

Limitations and Opportunities of Existing SSE Indicators

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This presentation both draws upon the paper

“Sustainable Development Impact Indicators for Social and Solidarity Economy: State of the Art” (2019)

Gabriel Salathé-Beaulieu, Marie J. Bouchard and Marguerite Mendell and ongoing work and discussions between Members of the UNRISD- SDPI project (2018-2022) as it continues to evolve

Introduction

- Growing recognition by policymakers and international organizations of the role of SSE enterprises and organizations in “inclusive and sustainable development”.
 - Employment and wealth generation
 - Presence in all goods producing sectors
 - Provision of affordable, quality social services
 - Quality of employment; work-life balance
 - Contribution to local sustainable development
 - Democratic governance
 - Fair and equitable distribution
 - Economic empowerment of women, minorities
 - Work integration for marginalized men and women
 - SSE as “aspirational”, especially by youth
 - the role of collective action in economic and political empowerment
- How to evaluate performance and impact of SSEs
 - An objective of SSEs themselves
 - External pressure by third party organizations (government, investors, foundations, rating agencies, etc)

SSE Organizations and SDPI Project (UNRISD)

- The inherent values of SSE enterprises and organizations set the bar for this project
 - Years of collaborative international research have identified the preceding core attributes of SSE that transform the lives of men, women, communities across the globe
 - The social and solidarity economy is more than the aggregation of collective enterprises; it is contributing to systems change – to an alternative, democratic vision of sustainable economic development embodying the UN SDGs
- Our questions at the outset of the SDPI Project:
 - Do the values and objectives embedded in SSE enterprises identify transformative indicators to be applied to private enterprise as defined by the SDPI project?
 - What are the existing indicators used by SSE enterprises and organizations?
 - What is their effectiveness in evaluating the transformative capacity of SSEs?

SSE Organizations and SDPI Project (UNRISD)

- Do SSE organizations address the blind spots identified by the SDPI for private enterprise? (Peter Utting and Kelly O'Neill)
- What are the existing evaluation, performance, measurement tools and metrics that are used to assess SSE organizations ?
- Are they and should they be applied to SSE organizations?
- Do they impose “homogeneity”, “uniformity” on the SSE? Conformity to externally defined assessment criteria?
- Are there new and more adapted indicators for the SSE?
- Are SSE organizations involved the design process of these indicators?

Situating the SSE - Current Trends (1)

- The paper situates the SSE within a changing landscape of measurement, evaluation, assessment, performance tools
 - Rapidly increasing.
 - Are they generating “noise”?
 - Do they/can they reflect the diversity of the SSE?
 - Its many sectors; target populations; geographies
- The paper situates the SSE within the changing landscape of the SSE itself
 - Rate of growth of not for profit SSEs exceeds rate of growth of cooperatives
 - Emergence of small and medium SSEs vs. large established coops
 - Rapid growth of worker cooperatives
 - Emergent platform cooperatives
 - SSE includes the informal economy in many parts of the global South
 - In some jurisdictions, the SSE includes foundations and social enterprise (e.g. France)

Situating the SSE - Current Trends (2)

Hybrid enterprises and Impact Investing

- The last two decades have seen the emergence and rapid growth of social enterprise, social entrepreneurship, social business, B-Corps, Community Interest Companies, Community Benefit Companies, etc.
- Legal forms include both private and not for profit enterprises generating social, environmental, economic objectives
- Emergence of Impact Investing Market (2007. Rockefeller Foundation)
 - A shift from SRI to direct investing in enterprises, organizations or networks
 - Transforming role of foundations increasingly engaged as investors (expanding MRI, new impact investing portfolios, etc.)
 - Rapid growth of evaluation and measurement tools in this market
 - A new asset class attracting growing number of investors post financial crisis

Performance Reporting in the SSE: Not a New Issue

- SSE enterprises moved from standard reporting and accounting to more systemic self-evaluation beginning in the 2000's.
- A few examples:
 - Financing SSEs required assessments of their objectives in the 1990's with the emergence and rapid growth of micro credit, for example
 - The Community Development Finance Institutions in the US dedicated to community revitalization adapted existing reporting and accounting in the 1970's to assess enterprises.
 - In Quebec, RISQ, the first investment fund dedicated to the SSE established in 1997, produced a Guide for financial analysts to evaluate performance of SSE enterprises to move beyond traditional risk/return analysis.
 - Now translated into several languages and widely used in the SSE
 - Co-construction of criteria and methodology by investor and SSE enterprises.
 - Pioneer in ***built in flexibility with overarching standards***
 - Life-cycle of enterprise analysis: adapted investment tools
 - Training/accompaniment
- Recognition of the need for hybrid, flexible assessment tools
- Co-learning process validating the objectives and commitments of SSE organizations

Today: Burden or Challenge?

- **Pressure to measure social impact performance**
 - Governments increasingly seek performance indicators as a condition of funding
 - Foundations, impact investors and increasingly the general public and smaller donors want to maximize the social impact of their investments
 - SSEs that are now part of this trend along with social enterprises, etc., must comply with these expectations
 - Undifferentiated externally imposed social impact measurement tools are increasingly applied to SSE organizations and enterprises
- **Stress on SSEs**
 - Tensions between the need for comparability and uniformity vs. customized indicators to reflect the diversity of SSE enterprises
 - Diversion, misrepresentation, simplification of complex goals to meet funding criteria
 - Mission drift
 - External evaluation experts; who bears the cost? SSE organizations, especially smaller ones, may not have the resources to carry out the assessments
- **Challenge for SSE enterprises to mobilize and participate in design of tools**

Selected methodologies, metrics and indicators (1)

- The paper identifies:
 - those implemented in the SSE
 - Assessment tools and indicators that have been applied to "blended value enterprises" since the 1990's (private as well as collective enterprises)
- SSE enterprises have drawn upon methodologies such as program evaluation, environmental and social impact assessment, social audit, among others
- The paper provides several examples of those most commonly used
- While the focus has been primarily on indicators to assess social impact, indicators to evaluate environmental impact have been added
- SSE enterprises are committed to a just social and ecological transition

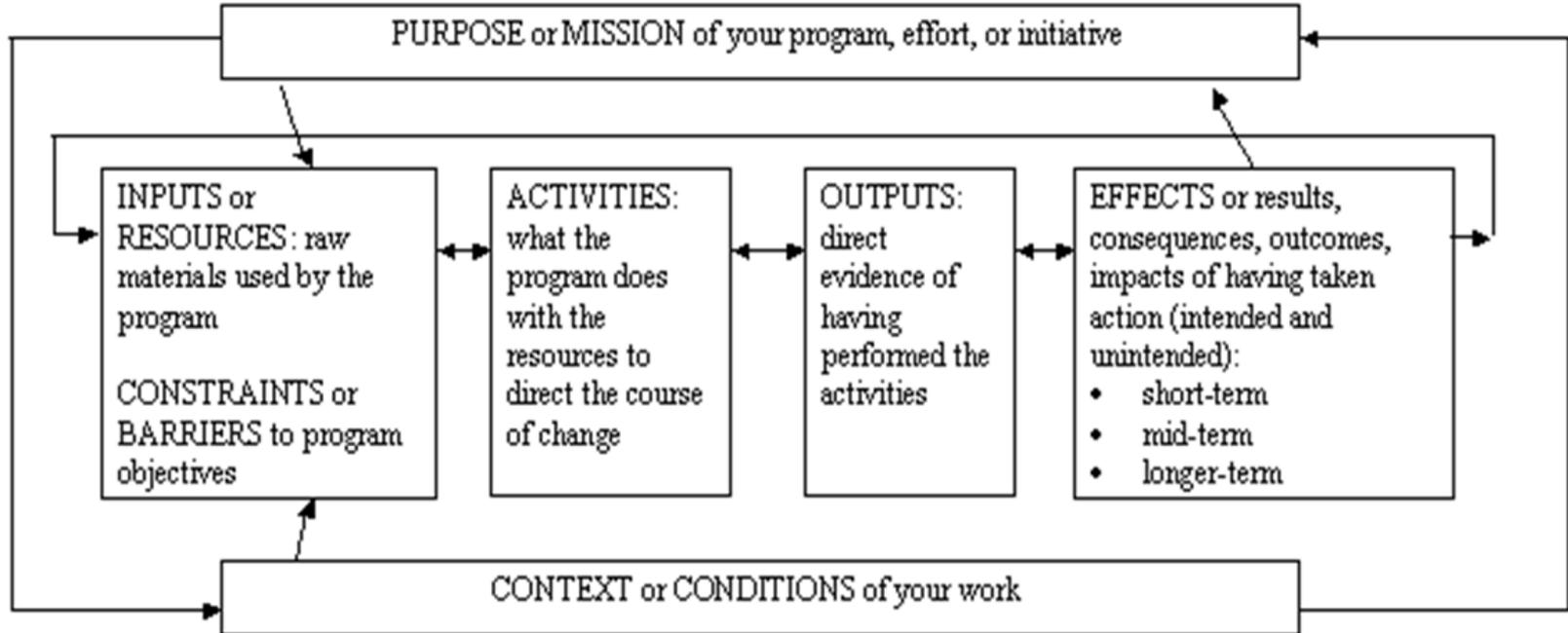
Selected methodologies, metrics and indicators (2)

- Evaluation Field and the Logic Model
 - Theory of Change
 - Social Return on Investment (SROI)
 - Social Accounting, Reporting and Auditing
 - Cooperative Performance Indicators
 - Evaluation of social utility (utilité sociale)
 - Sustainable Livelihoods Framework
- More Recent Initiatives Linked to Social Enterprise and Impact Investing with applicability the SSE (ownership agnostic)
 - GIIN's IRIS indicators
 - GIIRS Rating / B Lab / B Impact Assessment
 - Impact Management Project (IMP)

Moving Beyond

- Demonstrating Value (DV)
- Indicators developed by the Sectoral Labour Force Committee for the Social Economy (CSMO) Quebec
- The Common Approach
- SSE enterprise/organization Evaluation Process Template (TIESS) Quebec
- Common Good Economy Matrix

Logic Model and Theory of Change (ToC)

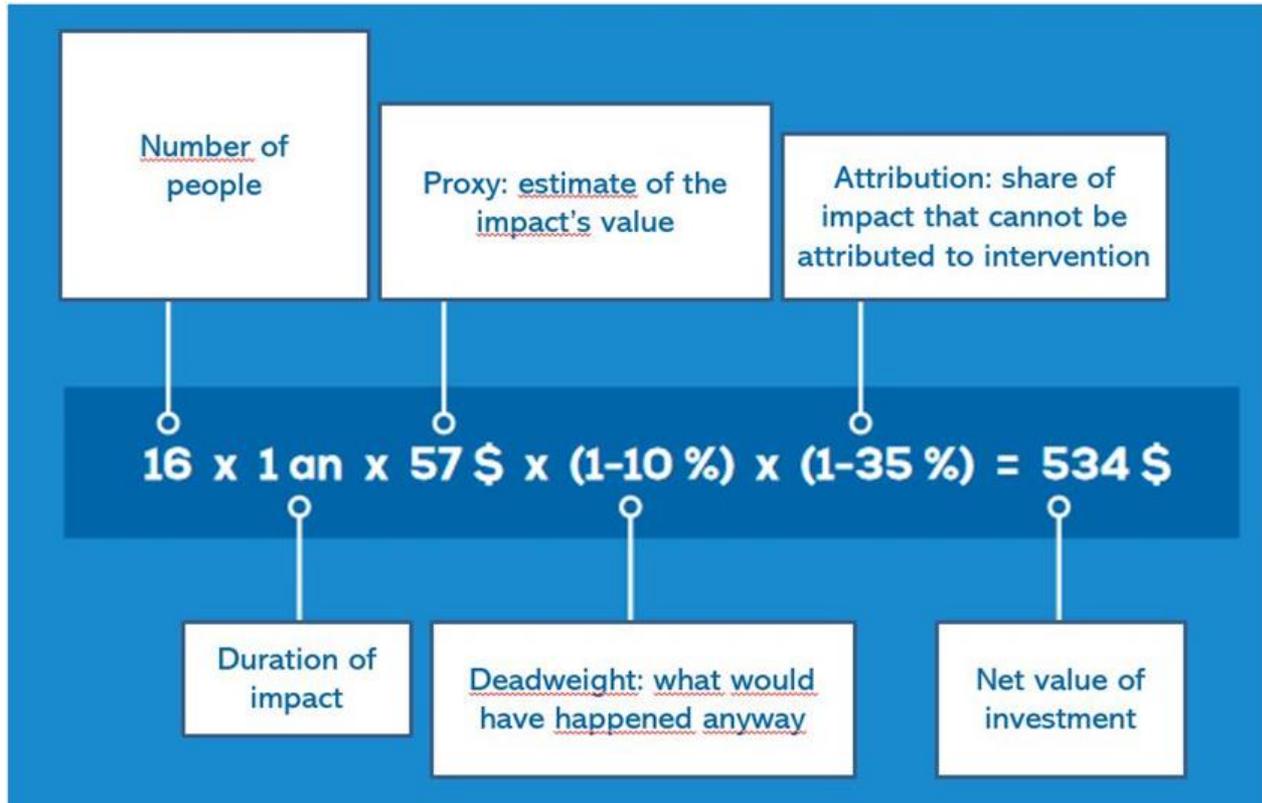


Source: KU Center for Community Health and Development (2019). Reproduced with permission

Social Accounting, Reporting and Auditing

1. Clarify the mission, objectives and stakeholders of an organization;
 2. Identify key indicators relating to these objectives and the collection of relevant data;
 3. Report on the results in a verifiable way.
- Some examples:
 - Social return on investment (SROI)
 - Bilan societal (societal balance sheet) - France
 - Social balance sheet – Catalonia & Spain
 - Common Good Balance Sheet

Social Return on Investment (SROI)



Source: TIESS (2020)

Cooperative Performance Indicators

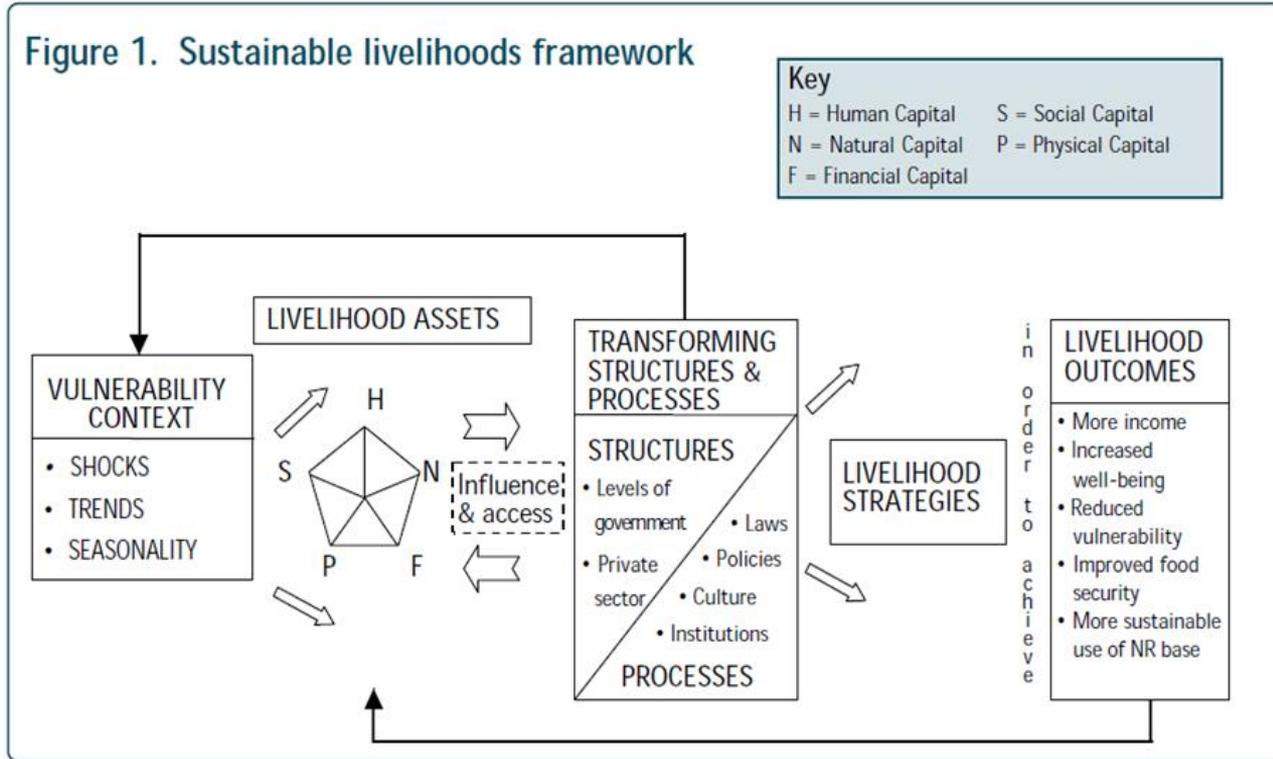
Co-operative Principle	Sample Indicators
1. Voluntary and Open Membership	<ul style="list-style-type: none">• Number of members• Diversity (age, sex, race, ethnicity, educational background, etc.) of members• Diversity of the board
2. Democratic Member Control	<ul style="list-style-type: none">• Percent of members that voted in the board election• Number of resolutions put forward by members
3. Member Economic Participation	<ul style="list-style-type: none">• Percent of capital provided by members• Percent of total capital that is indivisible• Indicator of member loyalty
4. Autonomy and Independence	<ul style="list-style-type: none">• Percent of assets owned by outside investors
5. Education, Training and Information	<ul style="list-style-type: none">• Percent of revenues expended on education, training and information• Number of participants by category (members, public, youth, directors) in programs run by the co-operative
6. Co-operation among Co-operatives	<ul style="list-style-type: none">• Percent of revenues and expenses associated with other co-operatives
7. Concern for Community	<ul style="list-style-type: none">• GHG emissions per member• % of revenue allocated for community-based organisations• Weight of food donated to community food banks• Number of community organizations supported

Source: Sustainability Solutions Group (2016, 20). Reproduced with permission.

Evaluation of social utility (utilité sociale)

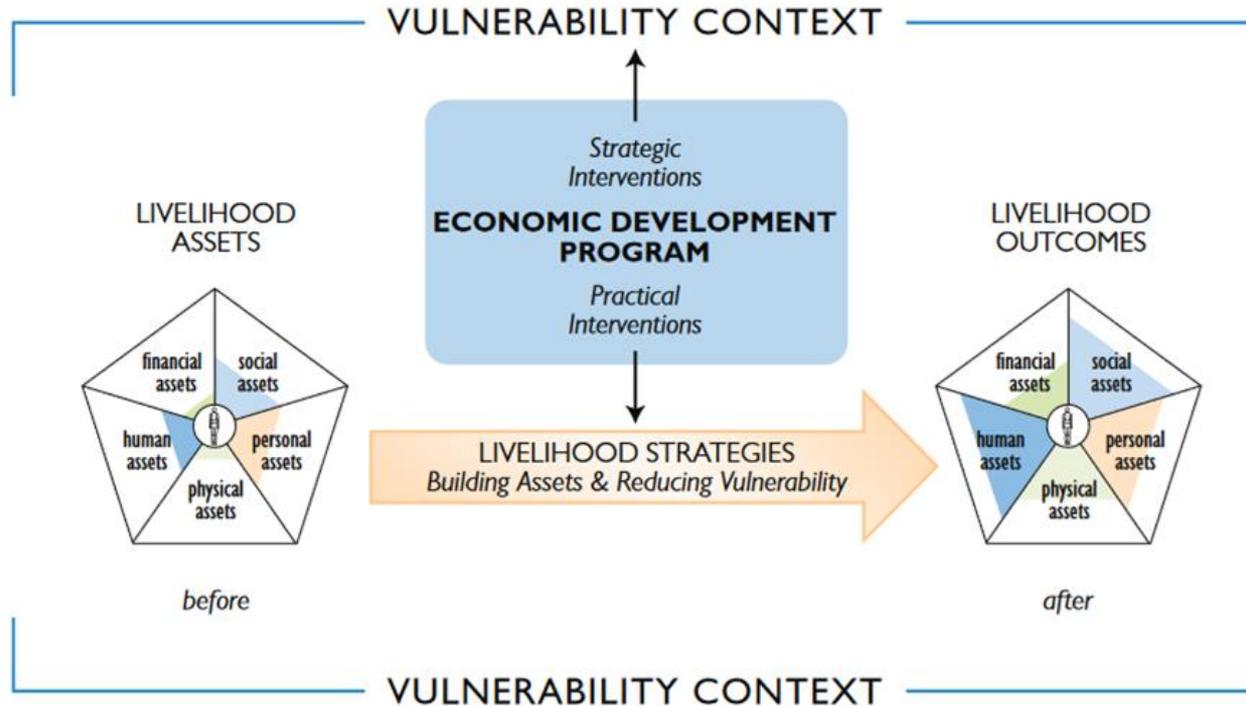
Critères de 1 ^{er} rang	Critères de 2 nd rang et applications	Indicateurs de résultat économiques et sociaux	Indices d'effets ou d'impact
1. Socialisation [lien social, cohésion sociale, insertion sociale]	⊗ Le lien social par l'éducation et la culture	⊗ Indicateurs d'éducation, formation, qualification. ⊗ Indicateurs d'accès à activités culturelles [taux de participation].	⊗ Indices d'ouverture culturelle, d'intérêt ou de motivation : paroles d'usagers.
	⊗ Le lien social par les échanges non monétaires et l'autoproduction	⊗ Indicateurs de participation à : RES, SEL, activités d'autoproduction.	⊗ Indices de socialisation : diminution des dégradations des espaces privés. ⊗ Indices de convivialité : entraide, fêtes, rencontres.
	⊗ Le lien social par les « relations financières de proximité »	⊗ Indicateurs de participation à dispositifs de finances solidaires : tontine, mutualité, épargne, emprunt.	⊗ Indices de confiance, de respect des engagements.
2. Apprentissage de la démocratie et éducation à la citoyenneté	⊗ Intégration des droits et devoirs.	⊗ Indicateurs du respect des règles. (dénombrement des manquements).	⊗ Indices de confiance, de respect des engagements.
	⊗ Intégration des responsabilités individuelles et collectives.	⊗ Indicateurs de participation : - à la vie associative, - à la vie citoyenne [adhésion, prise de responsabilité, contribution à activités collectives].	⊗ Indices de participation et d'intérêt pour vie collective et vie citoyenne (paroles d'usagers). ⊗ Indices du respect des règles du « vivre ensemble ».
	⊗ Participation à la vie publique.		⊗ Indices de comportement civique.

Sustainable Livelihoods Framework (1)



Source: DFID (1999, 13). Reproduced with permission.

Sustainable Livelihoods Framework (2)



IRIS Metrics (The GIIN)

Q Search metrics...

reset filters

[-] SECTORS OF FOCUS

- Agriculture
- Education
- Energy
- Environment
- Financial Services
- Financial Services: Microfinance
- Financial Services: Microinsurance
- Health
- Housing/ Community Development
- Land Conservation
- Water
- Other

[+] BENEFICIARIES

559 Results

Sort by: **Relevance** ▾

Social Impact Objectives (OD6247)

Describes the social impact objectives pursued by the organization. Select all that apply: - Access to clean water and sanitation

...

Reporting Info Organization Info Social Policies & Performance

[ID: OD6247] [Login to save bookmarks](#) 

Environmental Impact Objectives (OD4108)

Describes the environmental impact objectives pursued by the organization. Select all that apply: - Biodiversity conservation

...

Environment Environmental Policies & Performance Reporting Info Organization Info

[ID: OD4108] [Login to save bookmarks](#) 

Target Beneficiaries (OD7212)

Describes which entities the organization seeks to benefit via its products/services/operations. Select all that apply: -...

Clients Distributors Employees Environment Organization Info Suppliers

B Impact (B Lab & B Corp)

2011 Patagonia, Inc. B Impact Report

Impact Area	Average score of other businesses	Company score
 Governance	20	32
Accountability	12	6
Transparency	3	3
 Workers	25	22
Compensation, Benefits & Training	17	15
Worker Ownership	2	2
Work Environment	6	4
 Community	20	32

Community Products & Services	0	15
Community Practices	20	15
Suppliers & Distributors	9	4
Local	1	5
Diversity	N/A	2
Job Creation	1	2
Civic Engagement & Giving	N/A	4
 Environment	9	47
Environmental Products & Services	4	4
Environmental Practices	6	43
Land, Office, Plant	4	6
Energy, Water, Materials	2	11
Emissions, Water, Waste	1	2
Suppliers & Transportation	N/A	7
Overall B Impact Score	80	107

Source: B Lab (2017)

Impact Management Project (IMP)

Enterprises and investors can assess their impact performance by assessing and reporting 15 categories of data

IMPACT DIMENSION

IMPACT CATEGORY



WHAT

1. Outcome in period
2. Importance of the outcome to stakeholder
3. Outcome threshold
4. SDGs and SDG targets



WHO

5. Stakeholder
6. Geographical boundary
7. Baseline
8. Stakeholder characteristics



HOW MUCH

9. Scale
10. Depth
11. Duration



CONTRIBUTION

12. Depth
13. Duration

Accounting for the counterfactual



RISK

14. Type of risk
15. Level of risk

Source: Impact Management Project analysis.



- Emphasis is placed on impact maximization, and supporting organizations in the process, rather than pure measurement of impact
- Measuring impact vs reporting on organization operations (governance, employment, environment, etc)

Source: Impact Management Project (2019)

GECES Social Impact Measurement Sub-group

The five-stage Process (from EVPA 2012)



- “... one could not devise a rigid set of indicators in a top-down and ‘one-size-fits-all’ fashion to measure social impact in all cases” (GECES Sub-group on Impact Measurement, 2014, p. ii).
- It is, however, possible to recommend a common process as depicted in Figure 10.
- “All reporting of measurement whether privately between a social enterprise and its investors, or in wider public reporting, should include appropriate and proportionate evidence supporting each material point” (GECES Sub-group on Impact Measurement, 2014, p. iii).

Quebec Sectoral Labour Force Committee for the Social Economy (CSMO) Indicators

- Comité sectoriel de main-d'oeuvre – Économie sociale et action communautaire (CSMO): a nonprofit network organization in Quebec that supports SSE organizations in identifying, fostering and training labour force for the SSE.
- Has been *developing indicators collaboratively with SSE enterprises/organizations* and a social impact measurement capacity training for the SSE in Quebec since early 2000s.
- Emphasizes the need for capacity building for impact measurement, not simply requesting it
- Designed for over 11,000 SSE enterprises/organizations
- Does not conflate their diversity
- 6 steps in the CSMO social impact measurement process:
 - Objectives
 - Dimensions
 - **Indicators (co-constructed with SSE organizations; common objectives – indicators vary); training**
 - Measure
 - Results
 - Interpretation of the results
- Link: [Mesure d'impact social \(additional comments, M.M\)](#)

Demonstrating Value Initiative

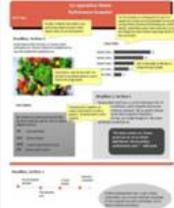
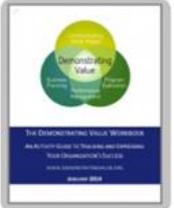
- 2006-2009: Research project by Vancity Community Foundation that aimed to support and invest in local NGOs.
- 2009: Official launch of the framework and tools online.
- 2013: Creation of the Demonstrating Value Resource Society to extend the work of the initiative
- Helps social enterprises to better understand, measure and demonstrate their social impact by providing tools and other resources on its website
- “Performance snapshot”: at-a-glance summary report that can easily communicate an organization’s value, performance and impact to anyone

Demonstrating Value - Tools & Resources



Browse or filter resources

- Any -

 <p>Calculate ROI for new Software</p> <p>Calculate a return on investment (ROI) for new software like a CRM to make a case for purchase</p>	 <p>Consulting Resources</p> <p>Several tools that can assist consultants to use Demonstrating Value</p>	 <p>Customer Satisfaction Surveys</p> <p>Sample surveys and guidance on getting feedback from your customers</p>	 <p>Demonstrating Value for Co-operatives</p> <p>Resource module with Workbook, Indicators and Templates</p>	 <p>Demonstrating Value Workbook</p> <p>Step by step process to track the performance and value of your organization.</p>
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Source: Demonstrating Value website (<https://www.demonstratingvalue.org/tools-and-resources>)

The Common Approach to Impact Measurement

- Recognizes tension and need for balance between standardization and comparability vs flexibility and customization to reflect diversity
- Developed at the Carleton Centre for Community Innovation to simplify the evaluation process for social purpose organizations.
- Aims to address challenges in impact measurement faced by social purpose organizations (e.g. time consuming, too many methods and tools, different requests by each funder, etc.)
- 2 mechanisms to achieve flexible standard: Construct-based equivalence and bounded flexibility
 - Articulating common constructs across organizations and giving them discretion on how they measure such constructs.

SSE enterprise/organization Evaluation Process Template (TIESS) Quebec

- Based on work by TIESS (2018-2019) on evaluation and social impact measurement
1. *Deciding whether or not to go ahead with an evaluation:* be informed, understand the situation and assess the needs of the organization
 2. *Planning the evaluation:* identify the audience, stakeholders, the results being evaluated. Develop an evaluation plan.
 3. *Implementing the evaluation:* gather the data, analyze and interpret the results, apply and disseminate the results, assess the evaluation process

Economy for the Common Good Matrix

VALUE	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
STAKEHOLDER				
A: SUPPLIERS	A1 Human dignity in the supply chain	A2 Solidarity and social justice in the supply chain	A3 Environmental sustainability in the supply chain	A4 Transparency and co-determination in the supply chain
B: OWNERS, EQUITY- AND FINANCIAL SERVICE PROVIDERS	B1 Ethical position in relation to financial resources	B2 Social position in relation to financial resources	B3 Use of funds in relation to social and environmental impacts	B4 Ownership and co-determination
C: EMPLOYEES, INCLUDING CO-WORKING EMPLOYERS	C1 Human dignity in the workplace and working environment	C2 Self-determined working arrangements	C3 Environmentally-friendly behaviour of staff	C4 Co-determination and transparency within the organisation
D: CUSTOMERS AND OTHER COMPANIES	D1 Ethical customer relations	D2 Cooperation and solidarity with other companies	D3 Impact on the environment of the use and disposal of products and services	D4 Customer participation and product transparency
E: SOCIAL ENVIRONMENT	E1 Purpose of products and services and their effects on society	E2 Contribution to the community	E3 Reduction of environmental impact	E4 Social co-determination and transparency

Source: <https://web.ecogood.org/de/unsere-arbeit/gemeinwohl-bilanz/gemeinwohl-matrix/>

Synthesis Work by TIESS (Quebec)

Evaluation and impact measurement for the social economy

Here you will find answers to the main questions related to the theme of evaluation and social impact measurement, approached from the perspective of organizations related to the social economy in Quebec.

For any questions: gabriel.solathe-beaulieu@tiess.ca

Recherche..

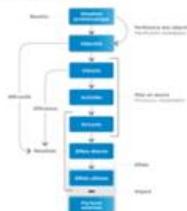
1. Definition and main steps

Comment mesurer votre impact social en 6 étapes?



2. Why and for whom to evaluate?

Types d'évaluation selon l'objet



3. Evaluate when and what?

Moment de l'évaluation selon ce qu'on évalue



4. Methods

5. Indicators

6. Who does what?

Montreal Declaration (2019)

Commitments

For impact measurement and evaluation to enable the social economy to better respond to the needs of communities based on the values and principles that define it, it is important to set certain guidelines. We are committed to work within these guidelines:

- A good evaluation is an evaluation that will be useful to the organization that is evaluated and those it intends to serve through its activities.
- A rigorous evaluation must be participatory, collaborative and involve all stakeholders concerned with the process.
- It is preferable that evaluation approaches focus more on learning.
- The needs and interests of the funders should not take precedence over those of other stakeholders, including producers and users of goods and services.
- Investments in the social economy must not make it dependent on impact measurement in order to repay investors, as is the case with social impact bonds.
- There are no universal tools, indicators or methods. The evaluation process must follow from the context, the needs and aspirations, the objectives and activities of an organization. In other words, it must be flexible and adapt to the objectives of the organization being evaluated.
- Special attention must be paid to the relationship between the challenges of evaluation and the means implemented (dedicated human and financial resources). Funders ought to bear the cost of this process if they impose requirements to measure social impact.

Finally, we are committed to continue to strengthen evaluation networks to ensure that social economy enterprises have access to appropriate expertise and support. Our goal is to allow them to learn and improve in line with their practices.

- Focus on the organization being evaluated and its context, rather than funders
- Participatory, involving all stakeholders
- No universal measure

Source: Montreal Declaration on Evaluation and Social Impact Measurement (TIESS, 2019)

Two Selected “Counter-movements”

(1) Lean Impact and (2) UNEP

- External pressures may compromise the objectives of social purpose organizations
- Resistance to “upward accountability” and call for “downward accountability” involving all stakeholders engaging users and producers in the process
- Call for “lean data” or “lean impact”, agility and flexibility to reflect the complex needs, uncertainties and goals of social purpose organizations based on collaborative human centered design methodologies
- ***Lean Impact raises the critical issue of the need to build data science capabilities of SSE organizations combining new technologies with more traditional data gathering methodologies (surveys, etc)***

Two Selected “Counter-movements”

(1) Lean Impact and (2) UNEP

Beyond micro

- Both Lean Impact advocates and UNEP insist on linking public policy and micro assessment, bridging the gap between micro and macro.
 - Lean Impact calls for “systems change”
 - UNEP explicitly raises the need to develop an “impact-focused ecosystem” involving all stakeholders including government
- Both call for more coordination and collaboration
 - SDGs cannot be achieved in isolation
- SSE objectives cannot be met without corresponding and enabling public policy
 - Absence of enabling public policy reduces capacity of SSE enterprises/organizations to achieve their goals.
 - Enabling macro environment is indispensable in many if not most cases
 - Legislation; fiscal measures; subsidization; public investment; procurement, customized policy measures, etc.

Counter-movements

- Urge the co-design of evaluation tools and indicators embedded in a systemic and transformational approach
- In the words of John Elkington, the triple bottom line approach to account for economic, environmental and social impact “was never intended as an accounting system....Its stated goal was system change- pushing towards the transformation of capitalism”.

Conclusions (1)

- Many earlier initiatives introduced in the paper have evolved to address diversity of social purpose organizations and enterprises
- Rapid growth of the SSE, social enterprise, impact investing is implicitly imposing conformity, raising tension between the transformative objectives of the SSE and other social purpose organizations and the inherent conservatism of funders and investors
- Standardization of indicators risks embedding externally imposed criteria into SSE enterprises and organizations and their practices, at the expense of their agility and promptness in responding to emerging needs and aspirations.

Conclusions (2)

- Mapping of the SSE internationally reveals its heterogeneity and common commitment to social, environmental and economic transformation
- The UNRISD SDPI project allows for individual SSE organizations and enterprises to select those indicators that conform with their specific reality while adhering to overarching indicators applicable to all enterprises, regardless of legal form.
- With its focus on both private and collective enterprises, the SDPI project will reveal the role of ownership and democratic governance in building transformative capacity, missing from the current array of indicators and metrics available.

Conclusions (3)

“Maybe we should shut up and listen... to the various and diverse human and non-human communities and history of experience. Maybe we need to create greater space to hear from those whose lives we seek to impact?”
(Jed Emerson 2018)

- The history of the social and solidarity economy is one of collective action, knowledge mobilization, innovation, empowerment, and transformation of lives and communities. This is possible when the needs of users, producers and community drive the co-construction and development of enabling tools, including performance indicators. This is occurring but is drowned out by the noise of a continuously increasing array of indicators and methodologies.
- We are not the first to call for consolidation, for greater collaboration, for coordination without imposed homogenization, for greater participatory processes.

Thank you!



Contact Information

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