

SOCIAL ECONOMY & PUBLIC ECONOMY

2

CIRIEC

(edited by Marie J. Bouchard)

The Worth of the Social Economy

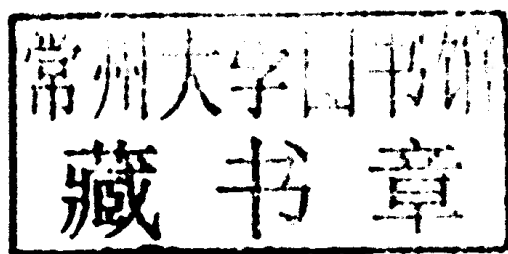
An International Perspective

P.I.E. PETER LANG

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Social Economy & Public Economy
No. 2

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CIRIEC

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The Worth of the Social Economy

An International Perspective

P.I.E. PETER LANG

What is the worth of the social economy?
economy produce?

Co-operatives, not-for-profit and mutual benefits organizations as well as foundations share common values that colour the way they perform and how they manage to do so. Yet, little is known about how the social economy is actually being evaluated, and how evaluation may reinforce or weaken this specificity.

This book fills a gap in the literature about the social economy. It seeks to make a critical assessment of the interests to which the social economy of today must cater and for which questions of evaluation appear to be the most telling.

A first set of contributions is made up of four theoretical papers inspired by various disciplinary fields: management, economy, sociology, philosophy. A second set of contributions is composed of seven national analyses of how the social economy is evaluated in different institutional contexts: France, Québec (Canada), United Kingdom, United States, Brazil, Portugal and Japan. The conclusion of the book summarizes the findings of this study and formulates some questions addressed to policy designers, evaluation specialists and social economy actors.

CIRIEC (International Centre of Research and Information on the Public, Social and Cooperative Economy) is a non-governmental international scientific organization. Its objectives are to undertake and promote the collection of information, scientific research, and the publication of works on economic sectors and activities oriented towards the service of the general and collective interest.

Marie J. Bouchard is a professor at Université du Québec à Montréal (Canada) where she is the director of the Canada Research Chair on the Social Economy and a member of the Centre de recherche sur les innovations sociales (CRISES). She acted as the coordinator of the CIRIEC International Working Group on Methods and Indicators for Evaluating the Social Economy.

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the Social Economy**
An International Perspective



P.I.E. Peter Lang

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Marie J. Bouchard

INTRODUCTION

The Worth of the Social Economy

Marie J. BOUCHARD

*Professor and Director of the Canada Research Chair on
the Social Economy, Université du Québec à Montréal (Canada)*

The social economy constitutes a form of economy that is distinct from the capitalist and public economy. Co-operative, nonprofit and mutual benefit organizations, as well as foundations, union funds and nongovernmental organizations, etc., are known for their capacity to respond to emerging needs and to new social demands, particularly in periods of crisis marked by important socioeconomic transformations. Many reasons plead to explore and better understand how the social economy is being evaluated in the present context.

Over the past thirty years, the social economy has increasingly come to the forefront of discussions about job creation and work insertion, decentralization of social services, sustainable development, etc. Its size and scope have been growing in the recent decades as it is playing an important role in responding to emerging social and economic needs as well as to new collective aspirations. Social economy organizations are increasingly involved in areas where the market or the public sectors seem to fail. The social economy is no longer a residual phenomenon but a veritable institutional pole of the economy.

In this context, evaluation takes a new importance. Demands have been formulated by the public authorities, the donators and by the social economy players themselves, to measure the sector and evaluate its contribution. However, not much is known about how the social economy should be evaluated and of what is needed to recognize its contribution to development.

Even if there has been a fair number of publications about of how the social economy should be evaluated – namely the nonprofit organizations –, very little is known about how it is actually being evaluated. Especially when considered for their common values and shared institutional characteristics, organizations of the social economy – which

include nonprofit, co-operative and mutual organizations – could benefit from an understanding of whether or not their evaluation schemes recognize and enhance their specificities. Under the patronage of CIRIEC international, a Working Group was created to study the methods and indicators for evaluating the social economy in different institutional environments.

Though the questions about *how should we* go about evaluating the social economy are numerous, there had not yet been a comprehensive study or *how it is* being evaluated now. Rather than being upfront prescriptive about this important – but how delicate – question, we chose to start by taking a look at the actual trends in evaluation, trying to typify and analyze them in the light of what evaluation *means* for the present and future development of the social economy. Our aim was to eventually see how the evaluation practices contribute to the very definition of the field of the social economy and to deduce – from these empirical observations – some relevant and hopefully useful suggestions to social economy actors and policy makers. This work came to its ending in 2008 and the results are presented in this volume.

This book fills a gap in the literature about the social economy. It addresses the questions of *how* the social economy is being evaluated, and *what it means* to be evaluated in those fashions. It outlines the actual trends in methodologies and indicators of evaluation applied for the social economy in different national contexts. One of the goals is to give a critical glance at what evaluation practices reveal about the social economy itself. The cases presented here expose a great range of evaluation practices, each needing to be understood in the particular national context in which it takes place. We will have understood that this book does not pretend to give an exhaustive survey of the current practices, but rather to analyze a number of significant experiences. Each has been considered with reference to a common analytical framework as well as in relation to each other in order to allow the comparison.

The different chapters of this volume take stock of the methods and indicators that are being used to measure the specific contribution of the social economy in different parts of the world. The authors propose a critical assessment of today's interests that the social economy must cater to and for which questions of evaluation appear to be the most telling. To conduct this comparative study, the Working Group referred to a common analytical framework.

The first part of this volume offers four conceptual contributions. Chapter one exposes the general framework of the Working Group and is signed by its coordinator, Marie J. Bouchard. She summarizes the focus and orientation as well as the questions that this book addresses. The approach of the Working Group is based on two postulates. The

first is that evaluation is never neutral. Consequently, different approaches and different methodologies will reveal contrasted stakes for the social economy. The second postulate is that the evaluation of the social economy reflects the role the social economy is expected to play in the development model and its transformations. The framework proposes analytical categories for discussing the complexity of evaluation practices. It also exposes the intricacy of the social economy not only in its various definitions, which may vary from one country to another, but also in the variety of forms and activities of the organizations.

The next three chapters offer different views on the relation between the nature of the social economy and that of evaluation. In his essay, Bernard Perret highlights the complex rationality that underlies the social economy and which therefore should be taken into account in its evaluation. Because the social economy is not in itself a public policy – pursuing objectives that have been formalized and validated by democratic procedure – its evaluation calls for a shared conception of the common good. He defines evaluation as a cognitive process by which common grounds for interpreting the actions are being constructed. Since there is a never-ending array of legitimate conceptions of social welfare, evaluation should reflect the various perspectives with which an action can be viewed rather than be a rational authoritarian exercise. The issue is at once of a democratic and cognitive order, and calls for the establishment of places and procedures to facilitate confrontation among the heterogeneous logics underlying non-standard social practices, and the development of tools to facilitate the objectification and measurement of the values at stake.

In his text, Bernard Enjolras questions the normative foundations of the social economy, on the one hand, and of public policies on the other. The different paradigms used to qualify the social economy (market and government failures, social economy, solidarity economy and civil society) can be synthesized into three social functions of the social economy organizations: solidarity function, democratic function and productive function. The confrontation between the normative foundations of these organizations (what ideally they should be) and the normative foundations of public policies (what public policies aim at) reveals the paradoxes of the evaluation of the outputs and outcomes of social economy organizations. This leads the author to conclude about the paradoxical character of public policy evaluation of social economy organizations.

On his part, Bernard Eme aims to question the axiological and normative basis of evaluation processes. According to the author, these processes should themselves continuously question the values and

norms which, often implicitly, constitute their foundations. An evaluation aiming to take into account the quality of organizations must reveal a plurality of “worlds” or value judgements that underlie the social and solidarity based economy. Therefore, evaluation is a process tool of a deliberative democracy, respecting the controversies that must be talked through according to the forms of argumentation that are legitimated by the actors.

The second part of the book is constituted of seven chapters presenting the situation in different parts of the world: France, Quebec, United Kingdom, United States of America, Brazil, Portugal and Japan. The evaluation practices that were observed concern the organization (micro level) and the sectors (meso level), situated in their national context (macro level). Each of these contributions is organized following a common pattern. A first section describes the major trends that characterize the context of the social economy in recent years. A second section illustrates the major trends in evaluation with the support of relevant data and examples. A third section is dedicated to analyzing the major incidences the evaluation methods have over the practices of the social economy organizations and sectors.

The French contribution is cosigned by Nadine Richez-Battesti, Hélène Trouvé, François Rousseau, Bernard Eme and Laurent Fraisse. The authors identify two important trends in the evaluation of the social and solidarity based economy in France: social utility and societal balance sheet (*bilan sociétal*). These two evaluation modalities have been chosen not so much because of their ample diffusion in France, but because they have been the objects of debates between the different categories of actors in the past fifteen years. What comes out of this analysis is that what's at stake with evaluation is also – and above all – the definition of field of the social and solidarity based economy and of its modes of regulation.

The situation in Quebec is presented by Marie J. Bouchard. Based on the observation of tools utilized in more than fifteen sectors of activities where the social economy is active, three main trends have been identified where evaluation may be based on the objectives, the mission or on the specificity of the social economy. These practices reveal different expectations posed upon the social economy, whether it should make up for development failures, complete the market and the public sphere by responding to emerging needs, or present itself as a distinctive reality that calls for specific performance and risk evaluation criteria. This analysis illustrates the relative influence that the stakeholders, the mission and the very nature of the social economy have over the evaluation procedures.