

Social Impact measurement for the Social and Solidarity Economy

OECD Global Action

Promoting Social & Solidarity Economy Ecosystems



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OECD Global Action “Promoting Social and Solidarity Economy Ecosystems”

The OECD Global Action “Promoting Social and Solidarity Economy Ecosystems”, funded by the European Union, through its work stream on social impact measurement, endeavours to: 1) explore current social impact measurement practices among social and solidarity economy organisations; 2) identify the methodologies best suited to capture the social benefits of the social and solidarity economy; and 3) understand what policy initiatives can be used to foster a social impact measurement culture and practice in the social and solidarity economy.

After discussing the origins and drivers of social impact measurement, this paper examines existing methodologies developed at the local, national and international level and finally reviews how these are being implemented in the social and solidarity economy. It takes stock of the policy mapping exercise conducted by the OECD, which draws on responses to an online survey and on the stakeholder consultations conducted in Brazil, Canada, India, Korea, Mexico and the United States.

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Acronyms

AICCON	<i>Associazione Italiana per la promozione della Cultura della Cooperazione e del Nonprofit</i> (Italian Association for the Promotion of the Cooperation and Non-Profit Culture)
ALMP	Active Labour Market Programme
BAG WfBM	<i>Bundesarbeitsgemeinschaft Werkstätten für behinderte Menschen e.V.</i> (German Federal Association of Workshops for Disabled People)
BAME	Black, Asian, Minority Ethnic
CBA	Cost-benefit analysis
CEDP	European Cooperative Development Platform
CEPES	<i>Confederación Empresarial Española de la Economía Social</i> (Spanish Social Economy Employers' Confederation)
ENIMPACTO	<i>Estratégia Nacional de Investimentos e Negócios de Impacto</i> (Brazilian National Strategy for Impact Investment)
EU	European Union
FNARS	<i>Fédération Nationale des Associations d'Accueil et de la Réinsertion Sociale</i> (French National Federation of Reception and Social Rehabilitation Centres)
GECEs	<i>Groupe d'Experts de la Commission sur l'Economie sociale et les entreprises sociales</i> (Commission Expert Group on the social economy and social enterprises, European Union)
GIIN	Global Impact Investment Network
GOGLA	Global association for the off-grid solar energy industry
ILO	International Labour Organisation
IMP	Impact Management Project
INAES	<i>Instituto Nacional de la Economía Social</i> (National Institute of the Social Economy, Mexico)
INDESOL	<i>Instituto Nacional de Desarrollo Social</i> (National Institute of Social Development, Mexico)
ISO	International Organisation for Standardisation
KoSEA	Korea Social Enterprise Promotion Agency
KPI	Key performance indicator

LA:RISE	Los Angeles Regional Initiative for Social Enterprise
OECD	Organisation for Economic Co-Operation and Development
RCT	Randomised control trials
SDG	Sustainable Development Goals
SIMPLE	Social Impact measurement for Local Economies
SROI	Social return on investment
SVI	Social Value Index
TISS	<i>Territoires innovants en économie sociale et solidaire</i> (Innovative territories in the social and solidarity economy, Canada)
UN	United Nations
UNAM	<i>Universidad Nacional Autónoma de México</i> (National Autonomous University of Mexico)
VISES	<i>Valorisation de l'Impact Social de l'Entrepreneuriat Social</i> (Valorisation of the Social Impact of Social Entrepreneurship)

Executive summary

The social and solidarity economy comprises a diversity of organisations (e.g. associations, cooperatives, mutual organisations, foundations and social enterprises) in many sectors of activity. Driven by a mission of social purpose and other common principles, such as the primacy of people over capital and participatory governance, they have grown in importance and visibility over the years, accelerated by growing societal momentum around solidarity, sustainability and social inclusion. However, despite this growth, there exists no single internationally accepted conceptual framework to value the social impact they make, nor to understand the drivers and obstacles to create that impact.

Both public and private efforts are encouraging social impact measurement

Social and solidarity economy entities are increasingly requested to demonstrate their positive contribution to society through measuring their social impact. The uptake of social impact measurement is being driven by internal and external factors:

- Social impact measurement is an essential practice for social and solidarity economy entities to purposefully implement their social mission. Social and solidarity economy organisations need impact information in order to effectively allocate resources to social value creation, improvise and innovate in their activities, inform scaling strategies, increase stakeholder engagement and funding, and support political and public advocacy. Evidence confirms that social entrepreneurs and charities increasingly and regularly track progress towards impact goals.
- Policy makers are gradually shifting their grounds for decision-making from activities to outcomes, throughout their financing, procurement and regulatory efforts. They are increasingly shifting their attention from measures of economic impact only to broader social outcomes, such as quality of life and well-being. Public policies that place greater emphasis on competition for contracts, user choice and value for money also call for further attention to social impact reporting.
- Multiple and diverse reporting expectations from external donors and investors are growing as the social and solidary economy diversifies its financing sources. Both social enterprises and non-profits tend to prioritise, not surprisingly, funder requirements in defining their approach. Foundations and charities, but also cooperative banks and micro-finance institutions, can be considered both members of the social and solidarity economy and funders of similar entities, such as social enterprises or non-profits. As such, social and solidarity economy organisations are both standard setters and recipients of impact measurement requirements.

Methods for social impact measurement can be difficult to navigate

To foster a shared understanding and help the social and solidarity use and benefit from social impact measurement, the concept and practice needs to be clarified and streamlined. Social impact measurement aims to assess the social value and impact produced by the activities or operations of any for-profit or non-profit organisation (European Union/OECD, 2015^[1]). The term has only recently gained

popularity and stands at the juncture of pre-existing approaches such as performance management, evaluation and accounting. The lack of a clear and agreed definition of social impact makes it difficult for stakeholders to understand and translate it into meaningful practices. Several methods exist to measure social impact, but they are not necessarily coherent among themselves and adapted to the social and solidarity economy. This multitude of options hampers visibility and fundraising opportunities.

Social impact measurement methodologies can appear confusing and fragmented for social economy entities. A striking feature is simply the large number of options available. Social impact measurement practice ranges from (most basic to most complex): identifying potential impacts, counting outputs and beneficiaries, collecting stakeholder feedback, using standardised metrics, measuring well-being, populating predefined frameworks, conducting impact evaluations and attributing a monetary value to the impacts identified. These subsequent levels build on one another, moving along the logic chain from outputs, to outcomes and, possibly, monetisation. They require increasing levels of knowledge, resources and skills to master the more elaborate techniques.

There has been a strong push for standardisation at the international level over the last decade, from the public and private sector alike. Despite significant progress, there is not one universally agreed methodology. Prevailing solutions are often perceived as poorly adapted to social and solidarity economy organisations since, to a large degree, the conversation has so far been shaped by private institutional investors and commercial businesses. This runs the risk of disenfranchising those working on the frontlines by forcing upon them ill-suited frameworks and measures. In response, there is emerging consensus that a one-sized fits all approach would be inappropriate and social and solidarity economy representatives are increasingly requesting more bottom-up and flexible approaches.

The implementation of social impact measurement presents opportunities and challenges for the social and solidarity economy

The response to institutional pressure for social impact measurement ranges from complete resistance to external demands, to proactive and voluntary use for learning and promotional purposes. Still, the lack of capacity or motivation to engage with social impact measurement on the frontlines can be a hindrance to the common agenda of both implementing organisations and their financiers.

In practice, many factors will influence how social and solidarity economy entities decide which specific indicators, tools, methods or frameworks to adopt. External drivers include funder requirements, prevailing sector practices and the availability of methodological guidance. Internal determinants can be found in the governance and organisational culture, the purpose of assessing impact, and the nature and complexity of the theory of change being pursued. The lack of dedicated resources for social impact measurement, within each social and solidarity economy organisation and in the sector as a whole, is a pervasive problem.

Social and solidarity economy organisations must also confront steep methodological hurdles. Rigorous data collection and analysis are needed to establish credible causal links between what organisations do and the impact that is created. Measurement can be particularly arduous for intangible and subjective impacts, such as social capital, well-being, soft skills, and other psycho-cultural aspects. The process should foster employee buy-in and motivation, while also including diverse stakeholders in a fair and accessible manner. Finally, in a context of limited resources, social impact measurement triggers a constant tension between satisfying internal learning needs as opposed to external accountability demands.

Governments can help promote uptake of social impact measurement

National and local governments can adopt a range of possible initiatives to foster a social impact measurement culture in the social and solidarity economy:

- **Improve the policy framework by creating the enabling conditions and setting incentives to conduct social impact measurement.** It is helpful if there is a whole-of-government approach by aligning and coordinating such policies across the public administration. This may entail explicitly prioritising social impact measurement in public strategies related to the social and solidarity economy, taking legislative or regulatory action to enforce impact measurement, or ring-fencing public funding for such activities.
- **Deliver guidance on social impact measurement methodologies,** with specific attention to the needs of the social and solidarity economy. They may directly support their design and dissemination, provide open access manuals, define a common measurement framework and harmonised reporting standards that cover social, environmental and governance aspects.
- **Help produce and disseminate impact evidence,** to raise awareness on the social and solidarity economy as a whole and to reduce the cost of accessing data for single entities. For instance, they can mandate impact studies on the social and solidarity economy, create knowledge repositories or make data publicly available.
- **Support capacity development** in social impact measurement, for instance by offering dedicated funding or training from specialised intermediaries and by mobilising networks of expertise and other resources.

Public authorities need to understand the pros and cons of different approaches they may take.

While public support is direly needed to advance social impact measurement, it might trigger unintended consequences by increasing reporting burden, discouraging innovative practices, disadvantaging emerging or small organisations, etc. Whilst the promotion of simple, harmonised indicators could facilitate more widespread adoption, it may fail to capture more complex phenomena. At the same time, raising the bar for social impact measurement, especially without the appropriate capacity building efforts, is likely to discriminate against smaller entities that do not have the resources to develop adequate protocols. Care is also needed when considering the scope of the measures, since social impact is not immediate but emerges over a period of time. Metrics that focus on short-term impacts are therefore likely to bias funding towards more immediate solutions, rather than in support of long-term social progress.

1 Introduction

Social and solidarity economy entities¹ are under increasing pressure to demonstrate their value added to society, as all actors across the private sector, including financial and corporate players, take strides to plan, implement, and assess their impact strategies. Public policies that place greater emphasis on competition for contracts, user choice and value for money call for further attention to social impact measurement. External donors and investors request evidence on how resources are used and what results are achieved (Clark et al., 2004^[2]). Most importantly, social and solidarity economy organisations can proactively and voluntarily embrace social impact measurement for both learning and promotional purposes.

Box 1.1. By definition, the social economy and the solidarity economy plays an important role in making our economies and societies more sustainable and focused on people and the planet's needs

The social economy gathers a diversity of organisations that are driven by common principles, such as solidarity, the primacy of people over capital, democratic and participatory governance. They typically include associations, cooperatives, mutual organisations, foundations and more recently, social enterprises. Social economy organisations distinguish themselves in two respects: their *raison d'être*, as they primarily address societal needs and pursue a social purpose, and their way of operating because they implement specific business models based on collaboration, typically at the local level.

The solidarity economy aims to transform economies and societies to adopt practices based on solidarity and social inclusion. The term has different meanings according to the geographical context in which it is used. In South America, especially in Brazil, it mainly refers to the popular economy and to self-governed economic initiatives in rural and urban areas; in Canada (Québec), it is linked to cooperatives, non-profit enterprises as well as to community economic development (*développement économique communautaire*) and in Europe to solidarity initiatives, mainly, but not exclusively, in the proximity services, e.g. elderly or child care (European Union, 2012^[3]). Sometimes the term is used in association with the term social economy (as in Québec) and sometimes in opposition to it, notably where the social economy is seen as composed of established organisations, while the solidarity economy mainly refers to non-established grassroots initiatives aimed at experimenting with new paths of economic development.

Social impact measurement aims to assess the social value and impact produced by the activities or operations of any for-profit or non-profit organisation (European Union/OECD, 2015^[1]). It is commonly thought of as the process of understanding how much social change occurred and can be attributed to an organisation's activities. An opinion by the European Economic and Social Committee further clarifies that “social impact measurement aims to measure the social outcomes and impact created

¹ Hereafter, members of the social and solidarity economy are interchangeably described as organisations, actors or entities, without prejudice to their legal form or status.

by specified activities of a social enterprise and not the enterprises itself (...). It is an on-going process and integral part of the enterprise's activity and an important strategic planning tool" (EESC, 2014^[4]).

The term "social impact measurement" has only recently emerged and stands at the juncture of other pre-existing approaches such as performance management, evaluation and accounting (Clifford, 2014^[5]; Gibbon and Dey, 2011^[6]; Alix, 2015^[7]; Gentile, 2002^[8]). As of today, there is no official international agreement on a common standard or definition, despite increasing attention by policy makers around the world. In fact, several synonyms are frequently used interchangeably, such as (social) impact assessment, social value measurement, social performance measurement or reporting.

Each word ("social", "impact" and "measurement") lends itself to different interpretations, with their own conceptual and practical implications (further developed in section 3). The following notions can be adopted to frame the discussion:

- **SOCIAL:** in a narrow sense, the term relates to individuals and communities, and the interaction between them (European Commission, 2014^[9]). In practice, when coupled with impact, social often encompasses the environmental, economic or governance dimensions, since they ultimately bear societal consequences.
- **IMPACT:** according to the OECD, the term indicates the ultimate significance and transformative (potential, assumed, and/or achieved) effects of an intervention (OECD, 2019^[10]). In market jargon, impact typically encompasses changes observed across the whole results chain, including immediate outputs, intermediary outcomes and long-term impacts.² Another important distinction must be drawn between observed or verified results as opposed to those that are only expected or modelled (hence assumed). The European Commission (2014^[9]) further underlines the causal relation, whereby impact is regarded as "the extent to which that change arises from the intervention".
- **MEASUREMENT:** the term implies the dominance of a quantitative dimension, as opposed to more qualitative approaches that may be referred to as evaluation or assessment. In the academic literature, measurement is defined as the process of describing and expressing the properties of objects (i.e., the changes in condition of different individuals and groups). Evaluation³ is determining whether or not the intended goals for those properties and objects being measured were achieved. Assessment can be used as a synonym for both measurement and evaluation. Intrinsically, these are all forms of impact analysis, based on diverse sources of evidence, and with specific features depending on the intended users and functions.

Despite the growing emphasis on impact quantification, there is broad consensus in the scientific community that mixed-method approaches combining qualitative and quantitative data are preferable. They allow for determining the extent of the change, while also understanding the reasons and conditions of how it was achieved.

² According to the OECD Glossary of Key Terms in Evaluation and Results Based Management, outputs are defined as the products, capital goods and services, which result from a development intervention. Outcomes are the likely or achieved short-term and medium-term effects of an intervention's outputs. Finally, impacts are the positive and negative, primary and secondary long-term effects produced by an intervention, directly or indirectly, intended or unintended. Results is instead a more comprehensive term that encompasses outputs, outcomes or impacts (OECD, 2019^[10]).

³ Evaluation is the systematic and objective assessment of an on-going or completed project, programme, policy or organisation, its design, implementation and results. The aim is to determine the relevance and fulfilment of objectives, development efficiency, effectiveness, impact and sustainability. Evaluation also refers to the process of determining the worth or significance of an activity, policy or programme (OECD, 2010^[126]).

In order to promote a shared understanding and increased uptake by all actors in social and solidarity economy ecosystems, the concept and practice of social impact measurement need to be clarified and streamlined. The lack of a clear and agreed definition of social impact makes it difficult for stakeholders to understand and translate it into meaningful practices. Several methods exist to measure social impact, but they are not necessarily coherent among themselves and adapted to the social and solidarity economy ecosystem.

After discussing the origins and drivers of social impact measurement, this paper examines existing methods developed at the local, national and international level and finally reviews how these are being implemented by social and solidarity economy entities.⁴ In particular, it distinguishes between the methodologies available at the policy level and those most frequently applied by social and solidarity economy organisations.

⁴ The paper draws on a mapping exercise conducted by the OECD in all the countries targeted by the Action, mostly relying on an online survey and desk research. The survey, which addressed the topic of social impact measurement together with other priorities of the Global Action, was disseminated between April and June 2020 amongst OECD contacts and international networks. In total, 450 individual responses were registered from all EU countries and non-EU countries targeted by the Action. In parallel, the OECD conducted desk research to analyse the main questions and trends emerging from the existing academic and policy literature.

In order to test and enrich the initial findings of the mapping exercise, the OECD convened an online expert meeting on 25 January 2021. The objective was to explore the different methodological trends related to social impact measurement and how public action can foster learning and accountability in the social and solidarity economy. The event gathered 46 participants, each of them experienced in both impact measurement and social economy, with representatives from the 6 non-EU partner countries of the Global Action and 15 EU Member States.

2 Origins of social impact measurement for the social and solidarity economy ecosystems

Although the term “social impact measurement” has only recently gained popularity, its development can be linked to earlier efforts to identify, monitor, and foster social progress resulting from public and private actions. Social impact measurement practice today builds on, and extends these practices in novel ways, but it is not a “brand new” phenomenon. The degree of emphasis placed on it, the range and sophistication of methods for conducting it, and the breadth of actors now embedding it as a daily activity, are what is striking about the current state of social impact measurement.

This section retraces the origins and specificities of social impact measurement in the social and solidarity economy. It describes the importance of social impact measurement from the perspective of social and solidarity economy entities, policy makers and finance providers. It further discusses how the different information needs can at times result in competing or diverging interests, due to the inherent tension between learning and accountability.

Social impact measurement existed long before the term became popular

Social impact measurement as a practice has existed under many different names, and drawn from interdisciplinary approaches, since the early 20th century (Freudenburg, 1986^[11]). Its historical roots span from public planning and evaluation of social progress to market-based accounting practices that convey the return from investing on social targets (Dufour, 2016^[12]; Rauscher, Schober and Vienna, 2012^[13]). Only recently, social impact measurement has emerged from the margins of public evaluation and market-based initiatives to become an embedded and mainstreamed practice in shaping and accounting for impact-driven activities across the public and private sector.

With the formal introduction of evaluation and accountability to social goals in the public sphere, **social impact measurement methods went through a series of developmental transformations** (Reisman et al., 2015^[14]). Since approximately 2010, the focus has been to develop strategies, practices, and principles that enable the effective collection and use of available social impact data across a variety of stakeholders. The traditionally distinct roles of monitoring and evaluation have blurred, with evaluation expertise considered important to strategic decision making, and leading to ongoing and continuous social impact measurement usage.

Simultaneously to the development of social impact measurement in the public sphere, economic and financial actors have been designing and introducing social impact measurement methods specific to their needs. While inspired by each other, the public and market-based trends in social impact measurement practices have largely occurred in parallel. The growing private sector interest in showing positive externalities (from an environmental, social and governance perspective) led to an expansion of market-based instruments for creating and evidencing positive social change. In turn, the increased

availability of market-based solutions for impact measurement enticed public administrations to resort more and more frequently to similar instruments, for instance through social impact bonds or outcome-based procurement.

Today, a wide range of market-based initiatives relies on social impact measurement to provide critical information on progress and returns. Impact bonds, which are typically implemented by social and solidarity economy entities, have come into the limelight over the last decade; both for domestic experimentations and in the framework of international development co-operation. The latest estimates indicate that 206 impact bonds have been implemented in 35 countries, mostly related to employment and social welfare objectives (Brookings, 2021^[15]). However, market-based actors that design and implement social impact measurement are primarily interested in using it to assess particular projects or services, rather than as a tool to foster social progress across society more broadly.

The discourse on social impact measurement has thus reached a crossroad between publicly driven evaluation and this range of investor and corporate reporting on impact. Governments require social impact measurement in order to monitor social outcomes (not only outputs), whereas market-based actors use it to demonstrate the transactional value of investments. The former are therefore more embracing of participatory practices to social impact measurement, whereas the latter retain an emphasis on quantitative (often monetised) methodologies, which do not systematically imply stakeholder engagement. In this conjuncture, the targets set by the United Nations Sustainable Development Goals have introduced a common, global framework⁵ to which public and private actors are massively adhering in an unprecedented collective effort.

Both internal and external drivers encourage social impact measurement in the social and solidarity economy

Available evidence suggests that **social and solidarity economy entities are increasingly engaging in social impact measurement.** The Global Entrepreneurship Monitor revealed that, in 2015, about 33% of social enterprises worldwide measured their impact.⁶ Furthermore, the survey found a significant positive relation between impact measurement and the economic mission, size and innovativeness of the social enterprises surveyed (Bosma et al., 2015^[16]). Certain countries experience even higher trends. For instance, the German social enterprise monitor highlights that almost 68% of the surveyed social entrepreneurs regularly tracks the achievement of their impact goals (Hoffmann, Scharpe and Wunsch, 2021^[17]). Similarly, in France, over 53% of the social and solidarity economy organisations surveyed in 2018 had already engaged in social impact evaluation and almost 25% were planning to do so in the near future (KPMG, 2018^[18]). In the United Kingdom, 75% of charities surveyed in 2012 already measured some or all of their work, and were scaling up these efforts (Ní Ógáin, Lumley and Pritchard, 2012^[19]). Indeed, while the social and solidarity economy comprises a diverse population, its members are exposed to endogenous and exogenous forces that prompt the voluntary, or at times compulsory, uptake of social impact measurement.

⁵ The 17 Sustainable Development Goals are defined in a list of 169 targets. Progress is tracked by 232 unique indicators.

⁶ In this study, a social entrepreneur is defined as an individual who is starting or currently leading any kind of activity, organisation or initiative that has a particularly social, environmental or community objective. Hence, the perimeter does not necessarily align with the OECD or EU definitions of social enterprises, but it is still worth considering as contextual information.

The defining features of social and solidarity economy organisations underscore their vital need for social impact measurement

Social impact measurement can be an essential practice for social and solidarity economy entities, as it assists in understanding how to address social problems and in strategically achieving social impact. Independently of their legal form or governance structure, the pursuit of social objectives is the one common denominator that they all share. Because their primary purpose is to fulfil a social mission, they face heightened pressure to prove their benefits to society, and a strategic need to understand levers and obstacles to positive social value creation.

Based on the primacy of the social mission, social and solidarity economy organisations need impact information in order to:

- **Effectively allocate resources to social value creation:** identify the interventions which are helpful for the given social mission, and those which are not, in order to prove and improve progress on the societal problem at hand;
- **Improvise, experiment and innovate:** creatively adapt standards (e.g. engaging difficult-to-reach target groups; changing public perception of a product/service, promoting inclusive governance practices), particularly relevant when engaging in “social bricolage”;⁷
- **Increase stakeholder participation and collaboration:** work with diverse stakeholders from across sectors and industries in order to foster novel solutions (e.g. addressing HIV infections with a combination of hygiene and education stakeholders);
- **Persuade:** attempt to influence stakeholders through political and public advocacy (e.g. presenting to parliament).

Further, social and solidarity economy entities rely on social impact measurement across all stages of growth, to inform their scaling strategies and secure funding opportunities. Learning from social impact measurement is intimately linked to the ability to identify what operational processes and strategies are effective at creating positive social change, and where improvements are needed, as well as to capture and convey this progress to external stakeholders such as financiers, local supporters, and targeted beneficiary groups. The specific uses of social impact measurement for social and solidarity economy organisations, how they go about implementing them, and the challenges this may entail, are described at more length in section 4.

Public initiatives to promote social impact measurement in the social and solidarity economy

As part of their commitment to social progress, policy makers are gradually shifting their grounds for decision-making from activities to results, throughout their financing, procurement and regulatory efforts. Social impact measurement can help ensure that public resources and other forms of support to social and solidarity economy entities lead to the intended positive social outcomes. Reliable and consistent methods are necessary to confirm that social impact represents a substantive commitment and not just a marketing brand. In particular, larger for-profit companies have repeatedly been criticised for setting intransparent and low requirements for self-reporting and their lack of compliance with them under

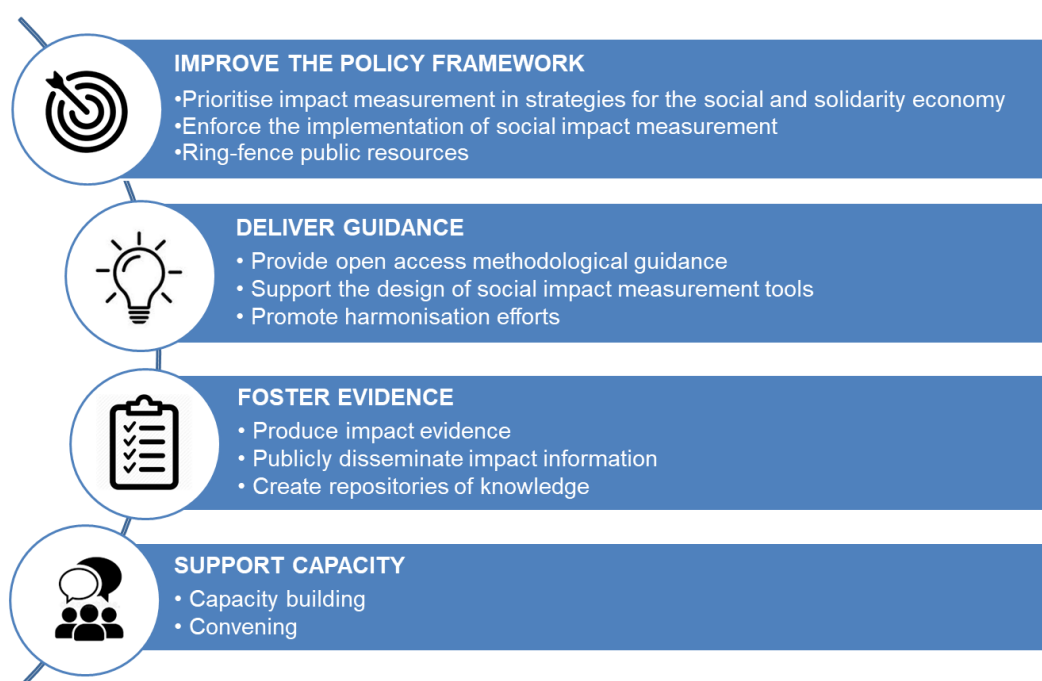
⁷ To be successful in the day-to-day pursuit of a social mission, social and solidarity economy entities must engage in particular operational practices, also referred to as “social bricolage”, the purposeful and creative recombination of ideas and resources (Di Domenico, Haugh and Tracey, 2010^[121]). This is particularly true for social enterprises that strive to balance market income generation with the pursuit of a social mission. In order to maintain their dual purpose over time, they will often need to experiment and innovate, in the face of changing environmental expectation (Smith and Besharov, 2019^[120]).

scrutiny (Adams, 2004^[20]). In order to justify the use of taxpayer money and prevent “impact washing”, policy makers are called to establish and enforce quality standards for social impact measurement (OECD, 2019^[21]). These are required to ensure that supported entities adhere to public priorities, but also to warrant the rigorous collection and dissemination of information.

Across the world, policy makers have made strides to foster the emergence of a social impact measurement culture and support its dissemination in the social and solidarity economy.⁸

Figure 2.1 below presents a range of possible initiatives that national and local governments can take to improve the policy framework, deliver methodological guidance, produce impact evidence and/or support capacity development. The four categories are neither exhaustive nor mutually exclusive. Oftentimes, policy-level initiatives will embed and set the stage for other, more operational activities, such as capacity building.

Figure 2.1. Policy initiatives to support social impact measurement for social and solidarity economy organisations

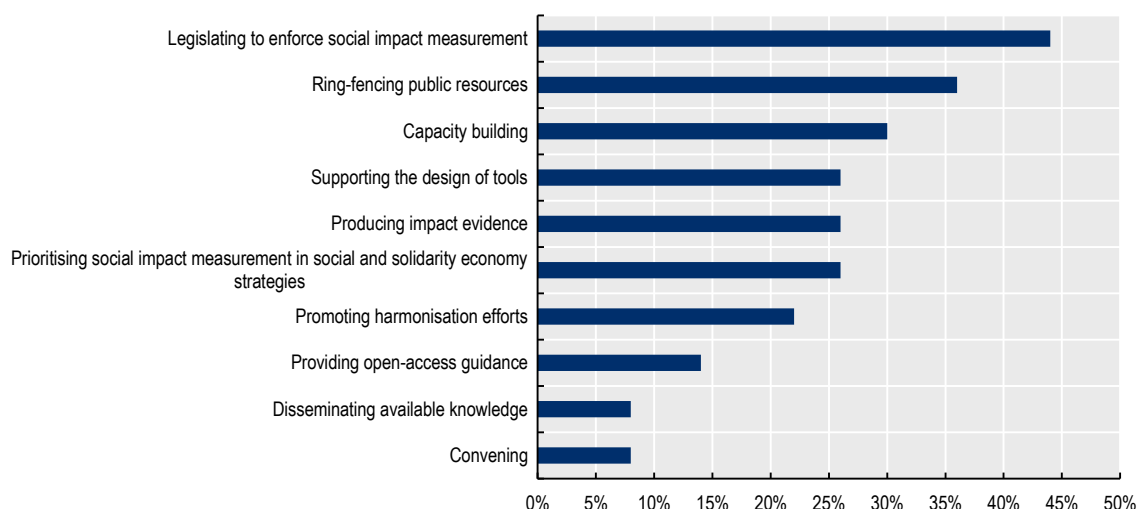


Source: Authors

During consultations with the OECD, stakeholders reported that legislation enforcing social impact measurement (44%), ring-fencing public resources (36%) and capacity building initiatives (30%) are among the most common policy initiatives that have already been implemented (Figure 2.2).

⁸ Historically, governments have actively engaged to promote practices closely affiliated with social impact measurement, such as policy evaluation, cost-benefit analysis, results-based management in many sectors and for multiple uses. While social and solidarity economy organisations may directly benefit from these broader initiatives, only those explicitly targeted to the social and solidarity economy or its actors are described here. A non-exhaustive list of public initiatives identified in countries targeted by the OECD Global Action is provided in 4Annex A, for consultation purposes.

Figure 2.2. Public initiatives implemented to promote social impact measurement in Brazil, Canada, India, Korea and Mexico



Note: Responses collected during the 2021 OECD Global Action Stakeholder Consultations with stakeholders from Brazil, Canada, India, Korea and Mexico (n=50).⁹

Source: OECD

Public authorities need to understand the pros and cons of different approaches they may take.

While public support is direly needed to advance social impact measurement, it might trigger unintended consequences by increasing reporting burdens discouraging innovative practices, disadvantaging emerging or small organisations, etc. Whilst the promotion of simple, harmonised indicators could facilitate more widespread adoption, particularly among smaller organisations, where reporting burdens will be more acutely felt, such an approach may fail to capture more complex phenomena. However, at the same time, raising the bar for social impact measurement, (especially without the appropriate capacity building efforts), is likely to discriminate against smaller entities that do not have the resources to develop adequate protocols. Care is also needed when considering the scope of the measures, particularly concerning entities where the social impact is not immediate but emerges over a period of time.. Metrics that target short-term impacts therefore are likely to bias funding towards social entities with more immediate impacts rather than in support of long-term social progress.

Improving the policy framework

First and foremost, **governments can improve the policy framework by creating the enabling conditions and setting incentives to conduct social impact measurement.** This can help ensure a whole-of-government approach by aligning and coordinating interventions across the public administration.

In recent years, **a number of countries have issued legislation or regulation to enforce social impact measurement**, often as part of their efforts either to support the development of social entrepreneurship or to integrate social impact considerations in public funding and procurement. Notwithstanding the benefits that measurement can accrue through increasing access to private finance, any public action that increases the ability of those whose lives are affected, to hold an organisation to account, will also have the effect of increasing demand for social impact measurement. Social impact measurement and reporting

⁹ Between April and June 2021, the OECD conducted a series of stakeholder consultations with a total of 106 experts, social and solidarity economy representatives and national and local policy makers in the Global Action partner countries (Brazil, Canada, India, Korea, Mexico and United States). During these virtual meetings, survey responses were collected before delving into an interactive discussion.

has been prescribed as mandatory condition to obtain a specific legal form or status, which in turn often gives right to fiscal privileges. This is typically the case for social enterprises or social cooperatives in Italy, Slovenia, Lithuania, Luxembourg, etc. The legislator may introduce standardised requirements, whereby accredited social enterprises are obliged to follow a common reporting format and disclose the same information. In India, the public agency NITI Aayog has adopted recommendations to implement minimum standards for social impact reporting in 2020. Governments can also introduce social impact measurement as a requirement to access public procurement markets. The United Kingdom Social Value Act of 2013 requires local authorities to consider how their procurement decisions promote social value, thus providing an incentive for all organisations who seek government contracts to attempt to measure and report their social impact. In 2019, the Italian government issued guidelines for the evaluation of the activities contracted out to third sector entities.

Governments can directly support social impact measurement by ring-fencing part of the public resources disbursed in the form of subsidies or contracts. They can also fund social impact measurement activities indirectly, as a requirement of outcome-based policy initiatives. For instance, the Social Impact Partnerships to Pay for Results Act in the United States appropriated USD 100 million in 2018 to implement Social Impact Bonds, which, by design, require robust impact measurement. Social impact measurement is a cornerstone of all forms of social outcome contracts, whether they are fully-fledged social impact bonds and other forms of payment-by-results schemes. Involving the service provider in the definition of outcome measures and the evaluation design can help prevent mission drift and ensure that medium-term impacts were considered in addition to short-term impacts (PPMI and Politecnico di Milano, 2020^[22]).

Some governments have chosen to explicitly prioritise social impact measurement in their strategies to promote social and solidarity economy development. This is the case for instance in the Bulgarian Social economy action plan 2018, where the second objective clearly lays out the country's plan to adopt an index for measuring the environment, results and trends in the development of the social economy at the national level (Council of Ministers of the Republic of Bulgaria, 2018^[23]). The 2010 German National Engagement Strategy aimed at supporting initiatives to develop standards to measure and report impact of social enterprises and social innovation (European Commission, 2018^[24]). The Social Enterprise Policy for Ireland 2019-2022 recognises the need to raise awareness on the impacts of social enterprises and that social enterprises, in turn, need to be supported in this regard (Government of Ireland, 2019^[25]). The 2018 Swedish Social Enterprise Strategy tasks the Swedish Agency for Innovation Systems (*Vinnova*) with further developing the area of impact measurement with the objective to strengthen social enterprises and increase the visibility of their contributions to social value creation and social innovation (Swedish Ministry of Trade and Industry, 2018^[26]).

Such policy-setting efforts can create impetus for further public, and private, engagement towards impact measurement further down the line. For instance, in 2017, the Brazilian federal government put in place the National Strategy for Impact Investment (ENIMPACTO). This is structured along five strategic axes that include the creation of more impact businesses. In 2018, the Ministry of the Economy also constituted the Impact Investment and Business Committee (*Comitê de Investimentos e Negócios de Impacto*), an advisory body tasked with proposing, monitoring, evaluating and articulating the implementation of ENIMPACTO. While the federal level bills supporting the social and solidarity economy have been revoked since 2019, activity on the local level is still thriving, including in regards to impact measurement. The city of São Paulo, for example, has put in place a municipal policy to promote impact investment and business in 2020. In Brazil, universities as well as community banks are also leading the development of mappings, new methodologies and could benefit from further governmental support.

Deliver guidance

Governments can deliver guidance on social impact measurement methodologies, to facilitate their voluntary adoption and adherence to certain protocols. They can offer open-access manuals, which are often developed in partnership with capacity building intermediaries or representatives of the social and solidarity economy. For example, the German government supported the development of the Social Impact Navigator that is hosted by Phineo, a non-profit analysis and consulting firm (OECD, 2017^[27]). Similarly, the Government of Finland supports the *Hyv n Mitta* (Good Measure) project that provides advice and examples to social and solidarity economy organisations on measuring their impact (Hyv n Mitta, 2019^[28]). In the Netherlands, the Impact Pad was developed in 2018 by a consortium involving a specialised consultancy firm, the national platform for social enterprises and a research centre (OECD, 2019^[29]).¹⁰

A more advanced option is to support the design and dissemination of social impact measurement methodologies, more or less tailored to the social and solidarity economy. In Ireland, the Department of Rural and Community Development has promoted the “My Journey: Distance Travelled Tool” for measuring the effects of social inclusion and community activation programs on ‘soft skills’ such as literacy and numeracy confidence, self-efficacy, communication, and work readiness (Pobal, 2020^[30]). In the United Kingdom, the Big Lottery Fund financed the design of the Outcome Star. Similar initiatives are frequently undertaken at the local level. In Greece, the City of Athens has adopted a methodology and evaluation tool for social enterprises since 2014 (Social Develop Athens, 2014^[31]; Temple et al., 2017^[32]). In Belgium, the Flanders Innovation and Entrepreneurship Agency promoted the Impact Wizard tool, designed by the Social Innovation Factory in 2016 (Impact Wizard, 2016^[33]). The Korean Social Enterprise Promotion Agency, together with the Korea Credit Guarantee Fund, have developed the social economy enterprise assessment model, the Social Value Index in 2017 (see Box 3.3). At the same time, the Ministry of SME’s and Start-ups has developed a Social Venture Valuation Model to gauge the social performance and innovation of start-ups. Local governments such as the Seoul Metropolitan City in 2014 have also developed frameworks and measures for the social and solidarity economy.

In some cases, **these initiatives can go as far as defining a common measurement framework.** This can take the form of looser process guidelines, as in the standard for social impact measurement proposed by the European Commission Expert Group on the social business initiative (GECES, 2015^[34]) to be used in legislation and practice. National and local authorities can choose to develop more precise indications to foster the emergence of aggregate and comparable data. In France, in 2012, the Ministry of Labour, Employment and Inclusion and the EU supported the elaboration of specific indicators to evaluate the performance of work integration social enterprises.¹¹ The Government of Ontario, in partnership with MaRS Discovery District, developed social impact metrics for social entrepreneurship.

In other instances, governments may choose to **support the adoption of harmonised reporting frameworks,** which indicate how social, environmental and governance information should be presented, although they do not necessarily delve into considerations of quality or robustness (Ryu et al., 2021^[35]). One notable example is the Social Reporting Standard, developed in Germany by a consortium of stakeholders¹² with support from the Federal Ministry for Family, Seniors, Women and Youth in 2010 (Social Reporting Standard, 2018^[36]).

¹⁰ Developed by Avance, Social Enterprise NL and Impact Centre Erasmus, the Impactpad was commissioned as a cross-ministerial effort involving the Ministry of Social Affairs and Employment, Ministry of Economic Affairs and Climate Policy, Ministry of Foreign Affairs. https://impactpad.nl/wp-content/uploads/Het_Impactpad_NL_2020.pdf

¹¹ https://www.avise.org/sites/default/files/atoms/files/200711_avise_cahier_evaluationutilitesociale.pdf

¹² Ashoka Germany, Auridis gGmbH, BonVenture Management GmbH, PHINEO gAG, Vodafone Foundation Germany, Schwab Foundation, University of Hamburg and the Technical University of Munich

Produce and disseminate evidence

Governments can help produce and disseminate impact evidence, both on the social and solidarity economy directly, but also on topics that are relevant to it. When such evidence becomes a common good, it greatly enhances the capacity of all actors in the ecosystems to engage in social impact measurement. Greater public awareness can further motivate uptake by facilitating access to finance and by avoiding impact-washing.

Policy makers can directly mandate studies on the impact of the social and solidarity economy.

The Spanish Ministry of Employment and Social Security helped to fund a study to measure the contribution of the social and solidarity economy to social cohesion. The study found that, if social and solidarity economy entities behaved like traditional companies, more than 172 483 difficult to employ people would lose a job, about 125 000 workers would lose their stable employment relationship annually and 54 236 jobs would be lost in rural Spain (CEPES, 2020^[37]). In the United States, the Los Angeles Economic and Workforce Development Department performed an impact evaluation of the Regional Initiative for Social Enterprise (LA:RISE) in 2019. The German government had also funded a study on the impact of the welfare association sector (Kehl et al., 2016^[38]).

Importantly, **governments can lower the costs of accessing evidence by making data publicly available**. On a global scale, many governments are setting up What Works Centres that collate and disseminate evidence of good practices in different sectors.¹³ In the United Kingdom, the Ministry of Justice hosts the Justice Data Lab, which provides robust, free evidence to social enterprises and non-profits that seek to reduce recidivism, while respecting privacy and confidentiality concerns.¹⁴ It does this by analysing administrative data and providing reports to social and solidarity economy entities. The plan is to expand this practice to other sectors. Similarly, the Portuguese government has sponsored the creation of the ONE VALUE database¹⁵ that aggregates quantitative data about public spending on social issues, thus allowing for a simulation of potential savings delivered by innovative social interventions. In India, the public agency NITI Aayog has published two editions of the SDG India Index, which documents the progress made by states and territories towards achieving the 2030 targets.¹⁶ Villgro, India's oldest and one of the world's largest social enterprise incubators, uses the baseline report to monitor the impact of each investee.¹⁷ In the United States, the 2021 presidential Executive Order on Advancing Racial Equity and the Support for Underserved Communities foresees the establishment of an Equitable Data Working Group tasked to produce better disaggregated data on the national and local level.

Support capacity development

Governments can support capacity building in social impact measurement, for instance through specialised intermediaries, advisory services, special funds, training. Rethink Ireland, a social innovation investor that is partly funded by the Irish government, funds provision of social impact measurement advice to its investees alongside its investments. At a local level, the city of Turin helped establish a capacity-building intermediary, Torino Social Impact,¹⁸ which seeks to build up the social and solidarity economy

¹³ For instance, in the United Kingdom: <https://www.gov.uk/guidance/what-works-network> and in the United States: <https://ies.ed.gov/ncee/wwc/>

¹⁴ <https://www.gov.uk/government/publications/justice-data-lab>

¹⁵ <https://onevalue.gov.pt/page/1>

¹⁶ <https://niti.gov.in/sdg-india-index>

¹⁷ https://iic.in/wp-content/uploads/2020/10/IIC-KPMG-State-of-IMM-in-India.pdf?mc_cid=66f346e0de&mc_eid=69aa5c80da

¹⁸ <https://www.torinosocialimpact.it/>

ecosystem in the city. This includes running the Competence Center for Impact Measurement that offers guidance to social enterprises. In Mexico, the National Autonomous University of Mexico (UNAM) runs a network of business incubators and laboratories that support social entrepreneurs in their impact measurement effort, whereas the National Institute for Social Development (INDESOL) carries out capacity building programmes for civil society organisations.

Capacity development at a systemic level can entail gathering networks of expertise and resources.

In an ambitious project, the Government of Ontario in Canada supported consultations with a wide range of social and solidarity economy stakeholders to identify the types of methodologies and problems they were facing concerning social impact measurement. This led to collaborating with academics and practitioners to convene a Social Impact Measurement Taskforce and a strategy for social impact measurement capacity development in Canada: The Common Approach. Since 2018, the Common Approach work has involved academics, investors, policy makers, social and solidarity economy organisations, and the broader public in the design and delivery of content on social impact measurement. The breadth of activities stemming from this ongoing project includes advisory boards, training videos, self-assessment tools, data standards and a roster of impact champions that work directly with social and solidarity economy organisations.

The role of market-based social and impact financiers

As social and solidarity economy entities rely on alternative sources of financing to launch and scale operations, **a series of social impact measurement expectations derive from different financiers.** Whether they are recipients of non-reimbursable grants, loans, venture capital or guarantees, the bar for extra-financial reporting is rising.

In this respect, **social and solidarity economy representatives can sit on both sides of the supply and demand for finance, and of impact measurement.** Foundations and charities, but also cooperative banks, responsible investors and micro-finance institutions, can be considered at the same time as members of the social and solidarity economy and funders of similar entities, such as social enterprises or non-profits. Thus, in financial transactions, they may figure as both setters and takers of impact measurement requirements. In this sense, philanthropic and charitable actors are vested with a double responsibility in determining the prevailing social impact measurement practices. The most notable example is perhaps the Rockefeller Foundation, which helped coin the term “impact investing” back in 2007 (OECD, 2019^[21]). Another example, among many others, is the David and Lucile Packard Foundation, whose grantees are expected to create and report on impact using a theory of change, an annual dashboard, and annual reflection meetings.¹⁹

To a large degree, the conversation on impact measurement has so far been shaped by private institutional investors, including purely commercial banks, seeking to combine social with financial returns. The widespread recognition that environmental, social and governance outcomes can often strengthen the sustainability of the investment has been drawing increasing volumes of capital towards responsible or impact investing (OECD, 2019^[21]).²⁰ Therein, social impact investment denotes the provision of finance to organisations addressing social needs with the explicit expectation of a measurable social, as well as financial, return (OECD, 2015^[39]). At least in theory, social and solidarity economy

¹⁹ <https://www.packard.org/wp-content/uploads/2019/01/Moving-from-Good-to-Great.pdf>

²⁰ The Global Impact Investment Network (GIIN) estimates the market at USD 715 billion in 2020, showing considerable growth through the years. The same survey found there to be USD 218 billion assets under management by social and impact financiers in 2018. According to GIIN surveys, the total number of impact investors has climbed steadily, from approximately 50 in 1997, to 294 as of the 2020 edition. <https://thegiin.org/research/publication/impinv-survey-2020> <https://thegiin.org/research/publication/annualsurvey2018>

entities, especially social enterprises, represent the ideal target for impact investors, albeit not the only one.

Social impact measurement and management is a core characteristic, but also a persistent challenge, for the impact investing market. In this context, social impact measurement is about supporting the pursuit of positive impacts, enhancing those impacts, and providing stewardship towards the investees. It is central and necessary for decision making throughout the investment cycle, from deal screening to exit. As such, philanthropies and commercial investors have taken the lead in testing new methods and influencing the international debate, as evidenced in the work of the Global Impact Investment Network (GIIN). Other notable examples include the impact measurement and management guidance by the European Venture Philanthropy Association (EVPA, 2013^[40]), the Universal Standards for Social Performance Management,²¹ and the Operating Principles for Impact Management²² initiated by the World Bank's International Finance Corporation. Despite these and other recent attempts at convergence through international initiatives,²³ proprietary solutions developed by single investors²⁴ continue to contribute to the growing reporting fatigue experienced by investees and ultimate beneficiaries.

Emerging international standards

Although there have been many waves in social impact measurement, and some loose efforts at harmonisation since the 1990s,²⁵ **there has never been such a bubbling of support for standardisation at the international level.** Impact investors have coalesced to demonstrate, strategize, and maximize their positive social returns. Companies from across a wide variety of industries now attempt to embed social and environmental considerations into operations by leveraging their corporate responsibility strategies. Policy-makers worldwide desire to understand whether or not nations are achieving societal progress and what can be done to improve outcomes.

International discussions around standardisation have recently coalesced under the Impact Management Project²⁶ (IMP), a multi-stakeholder forum for debating and building consensus upon international norms for impact measurement and management. One of their main contributions so far has been fostering a common understanding around the five dimensions of impact (who, what, how much, contribution and risk) among a wide-ranging community of both enterprises and investors. More recently, they have gathered a structured network of international standard setting organisations,²⁷ including the OECD, in a concerted effort to develop a landscape of standards for impact measurement, management and reporting. Their consultations confirmed the desirability and feasibility of standardisation across the enterprises and investors²⁸ represented in those discussions. However, given the heterogeneity of actors

²¹ <https://sptf.info/universal-standards-for-spm/start-here>

²² <https://www.impactprinciples.org/>

²³ Universal Standards for Social Performance Management, GIIN IRIS+, the Development Finance Institutions' Joint Impact Model and the Harmonised Indicators for Private Sector Operations <https://indicators.ifipartnership.org/>

²⁴ Examples include: Blue Orchard Social Performance Impact Reporting & Intelligence Tool, LeapFrog's measurement framework, Gray Ghost Ventures' Social Value of Paid-in Capital.

²⁵ One early example being the OECD Development Assistance Committee's criteria for Development Evaluation <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

²⁶ See website for more information: <https://impactmanagementproject.com>

²⁷ <https://impactmanagementproject.com/impact-management/structured-network/>

²⁸ IMP's Standardisation in Impact Management, discussion summary report, August 2020:

and impacts, practitioners recognised that standardisation should be complemented with an array of bespoke measures dependent upon context and social area targeted by interventions.

Despite significant progress, there is not yet one universally agreed methodology and those that exist are perceived as poorly adapted to social and solidarity economy organisations. The IRIS+ metrics, the decent work indicators by the International Labour Organization (ILO) and the Global Reporting Initiative Sustainability Reporting Standards figure among the most frequently applied international standards.²⁹ The Principles promoted by Social Value International, and the standards guiding their application,³⁰ have prompted much progress in the convergence of practices among impact measurement professionals. Very recently, the UNDP SDG Impact Standards³¹ have emerged as potentially relevant for all enterprises committed to contributing positively to sustainable development, irrespective of size, geography, or sector. This includes small and medium enterprises (SMEs), public interest and private entities (both for-profit or not-for-profit), non-governmental organisations.

Yet, most existing international standards often do not meet the specificities and needs of social and solidarity economy organisations. This is because they are generally not developed to measure the specific characteristics of social and solidarity economy organisations, such as their hybrid sources of income (Rawhouser, Cummings and Newbert, 2017^[41]) as well as inclusive governance and ownership (Salathé-Beaulieu, Bouchard and Mendell, 2019^[42]). A recent stocktaking exercise revealed that only a minority of business-oriented frameworks addresses dimensions such as work and life balance, personal security and subjective well-being (Shinwell and Shamir, 2018^[43]). The IMP-led consultations confirm that the degree to which values and priorities can be universalised for different forms of impact remains uncertain (IMP, 2020^[44]). Social and solidarity economy organisations also reported a lack of transparency and high transaction costs and inefficiency linked to existing international standards (Theodos, Payton Scally and Edmonds, 2018^[45]). The proposed metrics are often perceived as lacking flexibility and unable to transmit the meaning and story of social and solidarity economy actors (KPMG, 2017^[46]; Clifford, 2014^[5]).

The multiple strands of social impact measurement efforts complicate and obfuscate individual impact, rather than support and enhance it collectively (Dufour, 2016^[12]). In response, social and solidarity economy representatives are increasingly requesting more bottom-up approaches. For instance, the VISES project,³² with support from the European Regional Development Fund, recently gathered 21 umbrella organisations and 69 social and solidarity economy enterprises to conceive, test and disseminate an appropriate system to value their social impact.³³ Its members advocate for a co-created assessment of the social impact of social entrepreneurship, through a cross-border collaboration between researchers and federations, companies and financiers, beyond national and regional frameworks (VISES, 2017^[47]). The UN Research Institute for Sustainable Development recently embarked on a 4 year project to assess

https://29kjbw3armds2g3qi4lq2sx1-wpengine.netdna-ssl.com/wp-content/uploads/IMP_Standardisation-in-impact-management-discussion-document.pdf

²⁹ A survey conducted by the OECD in 2020 showed that the most commonly adopted standard by social and solidarity economy organisations was the SROI (20.75%), followed by the IRIS Catalog of Metrics (15%), and the Decent Work Indicators by the ILO (10%). There were 90 respondents, who were social and solidarity economy representatives from 6 non-EU countries targeted by the OECD Global Action.

³⁰ <https://socialvalueint.org/social-value/standards-and-guidance/>

³¹ <https://sdgimpact.undp.org/enterprise.html>

³² <http://www.projetvisesproject.eu/>

³³ <http://www.projetvisesproject.eu/ADVOCACY-FOR-A-CO-CREATED-EVALUATION-OF-THE-SOCIAL-IMPACT-OF-SOCIAL-189>

and improve methodologies and indicator systems that measure and evaluate the performance of the social and solidarity economy (UNRISD, 2018^[48]). The inclusive, bottom-up establishment of a powerful and unified voice on the importance of impact evidence is the most important factor driving transformative change in the social and solidarity economy and beyond (Buckland and Hehenberger, 2021^[49]).

Obviously, **a middle ground needs to be found between imposing uniform indicators versus promoting flexible standards for all social and solidarity economy entities**, for instance in the form of shared processes or principles, and by defining specific measures that are relevant for, and reflective of the capacities of, specific types of organisations.³⁴ The latter option seeks to identify a middle ground between universal practices and completely ad hoc approaches, by proffering a mix of indicators that are differentiated by certain sub-sets of the social and solidarity economy together with common indicators that cut across all its members. Rather than focusing on creating a universal set of metrics that every social and solidarity economy organisation must narrowly adhere to,³⁵ this approach recognises the diversity of drivers, actors and intentions for social impact. Although promising, its continued development will require extensive consultation at a grass root level, and creative mechanisms for enabling collaboration between financiers and the social and solidarity economy frontline actors.

Box 2.1. The Canadian Common Approach: a differentiated and community-driven standard for impact measurement

A good example of how harmonisation can be fostered at the national scale, while maintaining some degree of differentiation, is the Canadian Common Approach to Impact Measurement.

Over the course of 2016 and 2017, Ontario's Ministry of Development and Economic Growth conducted extensive stakeholder consultations among social purpose organisations in preparation for a new social enterprise strategy. These revealed that: measurement was considered too time consuming, funders required measures that were different from each other, there were too many tools and methodologies and there was a need for a shared storytelling across the sector. The initiative gradually captured the attention of federal policy makers. Since 2018, the initiative piloted by Carleton Centre for Community Innovation at Carleton University has risen to the national level with funding by Employment and Social Development Canada.

The approach describes a differentiated, research-based, evidence-informed and community-driven measurement standard for social purpose organisations (including for- and non-profit social enterprises, cooperatives, not-for-profit organisations, charities). Following the notion that a standard needs to be a shared culture in order to be sustainable over time, the Common Approach is rooted in two grounding principles:

- The standard and its evolution are shaped by all of its users and all social purpose organisations adopting the standard have an input and participate in the decision-making.
- The power rests with the operating charities and social purpose businesses and those they serve, rather than following the needs of foundations, grant makers and impact investors.

The Common Approach standards do not prescribe to organisations what data to report or use. They make it easier for social purpose organisations to measure and use the data that they find most relevant for their work, as chosen by them rather than by funders. In doing so, it applies a “similar-enough” approach, fostering convergence but refraining from forced harmonisation. It aims to support policy making by fostering the development and evolution of differentiated standards for impact measurement that bolster existing

³⁴ Ruff, K. (2020), *Impact Measurement after COVID19: Expected, unlikely, and ideal*, Medium, <https://medium.com/@KateRuff/impact-measurement-after-covid19-expected-unlikely-and-ideal-2bdfb1791627>

³⁵ <https://commonapproach.org/common-framework-main/>

frameworks and attend to the ways that impact measurement is embedded in systems of accountability and learning.

Source: <https://www.commonapproach.org/>

3 Methodologies for social impact measurement

The availability of multiple options for social impact measurement can be a challenge for practitioners, users, and policy makers alike. For public authorities to promote the adoption of social impact measurement across social and solidarity economy organisations, they first need to have some clarity over what these methods entail, what challenges and opportunities they can bring. This section discusses the sources of variation in different social impact measurement practices; it reviews the main components of these methodologies, as they are applied in the social and solidarity economy, and finishes by pointing to emerging areas of convergence.

Understanding the diversity of social impact measurement methodologies

To a newcomer, and even to an experienced practitioner, **social impact measurement methodologies can appear confusing, fragmented, and unsettled.** A striking feature is simply the large number of options available to social and solidarity economy entities. Over a decade ago, (Ebrahim and Rangan, 2010^[50]) already noted the explosion in methods and tools for assessing social performance and impact. While many representatives from the social and solidarity economy decry this fragmentation,³⁶ there is emerging consensus that a one-sized fits all approach would be inappropriate (OECD, 2015^[39]).

The push for standardisation is the result of a natural desire for comparability and to make life easy for both the producers and users of social impact data. However, there are several reasons why harmonisation is slow and difficult:

- **There is no overarching theory or framework that governs social impact measurement.** Instead, social impact measurement mixes concepts, ideas, and terms borrowed from other disciplines, such as evaluation, accounting, business management, social research, economics, and finance.
- **Social impact is a generic term that refers to a wide variety of effects in a variety of contexts.** Practices vary to fit these different effects, and they evolve over time to keep abreast with methodological advancements.
- Social impact measurement is unregulated and mostly optional (except where reports or performance data are required by funders). Practices are customised to reflect the different tensions that social and solidarity economy entities may face. There is a considerable, discretionary element in making choices about social impact measurement, beyond complying with formal obligations.

³⁶ In his opening keynote to the 2017 International Symposium on Social Entrepreneurship in Singapore, Professor Fergus Lyon implored “Please, no more new tools!”.

Different interpretations of “social impact” determine measurement choices

The lack of a widely held, coherent definition of social impact implies methodological challenges for all actors concerned (Maas and Liket, 2011^[51]; Ebrahim and Rangan, 2014^[52]; Ebrahim, 2019^[53]).

First, **the term “social” is very broad**, covering much of human life, such as health, education, housing, relationships, crime, recreation, employment, and so on. It is often used to distinguish from “private” benefits that accrue to consumers and owners of companies in commercial transactions and recorded in income statements and balance sheets. In this sense, social impact is similar to the notion of externalities or spill-overs used by economists; it encompasses the unintended effects on people that are not party to a commercial transaction and for which organisations are not held to account via market mechanisms. It may also embrace environmental consequences, such as the health toll of air pollution. The absence of conceptual clarity has led some, such as (Ebrahim and Rangan, 2010^[50]), to prefer the term “societal impact” to capture the overall contribution that a non-profit organisation or social enterprise produces for the society as a whole.

Secondly, **there can be differences as to what is meant by “impact”**.³⁷ It is often used in a general sense to refer to any and all effects of an organisation, programme, service, or project, but when it comes to social impact measurement practices two common alternative definitions are:

- the end of chain outcomes in the causal links triggered by an intervention, referring to long-term, wide-ranging and sustained changes (as opposed to more immediate outputs); and
- the difference in a specific outcome compared to a counterfactual, or estimate what would have happened without the programme etc.

The distinction is particularly relevant when organisations seek to establish a causal claim between their activities and the changes observed as a result. Causal inference is often assumed, or equated to statistical correlation, rather than explicitly demonstrated. What is the most appropriate way to establish causality in any given situation remains widely debated, even among methodological experts. Another nuance must be drawn between those impacts that have actually been observed (independently ascertained or verified) and those that are estimated (for instance through statistical modelling). A more sophisticated approach to impact measurement would also need to consider the effects achieved by others (alternative attribution), those that would have happened anyway (deadweight), potential negative consequences (displacement), and sustainability over time (drop-off) (European Commission, 2014^[9]; Nicholls et al., 2012^[54]). Still, the appropriate level of methodological rigour must ultimately be identified on a case-by-case basis, depending on the overall purpose for the organisation and the type of decisions it aims to influence.

To add further definitional problems, **some organisations prefer to talk about creating social value rather than social impact**. One distinction between the two is to consider social impact as the sum of effects that can be measured objectively, and social value is the result of multiplying those impacts by the value that society places on those impacts. However, social impacts are rarely quantifiable in purely objective terms, and there may be different opinions on how to estimate the value of given impact to society (Mulgan, 2010^[55]). For example, the social added value of social enterprises has been defined in terms of the quality, quantity, and consumption of meaningful relationships linked to their activities and to their way of operating (Bassi and Vincenti, 2015^[56]).

Purpose, timing and scope will further influence methodological choices

When entering into a social impact measurement exercise, practitioners need to be aware of the various, stated or implicit, purposes for engaging in it. Indeed, the approach to data collection needs to be customised depending on the decisions it aims to influence. In its essence, the purpose is to

³⁷ See the Impact Management Project glossary for examples of such differences:
<https://impactmanagementproject.com/glossary/>

understand the type and quantity of the impact of an organisation, programme, service, or product, typically on a defined set of stakeholders. There are various reasons why organisations want to know this, and how they will use with the ensuing information. The common distinction is that organisations engage in social impact measurement to:

- **Prove** their impact, through accountability to internal and/or external stakeholders; and/or
- **Improve** their impact, by learning what works well, what works less well or not at all, and choosing the best option for the decision at stake.

An organisation's strategy will affect what social impact measurement practices are a good fit for them. In turn, this will inform how rigorous the data needs to be and what elements need to be considered. If learning is prioritised, the process will focus on what can be improved, and thus pay more attention to potential failures and unintended outcomes. An organisation seeking to demonstrate success will instead emphasize positive impacts at the risk of ignoring negative consequences. The dichotomy between proving and improving can be perceived as reductive and even at times misleading, since indeed a sound social impact measurement approach should strive to reconcile both. A third purpose, that is very important to policy makers, but often overlooked by organisations themselves, is to add to the collective evidence base for the benefit of the whole social and solidarity economy ecosystem.

The perimeter of the analysis is another strategic choice that will determine which methodologies can effectively be deployed. At a minimum, three levels can be identified: *micro* (a project, product or activity); *meso* (the organisation itself); and *macro* (comprising groups of organisations or projects). Typically, individual social and solidarity economy entities will position their social impact measurement efforts at the *micro* or *meso* level, whereas the *macro* level is often the purview of funders (programme or portfolio management), umbrella organisations and policy makers. These are not mutually exclusive. Deciding which level is most appropriate is a management decision that will depend on the level of ambition, funder expectations, and a range of methodological and practical considerations. According to the literature, organisations should at least measure and report on their activities and outputs as these are largely within their control, keeping in mind that outputs do not necessarily translate to outcomes and outcomes do not necessarily translate to impact (Ebrahim and Rangan, 2014^[52]). The scope of the assessment remains however critical, as it will determine the extent to which the organisation is held to account by those whose lives it changes. In addition, a more comprehensive consideration of stakeholder informed outcomes can encourage organisations to work in partnership in order to increase collective impact and be more effective both at the individual and at the system level.

Social impact measurement methodologies further differ based on the timing of assessments. The measurement exercise can intervene at different stages of implementation, with distinct methodological implications:

- *Ex-ante*, or estimating impact before implementation;
- *Ex-post*, or retrospectively evaluating impact;
- *In itinere*, or concurrent to implementation as part of the continuous monitoring function.

There is some overlap between these practices, but there are also specificities emerging from different needs and contexts. Predicting social impacts, especially negative impacts, has largely developed as part of the planning process of large projects that often involve regulatory approval. Practitioners of social impact assessments of this type have established their own set of practices and guidance (Burdge, 2003^[57]). These methods have recently been taken up and further adapted by finance providers, such as impact investors, seeking to maximise the extra-financial return of their investments. In addition, a range of evaluation approaches have developed based on the need to understand whether a programme or activity achieved its objectives. This can be used to support evidence-based decisions as well as to ensure accountability to stakeholders.

Social impact measurement methodologies have emerged more recently, in recognition that “mainstream evaluations almost invariably take place *ex post* and often too late to make a difference. Because they are generally not embedded in performance management systems, they do not serve decision makers’ needs in a responsive and timely fashion” (Reisman J, 2015^[58]). The practical needs of the decision making cycle often arise in a continuum, blurring the lines between the timing of discrete assessments. In day-to-day management, the choice will generally rest between a course of action for which there may be *ex post* data (business as usual) and an alternative that is typically forecast. In this case, discussions about data rigour become less relevant, given that the level of evidence available between different options will necessarily be uneven. Ultimately, the decision of what data will be collected, which implies an answer to what are the outcomes being assessed, should primarily be based on the need or desire to be accountable to those experiencing the impacts.

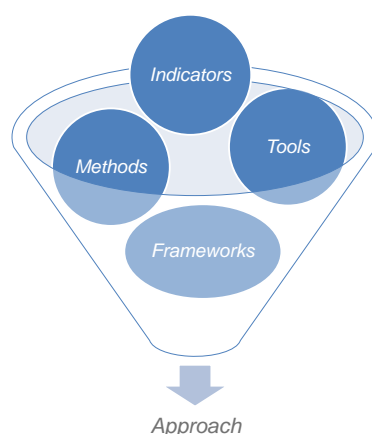
Identifying commonalities across social impact measurement methodologies

Nevertheless, once purpose, timing, and scope have been determined, **social impact measurement practices are generally composed of similar elements**. The social impact measurement practice of any organisation is likely to include several of the following, in an order from specific to general:

- Indicators: descriptions or definitions of individual data elements, or the data themselves, sometimes linked to targets and baselines. Other terms often used interchangeably include measures and metrics, with an underlying emphasis on quantitative aspects.
- Tools: instruments, such as surveys and interviews, to collect and/or analyse data. Contrary to methods, which are usually open-source, tools can typically include proprietary solutions.
- Methods: the process(es) by which a specific set of data will be collected and analysed.
- Frameworks: an outline of what, and how, data will be collected, analysed, compiled and/or presented.

In most mature organisations, these building blocks culminate in the adoption of an overarching approach (as illustrated in Figure 3.1). This offers an overarching, orchestrated view on how to assess social impact reflecting high-level methodological choices, such as the scope of impact measurement (what is included and excluded) and whether to adopt a pre-existing framework or to create a customised one.

Figure 3.1. Components of social impact measurement methodologies



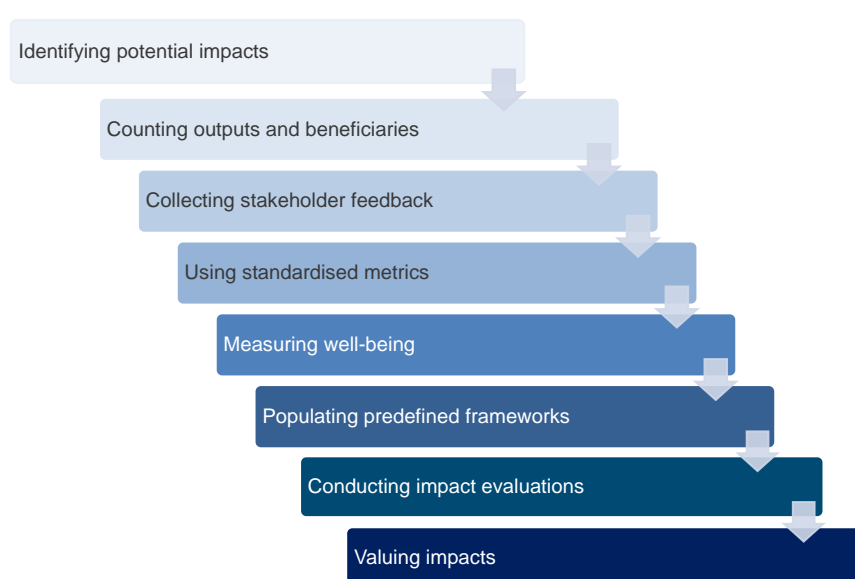
Source: Authors

However, the terminology is not always consistent,³⁸ rendering the description, classification, or comparison of social impact measurement practices difficult. In addition, as noted before, not everything that is described as an approach, framework, method, tool, or measure of social impact actually relates to *impacts*. A number of such practices capture organisational processes or characteristics that may be conducive to impacts, but are not strictly speaking impacts themselves.

Methodologies for social impact measurement available to social and solidarity economy entities

Taking the standpoint of a social and solidarity economy entity entering this field, social impact measurement practice can be broken down into separate levels, across a spectrum from the least to the most methodologically complex, as portrayed in Figure 3.2. These subsequent levels build on one another, moving along the logic chain from outputs, to outcomes and, possibly, monetisation. In doing so, they increase the universe of insights available to support decision making and reduce the risk of taking a suboptimal choice. However, the different categories require increasing maturity and resources. Ideally, they should be entered into progressively, as organisations acquire the necessary skills to master more elaborate techniques.

Figure 3.2. Breakdown of social impact measurement methodologies



Source: Authors.

While these levels could apply to any organisational setting, the examples of indicators, tools, methods and frameworks discussed below illustrate their deployment in the social and solidarity economy.

³⁸ For example, method is sometimes used synonymously with approach. Similarly, theories of change, logic models, and other causal models, which are increasingly common part of social impact measurement methodologies, could be considered as frameworks or tools (Brown, 2020^[122]). Thus, comparing two sets of social impact measurement practices can sometimes be like comparing apples to oranges, or apples to citrus fruit, or apples to orange pips.

Identifying potential impacts

Impact management efforts will fail without a clear strategy at the organizational, programmatic, or project level (Hehenberger, Buckland and Gold, 2020^[59]). A pre-condition, before engaging in social impact measurement, is that organisations develop the theory of change, which underpins their social mission and will help inform the measurement process. Ideally, the expected outputs and outcomes, which will be analysed through their measurement efforts, should be identified in collaboration with those individuals most affected by them.

Through what is known as materiality assessment, organisations determine what information and evidence must be considered in order to give a true and fair picture, such that stakeholders can draw reasonable conclusions about impact (Social Value International, 2018^[60]). Material outcomes, in social value accounting, can be broadly defined as those important enough to consider when making decisions about allocating resources. Another approach to this end is outcome mapping, which strives to identify, through a participatory approach, the behavioural changes that a project or organisation aims to deliver (INTRAC, 2017^[61]). Both methodologies are intended to help organisations navigate the spectrum of potential outcomes derived from their activities (positive or negative, intended or unintended) by prompting stakeholder engagement since the design of the measurement approach.

Counting outputs and beneficiaries

The most basic social impact measurement practice involves counting an organisation's outputs delivered, in the form of services or products, depending on the nature of activities, and the beneficiaries reached. This can include the number of people who have been provided affordable housing, the number of people who participated in a training course, the number and value of fair trade products sold, and so on. Collecting and analysing such data is relatively simple because it is typically captured for operational purposes and does not require any specialist expertise.

For many social and solidarity economy entities, this is the limit of their social impact measurement practice and for some, like small grassroots associations, it may be appropriate. For example, consider a food cooperative that offers ethical and sustainable goods and services and whose supply chain is structured accordingly. If they spend time and effort collecting and analysing social impact data beyond their own sales and purchases, their costs will increase, leading to a re-allocation of resources internally. This could translate into less products being delivered, which may in turn have a negative impact on the overall goal. In cases like this, it is not clear if going beyond simply counting outputs is appropriate from the perspective of promoting the mission. This is the reasoning behind (Ebrahim and Rangan, 2010^[50])'s recommendation for a contingency framework for assessing social impact. Choices about social impact measurement have implications for the organisation, in particular on the level of resources put into social impact measurement.

Even tracking output data may not always be simple. Social enterprises or non-profits may track the names of individuals using their services or purchasing their goods, but may not know much more than this (Dichter, Adams and Ebrahim, 2016^[62]). described a case where, for its first 10 years providing ambulance services, Ziqitza, a healthcare social enterprise company in India handling more than 2.5 million calls a year, lacked reliable data on who its users were and on whether it was reaching the bottom of the pyramid. This led to a pilot effort to collecting data on users via phone surveys to ensure that Ziqitza was reaching the intended beneficiaries.

Collecting stakeholder feedback

The next step in complexity is to collect feedback data from direct users, basically to ask whether the service was helpful, and what can be improved. This can be done in many ways with different levels of effort, formality and complexity, and can be quantitative and / or qualitative. At one end of the extreme

is simply providing a channel, like a phone number or online form, for users to provide unsolicited feedback on any issue. At the other end of the spectrum is the practice of pro-actively gathering detailed feedback and routinely feeding this back into management decisions. The former is widespread. The latter is less common and, when it occurs, may be part of other data collection efforts.

The practice of collecting user feedback has long existed among private companies, but has been spreading to the social and solidarity economy in recent decades. Most social and solidarity economy entities are people-based organisations that receive constant, but often informal, feedback through their participatory governance structures and the delivery of proximity services, both of which are powerful in orienting the strategy towards users' needs. Still, the spread of specific tools for listening to stakeholders reflects a rising concern that the voice of the end beneficiary may receive too little attention even in the evaluation of well-intentioned projects (Dichter, Adams and Ebrahim, 2016^[62]). This push has been supported by the success of the Net Promoter Score³⁹ that, at its core, signals the net percentage of customers who would recommend the organisation's service to friends and family. This is particularly applicable to those entities that trade their services and goods on the market and are not democratically controlled by their member-users.

Wireless technology and access to social media have significantly cut costs, allowing it to become standard practice in the social and solidarity economy, especially with the emergence of free open-source tools for real-time data collection through mobile devices.⁴⁰ Therefore, the question facing social and solidarity economy entities is not whether to collect user feedback, but how. This has led to the formation of intermediaries, like the Feedback Labs⁴¹ and Listen4Good,⁴² who specialise in harnessing beneficiary perception for non-profit and philanthropic organisations.

Moving beyond direct users, there is a wide range of stakeholders that can be affected by the activities of a social and solidarity economy entity. For example, an organisation that engages in lobbying alongside delivering services might have an impact on policy makers. The most direct way is to engage with stakeholders directly, typically through interviews, focus groups and / or surveys. These methods are well known and widely used, though it often helps to have skilled practitioners involved in both the collection and analysis of stakeholder perception.

In order to prosper over the long term, social and solidarity economy organisations, and especially non-profits, cannot shy away from considering the wants and needs of all of their stakeholders and endeavour to deliver appropriate value to each of them (Neely, Adams and Kennerley, 2007^[63]). Thus, collecting stakeholder feedback becomes an issue of organisational survival, not just a social impact measurement practice. The stakeholder-based approach has been identified as particularly effective for social enterprises (GECES, 2014^[64]). Stakeholder analysis has become the starting point for the development of different managerial tools that imply the incorporation of the stakeholders' perspectives (Arena, Azzone and Bengo, 2015^[65]). (Mook et al., 2015^[66]) go so far as to recommend use of a "stakeholder impact statement" that "attempts to understand the impact of enterprises through the eyes of multiple stakeholders."

³⁹ <https://feedbacklabs.org/blog/net-promoter-score-for-the-nonprofit-sector-what-weve-learned-so-far/>

⁴⁰ One example is KoBoToolbox, which is publicly-available for humanitarian organisations and aid workers. See <https://www.kobotoolbox.org/>

⁴¹ <https://feedbacklabs.org/>

⁴² <https://www.fundforsharedinsight.org/listen4good/>

Using standardised metrics

Beyond collecting qualitative feedback, social impact measurement practices often involve choosing quantitative measures. Any social impact measurement system should help the organisation (or its stakeholders) make a judgement about performance, namely whether it is doing well and could do better. Current performance can be tracked against: 1) targets or normative goals; 2) past performance; and 3) performance of others. A recurrent question facing social impact measurement practitioners is when should they use measures of impact that are customised to their particular context, and when should they resort to common or standardised indicators. The push for the latter is driven by interest in this third type of comparing performance, as well as by the opportunities of aggregating into broader data sets. This trend has led to the emergence of coordinated efforts on:

- the promotion of harmonised or common indicators, such as those found in the IRIS+ Catalogue established by the GIIN⁴³ and the Social Value International Global Value Exchange.⁴⁴
- sector-specific initiatives to develop common measures within a given sector, such as the Universal Standards for Social Performance Management in Microfinance,⁴⁵ the Global Reporting Initiative Sector Reporting Standards,⁴⁶ metrics defined by the Global association for the off-grid solar energy industry (GOGLA),⁴⁷ the International Labour Organisation Decent Work indicators.⁴⁸
- the use of commonly accepted metrics developed by researchers, such as the measure of general health status⁴⁹ or the OECD Programme for the International Assessment of Adult Competencies.⁵⁰

Among the respondents surveyed by the OECD, standardised measures are most frequently drawn from the IRIS+ catalogue of metrics by the Global Impact Investing Network (GIIN) (19%) and the Decent work indicators by the International Labour Organisation (15%).

⁴³ <https://iris.thegiin.org>

⁴⁴ <http://www.globalvaluexchange.org/>

⁴⁵ <https://sptf.info/universal-standards-for-spm/start-here>

⁴⁶ <https://www.globalreporting.org/standards/sector-program/>

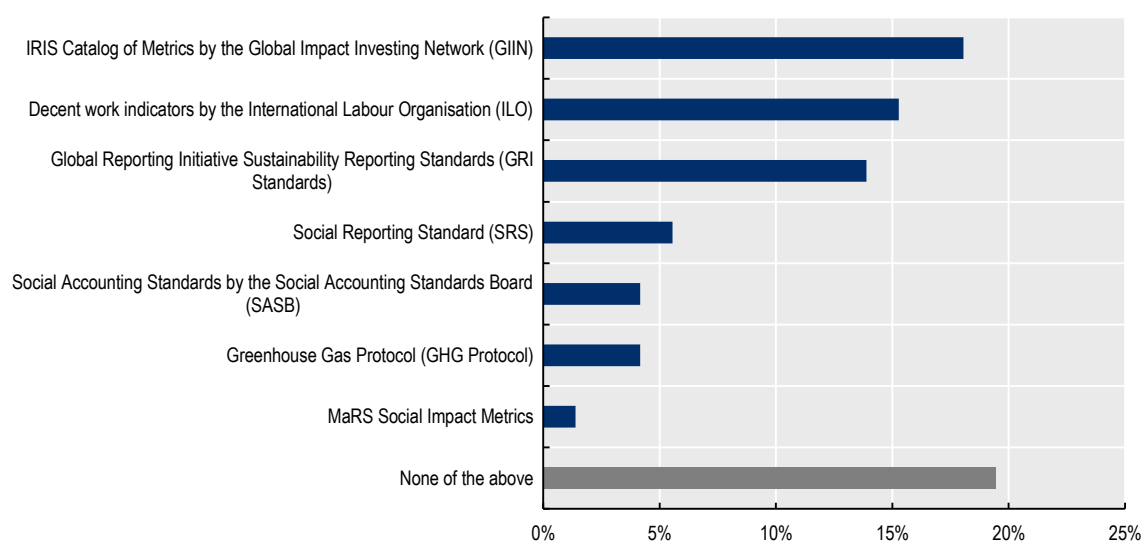
⁴⁷ <https://www.gogla.org/impact/gogla-impact-metrics>

⁴⁸ https://www.ilo.org/integration/themes/mdw/WCMS_189392/lang-en/index.htm

⁴⁹ <https://euroqol.org/eq-5d-instruments/how-can-eq-5d-be-used/>

⁵⁰ <https://www.oecd.org/skills/piaac/>

Figure 3.3. International standards used by social and solidarity economy organisations



Note: Responses received as part of the 2020 OECD Global Action mapping survey (n=72).

Source: OECD

International standards have often been integrated and subsumed into solutions developed at the local or organizational level. For instance, Upaya, a US registered non-profit organisation,⁵¹ provides business development support and investment capital to improve the quality of life for people living in extreme poverty. Over the last 10 years, this social venture has supported 26 small and growing businesses across India, paying particular attention to underserved segments (such as women-led businesses and rural communities). To sustain its mission to create stable, dignified jobs and self-reliance, Upaya has developed poverty scorecards that blend industry-accepted metrics (such as GIIN IRIS+ and the Poverty Probability Index)⁵² with additional categories selected for their relevance to the entrepreneur's stated goals and to the local community. In some countries, policy makers have successfully promoted the harmonisation and dissemination of models applicable across sectors. This is for example the case in Korea, where many social impact measurement methodologies and models are often developed by the government and applied across social and solidarity economy entities, market economy actors, and public administration alike (Ryu et al., 2021^[35]). The Korean standards are also heavily influenced by the work of the GIIN.

The recent push for standardisation is met with concern from both social impact measurement experts and representatives of the social and solidarity economy. For example, 19% of respondents to the OECD mapping survey reported that social and solidarity economy organisations were using none of the prominent international standards proposed. One challenge facing social and solidarity organisations is that the common measures may not always be the best fit, for objective or subjective reasons. Customised metrics are often felt to be needed to ensure alignment with social mission, context sensitivity and stakeholder ownership. Using common measures to compare the performance of two or more organisations in the same sector may be misleading if they do not account for differences in populations, geographical contexts, and so on. Differences among the social and solidarity economy actors can themselves represent an obstacle. In Mexico, the methodologies developed by the Institute for Social

⁵¹ <https://www.upayasv.org/>

⁵² <https://www.povertyindex.org/blog/upaya-social-ventures-assessing-poverty-outreach-job-creation-initiatives>

Development (INDESOL) for civil society organisations are not considered applicable to those entities falling under the scope of the social and solidarity economy law.⁵³ There is also the risk of disenfranchising social and solidarity economy organisations by forcing inappropriate frameworks and measures, especially if they poorly match the perception of those people whose lives have been changed. These issues are being addressed by more differentiated attempts at harmonisation, such as the Common Approach in Canada, but further efforts are required internationally.

Box 3.1. Which indicators best capture the impact of social and solidarity economy organisations?

While it has been broadly recognised that it would be sub-optimal to devise a “single set of indicators” for the social and solidarity economy as a whole and that the focus should rather be set around common principles and processes for measuring impact (GECES, 2014^[64]), there is also widespread awareness that any indicators that are put forward need to be co-defined with social and solidarity economy actors (Clifford, 2014^[5]).

During the OECD stakeholder consultations, social and solidarity economy representatives from Brazil, Canada, India, Korea, Mexico and the United States converged around the following dimensions:

- **economic prosperity and employment** indicators, include access to finance, access to capacity building, access to governmental product and service development assistance, investment through social and solidarity economy organisations, labour market changes (e.g. net change in employment directly attributed to social and solidarity economy organisations, speed of hiring), effects on economic resilience to shock and risks, job quality (e.g. career trajectories, new leadership roles), and reduction in income inequality.
- **social inclusion** indicators, related to the support of specific vulnerable groups including through democratic governance, such as democratic decision making and practices, inclusive management, and inclusion of marginalised groups, measures of participation and organisational cohesion (e.g. solidarity, autonomy, mutual trust and cooperation, capacity for self-management) and accountability to stakeholders (assessed via rubrics).
- **well-being and community** related indicators, such as those pertaining to community embeddedness and proximity services (e.g. number of people affected, new supportive relationships created, measures of social cohesion), psycho-social well-being (e.g. quality of life, level of optimism), but also political participation (e.g. access to policy makers).

Jointly defining indicators with social and solidarity economy representatives as well as their users, customers, beneficiaries is ubiquitously identified as a means to ensure their relevance and usefulness. A good example for co-construction of indicators is the NeXt index⁵⁴ (Becchetti et al., 2021^[67]), which argues for a “living” multi-stakeholder and community-based set of indicators that are co-created by statistical experts, end users and relevant stakeholders, as a way to improve both their quality and their potential uptake by organisation.

⁵³ As revealed during the stakeholder consultations conducted by the OECD.

⁵⁴ www.nexteconomia.org

Measuring well-being and community engagement

Despite their methodological complexity, measures of well-being are often part of social impact measurement practice in the social and solidarity economy field. This is logical, considering that many, if not all, social and solidarity economy entities seek to maintain or improve the quality of life⁵⁵ of a group of people. There are numerous ways through which changes in well-being can be assessed.

A distinction is often drawn between objective and subjective measures of well-being. Objective measures are about people's material states (e.g. educational achievement, employment and housing status, or physical health) while subjective measures are about how they feel. Objective well-being is usually derived from surveys (i.e., asking people about their status) or government (or other) databases. For example, since 2015, the non-profit social enterprise One Acre Fund has been collecting data on quality of life (for example, their education, health, and spending) of farmers in Africa that it serves.⁵⁶ Measuring subjective well-being requires asking people how they feel. A number of questionnaires have been developed in different sectors to track well-being perceptions. One widely used survey is the Warwick-Edinburgh Mental Well-Being Scale,⁵⁷ whose licence is available free of charge for non-commercial organisations, such as registered charities, community interest companies and social enterprises.

The objective-subjective distinction can sometimes get blurred. For example, Outcome Stars are a set of impact measurement tools that caseworkers and users of a service can feed collaboratively to track the user's progress over time.⁵⁸ For instance, when using the Recovery Star, an outcome star for recovering addicts, the user and practitioner agree on what progress has been made against several pre-determined criteria. This involves the subjective interpretation of what are quasi-objective criteria relating to the user's status and behaviours. Outcome stars are currently used in ten countries.⁵⁹ Indeed, it is possible, and where possible recommended, to combine objective and subjective measures. A study on measuring soft outcomes for Active Labour Market Programmes (ALMPs) concluded that "hard [i.e., objective] measures are not (always) appropriate for people facing multiple barriers to the labour market, such as the long-term unemployed, and people with disabilities, or health problems whose journey to the labour market may take longer." The concept of distance travelled, combining objective and subjective outcomes, is regarded as particularly suitable to measure the impact of ALMPs for those furthest from the labour market (Barnes Sally-Anne, 2019^[68]).

Another dimension of well-being that social and solidarity economy entities could track is the value of the internal and external relationships they create (Bassi and Vincenti, 2015^[56]). If the quality and nature of these relationships distinguish a social enterprise from a typical private company, these should be captured as part of the social impact of the former. This is particularly relevant for those actors (typically, cooperatives and mutual organisations) who choose to adopt democratic and participatory modes of governance that exert a specific influence both on the decision making and on the social impact

⁵⁵ For simplicity, well-being and quality of life are used as synonyms here.

⁵⁶ One Acre Fund is a non-profit social enterprise that supplies smallholder farmers in East Africa with asset-based financing and agriculture training services to reduce hunger and poverty. Their reports can be found at: <https://oneacrefund.org/impact/impact-in-detail/>

⁵⁷ The survey has been translated into 25 different languages and used in large populations across several OECD countries and beyond, for instance in Brazil and India. The psychometric scales have been validated in many different settings including the workplace, schools, health services and community wellbeing projects. Source: <https://warwick.ac.uk/fac/sci/med/research/platform/wemwbs/>

⁵⁸ <https://www.outcomesstar.org.uk>

⁵⁹ including Australia, Canada, Denmark, Finland, France, Italy, the Netherlands, New Zealand, United Kingdom, and United States.

measurement processes. For instance, according to members of the European Cooperative Development Platform (CEDP), their business model “enables people to help themselves through cooperation and keep the created value in the local community” (CEDP, 2017^[69]). By creating more ownership and bottom-up participation, it offers more possibilities to interact with members, to act in partnership with local governments and to boost sustainable development for the community as a whole. Qualitative studies conducted among social cooperatives in France confirm that the social economy's principles trigger a positive effect on job satisfaction and well-being at work (Castel, Lemoine and Durand-Delvigne, 2011^[70]; Charmettant et al., 2013^[71]).

Indeed, cooperatives have taken the lead in adopting appropriate indicators to capture their impacts in terms of social inclusion, well-being and community engagement. To be responsive to the specificities and goals of Italian Work Integration Social Cooperatives, (Borzaga and Depedri, 2013^[72]) have developed a dedicated model with indicators on well-being and personal growth, which are operationalised through psychosocial perceptions of vulnerable people after their work experience in social cooperatives (e.g. trust in their abilities, happiness with their lives, enthusiasm and commitment to work). In Canada, the Urban Institute's *ABC of Co-op Impact* identifies metrics to measure the community impact of cooperatives compared to other forms of businesses. Democratic governance and member empowerment in particular are identified as distinguishing features of cooperatives compared to for-profit companies (Theodos, Payton Scally and Edmonds, 2018^[45]). Similarly, the Centre of Excellence in Accounting and Reporting for Cooperatives has developed a set of key performance indicators along the domains voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperatives among cooperatives and concern for community (Sobey School of Business, 2019^[73]).

More community-embedded and evolving indicators are emerging building on co-design and periodic revision. Questions around community ownership of the indicators that are collected as well as their possibility to remain dynamic and change over time are also more and more frequently raised by social and solidarity economy organisations. Another example of a monitoring tool targeted to community-based organisations (Box 3.2) has been recently developed by Italian Association for the Promotion of the Cooperation and Non-Profit Culture (AICCON).

Box 3.2. Community index for measuring the value and quality of community institutions

In 2020, The research centre AICCON (Italian Association for the Promotion of the Cooperation and Non-Profit Culture) has launched the Community Index (C-Index), which is intended to understand and enhance the specific and original way in which organisations generate and share value, first and foremost, with their own communities of reference. C-Index aims to observe and evaluate the relevance and quality of relationships between an organisation and its community through a dashboard of indicators useful for monitoring the community mission, as an element enabling the generation (and subsequent evaluation) of social impact.

The framework is structured around four dimensions: the community recognition and support delivered, the quality of the involvement of the reference community(ies), the outcomes and changes in the reference contexts and the degree of interdependence and orientation towards territorialisation. Its deployment entails a co-design phase with the recipient organisations, as a central requisite to ensure its usefulness and relevance to the characteristics and needs of the community institutions and their stakeholders.

Thereby, this tool serves the dual purpose of, on the one hand, enabling and supporting the impact of the activities of all organisations that recognize themselves as part of the social and solidarity economy (also referred as third sector or civil economy) and, on the other, to help them be recognised by and accountable to the people they interact with, as part of their community added-value and their proximity services.



Source: <https://www.aiccon.it/community-index-per-misurare-il-valore-e-la-qualita-dei-soggetti-comunitari-seconda-edizione/>

Populating predefined frameworks

The push for harmonisation has produced a number of “off-the-shelf” frameworks for assessing social impact. Typically, these matrixes of expected outcomes and/or pre-defined measures offer a comprehensive, ready-to-use approach. Many such frameworks track measurement and management practices, rather than the underlying impacts themselves and thus are technically beyond the scope of this mapping. They are discussed briefly here for the sake of completeness.

There are two types of predefined frameworks:

- **Those that are populated by the organisations themselves.** There are several examples of frameworks dedicated to the social and solidarity economy, though none of them has reached widespread diffusion, internationally. SAMforSE⁶⁰ is a self-assessment tool that social entrepreneurs can use to score themselves against eleven characteristics, two of which (social and environmental impact, and impact assessment) relate directly to social impact. Thus, SAMforSE is not for assessing impact itself, but includes self-assessment of social impact measurement practices. This is indicative of the diversity of frameworks and tools available to help organisations assess their social impact. Similarly, the Social IMPact measurement for Local Economies (SIMPLE) framework combines internal strategic review with outcomes based assessment to help managers of socially motivated businesses to visualise where and how they make positive contributions to society.⁶¹
- **Those that are populated and/or verified by an independent party, typically leading to a certification or rating.** One worldwide example is the B-Corp certification⁶² for companies who score above a minimum threshold upon completing a questionnaire about their business processes and social and environmental impact. The self-declared information is subsequently validated by the certifying entity. Some of these tools and softwares have been accredited by Social Value International according to their principles.⁶³ Other forms of labelling, like the Social Enterprise Mark,⁶⁴ can attest that social enterprise are committed to creating positive social change. These external ratifications are not strictly speaking measures of social impacts, but rather an assurance that the internal procedures in place are conducive to creating social impact.

⁶⁰ <https://www.samforse.org/en>

⁶¹ <https://www.nefconsulting.com/our-services/evaluation-impact-assessment/prove-and-improve-toolkits/simple/>

⁶² <https://bcorporation.net/certification>

⁶³ <https://socialvalueint.org/resources/social-value-tools-and-software/>

⁶⁴ <https://www.socialenterprisemark.org.uk>

Box 3.3. The Korean Social Value Index

In 2017, the Korean Ministry of Employment and Labour, together with the Korean Social Enterprise Promotion Agency (KoSEA), developed the Social Value Index (SVI). The SVI has three goals: to measure and increase the social value created by social enterprises by providing feedback to individual enterprises, to function as criteria for the selection of social enterprises for different projects directly or indirectly and to allow for objective, adapted and flexible measurement.

The tool is inspired by international approaches like the balanced scorecard, social return on investment (SROI), as well as the IRIS+ Catalog of metrics and the Global Impact Investing Rating System. The qualitative and quantitative indicators of the SVI address social impact (social mission, the social value of business activities, efforts to build a social economy ecosystem, reinvestment in the social mission, democratic management of corporations, and employee orientation), economic impact (employment creation, financial performance and labour productivity), and innovation (organisational innovativeness). Depending on their needs, organisations can exclude the economic performance indicators. Taking into account stakeholder feedback, the SVI is revised on an annual basis, striving for continuous improvement.

The government runs an annual call for expressions of interest and social enterprises may voluntarily choose to undertake the online survey, which is followed by on-site due diligence visits. The final rating will determine the social enterprises' eligibility to obtain government contracts and financing. In 2019, seven social enterprises were awarded the distinction "excellent social value" according to the SVI. Social enterprises with high ratings are, for example, eligible to low interest government loans for rent, deposits, facilities and operations provided by the Korean Inclusive Finance Agency. Social enterprises can alternatively also decide to perform a self-assessment, purely for internal purposes, with a dedicated kit available on KoSEA's website.

Source: (Korean Social Enterprise Promotion Agency, 2018^[74]; Korean Ministry of Employment and Labour, 2019^[75]; Ryu, 2021^[76]; Ryu et al., 2021^[35]; Korean Social Enterprise Promotion Agency, 2021^[77]), OECD consultation with Korean stakeholders

There are many variations in these frameworks. Some can be applied generally to any organisation, and some are relevant to specific sectors. Some are primarily conceptual, while others specify particular outcomes or indicators. The benefit of adopting such frameworks is that practitioners of social impact measurement can benefit from the experience and expertise of others. The risk is that the framework does not fit well with the organisation's needs and context.

Conducting impact evaluations

Impact evaluations are a class of social impact measurement methodologies that can be applied at the *micro*, *meso*, or *macro* level, but are typically used to assess the impact of project or programme *in itinere* or *ex post*. As the name suggests, impact evaluations come from the discipline of evaluation and are (or should be) conducted by trained evaluators. They will provide a snapshot of the impacts observed at one point in time, relying on monitoring information extracted from the continuous measurement processes described here above and cross-analysed with ad hoc data collection efforts. They focus on:

- assessing positive and negative, primary and secondary long-term effects produced by an intervention, directly or indirectly, intended or unintended;
- using formal and robust methods for attributing the observed effects to an intervention or, alternatively, understanding how the intervention contributed to the observed change;

- using established methods to collect and analyse the data, paying particular attention to representativeness of stakeholders consulted, and
- the independency of the evaluator and transparency of the methodology and results.

There are several distinct methodological approaches to impact evaluation, which differ on how the causal mechanisms are tested (Stern et al., 2012^[78]). They can broadly be divided into more quantitative techniques, using statistical and counterfactual models, like randomised control trials (RCTs) and quasi-experimental designs, and more qualitative ones, drawing on the comparison of case studies or theory-based analysis, including “realist” evaluation.⁶⁵

Though debated, counterfactual frameworks are considered by many to be the most rigorous form of impact evaluation. These require expertise and are often costly and thus not commonly implemented by individual social and solidarity economy organisations. Instead, they may be undertaken by (or on the account of) policy-makers, social financiers or social and solidarity economy umbrella organisations as part of their research efforts at the *meso* or *macro* level. In addition, critics maintain that experimental designs hardly apply to many fields in which the social and solidarity economy operates, namely complex and difficult to compare interventions, populations and territories.

The Poverty Action Lab is a well-known proponent of RCTs worldwide. Their studies include for instance a career counselling service for secondary school students in France (Actenses)⁶⁶ and a programme to upgrade slum housing in Mexico, Uruguay, and El Salvador.⁶⁷ Examples of RCTs performed by social and solidarity economy organisations include the evaluation of LA:RISE, a workforce development social enterprise in Los Angeles⁶⁸ and an evaluation of the Warrior Programme, a personal development programme in the United Kingdom.⁶⁹ In Canada, the Social Research and Demonstration Corporation has run RCTs and policy experiments for 25 years. In the United Kingdom, the Ministry of Justice conducts quasi-experimental studies on behalf of social and solidarity economy organisations that seek to reduce reoffending through the Justice Data Lab.⁷⁰

Impact evaluation approaches that do not require a counterfactual are more common in the social and solidarity economy as they tend to be less expensive. In particular, the uptake of theory-based evaluation is facilitated by the increasing use of theories of change among social and solidarity economy entities. It is further encouraged by emerging consensus that using a mix of qualitative and quantitative data to test a theory of change⁷¹ is an appropriate form of impact evaluation (Bamberger, 2012^[79]; Mcleod and Noble, 2016^[80]; Threlfall and Klein, 2019^[81]). Philanthropies⁷² are also paving the way for new,

⁶⁵ Theory-based evaluation focus on the identification and confirmation of a theory of change linking activities to impacts. Realist designs try to provide an answer by asking the question “what works, for whom, why and under what circumstances” (Pawson and Tilley, 1997^[125]).

⁶⁶ <https://www.povertyactionlab.org/evaluation/career-mentoring-secondary-students-france-actenses>

⁶⁷ <https://www.povertyactionlab.org/evaluation/slum-housing-upgrading-el-salvador-mexico-and-uruguay>

⁶⁸ <https://www.spra.com/wordpress2/wp-content/uploads/2019/09/LARISE-Evaluation-Final-Report.pdf>

⁶⁹ https://www.warriorprogramme.org.uk/wp-content/uploads/2018/08/Warrior_Programme_RCT_brochure-LR.pdf

⁷⁰ <https://www.cepes.es/files/publicaciones/118.pdf>

⁷¹ For simplicity, “theory of change” is used here as a broader term encompassing similar tools such as logic model, results chain, logical framework, etc.

⁷² Examples include: the J.W. McConnell Family Foundation in Canada, the Ford Foundation, The Rockefeller Foundation, the Colorado Health Foundation in the United States. Source: <https://mcconnellfoundation.ca/wp-content/uploads/2017/07/A-Developmental-Evaluation-Primer-EN.pdf>; <https://www.fordfoundation.org/work/learning/research-reports/developmental-evaluation-of-fords-build-program->

qualitative approaches focused on continuous learning and adaptive management. Developmental evaluation, for instance, is grounded in systems thinking and supports innovation by collecting and analysing real-time data in ways that lead to informed and ongoing decision making (Patton, McKegg and Wehipeihana, 2015^[82]). Some of them have adopted the ground-breaking notion of collective, as opposed to individual, isolated impact. This shift stems from the realisation that large, complex social problems require a systemic approach to social impact, focusing on the relationships between organisations and the progress toward shared objectives (Kania and Kramer, 2011^[83]). As such, the unit of measurement is pushed from single organisations to cross-sector coalitions, within and beyond the non-profit sector.⁷³

Valuing impacts

Some social impact measurement practices involve valuing social impact. This strand of impact measurement applies concepts and techniques traditionally found in accounting and is often also subsumed under *blended-value accounting* (Manetti, 2010^[84]; Manetti, 2014^[85]; Nicholls, 2009^[86]). As noted above, valuing social impacts could be considered separately from impact measurement as it usually involves multiplying a measure of social impact by (typically) a monetary value. For example, a social and solidarity economy organisation may provide housing for people who were formerly homeless or at risk of being homeless. The social impact is the change in housing status of that group and accompanying benefits such as increased stability in employment and personal relationships. Hence, valuation involves applying a monetary value to impacts that do not have a market price (Nicholls et al., 2012^[54]). In other words, social value is a way of quantifying the relative importance of impacts that are not already captured in financial or market transactions (Aps et al., 2017^[87]).

In practice, **any decision regarding resource allocation will implicitly weigh the potential consequences of different alternatives**, one against another, in order to define the most preferable option. Hence, valuation can be regarded as an inherent component of management. Quantified valuation based on stakeholders' perceptions is an approach to making these implicit valuations transparent and informed, without necessarily claiming objectivity (Nicholls et al., 2012^[54]). Monetisation, as an additional step in the impact measurement process, can intervene after counterfactual as well as theory based evaluation or even be included as a component of predefined measurement frameworks.

The two main approaches to valuing impacts applied in the context of the social and solidarity economy are: 1) Cost-benefit analysis (CBA), and 2) social return on investment (SROI). Many other terminologies coexist, for instance social cost-benefit or cost-effectiveness analysis, but are broadly relatable to these two categories.⁷⁴ CBA and SROI are close cousins as they both tend to take the form of comparing costs to benefits using a ratio where both variables are expressed in monetary terms (Arvidson et al., 2013^[88]). However, there are some differences in theory and practice:

[initial-findings/; https://www.rockefellerfoundation.org/wp-content/uploads/Developmental-Evaluation-in-Practice-Lessons-from-Evaluating-a-Market-Based-Employment-Initiative.pdf](https://www.rockefellerfoundation.org/wp-content/uploads/Developmental-Evaluation-in-Practice-Lessons-from-Evaluating-a-Market-Based-Employment-Initiative.pdf);
<https://core.ac.uk/download/pdf/220123897.pdf>.

⁷³ For one concrete examples, see (Landers, Price and Minyard, 2018^[123]).

⁷⁴ A less widely used valuation method is estimating the local economic multiplier effects of one or more social and solidarity economy organisation(s) using input-output models. The idea is that, as with any business, a social and solidarity economy entity creates local economic impacts by employing local people and making local purchases. As an example, researchers from Cornell University in the United States estimated the revenue generated by 287 non-profits in Rockland County triggered USD 206.9 million in ripple effects for the business community in 2017 (Barclay and Kay, 2019^[124]). One limitation of such input-output models is that they typically only show the value of economic activity created (i.e., spending and consumption) rather than the value of intangible impacts, such as improved well-being.

- **Conceptual:** CBA is built on the theory of welfare economics, where the aim is to maximize public utility by taking into account the value of goods and services that are not traded in markets (and hence do not have a price) and/or their externalities. SROI was developed from a more practical perspective, akin to accountancy, where measures of positive and negative impacts are assessed like credits and debits to a social account (Fujiwara, 2015^[89]). One consequence is that SROI practitioners are typically less bound by methodology in how they select or estimate monetary values than economists who conduct CBAs.
- **Stakeholder engagement:** Social Value International emphasizes the importance of stakeholders having a say in both the process of valuation, such as what is included or excluded, as well as the amount of the values themselves. CBA uses a range of methods to identify appropriate proxies, but does not typically require stakeholder input.
- **Management:** CBA is often used in *ex ante* or *ex post* analyses, assessing whether a project should go ahead, or estimating its expected impact afterwards. Proponents of SROI emphasise its value as an ongoing management tool that can help organisations make and communicate on their decisions to enhance their effectiveness (Then et al., 2017^[90]).
- **Comparability:** CBA is designed to allow for comparisons between different alternatives and even across different types of investments or projects. Because of the flexibility and relative methodological discretion involved in SROI, its proponents do not recommend comparing SROI ratios across different projects.
- **Selection of financial values:** Because of the theoretical grounding of CBA, economists tend to draw from a defined set of methods of valuing goods and services that do not have a market price. These methods are revealed preference (where what people do implicitly reveals how much they value non-market goods), or stated preference (where people say how much they value non-market goods, either by what they are willing to pay, or willing to be compensated for if deprived). Potential biases include the endowment effect and the lack of income constraints in simulations. SROI guidance notes these methods are challenging and allows other ways of selecting financial proxies for non-market goods.

In practice, there can be considerable overlap between these two approaches, but SROI has been by far the most frequently applied to social and solidarity economy organisations and ecosystems.

Almost one third of respondents surveyed by the OECD reported that, to their knowledge, social and solidarity economy organisations most frequently resort to Social Return on Investment (SROI) to assess their performance on economic, environmental, social and governance results. For instance, the Robin Hood Foundation in the United States allocates grants to non-profits in a process they term “relentless monetisation” which relies on cost-benefit ratios and counterfactuals to estimate their poverty-fighting potential (Weinstein and Bradburd, 2013^[91]). In Germany, the Federal Association of Workshops for Disabled People (*BAG WfbM*) conducted an SROI study on the benefits of specialised non-profit workplaces for disabled people.⁷⁵ In 2016, the French association *Passeport Avenir* used SROI to assess its support helping young people from working class backgrounds achieve academic and professional success.⁷⁶ CBA has also been repeatedly applied in the context of work integration social enterprises in Europe. (Borzaga and Depedri, 2013^[72]) analysed the efficiency of Italian work integration social cooperatives through a comprehensive cost-benefit analysis, which also included the cost savings guaranteed to the public sector from the fact that disadvantaged workers are much less likely to seek out the assistance of healthcare and social public services.

⁷⁵ <https://www.bagwfbm.de/file/950>

⁷⁶ <https://www.avise.org/ressources/le-retour-social-sur-investissement-de-passeport-avenir>

Nevertheless, the appropriateness of using CBA, and SROI in particular, is highly debated in the social and solidarity economy field. Advocates note the following benefits:

- **Accessibility:** Many people find expressing social impact in monetary terms is easy to grasp and gives a good sense of scale. As one advocate noted: “I’ll leave it to the cognitive scientists to explain why putting a dollar sign in front of a value seems so effective, but it is” (Fischer, 2020^[92]).
- **Increased understanding and transparency:** Organisations that implement SROI find the process helps them understand how what they do creates positive impacts and what parts of their operations may undermine that (Svistak and Pritchard, 2015^[93]). Striving to quantify a monetary value can force an organisation to articulate its impacts more clearly and be explicit about strategic choices, such as what it assumes about its additionality and how long the benefits it creates may last.
- **Credibility, especially to funders:** Many organisations undertake SROI analyses believing, correctly or incorrectly, that the results will impress funders and facilitate fundraising or investment (Svistak and Pritchard, 2015^[93]).

However, these are also met by a number of reservations, some of which can be applied to other impact measurement methods too:

- **Legitimacy of monetising social impacts:** Many people are uncomfortable with the idea and practice of placing monetary values on impacts that may have ethical dimensions, such as health, human rights, and well-being.
- **Resources required:** Conducting a fully-fledged CBA or SROI analysis with monetisation requires accessing expertise and costs. Hence, they tend to be conducted infrequently, if at all.
- **Variability in quality can undermine confidence:** The weak constraint over which financial proxies are selected has been raised as a concern. Some SROI studies have used proxy values that seem unrelated to the examined activities, such as “charges for an adventure trips to approximate the value of a challenging job environment, or using the charges for a 2-days self-esteem course to express the value of personality formation through an intervention” (Krlev, Münscher and Mülbert, 2013^[94]). Such proxies can come about when the SROI analyst uses a choice experiment asking people who benefit from a programme to compare its value to other experiences that have a clearer monetary value. More problematic is the wide variability in the quality of the methods used. A meta-analysis of 114 studies concluded that “no study should convey the impression that its SROI ratio is a completely robust figure which is accurately expressing the entire cost and value created through the intervention and therefore applicable in cross-case comparison” (Krlev, Münscher and Mülbert, 2013^[94]). To counter these arguments, many assurance solutions have emerged which aim to verify the quality of all the information collected, not just the valuation aspect. Moreover, Social Value International notes that SROI studies should not be used for cross case comparisons, though CBA analyses are designed for that purpose.
- **Possibly important results are obscured:** While, as noted above, CBA and SROI reports can provide transparency on impact questions, they can also hide important findings or assumptions. Converting raw impact data to monetary values is typically a multi-step process, and information can get lost in the transition, especially if no assurance is provided. Understanding how the values are estimated typically requires a detailed review of the methodology, which is not always easy for the non-expert eye. Indeed, this can be true of most social impact measurement methodologies, when the initial mapping of outcomes being sought has not derived from extensive stakeholder engagement at inception.
- **Risk of ratio inflation:** As CBA and SROI reports are often seen as promoting credibility with stakeholders, especially funders, there is a temptation to show higher ratios over time or compared to peers. Use of independent experts and verification by third parties can help reduce this risk, but

they do not eliminate it. Indeed, research by Social Value UK showed that those reports with assurance had declining ratios (Nicholls, 2013^[95]).

There is no consensus yet as to under what conditions and in what contexts CBA and SROI are appropriate for social and solidarity economy organisations. They tend to be more suitable when there are few methodological challenges, such as when underlying social impacts are the direct results of the social and solidarity economy activity, when they are easily measured, and easily valued. That these are not very common is likely to limit their use.

Convergence in social impact measurement methodologies

Despite the fragmentation and proliferation of methodologies in recent years, there has also been some convergence in practices within the field of social impact measurement in the social and solidarity economy. There seems to be agreement on:

- **Rejection of a one-size fits all approach.** The desire for single standardisation in reporting is countered by the recognition that standards are evolving and should hinge on the processes and principles for impact reporting, not around measures that do not differentiate between the various types of social and solidarity economy actors and various types of social impacts. As discussed above, there is interest within sectors on using common measures and frameworks to assess social impact. That being said, there continues to be growing interest in developing a common approach to valuing impacts, although this is not without its own challenges.
- **Using causal models to determine what impacts to measure.** It is now customary to use causal models, such as theories of change, value chains, or logic models to determine what impacts to measure. One reason why they are increasingly common is that they enable, and help integrate, strategic planning, social impact measurement, and narrative reporting. However, they can be imprisoning and have difficulty integrating innovations which, by definition, are not predicted *ex ante* but can produce unexpected positive impacts.
- **The importance of stakeholder engagement.** Different stakeholders touched by the activities of a social and solidarity economy organisation can be affected in different ways. Failing to listen to their voice, especially those who are meant to be direct beneficiaries, carries the risk that impacts may be negligible or even negative. The identification and consultation of stakeholders has become an indispensable step in social impact measurement methodologies.
- **Social impact is increasingly seen as relating to well-being.** There is growing recognition that the ultimate purpose of social impact measurement is to support decisions that help increase the well-being of those affected by any organisation (with or without intent). This implies embedding stakeholder voices throughout the whole process, from the definition of what shall be measured until the valuation of outcomes, taking into consideration both subjective and objective aspects.
- **Including narratives as part of social impact measurement:** It is increasingly acknowledged that people tend to respond to stories rather than numbers, and that the most effective approaches to social impact measurement include both quantitative and qualitative components. A narrative not only gives life to the quantitative metrics, but is also needed to create the emotional connection with users of social impact measurement data, who often are current or potential funders. This also reflects the notion that accountability is always contextual and socially constructed and can therefore be best developed in a deliberative dialogue (Williams and Taylor, 2012^[96])
- **Taking advantage of the digital revolution.** Innovations in and reduction in cost of digital technology mean that it is increasingly easy and inexpensive to collect and share information. This increases the efficiency and ability of the social and solidarity economy to measure impact, and to do so collectively, not just for individual organisations.

- **Avoiding “impact washing” by requiring independent verification.** While the independence of judgement has long been a cornerstone of impact evaluations mandated by policy makers, it has not yet become common practice in social impact measurement. The use of independent validators is infrequent and, when it does happen, there is the risk of ‘capture’ as the third parties tend to be paid by the social and solidarity economy organisations themselves. As interest in the social and solidarity economy field grows, the demand for credible evidence of social impact is likely to increase. The emergence of service providers specialised in assurance and verification of social impact reports is intended to palliate this gap, but their accessibility for social and solidarity economy organisations remains costly.

Convergence of social impact measurement across different sectors is often seen as undesirable by social and solidarity economy actors for many of the reasons raised above. Nonetheless, in some countries policy makers have successfully promoted the harmonisation and dissemination of models applicable across sectors. This is for example the case in Korea, where many social impact measurement methodologies and models have been developed by the government and applied across Social and Solidarity economy actors, market economy actors, and government departments alike (Ryu et al., 2021^[35]).

4 The implementation of social impact measurement in the social and solidarity economy

This section highlights the practical considerations that members of the social and solidarity economy face when implementing social impact measurement and concludes by outlining the practical and theoretical challenges that hamper a more widespread and efficient adoption.

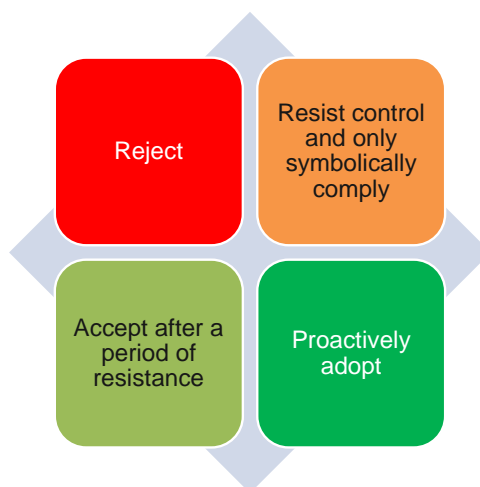
How social and solidarity economy entities approach social impact measurement in practice

Responding to institutional pressure when embarking on social impact measurement

There is not a ubiquitous implementation of social impact measurement in the social and solidarity economy context. The way in which social and solidarity economy organisations deal with social impact measurement ranges from complete resistance to external demands, to its proactive and voluntarily use for learning and promotional purposes. Specifically, when faced with institutional pressure to adopt social impact measurement, social and solidarity economy organisations may adopt four coping strategies (Arvidson and Lyon, 2014^[97]):

- **Reject:** refuse to adopt and implement social impact measurement (most likely only in the case where there is financial independence);
- **Resist control and only symbolically comply:** view social impact measurement as antithetical to organisational values, but implement the practice only to meet the minimum funder requirements (no internal selection of approaches);
- **Accept after a period of resistance:** social impact measurement starts to be used to accomplish internal goals, such as employee motivation;
- **Proactively adopt:** social impact measurement is used proactively to meet funder needs and to steer and evidence internal goals.

Figure 4.1. Response strategies social and solidarity economy organisations can adopt to answer external pressures for social impact measurement



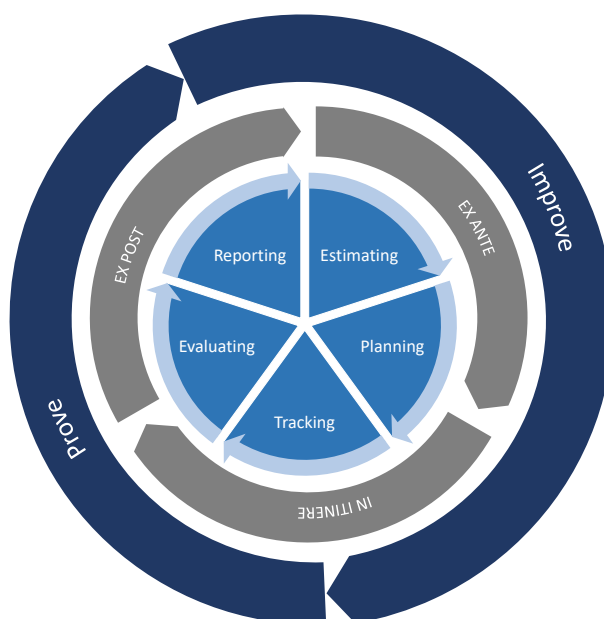
Source: Authors, adapted from (Arvidson and Lyon, 2014^[97]).

Unfortunately, only the final two listed strategies actually lead to benefits for social and solidarity economy entities themselves (illustrated in green in Figure 4.1). Specifically, when social and solidarity economy organisations accept to adopt social impact measurement, after a period of reflection and possibly resistance, they tend to use it more strategically and creatively, to meet funder demands as well as to improve internal performance. The lack of ability or motivation to engage with social impact measurement on the frontlines can be a hindrance to the common agenda of both implementing organisations and their financiers. Hence, it is critical that social and solidarity economy actors are supported by funders to commit in a proactive, rather than compliant or resistant manner. At the same time, as any one organisation might have social impact measurement requests and demands from multiple funders, the task of rolling out and shaping social impact measurement internally is a large challenge (Snibbe, 2006^[98]).

Matching social impact measurement with internal information needs

For those social and solidarity economy entities that do manage to embrace social impact measurement in a meaningful manner, there are various ways in which the practice can be used beneficially. The more social and solidarity economy organisations move from “prove” to “improve”, as anticipated in section 3, the wider range of uses will be available. One way of demarcating these uses is to consider how social impact measurement is applied across the different stages of the decision-making cycle:

Figure 4.2. Uses of social impact measurement at different stages of the decision-making cycle



Source: Authors.

- **Estimating:** social impact measurement is used by social and solidarity economy organisations to determine the extent of the social problem to be addressed, and to identify interventions which are known to influence it, or which could be hypothesized to have a positive influence;
- **Planning:** social impact measurement is used to calibrate the amount of resources (i.e., products, services, employees, volunteers) that are required to launch an operation targeting that social problem;
- **Monitoring:** social impact measurement is used in an ongoing manner to determine and diagnose the progress and setbacks of a given projects (for internal stakeholders to enable quick and informed decision-making concerning alterations or adaptations to strategies; and for external stakeholders to maintain support);
- **Evaluating:** social impact measurement is used to determine whether or not the organisation has achieved worthy outcomes in an efficient and effective manner;
- **Reporting:** social impact measurement is used to inform the communication with various external stakeholders, including policy makers, funders, beneficiaries, employees and local communities.

The collection and analysis of impact evidence is the means to an end, not the end in itself. **The ultimate objective is to inform decisions about how to enhance impact.** Those decisions can be internal management decisions (to steer operational activities), funding decisions (to identify the most promising opportunities), or policy decisions (to create an incentives at a higher systemic level). The planning stage hence becomes critical, since this is where different alternatives can be assessed, and when the best option selected for further action.

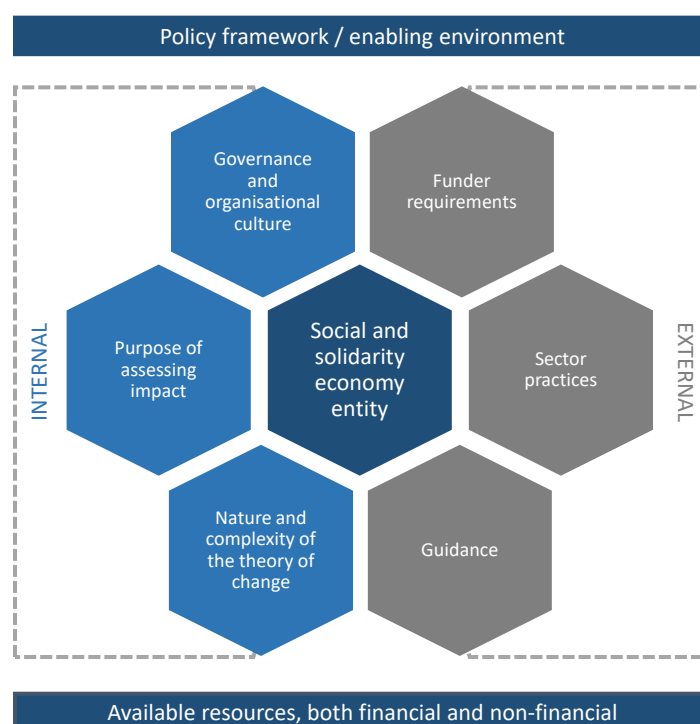
For social and solidarity economy entities, **the added value of social impact measurement lies in offering actionable information.** There is growing awareness that using impact data and evidence is important for mission adherence. For instance, charities in the United Kingdom believe that the greatest benefit of measuring their impact was to improve their services (Ní Ógáin, Lumley and Pritchard, 2012^[19]). The quasi-totality (92%) of those surveyed claim that they have made changes as a result of their learning and evaluation, showing a positive trend in recent years (New Philanthropy Capital, 2020^[99]). Impact

measurement can support decisions ranging from small operational improvements to changes in strategic direction. The degree of ambition in methodologies applied, and hence the rigour expected in the evidence produced, should be calibrated to the intended use. However, social impact measurement practitioners (especially when they are not part of the organisational structure) can still find it challenging to feed information at the right time and in the appropriate way to influence the estimation and planning stage.

Explanatory factors that influence how social and solidarity economy entities design their social impact measurement approach

As articulated in section 2, both internal and external forces prompt the diffusion of social impact measurement in the social and solidarity economy. Once committed to social impact measurement, the organisation must choose among the wide array of methodologies described in section 3. Additional explanatory factors will guide how social and solidarity economy entities decide which specific indicators, tools, methods or frameworks to adopt. There is not a dominant strategy. Instead, the choice of social impact measurement practices can be thought of as the result of the intersection of several factors that jostle for relative importance (as illustrated in Figure 4.3).

Figure 4.3. Factors influencing how social and solidarity economy entities define their social impact measurement practices



Source: Authors.

The enabling environment is largely shaped by policy makers, through the initiatives described in section 2. The policy context sets the framework for all players in the social and solidarity economy, collectively. Depending on their legal form (e.g. company, association, cooperative), the geography and sector they operate in, entities may be faced with incentives pushing them towards the adoption of one method over another.

In addition, internal factors will influence the methodological decisions of individual organisations:

- **Governance and organisational culture.** Even when funders are prescriptive as to what to report, social and solidarity economy entities enjoy some discretion in the choice of social impact measurement practices. The governance of the measurement process, where and with whom the responsibility sits inside the organisation, will heavily influence both the methodology and its use. It is often argued that decisions on impact measurement practices should be taken in coordination with internal and external stakeholders (Bassi, 2012^[100]). Oftentimes, social and solidarity economy entities have an employee base that comes from distinct professional, cultural and educational backgrounds (e.g. social workers and bankers in micro-finance institutions; or disadvantaged groups for Work Integration Social Enterprises). The diversity of professional cultures and cognitive mental models renders the selection of measurement approaches more complicated. Different groups (including those with barriers such as disabilities and language skills) will want to rely on practices they are more familiar with and find most legitimate (Smith, Gonin and Besharov, 2013^[101]).
- **Purpose of assessing impact.** Social impact measurement practices need to be fit-for-purpose. (Beer and Micheli, 2017^[102]) note how acceptance of social impact measurement practices in non-profit organisations may follow three institutional logics: 1) Commercial - to support funding; 2) Public sector - to demonstrate effectiveness and accountability; and 3) Social welfare - to check progress against the goals and mission. At times, social impact measurement can also be used for definitional purposes, i.e. to demonstrate that the organisation abides to certain criteria and therefore qualifies as, for instance, a social enterprise according to the legal context. Internal stakeholders may give different weight to each of these, which in turn will influence the selection of social impact measurement methods. For example, as noted above, some believe monetising impacts will help attract funding (i.e., “prove”), whereas others consider qualitative analysis as more conducive to impact enhancement (i.e., “improve”).⁷⁷ Agreeing on the purposes does not alone suffice to determine the most appropriate methodological design. As portrayed in Figure 4.2, the intended use in the decision-making cycle will further influence how methods are picked and deployed.
- **Nature and complexity of the theory of change.** The activities carried out by the social and solidarity economy organisation, and the complexity of the context in which it operates, are obviously very important determinants of social impact measurement practices. For example, quantitative approaches are suitable when goods and services are delivered directly to beneficiaries over a defined time period, such as in educational or training programmes. Results can be tracked relatively easily using before versus after measures. Qualitative measures are typically more appropriate for those organisations focusing on advocacy and social innovation, where change is not linear and not easily quantifiable (Ebrahim, 2019^[53]).

The external factors affecting choices of social impact measurement practices can be summarised as follows:

- **Funder requirements.** As already mentioned, funders play an important role in driving the uptake of social impact measurement. In the United Kingdom, funders’ requirements were reported to be the central drivers of charities’ monitoring efforts (Ní Ógáin, Lumley and Pritchard, 2012^[19]). Sometimes, they go as far as imposing which method a social and solidarity economy entity will eventually adopt. Moreover, different types of funders (e.g. micro-finance institutions, private

⁷⁷ The amalgamation between monetizing and proving, on the one hand, and between qualitative analysis and improving, on the other, is an oversimplification. Methodologies like comparative case studies, contribution analysis and process tracing can serve to uncover causal relationships (Goodrick, 2014^[128]) (Befani and Mayne, 2014^[127]). The process of monetisation can be misleading, especially when the “price” is determined by hedonistic methodologies. Where a market measure is unavailable, the definition of financial proxies can become highly subjective, particularly when dealing with ‘softer’ outcomes (Gibbon and Dey, 2011^[129]).

impact investors or public development banks) bring along their distinct expectations. Indeed, when deciding on social impact measurement practices, both social enterprises and non-profits tend to prioritise, not surprisingly, funder requirements (Ebrahim, 2005^[103]; Nicholls, 2010^[104]). This can be positive when it leads to funding for social impact measurement, accompanied by a constructive dialogue about what measures of impact are appropriate and by sharing of good practices and skills. However, it can have a negative effect when funders push frameworks that are perceived by the social and solidarity economy organisation as poorly fit, unrealistic or too demanding (Arvidson and Lyon, 2014^[97]).

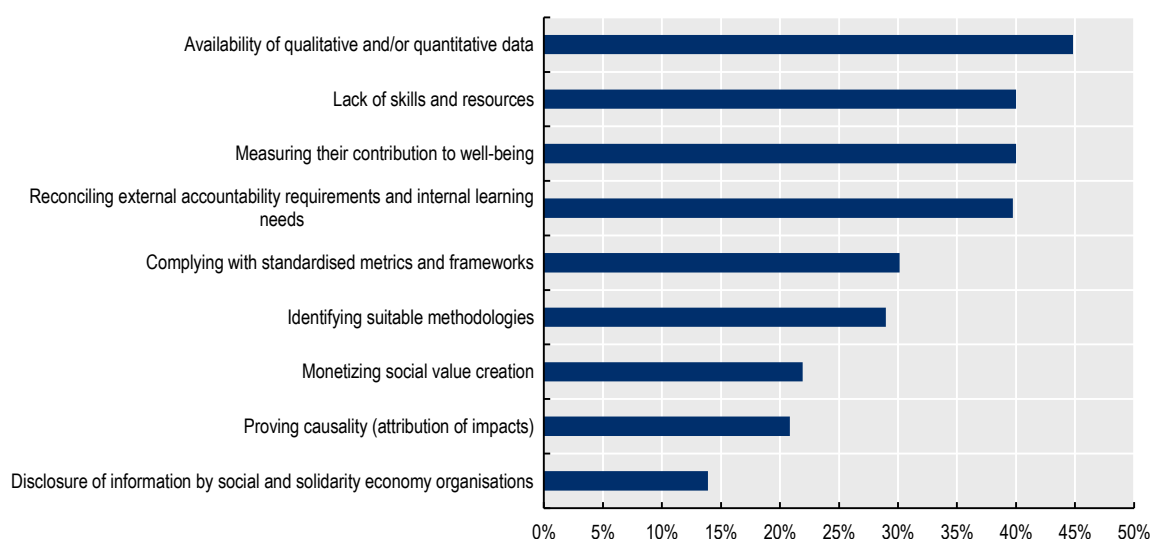
- **Sector practices.** Social and solidarity economy entities are influenced by the dominant methodologies in their particular field of activity. In contrast to the fragmentation described above, social and solidarity economy representatives in some sectors, such as microfinance and community development, are actively seeking to identify and coalesce around common good practices. The use of Outcome Stars in different sectors is one example. Organisations working in healthcare and in international development cooperation are confronted with more advanced evaluation techniques (e.g. randomised control trials and systematic reviews) because of the history and culture of these sectors.
- **Guidance.** A host of actors, including social and solidarity economy entities themselves (or coalitions thereof), consulting firms, think tanks and academia may develop and disseminate guidance on social impact measurement. Social and solidarity economy organisations pay attention to their recommendations for reasons of efficiency and relationships.

Ultimately, all organisations are constrained by the availability of resources, both financial and in kind. The level of resources dedicated to social impact measurement reflects, in part, internal management decisions as well as level of funding generally. Social and solidarity economy entities must consistently work to balance financial viability and social mission objectives (Beer and Micheli, 2018^[105]). For instance, charities surveyed in the United Kingdom in 2012 spent, on average, 3% of their total budget on monitoring and evaluation, considerably lower than the 10% that is sometimes recommended (Ní Ógáin, Lumley and Pritchard, 2012^[19]). Reticence often stems from the perception that the impact measurement process might draw resources away from essential interventions oriented to meet the needs of recipients. The more funding is available, the more extensive and ambitious the social impact measurement practices can be. Access to (in-house or external) experience and expertise can become critical to navigating the options and making appropriate choices. At the same time, investing in internal capacities to communicate and coordinate may yield better results than adopting particularly elaborate impact measurement models (Christensen and Ebrahim, 2006^[106]).

Recurrent challenges faced by social and solidarity economy entities

As hinted to before, social and solidarity economy organisations face a range of challenges in the selection and implementation of social impact measurement and the use of the information it produces. In the mapping survey and stakeholder consultations conducted by the OECD, representatives of the social and solidarity economy reported the availability of qualitative and/or quantitative data (45%) as the most prominent challenge, closely followed by the lack of skills and resources, the measuring of their contribution to well-being, the reconciliation of external accountability requirements and internal learning (Figure 4.4).

Figure 4.4. Challenges for social and solidarity economy organisations when measuring impact



Note: Responses received as part of the 2020 OECD Global Action mapping survey (n=72) from more than 40 countries and the 2021 OECD Global Action stakeholder consultations performed in Brazil, Canada, India, Korea, Mexico and the United States (n=73). Percentages are calculated against the total of respondents on each multiple choice option.

Source: OECD

Lack of data and resources

The lack of dedicated resources for social impact measurement, within each social and solidarity economy organisation and in the sector as a whole, is a pervasive problem that underscores all the others. (Maas and Grieco, 2017^[107]) found that larger social enterprises are more likely to measure impact. Typically, small and medium sized entities have limited internal capacity for measuring their impact qualitatively and/or quantitatively (Battilana and Dorado, 2010^[108]). They may not engage in measuring impact, if donors or investors only require output level reporting. When they do, the perceived entry cost is high and the overall process expensive. Several researchers have argued that government funding typically requires more extensive monitoring and evaluation and is more costly than other sources (Heady and Rowley, 2008^[109]; Heady and Keen, 2010^[110]; Dacombe, 2011^[111]; Harlock, 2013^[112]). Consequently, social and solidarity economy organisations often need additional support in identifying and implementing social impact measurement instruments suitable for them. Yet, external funding and expertise is not always readily available. Depending on the context, social and solidarity economy ecosystems may suffer from a perceived shortage in technical support structures and capacity building initiatives at the local and national level.

Due to the resource-constrained environment that social and solidarity economy entities operate in, **there is a also general lack of reliable data, both qualitative and quantitative.** The fact that a lot of social and solidarity economy organisations operate in the informal sector can become an obstacle for data gathering.⁷⁸ In most countries, the activities of social and solidarity economy organisations are barely tracked, let alone their impacts. There is a dearth of contextual information on topics that would be of particular interest for the social and solidarity economy (e.g. social capital, work engagement, prosociality, standard of living, community pride, sense of agency, dignity). Where such data does exist, for instance in government databases, it is typically difficult and / or costly to extract and make use of, raising legitimate concerns around privacy and confidentiality. This structural gap not only limits the capacity of social and

⁷⁸ As mentioned, for instance, during the OECD stakeholder consultation in Brazil.

solidarity economy organisations to assess their direct results; it further hampers their ability to identify baselines for setting performance targets or to establish a counterfactual when undertaking impact evaluation.

Capturing all aspects of social impact

The complex and diverse nature of social impact creates methodological challenges for those trying to capture and convey it with measures. Many social and solidarity economy entities address one aspect of a person's life, which may have broader and long-term consequences, but which are difficult to pin down. For example, addressing a short-term housing crisis may be one step on a longer path towards employment and financial security. These broader and longer-term benefits are often the main motivating factor, but also the most elusive and uncertain. For many social and solidarity economy entities, it seems equally difficult to determine a way of telling the world about their stories that suits on the one hand the core of these stories and on the other the audiences they are communicating to (Clifford, 2014^[5]).

The measurement challenges are particularly acute when it comes to intangible and subjective impacts, such as social capital (networks, relationships and connections; trust; civic engagement and voluntary activities; civic norms, shared norms and values), well-being, soft skills, and other psycho-cultural factors. This type of information is still regarded as highly context-dependent and hence largely incommensurable, rendering comparison across organisations, even when working on the same issue, complicated.

Further, social entrepreneurs are under growing pressure not just to deliver on their mission, but also to create system change. For example, one of the pioneering and most eminent incubators of social entrepreneurs, Ashoka, views its purpose as transforming inequality by changing mind-sets globally.⁷⁹ This implies heightened information needs in order to understand complex social problems and evidence social change. Undeniably, such largescale and ground-breaking aspirations require the ability to learn and build from failures. However, instances where charities or social enterprises are lauded for being transparent and open about failure remain seldom.⁸⁰ The discomfort and stigma around failure need to be addressed if social impact measurement is to help uncover and address the drivers and impediments to social change (Cacciotti et al., 2016^[113]).

Accurately representing stakeholders

In their pursuit of participatory methodologies and governance styles, social and solidarity economy organisations have been grappling with how to fairly and accessibly include diverse stakeholders in the social impact measurement process. At the same time, global circumstances and intergovernmental priorities, such as the Black Lives Matter movement in the United States and the Agenda 2030's orienting vision of leaving no one behind, increase the drive to justifiably and fairly increase representation from all segments of society. From healthcare, to education, to business settings, there have been thoughtful attempts at broadening engagement in social impact measurement processes and decision-making (O'Flynn et al., 2019^[114]). Yet, regardless of the range and sophistication of methods being introduced on the market, limitations remain. What it means to be inclusive, in different settings, for different participant groups remains unclear. It is even more difficult to design measures that account for, and speak to, diverse individual perspectives, characteristics and needs.

⁷⁹ Ashoka is a non-profit organisation whose mission is to identify and support a global community of social entrepreneurs and "changemakers". See: <https://www.ashoka.org/en-gb/story/new-reality>

⁸⁰ Few examples have reached public dissemination, including Evidence Action, a charity working in Africa and Asia, and the social enterprise TOMS Shoes. See: <https://www.vox.com/2018/11/29/18114585/poverty-charity-randomized-controlled-trial-evidence-action>; <http://www.acrosstwoworlds.net/whats-missing-in-voxs-negative-toms-shoes-piece/>

Social impact measurement methodologies must factor in the ability to adapt and respond to groups they hope to involve and represent. Ideally, stakeholder voices should be taken into consideration since the very beginning, when developing the theory of change. The categories and units applied in tools and indicators must be relevant and sensitive to the stakeholders being measured. Yet, collective labels traditionally used to represent groups are being debated and criticized as being exclusionary (i.e., BAME for Black, Asian, Minority Ethnic). Social and solidarity economy entities will often have to find creative ways to hear from beneficiaries about their experiences. If too technical and jargon-heavy, the language and modalities used to engage different stakeholders can lead to them feeling defensive and closed-off, instead of trusting and open to dialogue. Involving stakeholders in different aspects of the measurement process can help, from the design of the data collection to the final interpretation of insights. A diversity of methods, depending on the audience, is likely needed.

Establishing causality

Social impact measurement is complicated by the persistent challenge to establish clear causal links between what organisations do and the impact that is created. Methodological developments, such as the increasing use of contribution analysis and mixed methods approaches in evaluation, help address this challenge, but doing this in a credible manner takes data, expertise, and resources. As noted above, these are usually in short supply in the social and solidarity economy.

The impact measurement process often concentrated on establishing how much change, but does not always investigate how that change materialised. It is much more complex to understand the causal pattern leading to a particular outcome, which are the determining features that can be linked back to the organisation and other influencing, contextual factors (Ebrahim and Rangan, 2014^[52]). Especially in the case of social and solidarity economy entities pursuing a participatory mode of governance, it is important to understand to what extent the engagement of diverse groups of stakeholders (e.g. users and volunteers) in decision-making contributes to reaching a beneficial impact, when compared to the consideration of solely employees (Bassi, 2012^[100]; Christensen and Ebrahim, 2006^[106]).

Diverging incentives and perspectives of the actors concerned exacerbate this technical challenge.

Almost invariably, the results of a robust method of impact assessment never meet the aspirations of either funders or organisations themselves. Both parties alike want to assert strong causal claims, while independent experts and, often, social impact measurement practitioners tend to be cautious of over-claiming the strength of causal links.

Employee buy-in and motivation

Another major challenge is how to elicit employee participation throughout the social impact measurement processes. This is even more relevant in the social and solidarity economy, as compared to other industries or sectors. Commitment to the social mission permeates across the employee or member base, rather than being the sole concern of staff in charge of corporate social responsibility, as it may happen in purely commercial companies.

The diversity of professions encompassed within social and solidarity economy entities, with their associated working habits and background training, can lead to a clash in views and potentially internal conflict regarding which measurement approaches are deemed most relevant for different goals. Early evidence suggests that these conflicts may be reduced by hiring individuals that are new to the core business model, and therefore more capable of blending practices from other professions (Battilana and Dorado, 2010^[108]). Still, social and solidarity economy organisations also need to rely on individuals that bring expertise relevant to their social mission. Therefore, time and resources must be put towards collaboration and dialogue amongst these stakeholders to negotiate the selection of measurement

instruments that will be adopted. If appropriately designed, employees may come to value impact measurement as focusing on their mission rather than on other criteria such as cost efficiency.

Social and solidarity economy entities have the additional challenge of using social impact measurement to motivate and inspire performance (e.g. celebrating efficiency and contribution to mission achievement). Without embedding social impact measurement creatively into the promotion and rewarding of staff performance, these organisations are at risk of alienating employees, who, underpaid in comparison to equivalent job roles on the market, highly value the meaningfulness of their work. Imposing measurement obligations, without connecting them to employee praise and recognition, may hinder overall motivation for and ability to create social impact on the frontlines (Millar and Hall, 2013^[115]).

Reconciling accountability and learning

Social and solidarity economy entities must cope with a constant tension between internal learning (i.e., deriving insight and strategic orientation to improve decisions) **versus external accountability** (proving credible results that can withstand the test of independent verification). Ideally, the two priorities could reinforce one another: social impact measurement should match the internal need to make informed progress on social mission and respond meaningfully to beneficiaries and local communities, alongside supplying credible data for external reporting and communication (Ebrahim, 2005^[103]).

In practice, this balance remains elusive. In extreme cases, this can lead to ‘mission drift’, whereby social enterprises become distracted by funder demands to the point of changing their social purpose or losing sight of it entirely (Ebrahim, Battilana and Mair, 2014^[116]). Research shows that what may help is establishing creative governance structures, such as including beneficiaries on executive boards, and adopting qualitative and inclusive methods, such as beneficiary panels, case studies, and video diaries (Benjamin and Campbell, 2015^[117]). Another trade-off may reside in the timeliness of the measurement process, which can be synchronised to feed the decision-making cycle of the social and solidarity economy entity, or instead to meet externally imposed reporting deadlines.

Learning challenges

Social and solidarity economy organisations want to produce meaningful information that helps them learn about how to improve operational processes and activities internally, at the frontline of social impact efforts and positive societal changes. However, stimulating learning with social impact measurement is especially complicated, as the process in itself affects stakeholder engagement and employee sentiment. Early research on behavioural aspects (how people are personally changed or influenced by the measurement process) underlines the importance of skill development in the areas of emotional intelligence and collaboration.

Depending upon the way social impact measurement is designed and introduced inside the organisation, it can trigger different behavioural outcomes for employees and beneficiaries involved (Benjamin and Campbell, 2015^[117]). For example, social impact measurement may inhibit desired performance by causing frustration and demotivation for employees when there is a misalignment between a stakeholder’s understanding of performance and the focus of the measure (e.g. asking a frontline worker to measure and represent their work with beneficiaries in solely monetary terms). Alternatively, social impact measurement can be leveraged creatively to foster dialogue amongst competing stakeholder views and lead to reconciliation. Even more promising, social impact measurement can be a source of motivation and engagement, when it aligns with stakeholder belief systems concerning which goals are important and why for the social and solidarity economy organisation (Beer and Micheli, 2017^[102]).

Yet, work to elucidate the behavioural aspects of social impact measurement, and to strengthen and disseminate creative governance practices is nascent. More research is needed to identify reliable

and rigorous methods that enable adaptive governance and include relevant stakeholders into measurement processes.

Accountability challenges

As illustrated earlier on, **social and solidarity economy actors are under particular strain to interpret and respond to accountability demands for impact information**. Expectations come from both market actors (investors and commercial partners) and regulators (government), meaning that measurement requirements stem from multiple places and entail different approaches.

The growing emphasis placed on quantifiable metrics raises an old concern that has long plagued the social sector: could this orient financing towards work that can readily be measured, such as delivery of services in education or healthcare, at the expense of work where the outcomes are harder to measure, such as in policy advocacy, democratisation, or civil rights? The new and emergent methodologies are primarily turned towards selecting among a cohort of potential funding recipients to get “more bang for the buck”. Ultimately, this could lead to drawing precious resources away from areas where the causal links are more challenging to assess (Glasrud, 2001^[118]).

While it is important for social and solidarity economy entities to identify and understand areas for improvement, **external financiers can be averse to information that shows underperformance, or a different outcome than was expected**, which means that at any data pointing in this direction is given less notice, or in extreme cases, explicitly hidden (Franco-Santos and Otley, 2018^[119]). Extending this viewpoint, (Arvidson et al., 2013^[88]) caution against taking the results of impact measurement at face value. They note a number of opportunities for discretion in an evaluation process: in the choice of who carries out impact assessments, secondly in the selection and identification of indicators, thirdly in the collection and analysis of data, and finally in the presentation of results.

Therefore, **a major challenge is ensuring credibility of result claims**. This can be addressed by 1) adopting robust methodologies for data collection and treatment, 2) adhering to quality labels or standards and 3) resorting to third-party assurance. Where feasible, hiring an impact measurement specialist can help manage divergent expectations and prevent potential clashes.

In conclusion

Social impact measurement represents both an opportunity and a challenge for the social and solidarity economy. The diverse range of methodologies available is matched by a different degree of maturity among the actors involved. Policy makers bear the responsibility to ensure a level playing field within the social and solidarity economy and beyond. International trends towards harmonisation should not forget to include the voice of the most concerned stakeholders, especially those fragile populations served by social and solidarity entities. Further research and consultations are needed to understand what policy levers can be used by governments at the national and local level to promote a more inclusive yet differentiated impact measurement culture that will meet the needs and expectations of all social and solidarity economy actors.

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Annex A.

Table A A.1. Policy initiatives to support social impact measurement for the social and solidarity economy

Country	Name of the initiative	Organisation	Type	Year	Source
Belgium	<i>Sociale Innovatie Fabriek - Impact Wizard</i> Social Innovation Factory - Impact Wizard	Social Innovation Factory with support from the Agency Flanders Innovation and Entrepreneurship	Guidance	2016	https://impactwizard.eu/
Brazil	National Strategy for Impact Investment (ENIMPACTO)	Ministry of Economy	Policy Framework	2017	https://www.gov.br/produtividade-e-comercio-exterior/pt-br/assuntos/inovacao/enimpacto
Brazil	Impact Investment and Business Committee (<i>Comitê de Investimentos e Negócios de Impacto</i>)	Ministry of Economy	Policy Framework, Guidance	2017	http://www.planalto.gov.br/ccivil_03/_ato2015-2018/2017/decreto/D9244.htm https://noticiasdeimpacto.com.br/novo-decreto-mantem-a-continuidade-da-enimpacto-e-do-comite-de-investimentos-e-negocios-de-impacto/
Brazil	Municipal Policy to Promote Impact Investment and Business	São Paulo City Hall	Policy Framework	2020	http://documentacao.camara.sp.gov.br/iah/fulltext/projeto/PL0437-2020.pdf ; https://ice.org.br/projeto-de-lei-cria-politica-para-impacto/
Bulgaria	Social economy action plan 2018	Government of Bulgaria	Policy framework	2018	http://seconomy.mlsp.government.bg/upload/docs/2018-03/18RH151prEN.pdf
Canada	Learning together: Five important discussion questions to make evaluation useful	Canadian Co-operative Association and Social Sciences and Humanities Research Council of Canada (SSHRC)	Guidance	2016	https://theonnc.ca/our-work/our-people/evaluation/five-important-discussion-questions/
Canada	Common Approach to Impact Measurement	Carleton University, The Government of Canada's Social Development and Partnerships Program	Guidance, Capacity	2018	https://www.commonapproach.org/https://tiess.ca/evaluation-et-mesure-dimpact-en-es/
Canada	<i>L'évaluation et mesure d'impact en économie sociale TIESS</i> Evaluation and impact measurement in social economy TIESS	Innovative territories in the social and solidarity economy (TIESS) with funding from the Ministry of Economy and Innovation	Capacity	2019	https://tiess.ca/en/evaluation-and-impact-measurement-for-the-social-economy/https://tiess.ca/en/evaluation-and-impact-measurement-for-the-social-economy/
Canada	Measuring impact by design	Impact Canada - Impact and Innovation Unit	Guidance	2019	https://www.canada.ca/en/innovation-hub/services/reports-resources/measuring-impact-design.html

Country	Name of the initiative	Organisation	Type	Year	Source
Canada	Online platform Mission. Model. Measure.	Government of Canada as part of S4ES project	Guidance	2019	www.socialimpact.tools
Canada	Investment Readiness Program (IRP)	Government of Canada's Social Finance Fund	Funding	2019	https://irp-ppi.ca/en/
Canada	MaRS White Paper Series: Social Entrepreneurship. Social Impact Metrics.	MaRS Discovery District, funded by the Government of Ontario	Guidance	2010	https://vol11.cases.som.yale.edu/sites/default/files/cases/kompanion_financial_group/MaRS_Social_Metrics_2010.pdf
Canada	Ontario Social Enterprise Strategy 2016-2021	Ontario Ministry of Economic Development and Growth	Policy Framework	2015	https://www.ontario.ca/page/ontarios-social-enterprise-strategy-2016-2021
Estonia	Maailmamuutjad.ee - Registry of changes	Estonian Social Enterprise Network, supported by Ministry of the Interior and the Civil Society Endowment	Guidance	N/A	https://www.maailmamuutjad.ee/
EU	<i>Social Effektanalyse Håndbog</i> Social Impact Analysis Handbook	European Commission, Erasmus+ project Social entrepreneurship development in Baltic Sea region, with Estonian Network on Social Enterprises and Denmark Social Enterprise Network	Guidance	2014	https://socialeentreprenorer.dk/wp-content/uploads/attachments/SOCIAL-EFFEKTANALYSE-HAANDBOG.pdf
EU	Proposed approaches to Social Impact Measurement in European Commission legislation and in practice relating to: EuSEFs and the EaSI.	COM / European Commission. (2014). Group of Experts on Social Impact Measurement.	Guidance	2014	https://ec.europa.eu/docsroom/documents/12966/attachments/5/translations/en/renditions/pdf
EU	Policy Brief on Social Impact Measurement for Social Enterprises	European Commission and OECD	Policy framework	2015	https://www.oecd.org/social/PB-SIM-Web_FINAL.pdf
EU	Ex-Ante Impact Assessment & Value Network Analysis for Social innovations	SIMPACT project with EU funding	Guidance	2016	http://www.simpact-project.eu/publications/reports/SIMPACT_T7.1.pdf
EU	Innovative Vocational Social Entrepreneurial Training (INNOVENTER)	European Commission INTERREG VB Balkan-Mediterranean. The lead partner is the National Federation of Employers of Disabled People of Croatia, with partners from Albania, Greece, Cyprus and Macedonia. ⁸¹	Capacity	2019	http://www.ijf.hr/eng/guide.pdf
EU	<i>Valorisation de l'Impact Social de</i>	European Commission, Interreg France,	Guidance	2021	http://www.projetvisesproject.eu/

⁸¹ Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in the documents relates to the area under the effective control of the Government of the Republic of Cyprus.

Note by Turkey: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of United Nations, Turkey shall preserve its position concerning the "Cyprus issue".

Country	Name of the initiative	Organisation	Type	Year	Source
	<i>l'Entrepreneuriat Social (VISES)</i> Valorisation of the Social Impact of Social Entrepreneurship (VISES)	Wallonia and Flanders			
Finland	<i>Hyvään Mitta</i> project Good measure project	Arvoliiitto, VALVO, the Me Foundation, Sitra, the National Board of Education, Kela, Stea and the Ministry of Education and Culture	Guidance	2016	https://www.sitra.fi/en/articles/impact-co-creation-step-by-step/
Finland	Impact investing center	Ministry of Economic Affairs and Employment	Capacity	2020	https://www.hyvanmitta.fi/mittaaminen/
France	<i>La mesure de l'impact social. Après le temps des discours, voici venu le temps de l'action</i> Measuring social impact. After the time for speeches, now is the time for action.	Conseil Supérieur de l'Economie Sociale et Solidaire (CSESS) Groupe de travail sur la mesure de l'impact social	Guidance	2011	https://www.avise.org/sites/default/files/atoms/files/20140204/201112_CSESS_Rapport_ImpactSocial.pdf
France	<i>Evaluer la performance des structures d'insertion par l'activité économique (SIAE) – propositions d'indicateurs</i> Indicators to evaluate the performance of work intergration social enterprises	Fédération Nationale des Associations d'Accueil et de la Réinsertion Sociale (FNARS) with support from the Ministry of Labour, Employment and Inclusion and the EU	Guidance	2012	https://www.avise.org/sites/default/files/atoms/files/200711_avise_cahier_evaluationutilitesociale.pdf
France	<i>Petit précis de l'évaluation de l'impact social</i> Brief details of social impact assessment	Avise, Essec Business School, Mouves with support from the Ministry of Employment and the EU	Guidance	2013	https://www.avise.org/ressources/petit-precis-de-levaluation-de-limpact-social
France	<i>Le retour social sur investissement de Passeport Avenir</i> SROI case study on Passeport Avenir	AVISE with support from the Ministry of Economy and Finance and the EU	Evidence	2016	https://www.avise.org/ressources/le-retour-social-sur-investissement-de-passeport-avenir#:~:text=Passeport%20Avenir%20accompagne%20des%20jeunes,return%20on%20investment%20(SROI).
France	<i>Dossier Impact social</i> Social impact	Avise with support from the Interministerial delegation for the social and solidarity economy and the EU	Guidance	2016	https://www.avise.org/sites/default/files/atoms/files/20161208/avise_dossier_impact-social_0.pdf
France	<i>ESS et création de valeur</i> SSE and value creation	AVISE, Fonda, Labo de l'ESS with funding from Ministry of Ecological and Solidarity Transition and EU	Evidence	2017	http://www.lalabo-ess.org/-ess-et-creation-de-valeur-.html
France	<i>Alter'guide Evaluer l'utilité sociale de l'Economie Sociale et Solidaire</i> Alter'guide Evaluating the social utility of the social solidarity economy	Corus'ESS with funding from Nord-Pas de Calais Region and Lille Metropolitan area	Guidance	2018	https://chaires.org/wp-content/uploads/2018/09/8-160930022358.pdf
Germany	Social Reporting Standard: Guide to results-based reporting	Ashoka Germany, Auridis gGmbH, BonVenture Management GmbH, PHINEO gAG, Vodafone Foundation Germany, Schwab	Guidance	2010	https://www.social-reporting-standard.de/fileadmin/redaktion/downloads/SRS_guidelines_2014_EN.pdf

Country	Name of the initiative	Organisation	Type	Year	Source
		Foundation, University of Hamburg and the Technical University of Munich with support from the Federal Ministry For Family, Seniors, Women and Youth			
Germany	<i>Nationale Engagementsstrategie der Bundesregierung</i> National Engagement Strategy	Federal Cabinet	Policy framework	2010	https://www.winheller.com/files/bundesregierung_nationale_engagementsstrategie_v.06.10.2010.pdf
Germany	Social Impact Navigator	Phineo with support from the Federal Ministry for Family, Senior, Women and Youth	Guidance	2017	http://www.social-impact-navigator.org/
Greece	<i>Epixeiro Koinonika</i> Methodology and evaluation tool for social enterprises	City of Athens Development and Destination Management Agency – Enterprise Socially	Guidance	2014	https://social.developathens.gr/
Greece	Law 4430/2016 on the Social & Solidarity Economy	Government of Greece	Policy framework	2016	https://docplayer.net/40680702-Policy-briefs-the-greek-law-4430-2016-on-social-and-solidarity-economy-breakthroughs-and-backdrops-the-social-economy-institute.html
Hungary	<i>MarketMate Hungarian National Priority Project (PiacTárs)</i> PiacTárs 2.0 Monitoring and assessment of social enterprises	Ministry of Human Resources	Guidance	2017	https://piactars.hu/en
India	Karnataka Evaluation Authority	Government of Karnataka		2011	https://kmea.karnataka.gov.in/english
India	Development Monitoring and Evaluation Office (DMEO)	NITI Aayog	Evidence	2015	https://dmeo.gov.in
India	SDG India Index	NITI Aayog	Evidence	2018	https://niti.gov.in/sdg-india-index
India	Social Stock Exchanges (Working group)	Securities and Exchange Board of India (SEBI)	Guidance	2019	https://www.sebi.gov.in/media/press-releases/sep-2019/sebi-constitutes-working-group-on-social-stock-exchanges-sse-44311.html
India	Recommendations to implement minimum standards for social impact reporting	NITI Aayog	Guidance	2020	N/A
India	Business Responsibility and Sustainability Report	SEBI	Evidence	2020	https://www.sebi.gov.in/legal/circulars/may-2021/business-responsibility-and-sustainability-reporting-by-listed-entities_50096.html
Ireland	The Social Enterprise Toolkit, Chapter 8 Social Impact	SoCent.ie with support from Dublin City Council	Guidance	2017	https://socialenterprisetoolkit.ie/chapter-8-social-impact/
Ireland	My Journey: Distance Travelled Tool	Department of Rural and Community Development	Guidance	2018	https://www.pobal.ie/programmes/social-inclusion-and-community-activation-programme-sicap-2018-2022/distance-travelled-tool/
Ireland	National Social Enterprise Policy for Ireland	Government of Ireland	Policy	2019	https://s3-eu-west-

Country	Name of the initiative	Organisation	Type	Year	Source
	2019-2022		framework		1.amazonaws.com/govieassets/19332/2fae274a44904593abba864427718a46.pdf
Italy	Torino Social Impact	City of Turin	Capacity	2017	https://www.gazzettaufficiale.it/eli/id/2019/09/12/19A05601/sg
Italy	<i>Decreto 23 luglio 2019 - Gazzetta Ufficiale - Linee guida per la realizzazione di sistemi di valutazione dell'impatto sociale delle attività svolte dagli enti del Terzo settore</i> 19A05601 (2019) Decree of 23 July 2019 - Guidelines for the implementation of systems for assessing the social impact of the activities carried out by third sector entities 19A05601 (2019)	Ministry of labor and social policies	Policy framework	2019	https://www.tuttocamere.it/modules.php?name=Content&pa=showpage&pid=176
Korea	Framework Act on Cooperatives	Ministry of Economy and Finance	Policy framework	2012	https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=93311&p_country=KOR&p_count=145
Korea	Second Social Enterprise Promotion Master Plan (2013 - 2017)	Ministry of Employment and Labour	Policy framework	2012	https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_559553.pdf
Korea	Seoul Metropolitan City Framework Ordinance on Social Economy	Seoul Metropolitan City Government	Policy framework	2014	https://www.unrisd.org/80256B3C005BCCF9/(httpAuxPages)/969A3AAE861EBAFA802585A8004C25AF/\$file/WP2020-6---Yoon_Lee.pdf
Korea	Social economy enterprise assessment model index	Korea Social Enterprise Promotion Agency, Korea Credit Guarantee Fund	Guidance	2019	http://joyfulunion.or.kr/new/xe/archives/21595?ckattempt=1
Korea	Social Venture Valuation Model	Ministry of SMEs and Start-ups, Korea Fair Trade Commission	Guidance	2019	http://heri.kr/968877
Korea	Korea Social Enterprise Promotion Agency (KoSEA)	Ministry of Employment and Labour	Capacity	2010	https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/78610/84122/F-684569511/KOR78610%20Eng%202012.pdf
Korea	Social Value Index Manual	Ministry of Employment and Labour, Korea Social Enterprise Promotion Agency	Guidance	2020	https://www.mss.go.kr/site/smba/ex/bbs/View.do?cbldx=86&bclidx=1010080
Lithuania	Social impact measurement tool	Enterprise Lithuania (Ministry of Economy and Innovation)	Guidance	N/A	https://www.oecd-ilibrary.org/industry-and-services/boosting-social-entrepreneurship-and-social-enterprise-development-in-lithuania_502fc6ef-en
Lithuania	Conception of Social Business (Decree No. 4-207, 2015)	Minister of Economy	Policy framework	2015	https://ec.europa.eu/social/BlobServlet?docId=20565&langId=en
Lithuania	Decree "On guidelines for the implementation of social business within the programme means for the development of rural areas for the period 2014-2020" (No. 3D-720, November 2017)	Ministry of Agriculture	Policy framework	2017	https://www.oecd-ilibrary.org/industry-and-services/boosting-social-entrepreneurship-and-social-enterprise-development-in-lithuania_502fc6ef-en

Country	Name of the initiative	Organisation	Type	Year	Source
Luxembourg	<i>Loi du 12 décembre 2016 portant création des sociétés d'impact sociétal.</i> Law of 12 December 2016 on the creation of societal impact companies.	Government of the grand duchy of Luxembourg, Work, Employment and Social and Solidarity Economy	Policy framework	2016	http://legilux.public.lu/eli/etat/leg/loi/2016/12/12/n1/jo
Luxembourg	<i>Création d'une grille d'évaluation pour le secteur de l'insertion adaptée aux spécificités du Grand-Duché de Luxembourg</i> Creation of an evaluation grid for the insertion sector adapted to the specificities of the Grand Duchy of Luxembourg	Le comptoir de l'innovation	Guidance	2017	https://guichet.public.lu/en/publications/creation-entreprises/cdi-ratings-insertion.html
Mexico	Social Economy Satellite Account (<i>Cuenta Satélite de la Economía Social</i>)	National Institute of Social Economy (INAES), National Institute of Statistics and Geography (INEGI)	Evidence	2013	https://www.gob.mx/inaes/prensa/cuenta-satelite-de-la-economia-social
Mexico	General provisions for social impact assessments (SIA) in the energy industry	Energy Ministry (SENER)	Guidance	2018	https://www.gob.mx/tramites/ficha/evaluacion-de-impacto-social/SENER2561
Mexico	InnovaUNAM	National Autonomous University of Mexico (UNAM)	Capacity	2019	https://innova.unam.mx/
Netherlands	Exploratory advice on social businesses	Social and Economic Council of the Netherlands (SER)	Policy framework	2015	https://www.ser.nl/-/media/ser/downloads/adviezen/2015/sociale-ondernemingen.pdf
Netherlands	The impact path tool	Developed by Avance, Social Enterprise NL and Impact Centre Erasmus. Commissioned by Ministry of Social Affairs and Employment, Ministry of Economic Affairs and Climate Policy, Ministry of Foreign Affairs	Guidance	2018	https://impactpad.nl/wp-content/uploads/Het_Impactpad_NL_2020.pdf
Portugal	ONE VALUE database	Portuguese Government with Calouste Gulbenkian Foundation	Evidence	2020	https://onevalue.gov.pt/page/1
Slovenia	Social entrepreneurship act 2018	Government of Slovenia	Policy framework	2018	http://socialnaekonomija.si/wp-content/uploads/Analiza_stanja_na_podroczju_socialne_ekonomije_v_Sloveniji.pdf
Slovenia	Applicative analysis of the conditions in the field of social economy in Slovenia	Ministry of Economic Development and Technology	Evidence	2018	http://socialnaekonomija.si/wp-content/uploads/Analiza_stanja_na_podroczju_socialne_ekonomije_v_Sloveniji.pdf
Spain	<i>Análisis del impacto socioeconómico de los valores y principios de la economía social en España</i> Analysis of the socio-economic impact of	Confederación Empresarial Española de la Economía Social (CEPES) with funding from the Ministry of Employment and Social Security	Evidence	2020	https://www.cepes.es/files/publicaciones/118.pdf

Country	Name of the initiative	Organisation	Type	Year	Source
	the values and principles of the social economy in Spain				
Sweden	Social Enterprise Strategy (2018)	Government of Sweden	Policy framework	2018	https://www.regeringen.se/491b2f/contentassets/0f9a51b89db64c7490d310a9b05dee19/2018_sociala-foretag.pdf
United Kingdom	Standards of evidence	National Endowment for Science, Technology and the Arts (NESTA)	Guidance	2013	https://media.nesta.org.uk/documents/standards_of_evidence.pdf
United Kingdom	Outcome Star (OS)	Triangle with Big Lottery Fund support	Guidance	2013	https://www.outcomesstar.org.uk/wp-content/uploads/B_working-paper-110.pdf
United Kingdom	The Social Value Act	Government of the United Kingdom	Policy framework	2013	https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources
United Kingdom	Charities Statement of Recommended Practice (SORP)	Chartered Institute of Public Finance & Accountancy	Guidance	2013	https://www.gov.uk/government/publications/charities-sorp-2005
United Kingdom	Justice Data Lab	Ministry of Justice	Evidence	2014	https://www.gov.uk/government/publications/justice-data-lab
United States	Global Taskforce on Social Impact Investing	United States National Advisory Board on Impact Investing (now the Impact Investing Industry Alliance)	Guidance	2013	https://omidyar.com/news/the-us-national-advisory-board-issues-policy-recommendations-to-encourage-impact-investing/
United States	Economic self-sufficiency and life stability one year after starting a social enterprise job	Mathematica Policy Research for REDF, with funding from the Social Innovation Fund (SIF) of the Corporation for National and Community Service (CNCS)	Evidence	2015	https://redf.org/wp-content/uploads/REDF-MJS-Final-Report.pdf
United States	Social Impact Partnerships to Pay for Results Act (SIPPRA)	Department of the Treasury	Policy framework	2018	https://home.treasury.gov/services/social-impact-partnerships/sippa-pay-for-results
United States	Impact Evaluation of the Los Angeles Regional Initiative for Social Enterprise (LA:RISE) Pilot Program	Los Angeles Economic and Workforce Development Department	Evidence	2019	https://www.spra.com/wordpress2/wp-content/uploads/2019/09/LARISE-Evaluation-Final-Report.pdf
United States	Executive Order on Advancing Racial Equity and the Support for Underserved Communities Through the Federal Government establishing an Equitable Data Working Group	President	Evidence	2021	https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/

Note: Non exhaustive list of initiatives identified at the national and local level, from 2010 onwards.

Source: Authors.

Social Impact measurement for the Social and Solidarity Economy

OECD Global Action – Promoting Social & Solidarity Economy Ecosystems

The OECD Global Action “Promoting Social and Solidarity Economy Ecosystems”, funded by the European Union, through its work stream on social impact measurement, endeavours to: 1) explore current social impact measurement practices among social and solidarity economy organisations; 2) identify the methodologies best suited to capture the social benefits of the social and solidarity economy; and 3) understand what policy initiatives can be used to foster a social impact measurement culture and practice in the social and solidarity economy.

After discussing the origins and drivers of social impact measurement, this paper examines existing methodologies developed at the local, national and international level and finally reviews how these are being implemented in the social and solidarity economy. It takes stock of the policy mapping exercise conducted by the OECD, which draws on responses to an online survey and on the stakeholder consultations conducted in Brazil, Canada, India, Korea, Mexico and the United States.



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