

Measuring and Storytelling in Policy Design and Assessment of the Social Economy

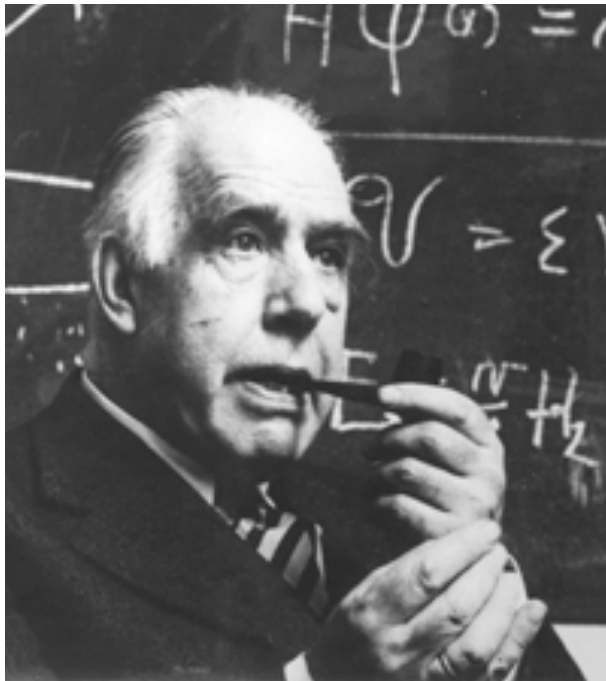
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“Nothing exists until it is measured”



Niels Bohrs

“When a measure becomes a target, it ceases to be a good measure”



Charles Goodhart

What posture should be adopted to design and assess public policy to social economy?

Challenges:

1. to measure the size and the scope of the sector
2. to make out what impacts social economy activities have on individuals and communities but also on the general economic and social wellbeing
3. to determine to what extent these impacts can be measured

Questions:

- Intertwining entrepreneurial activity with social goals, hybridizing market and nonmarket resources, is social economy too complex a reality to be grasped and guided with simple measurement and policy tools?
- What can be learned from research at this point in time?

1. SIZE AND SCOPE OF THE SOCIAL ECONOMY

1. The size and scope of the SE

Objectives of measurement

- Size, scope, main components, relative importance, branches and sub-sectors, monitor evolution, compare with other phenomena (intersectorial, intertemporal, interterritorial)

3 frameworks:

- A fully-fledged economic agent: standard economic input-output indicators (contribution to GDP, added-value, employment + non-market production)
- A unique economic model: hybrid mix and interlock of private and public resources (reinvestment of market revenues in social activities; but no distinction between quasi-market and redistribution rationales).
- A territorial actor: anchorage in local material, financial and human resources; structuring effects of/on local institutions

1. The size and scope of the SE (cont)

Issues of boundaries

- Diverse, multiform, multisectorial, but with common features
- Various definitions, fluid (porous) boundaries, hybrids
- Rootedness in needs and institutional dynamics of the setting in which the SE evolves
- Stat classification systems sometimes poorly match the double (social + economic) mission of the SE

Issue of quality

- Trade-off between accuracy and cost
- Coverage, integrity (vitality), availability, comparability, continuity of data
- Potential errors and their sources

2. IMPACTS OF THE SOCIAL ECONOMY

2. Impacts of SE activities

Economic impacts

- Benefits to members: better price, lower costs, access to goods and services not otherwise provided
- Benefits to larger community: employment, wage and salary incomes, government revenues, pro-competitive effects, economic stability

Social impacts

- Reinforcement of social cohesion and civil participation.
- Key actors in delivering social innovation, inclusiveness and trust.
- Corrects inequalities and imbalances because it is organised around a management model based on democracy, equitable distribution of profits and reinvestment in the interests of the community.
- Allows combining economic efficiency and direct social benefits to individuals and the community.

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European SE
Intergroup

Methodological issues

- Accessing microdata
- Adjusting standard metho (e.g. input-output analysis)
- Accounting for the unique outcomes of SEO (e.g. monetary valuation of non-market (public) goods and externalities or spillovers)
- Interpretation of results (e.g. defining the counterfactual, comparing to non-SEOs or to past performance)
- Limits of randomized studies (e.g. small and diverse organizational populations)
- Limits of storytelling (e.g. complexe or controversial collective impacts)

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Ciriec Working
Groups

3. POLICY DESIGN AND EVALUATION

3. Policy design and evaluation

Policy design


Needs full support, because the SE

- Is resilient and sustainable even in times of financial, economic and social crisis
- Offers innovative solutions to societal problems, namely fight against poverty

Needs transversality, because the SE

- Is present in all sectors of economy and all sizes of businesses
- Innovates, therefore transgresses limits, modifies borders

Issues in Policy Evaluation

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European SE
Intergroup

- Risk of trivializing. The concept that any business can claim to be a social enterprise can cause a race to the bottom
- Danger of measuring the effectiveness and efficiency of social enterprises by focusing on immediate and quantitative results rather than focusing on the impact on the individual, the society and on the environment
- Tendency towards the privatization of the public services and the perspective that the market and the private initiative can solve all social problems.

3. Policy evaluation (cont)

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- There is no one-size-fits-all measurement kit
- No « gold standard »
- Policy should not preclude certain social enterprises because of their legal forms
- Scepticism that social impacts can be summarized in one single measure capable of supporting comparison between enterprises
- A common process rather than a common measurement standard
- Where funding is based on performance indicators derived from social impact evaluations, risks of perverse incentives is considerable

CONCLUSION

Back to Boehr

- What can't be counted doesn't count.
- ➔ There is a need to measure and assess the SE
- ➔ Quantification stiffens the measured realities

and Goodhart

- Measurement drives behavior
- Measurement can lead to bad incentives ('cherry-picking', 'creaming-off'), to manipulation and gaiming
- ➔ Essentialist approach: Storytelling does not prove that impacts are specific to the SE field

And Fitoussi, Stiglitz & Sen:

“What we
measure
defines what
we seek

(and vice
versa)”





The End

GRACIAS
MERCI
DANKE
THANK YOU