Social Impact Measurement at EU level

- **EU 2020** – “a competitive social market economy”

- Social enterprises identified as key player for **social and economic value creation**

- Launch of **Social Business Initiative** 2011

- **Single Market Act 2** states: “The Commission will develop a methodology to measure the socio-economic benefits created by social enterprises. The development of rigorous and systematic measurements of social enterprises’ impact on the community, while not smothering them in red-tape, is essential to demonstrate that the money invested in social enterprises yields high savings and income.”

- **Strasbourg** event – clear signal for the need to better measure social and economic progress in Europe
The European Commission work

- **Method needed** for implementation of:
  - The financial instrument for social enterprise support under the Programme for Employment and Social Innovation (EaSI)
  - The European Social Entrepreneurship Fund (EuSEF) regulation

- **GECES sub-group on Social Impact Measurement**
  - Formed 2012
  - Mandate – to support the Commission in developing an approach for EaSI and EuSEF
  - Report delivered 2013
  - Next steps?
GECES Sub-group report – recommendations

- **Definition**: “Impact measurement: a learning process that involved key stakeholders every step of the way.”

- **Standard should focus on one common process of impact measurement**
  - Identify objectives → Identify stakeholders → Set relevant measures → Measure, validate and value → Report, learn and improve

- **Common characteristics** that define measurement reporting and acceptable quality
  - All reporting should include: how effects happened, main stakeholders, selection of outcomes/choice of indicators, actual effects verified and validated, explanation of social and financial risk quantified

- **Other recommendations**
  - Framework and indicators not mandatory but preferred status
  - Proportionality – balance needs with obligation
  - Roles and responsibilities
  - Validation of evidence

Source. GECES Sub-group on Social Impact Measurement
November 28, 2013
EESC work

- **EESC expertise** in the area of social economy enterprises
- **Own Initiative Opinion 2013** → to provide EESC expertise to Commission work
- Primarily from **Social Enterprise perspective**
- **Content**: describing social impact in society and for social enterprise, actors, methods and recommendations
INT/721 - recommendations

- **Welcome the debate** on social impact measurements → both for social enterprises and the social dimension of Europe more widely

- EESC description as: **social outcomes and impact created by specific activities (and models) of the social enterprise** – not the enterprise itself

- **Tread carefully**, do not rush → may counteract purpose of SBI
  - Sector still underdeveloped, low awareness in many MS
  - Risk of incorrect or over-application in MS → may stifle social innovation, development and growth of sector
Recognise **impact of social enterprises is different**
- Core purpose of enterprise and an integral part
- Many methods exist → are bottom-up and both qualitative and quantitative
- Input → Output → Outcome → Impact

**Pilot** methods for EuSEF and EaSI → monitor and revise
- Method must be supportive of the social enterprise and be proportional
- Stakeholder approach with social enterprise at heart
- Awareness raising and training programmes for MS

**EESC** to **continue to discuss and monitor**

**Strasbourg follow-up** project 2014

**The debate continues!**
Thank You!

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