

Opportunities and Challenges of Statistics On the Social and Solidarity Economy

Expert Workshop – Background Note

Brussels, 4 November 2019

Event co-organised by UNTFSSSE, UNRISD, ICA, CIRIEC and Social Economy Europe

Background

There is a growing interest for statistics about the social and solidarity economy (SSE). Policymakers increasingly pay attention to SSE, in particular its potential to address social, economic and environmental problems in alternative ways. Over the last three decades, national statistical agencies and researchers (academic and institutional) have done significant work to develop methodologies and gather data at the national and international levels. Despite these achievements, many countries and regions lack statistical information about SSE in their territories and globally agreed statistical methods and indicators which ensures systematic data collection and coordination between various statistical offices have yet to be established. What are the methodological challenges and how can we address them? To answer these questions, UNTFSSSE in collaboration with UNRISD, ICA, CIRIEC and SE Europe organises this workshop to take stock of the knowledge on the production of statistics on SSE, identify the limitations and opportunities of various methodologies and indicators of SSE and suggest ways to move forward.

Context

The purpose of measuring a phenomenon is to ensure its social and political recognition, namely to justify government support. As noted by the Research Working Group of the 2014 Social Economy conference in Rome,

“Systematic data collection seems to be a common problem, and coordination between various statistical offices is required. Recurrent issues relate to the quality of statistics, and the absence of quality data in many cases. This seemed to be related to the lack of a clear definition in order to define the population within much larger datasets. The social economy has a large range of (often contested) meanings, and so this raises quantitative challenges” (Roy 2014).

In turn, the lack of statistical information about the weight, size and scope of the SSE in their own territory often prevents governments from establishing good policy for the SSE development.

That said, since interest in the measurement of SSE is relatively recent, dating back only two or three decades, the codification of the field is yet to be perfected, especially in national statistics accounts. In fact, the practices and roles as well as the theoretical field of

the SSE are multifaceted and ever-evolving (Hiez and Lavillunière 2013; Draperi 2012; Leroux 2013). However, as daunting as these challenges may appear, they must nevertheless be taken on (DiMaggio 2001) and do not, essentially, differ from those identified over a decade ago with regard to new social processes or phenomena such as information technologies or issues relating to sustainable development (Custance and Hillier 1998; Jeskanen-Sunström 2003).

Social and solidarity economy organisations and enterprises (SSEOs) have evolved in different shapes. In recent years, considerable work has been done to map SSE, work that nevertheless yields a wide range of notions of this type of economy and a variety of methodologies for grasping its weight, size and scope. This reflects the different historic evolutionary process and progressive unfurling of SSEOs, and the diversity of the economic and political contexts in which the SSE nowadays exists. It also reveals the competing development models in which the SSE is called to play a role and the different paths of its institutionalization. Critical dimensions in which we can discern one from another approach are as follows.

Conceptual frameworks

The notion of social and solidarity economy is still relatively recent and various concepts are used to define it, sometime overlapping one another. Conceptual frameworks for identifying SSEOs vary depending on the main characteristics of the SSE are of interest to producers and users of SSE statistics, but also on the socio-economic, cultural and institutional context in which the SSE enterprises and organizations did develop themselves over time in various parts of the world.

Pioneer research by CIRIEC in the early 1990s explained various national settings of the social economy concept and outlined its core identity. Based on a set of characteristics that differentiates SSEOs from other economic entities, it identified a family of organisations considered SSEOs. They are associations (nonprofit institutions), cooperatives and mutual societies and foundations¹ (Defourny and Monzón 1992).

An initiative by Johns Hopkins University on the nonprofit and voluntary sector in the late 1990s has had a significant influence on the discourse of SSE statistics. The concept of nonprofit and voluntary sector in its approach includes associations and foundations but not cooperatives and mutual societies since they may distribute surpluses (in proportion to member usage and not to owned capital). The initiative provided a basis of the publication of the United Nations *Handbook on Nonprofit Institutions in the System of National Accounts* (UN 2003).

To build on and complement the UN handbook on nonprofit institutions, the European Commission entrusted CIRIEC with the task of writing the *Manual on the Satellite*

¹ In some cases, foundations and other forms of charitable organizations are considered as social economy components.

Accounts of Cooperatives and Mutual Societies, in view of grasping social economy enterprises, which includes “cooperatives, mutual societies and similar companies” in the European context (CIRIEC 2006²).

The Manual on the Measurement of Volunteer Work, is a tool commissioned by the ILO for gathering official data on the amount, character, and value of volunteering, which is a significant form of work found in many SSEOs (ILO 2011).

In 2018 two significant developments were made in setting statistical standards associated with SSE. The UN adopted a *Handbook for Satellite accounts on Nonprofit Institutions and Related Institutions and Volunteer Work*, also called *UN TSE Handbook*, in which the letters TSE are said to refer to both “third sector” and “social economy”. This framework encompasses a broader scope than the 2003 version of the NPI handbook, including some cooperatives as well as some for-profit “social enterprises” (enterprises with a social purpose). It, however, identifies most cooperatives and mutual societies as out of scope. The other significant progress is the adoption of the *Guidelines concerning statistics on cooperatives* by the 20th International conference of labour statisticians (ICLS). It was also adopted by the ILO governing body in 2019.

Mappings

Various mapping exercise, i.e. identification of the type of organisation of interest, have shown different approaches to SSEOs which combine elements of various organisations such as non-profits, for-profits, cooperatives, mutual societies, foundations and social enterprises.

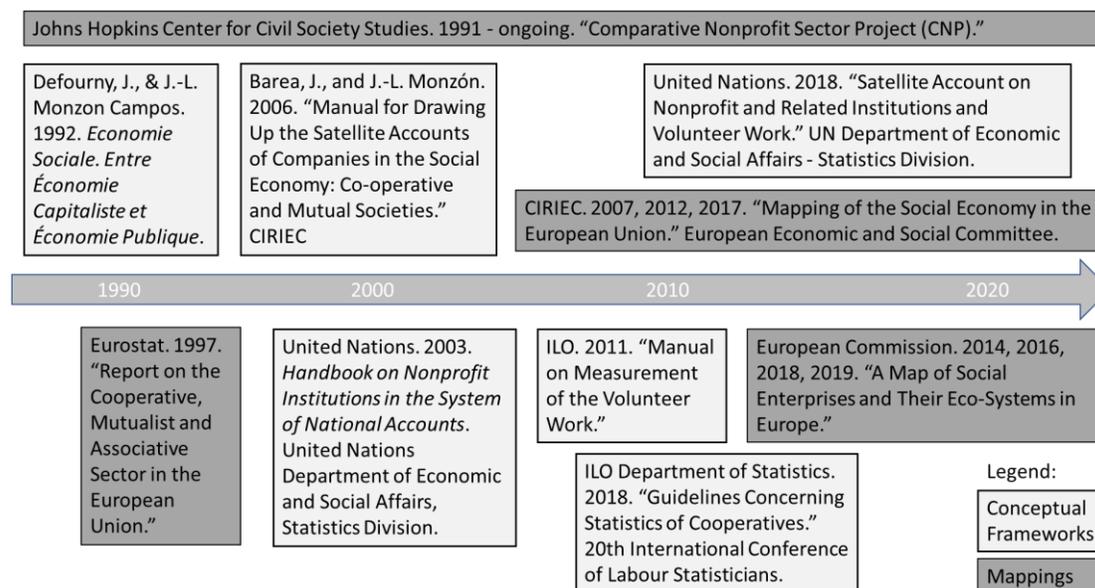
One of the important mapping exercises is the Johns Hopkins Comparative Nonprofit Sector Project which began in 1991. It is still an ongoing project that collects and analyses data on the nonprofit and voluntary sector in the United States and 44 other countries.

In 1997, Eurostat published the *Report on the Cooperative, Mutualist and Associative Sector in the European Union* (Eurostat 1997). The European Social and Economic Committee commissioned to CIRIEC a mapping of the social economy in the European Union in 2006 (CIRIEC 2007), followed by an update in 2011 (CIRIEC 2012) and 2016 (CIRIEC 2017).

The European Commission undertook a mapping exercise to identify social enterprises in 28 EU countries and Switzerland in 2014 (European Commission 2014). It was followed by an update of seven of them in 2016 and by a follow-up study in 2018-19. It is still an ongoing project undertaken by EURICSE and the EMES Research network.

² An update of this manual to take account of SNA 2008 and SEC 2010 is foreseen by CIRIEC-España.

Key Publications in the Field of Statistics on the Social and Solidarity Economy (SSE) Sector



Methods for producing SSE statistics

Diverse methods to generate SSE statistics can be grouped into three broad types: the satellite account approach, surveys and observatories. These three approaches are not necessarily opposed but rather complementary. The prime examples are: the satellite account manuals for the non-profit institutions (UN 2003 and 2018) and for the cooperative and mutual organisations (CIRIEC 2006); and the observatories and national surveys that have been coconstructed by social and solidarity economy actors with the help of researchers and governmental statistical agencies (such as in France, Brazil, Wallonia/Brussels (Belgium) and Québec (Canada)). It is important to note that the historic development of SSE in each country does influence the understanding and delineation of the enterprises and organizations to be (or not) considered in the perimeter.

Variable perimeters

All of these frameworks, mappings and methodologies offer considerable knowledge about the sector and on how to measure it, with each addressing a particular aspect of the field. Some focus on the nonprofit non-market components (nonprofit institutions and foundations) and others on the not-for-profit market-based components (associations with commercial activities, cooperatives, mutual societies). Some exclude cooperatives and mutual societies, which are core components of the traditional social economy, and concentrate on social purpose organizations, including for-profit enterprises that pursue a primary social aim. Methodologies and indicators vary from one study to another and include satellite accounts, national observatories, impact assessments (social, economic, environmental) and longitudinal and demographic surveys. From an international perspective, the SSE remains a polysemic phenomenon spanning a wide range of practices and notions (CIRIEC 2017). Adding to this, the notions of social enterprise, social business and social entrepreneurship that began being in use as of the 1990s still carry a variety of

meanings (Defourny and Nyssens 2010; EU 2015), showing that it is still a pre-paradigmatic field (Nicholls 2010).

This makes it difficult to delineate and follow for statistical purposes the evolution of the whole of the SSE in a scalable fashion and in a way that allows for international comparability. Different tools and methodologies each have their own utility and limitations. Discussions about definitions might blur the legibility of the field, potentially undermining the social and political recognition of the SSE. In that context, it seems important to review the methods and their impact on the representations of the SSE, particularly in terms of outlining the field, nomenclature of activities and appropriate indicators.

EU and OECD

The European Commission and the Organisation for Economic Cooperation and Development co-organized in October 2017 in Paris a Working Seminar with the title *Towards Satellite Accounts for Third Sector and Social Economy: Challenges and Opportunities*. This seminar's aim was "reviewing the state of the art and exploring the challenges and opportunities of developing national satellite accounts for the Third Sector and the Social Economy". A group of experts was invited to discuss the different frameworks: the UN handbook *Satellite Account on Nonprofit Institutions and Related Institutions and Volunteer Work*; the *CIRIEC International Manual for Drawing Up satellite accounts of Companies in the Social Economy: Co-operatives and Mutual Societies* and report on *The Recent Evolutions of the Social Economy in the European Union* commissioned by the EESC (European Economic and Social Committee); the ILO *Manual on the Measurement of Volunteer Work*; and the *Conceptual Framework for the Purpose of Measurement of Cooperatives and its Operationalization*. Among the converging views coming out of this meeting was "the need to test concepts and operationalizations under different social economy traditions, and legal and administrative frameworks" (...) and "to combine or complement different approaches (each of which serves as a spotlight to illuminate third sector/social enterprise entities or activities" (OECD 2017).

UNRISD

Lessons from these experiences have to be analyzed, especially in view of strengthening the capacity to develop coherent, rigorous and scalable information about SSE as a whole and with respect to nuances between the different notions or segments of the sector.

UNRISD, as an implementing organization of the UNTFSSSE Knowledge Hub, launched a two-year research project on various aspects of statistics on SSE. The purpose of this project is to contribute to knowledge diffusion and transfer about robust methodologies and high-quality approaches for data collection, analysis and interpretation of SSE statistics.

Work has recently been produced, exposing how statistics are presented on the SSE and on cooperatives (Bouchard & Rousselière 2015; ILO 2017; ILO 2018; Bouchard 2018).

Conceptual brief and practical guidelines can be created based on this work and recent updates, and recommendations can be drawn from experts, to help countries develop statistics on SSE.

The expert workshop organized in Brussels on 4 November 2019 consists of a first step of this project.

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Acknowledgements

This project is part of the SSE Knowledge Hub for the SDGs, an initiative of the [UN Inter-Agency Task Force on Social and Solidarity Economy](#) (UNTFSSSE), implemented by the [United Nations Research Institute for Social Development](#) (UNRISD), which has received funding from the Government of the Republic of Korea (represented by Statistics Korea). This workshop is also supported by the European Economic and Social Committee.



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