

SOCIAL AND CIVIL ECONOMY FOR A NEW PARADIGM OF DEVELOPMENT: STATISTICS NEEDS AND DATA AVAILABILITY IN EU¹

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1. New economy, different development

The terms such as social economy, social enterprise, cooperation, civil economy are often used to describe the need to promote the social development and cohesion through an economy based on democracy, horizontality, reciprocity, relationships, attention to the community, the care in territories and the respect for the needs of the future generations.

These arguments are, therefore, an important element of the economic and social future of the entire planet. So, we need to reconsider the dominant economic paradigm based on capital accumulation, financial speculation and the predatory depletion of resources. We need a different idea of development connected to human dignity (Nussbaum, 2010, 2011), freedom and capabilities (Sen, 1999), social capital (Donati, 2014). All this focusing on the importance of common and relational goods (Colozzi, 2008) in the perspective of a civil economy (Bruni, Zamagni, 2007) and "innovative valorization" of the whole resources such formal and informal relationships in the market between companies, suppliers, customers, training and research structures and therefore with the whole community. In this sense, we talk about of social construction of innovation (Trigilia, 2007) when the improvements brought about by the innovative processes are possible having the territory and knowledge as crucial resources. This paradigm is completely aligned with the goals of sustainable development (SDG - Sustainable Development Goals) of the United Nations concerning poverty, health, education, human rights and inequalities, renewable energy and the fight against climate change, innovation, responsible use of resources and the protection of ecosystems, peace and justice. In this sense, those activities are able to meet general interest objectives such as welfare services through the creation of socially inclusive wealth, belong to the

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social economy. This is possible because the social economy, in and of itself, is an innovative way that wants to solve environmental, social and economic problems that have been too often neglected or inadequately addressed by public sector and private organizations. For this reason the economy is also “social” because it involves the consumer and the producer in a relationship of inclusiveness through ethical motivations which go to the direction of the common good.

In this sense, the social economy, according to an official definition given by the European Economic and Social Committee, is formed by private enterprises that have a democratic organization, decision-making autonomy and freedom of membership in order to satisfy the needs and expectations of their members. These types of companies act freely in the market through the provision of services or production of goods and their commercial or non-commercial distribution. This is an important phenomenon since, according to the European Economic and Social Committee, this sector has had the capacity to face the recent crisis, coming through it unscathed, guaranteeing employment to about 6% of the active population of the 28 EU member states.

2. Umbrella terms, blurring concepts

The definition of social economy is therefore similar to social entrepreneurship. This latter concept is intended as an umbrella term because it contains lots of blurring meanings (Borzaga, Galena, 2009). They concern the complex nature of this type of activities that can be carried out individually or in aggregate way by single persons or by non-profit organizations, public bodies, for-profit companies and without stability over time.

There is certainly a convergence between the concept of cooperation and social entrepreneurship and it is worth highlighting the points in common. As decided in Manchester in 1995 on the occasion of the XXXI Congress of the International Cooperative Alliance "a co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise". Free and voluntary membership, democratic control by members, economic participation, autonomy and independence, educational and informative attention and above all internal mutuality among members and external for other cooperatives, such as interest for the community are the pillars on which the whole ethical cooperation structure is based. These pillars are the same ones highlighted by the European Commission which underlines how the economic and social role of cooperative enterprises has increased. This number has increased and, at the same time, the interest is also due to the ability to offer employment and reduce

inequality (Oecd, 2013). These official figures confirm that the cooperatives represent, as European Commission said in 2015, 160000 companies across the continent with market shares of great importance in agriculture (83% in the Netherlands, 79% in Finland, 55% in Italy and 50% in France), forestry (60% in Sweden and 31% in Finland), banking (50% in France, 37% in Cyprus, 35% in Finland, 31% in Austria and 21% in Germany), retail (36% in Finland and 20% in Sweden), pharmaceuticals and healthcare (21% in Spain and 18% in Belgium)".

In addition to this type of traditional cooperation, there is the most innovative sector of collaborative economy that refers to "business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals" and which intersects with the broader phenomenon of the sharing economy, maintaining the cooperative paradigm as a central importance. A phenomenon that is growing rapidly gaining significant market shares.

3. All we need is data

Concerning the social economy, there is a common need to trace the defining boundaries of such a wide phenomenon, because it involves crucial sectors such as welfare, environmental protection, territorial promotion and enhancement, education and training, credit and finance, production, technologies, trade. An important phenomenon that has also contributed to addressing the social consequences of the last serious economic crisis. It is necessary also to have tools that describe areas of intervention, the organizational peculiarities in order to understand possible developments, growth spaces and obviously also the critical issues and the necessary public, national and supranational policies, to be implemented to support and coordination of the phenomenon itself.

To do this we should start with the definitions given by the international organizations and then it will be necessary to have indicators capable of describing and comparing the different realities present in the individual territorial contexts.

Considering the above-mentioned data, however, we must say that the statistical informations concerning this important economic and social phenomenon of cooperation are fragmented, partial, discordant and not uniform.

All that has negative consequences. There is also an irregularity in the timing of the release of information that does not allowed the dynamic analysis of the phenomenon itself. But is also true that the legal forms of cooperatives are different from one Member State to another and this make difficult the availability of informations.

So, it is necessary to improve and broadcast statistical data and, more generally, qualitative and quantitative information related to them. For example: fiscal framework, areas of intervention, numerical coherence in terms of members and employees, turnover, network. Furthermore, in order to understand the development trends, the challenges and adaptations, it is important that the above-mentioned data must be related to the comparative reading of the general information on demographic, social and economic phenomena of the individual national territorial contexts and more generally of the whole area of the European Community. The data currently available are often provided by the different national cooperative associations and aggregated at an European level.

This often leads to an excess of information since a cooperative enterprise can often join together with several organizations. The last official report "The Power of Cooperation - Cooperatives Europe Key Figures" is an emblematic example. It was published in 2015 by "Cooperatives Europe", which is the European regional office of the International Cooperative Alliance. It works for cooperative enterprises and it represents 83 member organizations belonging to 33 European countries in all the sectors of economic and social activities. In this report data concerning 2014-15 period are available for some countries but some other come from the 2010-13 period. It goes without saying that it is very difficult to compare and analyze the whole movement. National governments as well as national statistical institutes make many initiatives to survey the entire ecosystem of the social economy. In this sense it should be remembered that the work carried out by the Ciriéc (Center International de Recherches et d'Information sur l'Économie Publique) in 2006 provided for the drafting of a manual for the compilation of the satellite accounts of the enterprises of the social economy.

An important work that was associated with that of the United Nations on non-profit institutions.

4. The Social Economy comes out

Many researchers think that the main objective of the National Account Systems is to bring out a socially relevant phenomenon such as that related to the Social Economy: this objective reveals a question that is undoubtedly "dual".

On one hand there is the need to measure the impact and the dimension of a growing phenomenon, as attested by several observatories (Cooperatives Europe, 2016) and on the other hand to improve the measuring instruments by providing a more adequate "meta-information" on the phenomenon itself.

The non-profit institutions serving households are already identified by the ESA95 as "subject" with its own relevance and autonomy within the national

income formation circuit, whose contribution to the generation of Added Value and the economic benefits are substantially referred to the subjects belonging to such organizations (parties, trade unions, religious organizations, recreational and sport cultural associations, charities and assistance). A further distinction introduced by the national accounting system SNA93, of which the ESA95 is the version adopted by the EU countries, deals with the classification of consumption expenditure and the market / non-market distinction related to the final destination of the goods and services produced and the consequent evaluation in terms of market prices. The two criteria - the first of legal and administrative derivation and the second of an economic nature - describe therefore fast-moving reality. The following years show a scenario of great transformations due mainly to the change of the legislative and administrative framework in many countries. These are reflected in the growing role of the foundations, of volunteering and especially of social enterprises that assume an essential dimension in the panorama of Social Economy especially in the EU. The current national accounting scheme (ESA2010) provides for some important changes, including the one relating to the different valuation of R&D expenses which has a positive impact on aggregate demand, and has allowed a better and clearer distinction between market and non-market activities. However, "satellite accounts" are the most suitable tools for assessing weight and determining the impact of this heterogeneous reality.

The satellite accounts were introduced by the SNA93 scheme and refer to specific and delimited areas of particularly relevant activities or "sectors" linked to the institutional system of the economic accounts: some very common are those relating to the tourism sector or to the transport sector, as well, as the sector of energy. This tool allows to define and assess the relevant phenomena of the official statistics. The benefits of a satellite account are connected to a multidisciplinary use and an operative convergence between researchers, scholars and experts that seek to define a complex and dynamic phenomenon.

The theme we are examining is a theoretical and conceptual challenge and also a synoptic analysis on different levels (legal, sociological, economic and statistical). A first attempt was undoubtedly offered by the publication of an important document: The Handbook on Non-Profit Institutions in the System of National Accounts published in 2003 by the Department of Economic and Social Affairs Statistics Division.

5. Beyond the dispersion: a satellite account for the SE

The manual provided by the United Nations, together with the indications provided by the 1993 national accounting systems updated in 2008, draws a meta-

informative perimeter that makes a decisive choice: observing the reality underway, the behavior of "typical" subjects of the social economy (cooperatives and mutual societies) as descriptive models of a wide repertoire of organizations that substantially assume one or more of the following characteristics that we will find even better defined by the Charter of the Social Economy of 2002:

- The primacy of the individual and the social objective over capital
- Voluntary and open membership
- Democratic control by the membership (does not concern foundations as they have no members)
- The combination of the interests of members/users and/or the general interest
- The defence and application of the principle of solidarity and responsibility
- Autonomous management and independence from public authorities
- Most of the surpluses are used in pursuit of sustainable development objectives, services of interest to members or the general interest.

On the basis of these coordinates, Monzón and Chaves (2012) propose a more meaningful and close to measurement definition: "The set of private, formally- organized enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision- making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote. The Social Economy also includes private, formally- organized organizations with autonomy of decision and freedom of membership that produce non- market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them".

This gives back a "full citizenship" to the social entrepreneurship that becomes, through solidarity, mutualism and democratic participation an important subject of Social Economy. The social entrepreneurship, which can have several legal models codified by legal systems, is not conditioned or limited by a possible (but not necessary) process of remuneration of capital through the distribution of operating profits (or losses). Some authors talk about the importance of hybridization through innovative organizational models. This is a new social challenge. "Hybrid organisations recently introduced a new way in doing enterprise. Hybrids are entrepreneurial entities whose main goal is pursuing systemic social improvements (social innovation) through their business. In other terms, they are agents of the so called systemic innovation, that is "an interconnected set of innovations, where each one influences the others, with innovation both in the single parts of the system and in the ways in which they are interconnected whose benefits can be realized only in conjunction with related, complementary innovations and that

require significant adjustments in other parts of the business system they are embedded in” (Rago & Venturi, 2014).

6. New challenges for measuring the SE

A recent study, coordinated by Monzón and Chaves, proposed a comparison between the organizational models emerging from the social reality and the classification categories of the national accounts (Figure 1): a synoptic framework that is a precious reference for the determination of the role and impact of the SE in the formation of National income. There are still some important challenges for official statistics: the absence of a harmonised definition of the social economy; difficulties in extracting precise data concerning social economy entities out of other relevant existing statistical categories (i.e. Small and Medium Enterprises); the problems related to measuring the social economy production of goods and services (IMCO Committee, 2016). The challenge of measuring the SE appears as a provocation that comes from a particularly dynamic sector of economic life to rethink models and tools that require reformulating the current patterns of national accounting. (Artis, Bouchard, Rousselière, 2015).

Despite the substantial lack of statistical information, some important estimates have been made by these scholars: there are around 2 million traditional social economy entities, accounting for approximately 10-12% of all European businesses (Monzón, Chaves, 2012). It is a "multi-sector" presence: almost all the productive branches are present from finance to agriculture, from crafts to social services, but also innovative outcomes relating to the environment and personal care. This is a very important evidence, which suggests a deepening of the innovative role of the Third Sector and of the SE that it promotes.

Such incidence, even employment, is not linked to increasing vulnerability, as shown by some empirical studies (Pevcin, 2012), but above all by a convergence of social, political and economic levels linked to the transformations of the EU production structure (Archambault, 2009). Social Economy therefore constitutes a real challenge for the "transformation" of the economy, starting from the values and the ethical nature of economic behavior: the foundation of this perspective is clearly the multi-stakeholders enterprise model as well as the horizon of Corporate Social Responsibility (CSR).

In this way, Server Izquierdo and Capó Vicedo (2011) address the issue of inter-relation between CSR and principles of cooperativism, with particular emphasis on management and organization. The integration is revealed as an important opportunity to rethink and reorganize the relationship between business and the environment, paying particular attention to the system of social relations, civil and

institutional. Other empirical studies have estimated from an economic point of view the relationship between adherence to the principles of CSR and organizational forms inspired by the SE. For example, Bortoleto, Rogério and Costa (2012) highlight the strength of the commitment by the members of the co-operative institutions.

7. Conclusions. For Participatory Assessment of the Social Impact.

Vision and values are particularly important in the search for new measurement models, especially for those that encourage participation. Our research plan aims to develop a different approach to the assessment of social impact and also to the role of the SE that contributes to a shift in the economic center of the economy from a "short" vision based on maximizing profit to a "long" and sustainable perspective focused on human and social capital .

In this sense, the V.I.S.Pa. method (Di Maggio, Notarstefano, 2018) for Participatory Assessment of the Social Impact which is proposed here on an experimental basis has a twofold objective: 1) measuring the effects of social innovation policies; 2) engage a collective self-criticism, just during the evaluation process, of all the subjects involved in the processes of development and social cohesion. This hybrid and qualitative-quantitative methodology uses relational social capital networks and enhances their heterogeneity through the mutual maieutic method according to which learning is a collective process that is only possible through dialogue and the exchange of knowledge (Dolci, 1996). Focusing on social relations it proposes the need of a civil economy (Bruni, Zamagni, 2015) and so of more cooperation. All this also through the collection and interpretation of the "stories of change" that other methodologies like the Most Significant Change (Davies & Dart, 2003) use to monitor and evaluate complex development interventions starting from listening to the communities, their needs and expectations on development and well-being. For this reason, the evaluation process that we propose, if conducted with purpose and participatory methodologies, can per se be a tool to spread solidarity and social cohesion and promote capabilities and therefore improve the quality of life (Sen, Nussbaum, 1993).

Since the core of the new social economy is the new social enterprise, we need a more complex perspective and a courageous contamination between the macro-measurement typical of social accounting and the micro-measurement of the social and sustainability report. This challenge needs a better use of data concerning socially and environmentally responsible behaviors. It needs to improve the important rule of enterprises in subsidiary and circular welfare. It is also necessary to combine qualitative and quantitative data, and to launch participatory social

measurement programs with particular reference to the evaluation of public policies.

Table 1 – *Social economy operators by ESA European System of Accounts 2010 Institutional sector*

ESA 2010 INSTITUTIONAL SECTOR		SE ENTERPRISES AND MICROECONOMIC ORGANISATIONS
Market producers	Non-financial corporations	Cooperatives (workers, agrifood, consumers, education, transport, housing, healthcare, social etc.) Social enterprises Other association-based enterprises Other private market producers (some associations and other legal persons) Non-profit institutions serving social economy nonfinancial organisations Non-financial corporations controlled by the social economy
	Financial corporations	Credit cooperatives Mutual insurance companies* and mutual provident societies Insurance cooperatives Non-profit institutions serving social economy nonfinancial organisations
	General government	---
Non market producers	Households	Non-profit institutions serving households that are not very important
	Non-profit institutions serving households	Social action associations Social action foundations Other non-profit organisations serving households (cultural, sports, etc.)

Source: Our elaboration from Monzón and Chaves (2017) pp. 13-14

This is the “evaluative challenge”, a part of the future of new economy that needs to be more social. All of this is part of the change toward a new paradigm that is trying to tackle the challenge of globalization in a creative and innovative way.

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SUMMARY

Social and civil economy for a new paradigm of development: statistics needs and data availability in EU

Social Economy has become a significant reality. Its impact on the processes of national income formation and the increase in participation in the productive process of the population has grown up.

The Social Economy is also a laboratory for the development of new "hybrid" forms of social innovations especially for social policies, in the management of common goods, in the activities that promote employment, entrepreneurship and social cohesion.

In this sense, to evaluate the incidence of Social Economy means first of all provide adequate and innovative measurement tools. Such dynamism requires new standard tools and the evaluation models that are more based on cooperation, partnership and involvement of the communities, also in the evaluation, that are the real protagonists of this processes of social development.