

"SOCIAL ECONOMY AND VALUE CREATION" TRIALS - CONCEPT NOTE -

Measuring social value rather than social impact

Our vision

We believe that a vibrant non-profit sector is a vital part of a living democracy; that volunteering is all about being an active citizen, and that the public interest, in all of its facets, needs non-profit organisations to have the power to act. Our core remit is to encourage and help organisations and other civil society stakeholders to develop cooperative strategies.

The challenge

Against the backdrop of the environmental and social crisis that now dominates the planet, the issue of value is not a purely theoretical question; instead, it is at the very heart of the sea-change in the way we view the world. The Boston Consulting Group, a key place for the development of the global capitalist discourse, has announced a change of paradigm, from "total shareholder return" (value being reduced to value for shareholders) to "total social impact." The OECD thinks that only a reworked concept of value will make it possible to prevent systemic collapse. UNESCO is sponsoring the creation of an environmental accounting chair, with the first rule being that ecological resources should be recorded as liabilities on corporate balance sheets. Our approach fits with this sea-change. We are aiming to make value creation comprehensible to even the smallest social stakeholders.

Our initiative

Working with AVISE and the Social Economy Laboratory, we conducted a study entitled **ESS et création de valeur** (The Social Economy and Value Creation), in which we reviewed the latest developments in measuring social impact in social economy organisations, and introduced the **value chain analysis** method, demonstrating that it can be adapted to the work undertaken by social stakeholders. We are currently extending this study by testing the hypothesis in several areas: four **Territoires Zéro Chômeur de Longue Durée** (Zero long-term unemployed area - Paris' 13th arrondissement, Villeurbanne, Thiers, and Colombelle), and **social centres** in three departments (Drôme, Côte d'Or and Seine-Maritime).

Our stance

Despite the range of methods used and the willingness of the stakeholders, assessors, and funding bodies to adapt impact measurement to the specific features and scale of each initiative being evaluated, the very concept of social impact is debatable. It inevitably amounts to viewing a social initiative as a linear phenomenon with a cause and effect, eliminating as much as possible all the biases and phenomena regarded as being misleading. However, a social initiative is always a combination of multiple factors and interactions. If we attempt to isolate some of them, we give up on understanding the whole social situation in a given area.

In contrast, value chain analysis starts by mapping interactions, whether they are contributions, services delivered, donations, funding, or collective initiatives. Analysis of all of these activities and all the exchanges that make up these interactions enables each of the stakeholders to position themselves within a socioeconomic ecosystem. In a second phase, we will ask stakeholders to describe and if possible calculate the value created by each of the interactions and its cost. This estimation will sometimes take the form of a monetary value (grant, payment, time spent by an employee), but will often have to employ other forms of measurement (ranking on a scale of preferences, assessment of quality improvement, etc). The value created will be the sum of these evaluations, making use of objective measurement, collective discussion, and negotiation between partners. Once the process is completed, we return to a key concept of value theory: value is not an objective piece of data but instead is the result of a more or less institutionalised agreement. Value chain analysis is an attempt to methodically develop this agreement.

Next steps and upcoming initiatives

The first findings of our research will be published in the second half of 2020.

Find out more: <https://fonda.asso.fr/les-experimentations-ess-et-creation-de-valeur>

Who we are

La Fonda is the non-profit sector's think tank and was created in 1981. La Fonda has been and remains a forum for meeting and comparing ideas. La Fonda was where the *Coluche* amendment was drafted (enabling donors to claim tax relief on charitable donations), and the *Mouvement associatif* (umbrella group for non-profits in France) and the *Haut-conseil à la vie associative* (non-profit sector consultation and decision-making forum) were first conceived. The think tank has developed participatory strategic foresight methods to help non-profit sector stakeholders and their partners to develop a strategic vision. La Fonda conducts studies, runs working groups and strategic foresight workshops, and mobilizes experts with a diverse range of skills to inform the non-profit sector and support its stakeholders.

www.fonda.asso.fr

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