

Ioannis Nasioulas, Researcher and Doctoral Candidate, Mytilini, Greece,

George Tsobanoglou, Assistant Professor - Dr, Mytilene, Greece

Social Economy for local governance structures: Monitoring and Evaluation Perspectives.

Abstract.

Social economy , the ground between free market private benefit institutions , the State regulation and society , needs to be positively identified. The existing , traditional , monitoring and evaluation concepts , methods and tools are proven to ineffectively identify and describe the social conjunctions , adherent to the social mediation of the economic sphere. Coherent , scientifically valid , approaches need to be formulated. Up to date methods and tools , capable of reaching and describing the social economy phenomenon , emerge as a useful contribution , as long as they refrain from the traditional economic and administrative context. The creation of a positive , new grammar for the identification of social economy forms the core of our interest. Local governance structures tend to lean upon such trends as they require partnership organizations to meet successfully local priorities essential to combat exclusion, poverty, acculturation, community growth and employability. Recent trends in the evaluation of this strategic field will be provided.

Introduction.

The new globalized environment creates capacities for democratic communities , individuals and structures of market and the state to collaborate voluntarily , in order to provide community services , empower civic action and local development. The Social Economy territory comprises of institutions and organizations of such an orientation , independent from the market and the state.

Social Economy institutions are multilateral and diversified in form and interest. The traditional idea of a profit oriented economic organization or a public service institution created a recognition process , that cannot coincide with the need for a positive identification of Social Economy structures.

The only scientifically and empirically valid approach for an identification context on Social Economy structures and activities should focus on the priority of discovering and emphasizing on the *specific historical cause* and the *ethical motivation* that gave birth to an initiative , definitely oriented towards non market and non state community service providing.

Traditional monitoring and evaluation methods are clearly oriented towards an organizational , econometechnical analysis of structures and activities. The sociological perspective comprises of approaching all other factors , that contribute to the special character of such Social Economy initiatives and cannot be displayed through a logistics approach.

Thus , recent trends in the evaluation of this strategic field are provided.

Social Economy and Social Capital.

In the new globalized environment, a sphere of functions and interconnections , between emerging global structures and simultaneous processes , in the local and regional level , tends to form (Carayannis & Von Zedtwitzb , 2005). Citizens and local communities are oriented towards needs , that market economy and the state are not capable or willing to cover. These needs constitute an emerging territory , between profit oriented economic activities and state controlled , public oriented , services. Thus , Social Economy emerges (Salamon et al. ,1994 , EMES , 1999 , La Ville & Nussens , European Commission).

Social Economy institutions include social enterprises , social cooperatives , unions , mutual aid and development funds , civil society organizations and any other form of economically active schemes , that comply with the following preconditions :

- they are basically non profit , but , even if they create an economic surplus , it is distributed not to the managers but to the beneficiaries
- they are independent from the state , even if sometimes the state is their main financier
- their basis is selforganization of the civil society , voluntary action , reciprocity , cooperation and trust

Empirical research shows that Social Economy institutions tend to focus on quality of life issues , environmental problem solving , cultural , social and local development , innovation and social welfare (OECD , 2000 , 2001 , 2002 , EIE , 2002 , Τσομπάνογλου , 2002 , ICASO , 2002 , UNAIDS , 2000 , 2002).

The driving force behind Social Economy is Social Capital. Like financial or human capital , Social Capital is a key factor to economic activities (LEED , 2002 , Woolcock , 2000 , 2002 , Barros , 2001). It refers to elements of sociability amongst community members , based on the presence of trust , reciprocity , common rules , official and unofficial social networks and effective channels of information , which can be mobilized as economical equivalents by individuals or groups in a community (OECD , Field , 2003 , Anders , 1993).

Social Economy and Social Capital literature lie on several fundamental acknowledgements :

- there exist needs which enterprise interests or state public services either can't or are not interested in meeting
- there exist reserves of economically significant capital outside the financial sphere
- economic and social relations tend to create feedback effects between one another
- there exists an emerging need for a new grammar of development : to the conventional resources , qualitative elements , intrinsic to human relations , need to be taken into account

In general terms , the basic principle behind Social Economy refers to organized activities fundamentally oriented towards society , based on democratic values and at the same time , being independent from the public sector. Such activities are overtaken by associations , cooperatives , clusters (Rosenfeld , 2002 , European Commission) , institutions , societies and so on. The basic motive behind the organization of all these activities and structures is public benefit or the benefit of a specially selected group of individuals - not profit and surplus maximization for the investors.

A positive identification of Social Economy.

Social Economy institutions are multilateral and diversified in form and interest. The traditional idea of a profit oriented economic organization or a public service institution created a recognition process , that cannot coincide with the need for a positive identification of Social Economy structures. How is it possible to deal with the multiple identities intrinsic in a Social Economy organization ? Management literature is not enough. In fact it is misleading when it comes to social enterprises , cooperatives and so on. The sociological perspective creates a context of analysis in which the social , economic and organizational identities of Social Economy structures can be dealt with simultaneously.

Neither the legal form of the organization , nor its field of interest can positively define its Social Economy nature. Neither its organizational basis , nor its surplus creating capacity are definite criteria. Social Economy organizations produce characteristics which can be easily found in any other form of private or public

institution. The only scientifically and empirically valid approach for an identification context on Social Economy structures and activities should focus on the priority of discovering and emphasizing on the *specific historical cause* and the *ethical motivation* that gave birth to an initiative , definitely oriented towards non market and non state community service providing.

Traditional monitoring and evaluation methods are clearly oriented towards an organizational , economotechnical analysis of structures and activities. The sociological perspective comprises of approaching all other factors , that contribute to the special character of such Social Economy initiatives and cannot be displayed through a logistics approach.

An evaluation context for Social Economy.

Contemporary trends in social research reaffirm the significance of a combination scheme between *a priori assesments* , *on going monitoring procedures (reviews)* and *ex post overall evaluations*.

Several alternatives exist , as far as evaluation procedures are concerned : self assesments , participatory , complex methods or meta - evaluations , focusing on any significant issue - field of interest , master plan , tools , physical , human or social capita , and so on.

This paper introduces a two-fold criterion for Social Economy Organizations Monitoring and Evaluation. We must develop evaluation methods capable of recognizing signs of *effectiveness* , on the one hand and *viability* , on the other (InnoNet , W.K. Kellogg Foundation , 1998 , Connolly & Clein , 1999).

According to traditional perspectives , effectiveness can be measured on the basis of administratively significant , *statute goals and objectives*. The sociological perspective , though , stresses upon an evaluation of the socially significant , *actual outputs* of an initiative (Table 1).

Table 1. The administrative and the sociological perspective.

	Proceedings Evaluation	Outcomes Evaluation
Strategic Objective	Fullfilment of statute declared goals.	Obtention of actual benefit.
Advantage	What we are interested in , is on the statute. We have a clear cut masterplan. Transparency.	What we are interested in , is on the field. Positive feedback can be taken into account. Adaptability.
Disadvantage	Conservative Accounts. No viable consensus on the ethical motives : “stick to what is on the paper”.	Hazy Masterplan. Motives and actions far beyond the scope of the initiative.

As far as *viability* is concerned , we can similarly introduce two aspects : *functional viability* and *social viability*.

Functional viability refers to organizational capacity , funding , infrastructures and so on. Scarcity of resources intensifies competition between Social Economy institutions , threatening with extinction stuctures weaker in capacity and scope. Cohabitation and clientelistic relationships tend to emerge , between policy makers and Social Economy organizations , questioning their independance and consequently threatening their social legitimacy. Sometimes , harsh competition imposes strict administrative and economic rules , distorting their social orientation and their perception about costs and benefits.

Distortion of the economic environment , political intermediation and institutional framework gaps exert a negative influence , even as far as economically viable initiatives are concerned.

Nonetheless , let's bear in mind that the nature of resources social organizations mobilize is primarily social , not political , legal or economic. *Social viability* refers to the degree of trust , institutional transparency , social relations , a culture of cooperation and legitimacy - in other words , *social capital* - that exists in the community and is inherent in the Social Economy initiative.

So even when it comes to the “healthy , viable enterprise , in a non healthy , hostile environment” scenario , evaluation methods and tools should be able to sort out all the qualitative elements , significant to the sociological perspective.

The true challenge for contemporary social research lies on the formation of elucidating evaluation methods and tools , capable of unfolding the socially significant aspects of economic and civic activity.

Evaluation Methods and Tools for Social Economy Institutions.

The formation of a monitoring and evaluation plan belongs to the first most significant steps of creating a Social Economy organization (ICASO , 2002 , Adevi Olusoji et al. ,2000). The use of qualitative research methods and tools aims at outlining :

- personal attitudes and contributions
- the functional identity of the organization or initiative
- the difference between personal experiences of the participants and what is actually going on
- dynamic elements in the background of the initiative

Empirical research on Social Economy structures shows the importance of forming a *strategic partners* alliance , safeguarding the validity and plurality of the evaluation process (UNAIDS , 2000).

Sewell quotes a five step *State Strengthening Evaluation Guide* (as introduced by Callor , Betts , Carter & Marczak , 1997) , particularly useful in Social Economy evaluations :

- Clarification and definition (the identity of the programme)
- Accountability (what we say we do , and what is actually being done)
- Comprehension (personal experience from the field of action)
- Results oriented processes (internal assessments and community attitudes)
- Feedback (secondary analysis)

ICASO HIV / AIDS Networking Guide (2002) gives a detailed , step by step , evaluation guide and Church et al. (2002) introduce the significance of qualitative data providing capacity of the tools we are about to use : the tailor made questionnaire , “Weaver’s Triangle” , “Contributions Assessment” , “Letters of Commitment” , “Channels of Participation” , SWOT analysis , “Outcomes Evaluation” and “Cost - Benefit analysis” are some of the tools we could combine , in order to bring to the surface “underground” , sociologically important , qualitative elements (see also , DFID , 2005 , United Way of America , 2000 & 2005 , UNDP , Winer & Ray , 1994).

A tailor made questionnaire should provide sufficient data about : the profile of the initiative and the debater , collaboration and communication , participation , social capital , needs and problems related issues.

Weaver’s Triangle depicts

- The general objectives of the organization
- The specific objectives of its programme and its members
- The field of interest

It creates an environment in which it is possible to check

- The internal cohesion in the words of the debater
- The debaters relationship with the vision of the structure which he / she belongs to

A Contributions Assessment (and also *Letters of Commitment*) could depict

- grassroots contributions dynamics
- members' capacity to contribute on their own
- a differentiation of member positions inside the organization
- the level of trust and cohesion

Channels of Participation show the different aspects and qualities of participation , *how* we participate and in what context.

SWOT analysis refers to Strong Points , Weaknesses , Opportunities and Threats.

Outcomes Evaluation and *Cost - Benefit analysis* are much more common in evaluation and management literature , supplementing the qualitative research with more tangible , of logistic nature , data , as far as organizational effectiveness , performance , resource mobilization and capacities are concerned.

Conclusions.

Social Economy territory is a multilaterally created field of voluntary action towards community service providing , without the limitations exercised by market and the state.

A valid recognition approach of Social Economy institutions presupposes a degree of conscience on their distinct nature.

As far as evaluation methods and tools are concerned , no one-sided or partial approach is proven to be able to deliver scientifically valid results. Combinations between qualitative and quantitative methods , combined use of different tools and interdisciplinary approaches will help researchers and Social Economy organizations depict crucial aspects of economic and civic , voluntary activities.

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