some of the most complex and expensive social problems (Social Finance, 2010; Roberts, 2013). Proponents suggest SIBs deliver measurable improvements in social outcomes by aligning the priorities of government, social sector delivery organisations, and socially motivated investors around a common goal: effective and efficient improvements in social condition (Hutchison, 2010 in Nicholls and Tomkinson, 2013).

SIBs can be understood as an augmented form of marketized public service delivery with the commissioning of services from an external partner, but they do not represent a straightforward purchaser-provider split. A SIB involves a relationship between an outcomes payor (usually government), who specifies and prices social outcomes they are willing to pay for; a service provider (usually a non-profit) who delivers a social intervention; and an investor, who provides the upfront costs of the intervention in order to make a return via payment from the outcomes payor if the specified outcomes are achieved (FitzGerald et al., 2019).

With over 70 SIB projects launched, currently delivering, or completed, the UK remains a global leader in the development and implementation of SIBs since introducing the world's first SIB in 2010 at Peterborough Prison (Disley et al., 2015; GO Lab, 2019). Almost a decade later we find the model has propagated with over 130 SIBs functioning across a diverse set of countries including the US, Canada, Australia, Japan, Finland, the Netherlands, Italy, Portugal and Israel at the time of this writing. Worldwide, SIB financed interventions are being used to tackle a diverse range of social issues from children's social care and youth unemployment, to homelessness, refugee integration, social isolation and health.

One reason for this propagation has been the diverse array of SIB justifications, previously described as 'chameleonic' (Smith, 2013 in Fraser et al., 2018), which has allowed

Tackling the big questions in Social Impact Bond research through comparative approaches those tasked with advancing the adoption of SIBs worldwide to tailor the articulation of benefits of the SIB policy instrument to the specific challenges or political ideologies faced by key stakeholders in a given context. Indeed, the various promises of SIBs include (but are not limited to):

- Enhance innovation at the front-line due to increased freedom to providers brought about by a focus on outcomes (Gustafsson-Wright et al., 2015)
- Transfer risk to the private sector as the outcomes payor only pays for achieved outcomes (Mulgan et al., 2011)
- Prioritize prevention efforts by placing new services upstream of negative social outcomes without government having to pay for both prevention and crisis services simultaneously (Gustafsson-Wright et al., 2015)
- Scale promising social interventions (Kohli et al., 2012)
- Spur collaboration across levels of government and between service providing organisations by creating a mechanism for pooling resources toward outcomes rather than service streams (Roman et al., 2014)
- Yield cashable savings for the public sector (Liebman & Sellman, 2013)
- Diversify the public service supply chain by enabling smaller and voluntary sector organizations to take on government contracts, particularly payment-by-results contracts, as investors bear performance risks (HMG, 2012)

Amidst the multitudinous promises associated with the SIB instrument, the debate on the effectiveness of and values promoted by SIBs amongst academics and practitioners remains polarized, entrenched in the ideologically informed ‘good’ and ‘bad’ effects associated more broadly with markets, privatization, and other indirect policy tools (Osborne & Gaebler, 1992). As identified by Fraser and colleagues (2018), narratives about SIBs take

Tackling the big questions in Social Impact Bond research through comparative approaches various forms: an optimistic ‘narrative of promise’ where SIBs are believed to be a solution to a lack of public sector innovation and entrepreneurship, and a ‘narrative of caution’ where SIBs promulgate a dangerous process of financialization with governmental and voluntary endeavours being subordinated to profit seeking by the investor class (Warner, 2013; Lake, 2015; Tse & Warner, 2018). Academic work on SIBs is still largely conceptual, rooted primarily in accounts of one or a few projects within discreet geographies or policy areas.

Likewise, practitioner-oriented SIB evaluation and grey literature is limited in its ability to demonstrate SIB effectiveness. Literature reviews highlight not only “a paucity of evaluation” but that available evidence is of poor quality (Fox & Morris, 2019; Carter et al., 2018). The cited shortcomings of this evidence base are twofold. First, that evaluations conflate the effects of interventions and the SIBs through which they are delivered. In other words, in the small number of projects where impact evaluations have been executed, the counterfactuals used in analysis have failed to isolate the effects of interventions commissioned through SIBs from the effect of the SIB policy tool. Second, even where evaluations do try to untangle the intervention from the SIB, the methods used to assess the effectiveness of SIBs as policy instruments have been qualitative process evaluations lacking information on the outcomes generated.

Gaps in the Literature: The five big SIB questions

Reflecting on this current state of the growing literature on SIBs, five questions emerge which lack satisfactory answers. We argue that it is increasingly the case that comparing SIBs and other outcomes-based approaches to public service commissioning across the world can help foster a deeper understanding of this innovative model of public service provision and begin to form answers to these big questions, all of which are comparative in nature.

Tackling the big questions in Social Impact Bond research through comparative approaches

First, given the malleability of SIB promises, clarity around the administrative and political problems to which SIBs can meaningfully respond is an essential first step to understanding whether or not SIBs are making good on their various promises. Chief among these is how well and under what contexts can SIBs improve collaboration across governments, providers, and sectors; unlock preventative measure; and spur innovative new services and delivery practices.

Second, the newness of the market and narrowness of the scope of SIB evaluation has meant that meaningful analyses of where and why SIBs emerge in particular contexts has yet to emerge. To what extent do the institutional logics of welfare states and governments inform or predict SIB adoption?

Third, the notion that SIBs could be important tools in scaling promising social interventions or enhance performance management highlights the assumption that SIBs are capable of advancing the evidence-based policy movement by promoting rapid-cycle innovation feedback loops at the local level (Overholzer, 2018). The anticipated net effect of such an approach is that social spending becomes optimized overtime, with fewer and fewer dollars going to programmes that have no demonstrable impact. Not only has this not been tested, it also lacks clarity in how this is supposed to shift the wider landscape of spending. Is it through more SIBs or does it rely on transferring new knowledge gained during the development of a SIB project?

Fourth, it remains unclear whether a SIB is a preferred way to arrange or contract for a given intervention. In other words, is the anticipated uplift in positive outcomes attributable to the SIB and are the costs of doing a SIB justified by the improvement in outcomes?

Related, a lack of information on the associated transaction costs of developing and delivering a SIB mean that no one really knows how much it generally costs to undertake a SIB. They are notorious for their high set-up and management costs which are, in turn, often

Tackling the big questions in Social Impact Bond research through comparative approaches defended on the basis of the novelty of the arrangements (FitzGerald et al., 2019; Keohane, Mulheirn & Shorthouse, 2013; Ronicle, Fox & Stanworth, 2016).

Fifth, and finally, as the wider market struggles to ascertain whether SIBs are living up to their somewhat narrowly scoped promises – cost effectiveness, enhanced collaboration, risk transfer – proponents have claimed that SIBs also catalyse wider system reforms. The details of what those reforms might look like, however, are yet to be articulated. And, given that the market is now 9 years into SIBs, how significant has this catalytic activity actually been, and to what end?

With the gaps in SIB literature distilled as the five ‘big’ questions above, it is important to first highlight that this special issue does not plug every research gap. Rather, it provides early answers to some of these questions through high-quality comparative research. Indeed, a major contribution of these articles is the application of comparative methods to questions which are comparative in nature but have not yet been studied accordingly.

To underscore these contributions, the next section provides detailed summaries of the articles included in this special issue. The section following provides commentary on their comparative attributes and links them to the five big questions. The last section concludes with a discussion of how future research can endeavour to respond to these five big questions through further comparative analysis.

Summaries of Articles in this Special Issue

The Welfare Conventions Approach: A Comparative Perspective on Social Impact Bonds by Eve Chiapello & Lisa Knoll

In this article, Eve Chiapello and Lisa Knoll develop and apply their Welfare Convention Approach (WCA) to the study of SIBs as hotly debated and highly varied ‘welfare apparatuses’ (p. XX). Designed to understand complex and emergent changes in the ‘governmentality’ of welfare, the WCA grounds a discussion of the actors, methods, tools,

Tackling the big questions in Social Impact Bond research through comparative approaches and finances active in SIBs within a broader exploration of how social problems are ‘framed’ and how causes and solutions to social problems are identified and enacted, suggesting an overarching welfare convention for a given context. The WCA holds that continual compromise amongst actors on the rationalities and preferences embedded in their own experiences with welfare conventions leads to a high degree of variation in SIBs, thus leading to heterogeneity in the model. The article proceeds in three phases.

First, the authors demonstrate the ‘shapeshifting character of SIBs’, highlighting that SIBs require complex negotiation and renegotiation periods, the prolonged attention of involved parties, and that the multitude narratives surrounding SIBs enable them to continue to evolve along four dimensions: the interventions they support, the actors they involve, the financial circuits they enact through knowledge and information sharing, and the various structures they take. On interventions, Chiapello and Knoll suggest that SIBs can incorporate specific definitions of social ills as linked to a particular solution, namely the intervention selected. In laying out the involved actors in SIBs, Chiapello and Knoll find that to build a SIB, investors, service providers, intermediary organizations, and government (to name a few) must strike compromises on different welfare approaches but that such compromises often silence the voices of other important actors, including front-line workers and service users themselves. Likewise, when exploring the differences between donations, investment returns, universal tax finance provision, and tax reduction as part of the discussion on financial circuits, the authors argue that SIBs are built upon the promise of “public savings turned into private returns” (p. XX) which inherently grapples with the tension of focusing on the long-term interests of the welfare state or the short-term interests of investors. Finally, the authors turn their eye to the ways SIBs use knowledge, data and metrics in assessing the ‘impact’ they deliver, highlighting the lack of robust comparator-based impact evaluations

Tackling the big questions in Social Impact Bond research through comparative approaches and the differences between administrative data collected through the rule of law and target-based information used to manage programmes.

Second, the authors outline eight welfare conventions covered in the WCA. Building on the French Conventions School, the approach “does not separate social and political questions from technical and economic ones” and instead considers them “embodiments of specific – and historically diverse – forms of justice and fairness” (p. XX) whereby transformations emerge from dispute and compromise amongst actors. The conventions build on the four dimensions above, resulting in eight stylized conventions: philanthropy, characterized by a moral duty of the wealthy to help those in need; communitarian, characterized by community-based self-organization as a means of welfare provision; civic, welfare based on universal civil and human rights; full employment, whereby welfare is based on salaries and wages, and employment is the central means by which no one is left behind; market, where equality of opportunity guides all buying and selling activities, thus making poverty an individual choice to not participate in market activities; entrepreneurial, in which social problems are solved by the initiatives of innovative entrepreneurs and project developers; financial, characterized by converting welfare problems into investment problems; and behavioural, where the shortcomings of individual choices are governed through environmental ‘nudges’ or changes.

Third, the authors make the case for the WCA as an analytical lens in comparative research designs, adept at tracing the conflicts and compromises in welfare conventions within SIBs. They argue that SIBs typically uphold behavioural, financial and entrepreneurial welfare conventions, using the examples from the UK and US contexts.

The National Governance and Policy Context of Social Impact Bond Emergence: A Comparative Analysis of Leaders and Skeptics by Jesse Hajer

Building on the observation that the majority of SIB use is in Anglo-Saxon liberal market economies, Jesse Hajer offers a comparative analysis of the UK and US, leaders in SIB implementation, with France and Germany, who have been more cautious and limited in their implementation. The author's central contention is that SIBs may be proceeding more rapidly in places like the UK and the US because they are aligned to particular policy and governance regimes rather than because they offer enhanced cost-effectiveness or efficiency. The argument is laid out in four parts.

First, Hajer highlights the efficiency enhancing potential of SIBs and the challenges, thus far, the model has met in living up to that potential. Like public private partnerships before them, SIBs “rely on private finance capital, longer contract periods relative to conventional procurement, and a consortia model where government contracts with a single representative of a larger group of private stakeholders, who in turn manages and coordinates these stakeholders” (p. XX). The supposed benefit of the model, as explain in contract or incentive theory, is in resolving principal-agent problems more efficiently, something many SIB critics maintain is not happening, citing high and transaction and administration costs. Hajer argues that because the evidence of SIBs generating improved outcomes relative to conventional procurement is limited and the costs are in fact increased, the rationale for pursuing SIBs lies outside the efficiency argument.

Second, the author argues that SIBs offer advantages from a political economy or Public Choice perspective, “such that SIBs may generate strategic or pecuniary advantage to its lead stakeholders, potentially at the expense of the broader public interest” (p. XX). Hajer contends that while many critical analyses of SIBs pull from discussions of neoliberalism and/or New Public Management as well as link them to recent economic crises and the austerity agenda, the larger point to be drawn from these critical analyses is that SIBs are able to align with “the dominant political economic interests and ideas” – this is what accounts for

Tackling the big questions in Social Impact Bond research through comparative approaches their emergence, not their efficiency or effectiveness in delivering social programs. Consequently, the analysis offered in the article proceeds with frameworks to understand the variance in SIB implementation based on understanding the degree to which they are aligned with broader governance regimes.

Third, Hajer offers his comparative analysis of SIB leaders, the UK and the US, with France and Germany. He finds that shifts across the countries are consistent with neoliberal and New Public Management narratives promoting financialized privatization measures, although to varying degrees. Comparatively, the UK and US have higher “inequality, lower collective bargaining coverage and minimum wages, weaker worker protections, and less robust welfare states, suggesting weaker labour movements that are less able to counter privatization variants such as SIBs” (p. XXX). An interesting exception, however, is the degree of contracting out which does not appear to correlate with SIB implementation within examined countries.

In concluding, Hajer underscores that the governance regime approach to understanding the emergence of SIBs – rather than a mainstream economics efficiency-based approach – is a more convincing explanation of why SIBs have been pursued in particular contexts.

A Policy Outcomes Comparison: Does SIB Market Discipline Narrow Social Rights? by Mildred Warner & Allison Tse

Mildred Warner and Allison Tse grapple with why SIBs don’t seek to change the behaviour of “powerful actors that create the societal and market failures that cause social problems” and instead focus on changing the behaviour of vulnerable clients through outcomes-based management regimes. Using, human ecological theory, the authors show how SIBs narrow what social problems *are* and, in looking at how SIBs specify payable outcomes, argue that

Tackling the big questions in Social Impact Bond research through comparative approaches they largely ignore the social duties of larger, more powerful actors like corporations and private investors.

Early on, the article introduces a discussion of the narrowing of outcomes related to the introduction of performance measurement. Because payment of principle and return to investors is predicated on the achievement of social outcomes, and these social outcomes are expressed quantitatively, the authors argue that SIBs conflate the language of social outcomes – which “measure the consequences of social interventions in the life courses of their clients” (p. XX) – with specified contractual outcome metrics, a smaller and inherently reductionist way to capture complex social problems. This kind of linear approach, with interventions on one end of a logic model and outcomes on the other, is based on performance management, but as an approach, fails to account for poorly defined outcomes measurement, something particularly well-documented in the case of SIBs. While the approach promises greater collaboration and innovation among provider organizations through a focus on outcomes rather than activities, often the pressure to perform can subvert social missions and produce perverse incentives leading to gaming behaviour and a disproportionate amount of effort spent collecting data.

The authors highlight that a “broader and potentially more worrying effect of performance measurement” is its ‘disciplinary logic’, rooted in notions of public value governance that would blend public and market sectors by introducing public equivalents of shareholder value. The assumption being that public managers and services produce public value in the same way that private managers and services produce private value. This, Warner and Tse suggest, is a logic incumbent in SIBs as market actors seek to financialize into outcome measures things that have historically gone unmonetized, reinterpreting social value *as a source of* market value. In this way, SIBs introduce a new element to the NPM trifecta of “markets, managers and metrics” – financialization, “disciplining the behaviour of

Tackling the big questions in Social Impact Bond research through comparative approaches clientele through the performance of service providers yoke[ing] financialized expressions of success onto the shoulders of vulnerable clientele” (p. XX) turning vulnerable SIB clients into “units of human capital requiring behavioural discipline to become economically productive” (p. XX). Thus, vulnerable clientele become a new investment class, their value determined by their ability to produce financial profit to investors and savings to government.

To demonstrate this narrowing effect, the authors conduct a comparative human ecological analysis using publicly available information on 14 SIBs in the early childhood services sector. Human ecological theory suggests that programs can have benefits at the child/parent or microsystem level; the service provider/employer or mesosystem level; and the state policy/market or macrosystem level. What they find is that all 14 SIBs focus their interventions on the microlevel, providing things like behavioural therapy or parental skills training. The majority of them measure the reduction in use of social care services. Eight of the 14 have at least one outcome that measures positive life improvements and expansions in service, but focused at the individual level. Only the South Carolina SIB includes a metric at the meso level to incentivize service distribution.

The analysis shows even when SIBs attempt to target meso level institutions, they often pay on microlevel outcomes, applying market discipline to weaker actors like public institutions and vulnerable clientele. This ignores important sources of social problems which, according to the human ecological analysis, exist at meso and macro levels. The authors argue that If SIBs are to generate population-level impacts they must seek to discipline powerful actors themselves – financial institutions, the state, and employers.

A comparative analysis of Social Impact Bond and conventional financing approaches to health service commissioning in England: The case of social prescribing by Chris Dayson, Alec Fraser & Toby Lowe

The authors compare two social prescribing interventions in Northern England, one financed through a SIB, the other through more conventional means (i.e. lacking a payment-by-results

Tackling the big questions in Social Impact Bond research through comparative approaches element). The research is guided by two questions. First, “how does the design and implementation of a social prescribing intervention financed through a SIB compare to one that is financed through conventional commissioning processes?” Second, “to what extent can any contrasting features be explained by each intervention’s adherence to a particular public management regime and what are the implications of these for the future design and implementation of social prescribing interventions, and SIBs more generally?” (p. XX)

A contribution of the piece is the theoretical framing of public management regimes within debates on New Public Management (NPM) and New Public Governance (NPG). The article poses the question of whether SIBs mark an ‘extension’ or ‘diminution’ of NPM, the core principles of which are the disaggregation of public sector goals into measurable objectives, the introduction of competition between service providers, and the incentivisation of high performance through tools like PbR. Here, NPM approaches are compared to NPG ones, which involves the reorientation of public management from managing performance toward supporting the relational aspects of governance to “more accurately reflect the day-to-day realities within public services” (Osborne, 2006; 2010). With NPM and NPG characterizing opposite ends of a public service commissioning continuum, the question of where the SIB case falls on that continuum, as compared to the traditional site, becomes central to the analysis.

Chris Dayson, Alec Fraser and Toby Lowe endeavour to operationalize this question by codifying the implementation and managerial approaches observed in their two cases, comparing the extent to which the two social prescribing interventions adhere to particular archetypes of NPM and NPG regimes. Using pooled data from 98 interviews executed within three separately funded programmes of long-term research executed across three different research teams, the comparative case approach used in this article “aids increased

Tackling the big questions in Social Impact Bond research through comparative approaches understanding around both the intervention (social prescribing) and the financing mechanism (SIB) within the context of health policy making.”

They find that social prescribing requires a primarily relational, trust-based approach in design, implementation, and delivery, in part because it seeks to address problems which span social care and healthcare, involving complex networks of actors nested in multiple sectors. Under the SIB model, with its requirements of monetizing output measurements, tension arose between the complex reality of service delivery and the perhaps overly reductionist NPM-style performance and accountability structures in place, adding unnecessary complexity inter-organizationally and damaging relationships in the delivery phase of the intervention.

Thus, the authors find little evidence of the SIB operating on the NPG side of the continuum especially when compared to the traditionally funded site and suggest that, for social prescribing interventions, commissioners prefer to focus “less on outcomes as performance targets and more on evidence as a tool for learning and development” a practice likely to require an “alternative financing model to the SIB or, at the very least, supplementing the PbR aspect of a SIB with a more nuanced and relational approach to outcome measurement and performance management” (p XX).

Comparative Advantages and Connecting these Articles to the Big Questions

The comparative element within and across these contributions is a great strength. As a set, comparisons are made at different units of analysis, policy areas, contexts, and implementation approaches. As a body of work, these articles speak to the big questions about SIBs, providing early and partial answers as well as steering the direction of future research.

Table. 1 Connecting Special Issue Articles and the Big SIB Questions

Big Question	Article	Key finding
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Tackling the big questions in Social Impact Bond research through comparative approaches

1. What are the administrative or political problems to which SIBs respond?	Jesse Hajer	SIBs have been promoted on the basis of cost-effectiveness and/or efficiency for government.
2. Where and why do SIBs emerge in particular contexts?	Eve Chiapello & Lisa Knoll	SIBs tend to emerge in contexts where neoliberal ideas and governance approaches are embedded.
	Jesse Hajer	The emergence of SIBs can be explained by their congruence with liberal governance regimes.
3. What is the role of SIBs in the evidence-based policy movement?	Mildred Warner & Allison Tse	What is measured and paid for is an indication of the underlying logic of the provision. For SIBs, metrics indicate a shift toward narrower, financialized concepts of social value.
4. Is delivering an intervention through a SIB more effective than other means? Are associated costs justifiable?	Chris Dayson, Alec Fraser & Toby Lowe	In social prescribing, the NPM-inspired managerial regime of the SIB damaged relationships during delivery as compared to the more traditionally financed project.
	Jesse Hajer	Evidence suggests SIBs increase costs.
5. Do SIBs catalyse wider organizational, system, or institutional changes?	Mildred Warner & Allison Tse	There is a mismatch between the macrolevel change goals of SIBs and their focussing of reform efforts on vulnerable individuals. To date, very few SIBs have delivered broader system changes and where they have, these outcomes have not been included as contracted SIB metrics.

Chiapello and Knoll, and Hajer advance theory on where and why SIBs emerge in particular contexts. Rooted in the French Conventions School, institutionalism, and political economy perspectives, Chiapello and Knoll and Hajer explain the rise of SIBs through conceptions of ‘welfare logics’ and variation in national contexts respectively. In both cases, the authors find that SIBs tend to emerge in contexts where neoliberal ideas and governance approaches are embedded. Through the WCA, Chiapello and Knoll add nuance to this finding, suggesting that the more detailed understanding of the rationales behind SIB configurations uncovers the broader political-economic trends SIBs embody. Hajer’s work is inspired by a similar motivation, to provide a better explanation of SIB adoption than their supposed economic-efficiency. That the findings from these works converge on the notion that it is incumbent ideas of the role and size of government and the nature of social problems which create fertile ground for the idea of SIBs to root is compelling, suggesting that it is

Tackling the big questions in Social Impact Bond research through comparative approaches socio-political factors rather than techno-economic ones which continue to prop up the SIB market.

Like Hajer's work, Dayson, Fraser and Lowe suggest that commissioning through a SIB may not make good on promises of enhanced efficiency or improved outcomes. A strength of their comparative case study is that it examines the effects of the funding mechanism on the same service in a similar context. They find that social prescribing requires a primarily relational, trust-based approach in design, implementation, and delivery, in part because it seeks to address problems which span social care and healthcare, involving complex networks of actors nested in multiple sectors. Under the SIB model, with its requirements of monetizing output measurements, tension arose between the complex reality of service delivery and the perhaps overly reductionist NPM-style performance and accountability structures in place, adding unnecessary complexity inter-organizationally and damaging relationships in the delivery phase of the intervention.

Similar themes arise in Warner and Tse's article, but theirs speaks more centrally to the questions of what the role of SIBs is in the evidence-based policy movement and whether SIBs catalyse wider organizational, system, or institutional changes. According to the authors, a primary means by which SIBs narrow social rights is the conflation of meaningful social outcomes with contractual outcome metrics, a notion first touted by performance management which "claims to produce scientific evidence that can support and improve social interventions" but actually "narrows both the conception of the problem and the measures of impact" (p. XX). This contention echoes longstanding debates amongst public policy and public management scholars not only about what constitutes robust evidence, but also understanding what kind of evidence is appropriate for particular uses – day-to-day operations versus large scale policy decisions for example. The case made by Warner and Tse strongly articulates why the setting of metrics matters and, in the case of SIBs, how managing

Tackling the big questions in Social Impact Bond research through comparative approaches according to those metrics can fundamentally shift the logic of provision “toward financialized concepts of social value” (p. XXX).

Related to this narrowing, Warner and Tse discuss how metrics in SIBs narrow on the microlevel, targeting behavioural change of the child and/or parent receiving services, often measuring success as a reduction in social services. Rarely do SIBs measure benefits or costs at meso or macro levels, and they certainly haven’t been structured to address meso and macro sources of social problems. The authors argue that in focusing on changing the individual behaviour of vulnerable families, SIBs focus their reform efforts on individuals, not the more powerful private, public, and non-profit sector actors. This is in direct contrast to claims from SIB advocates that SIBs can spur or catalyse broader change efforts. Still, Warner and Tse suggest that SIBs may be able to produce macrolevel policy change, even citing examples of limited progress to this end, but that these kinds of large-scale changes must be designed into SIBs as a “strategic political design choice” (p. XX).

Conclusion

The work included in this special issue marks a departure from the bulk of SIB research and commentary to date, much of which is motivated by normative arguments on the many merits or gross failings of the SIB model. Instead, these articles respond to the need for more nuanced theoretical and empirical work. Here, an explicitly comparative approach is helpful as it can move debates beyond understandings of idiosyncratic extreme case examples to be able to observe whether findings may be replicated across multiple and diverse contexts.

Chiapello and Knoll and Hajer offer comparative theoretical approaches drawing on institutional, economic and political theories which speak to how SIBs fit into national policy landscapes, offering insights on how SIBs operate or embed at a macro level. Warner and Tse use theory and empirical data to compare the insights and implications of SIBs across

Tackling the big questions in Social Impact Bond research through comparative approaches different contexts but within a policy domain. In doing so, their findings speak to macro and meso levels. Finally, Dayson et al use theory and empirics to compare the implications of SIBs in two specific SIB and non-SIB cases operating at a micro level in a UK context. This spread of units of analysis – the national context to the policy domain to the locality – all shed light on the boundaries, mechanisms of change, and potential impacts of SIBs.

To date, most SIB research has lacked these comparative aspects, limiting our theoretical and empirical understanding of the phenomena to single insights and normative judgments. With this special issue, we posed a set of big questions which we believe are central to moving the debate forward using comparative approaches. Indeed, it is precisely this kind of comparative work which is able to overcome the normative elements of existing research and offer actionable suggestions for further application, alternatives, or abandonment of SIB models.

Thus, future research could adopt different comparative methodologies to further the debate over SIBs and outcomes contracting. For example, fuzzy-set qualitative comparative analysis (fsQCA) has gained significant traction as a set-theoretic method that allows for the visualization of complex configuration of conditions that may produce certain outcomes (Ragin 2008). It is particularly useful for analysing and comparing the macro institutional conditions that produce particular outcomes but can be used flexibly for any style of comparative research design at micro or meso levels. Future research on SIBs could adopt such an analytical approach to understand the configurations of (institutional) conditions that may lead to SIB emergence or perhaps other forms of outcomes-based contracts, for example.

In addition, future research could adopt process-based comparative methodologies (Langley et al., 2013). This type of methodology embraces the temporality of longitudinal processes whereby particular events and states, and their ordering over time affects certain outcomes (Pentland, 1999). This would, for example, allow researchers to comparatively

Tackling the big questions in Social Impact Bond research through comparative approaches analyse the key events that lead to the emergence of SIBs across many sites and/or look at the unfolding sets of events that occur after their inception. Such an analysis may focus on turning points along the way, allowing researchers to observe critical incidents and their connection to the actors involved.

In short, as SIBs and other forms of outcomes-based contracts evolve, researchers would benefit from adopting new theoretical and methodological viewpoints to untangle their complexity. We believe this special issue offers an important starting point in this endeavour.

Acknowledgements

The contributions to this paper from Clare FitzGerald derive from independent research commissioned and funded by the UK Department for Digital, Culture, Media and Sport (DCMS) (Grant Reference A1589) and the Blavatnik School of Government at the University of Oxford. The views expressed in this publication are those of the author and not necessarily those of the DCMS, its arm's length bodies or other Government Departments.

The contributions to this paper from Alec Fraser derive from independent research commissioned and funded by the NIHR Policy Research Programme through its core support to the Policy and Innovation Research Unit (Project No: 102/0001). The views expressed in the publication are those of the author and not necessarily those of the NHS, the NIHR, the Department of Health and Social Care, its arm's length bodies or other Government Departments.

Disclosure statement

No potential conflict of interest was reported by the authors.

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