

# 1. CONSCISE PROJECT: YEAR TWO: EXECUTIVE SUMMARY:

## 1.1 PROGRESS OVER YEAR 2 OF THE PROJECT:

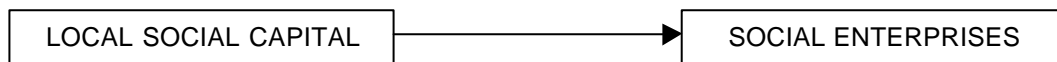
The work programme of the CONSCISE Project in Year 2 has progressed in three main areas:

- (a) Completion of Local Socio-economic profile reports of the eight fieldwork localities.
- (b) Commencement of work on a report which consolidates the findings of the eight local reports.
- (c) Commencement of work with local social enterprises in each locality to establish augmented social audit frameworks and bookkeeping systems.

### 1.1.2 Local Socio-Economic Profiles:

The objective of the profile fieldwork in eight different localities was to examine the working hypothesis that:

- (1) local social capital generated by local family, voluntary group and community networks contributes to the emergence and growth of local social enterprises.



A common methodological framework for the socio-economic profiling exercise was developed and adapted to local circumstances in each of the eight localities. The key points from these exercises are reported in section 2 below.

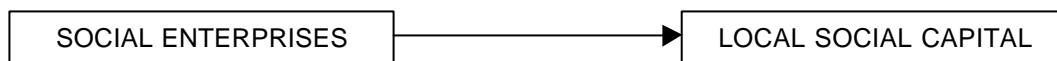
### 1.1.3 Local Socio-Economic Profiles: A Consolidated Report:

A report, which examines the key issues emerging from the eight locality reports in the context of issues in the social capital and development debate, has been prepared for delivery and distribution by March 2003.

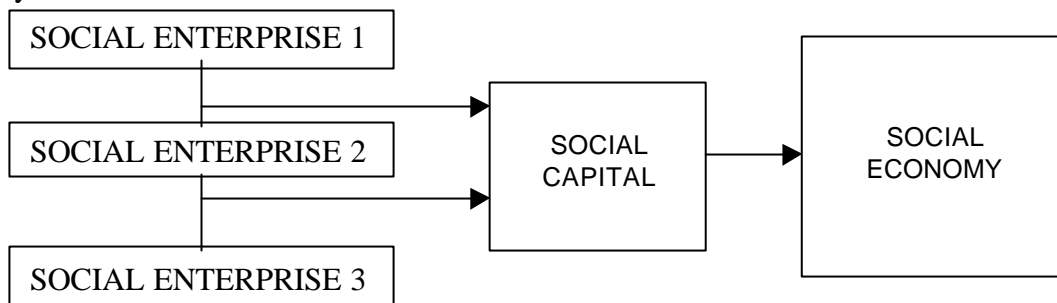
### 1.1.4 Social Audits of Social Enterprises:

The fieldwork involved working with identified social enterprises in each of the eight localities to help them carry out social audits which would assess the extent to which these enterprises met their social objectives as well as a number of social capital objectives which the CONSCISE Project devised. The objective of social audits of the eight social enterprises was to examine a further two working hypotheses, that:

- (2) local social enterprises also generate social capital, which then becomes available for further development.



- (3) local social enterprises - working in co-operation and mutual support - collectively generate social capital, which is available to local social enterprises in the context of a local social economy.



Social bookkeeping for each social enterprise will complete its annual cycle around April 2002. Social Accounts will then be prepared and presented for audit to members of a specially established social audit panel.

## **1.2 LOCAL SOCIO-ECONOMIC PROFILES: KEY FINDINGS:**

We shall briefly highlight key issues for each locality (see also Annex 2 of Periodic Report) before addressing some issues which are addressed in the consolidated report.

### **1.2.1 The Eight Locality Reports: Key Points:**

#### ***1.2.1.1 Bakers Arms neighbourhood, Waltham Forest, London, UK***

An ethnically diverse (34% non-white European), dense, deprived area of London with a population of around 61,700. The neighbourhood is mainly known as a retailing district, but is part of a wider area in the Lee Valley of declining light industry. The borough of Waltham Forest has a density of voluntary association of 1 per 320 of the population (see Table 1 below). There are 16 social enterprise operating in the area and 6 of these are part of a cluster located around the Hornbeam Environmental Centre, which is participating in the social audit fieldwork.

#### ***1.2.1.2 Benarty and Lochgelly, Fife, Scotland, UK:***

An ethnically homogenous group of former coal mining villages with a population of 13,437 set in wider rural area of Fife in Scotland. Decline and closure of local mines has led the community and local authorities to be active in developing a social economy and there are 13 social enterprises active in the area. There is an active associational life in the area with 50 such groups recorded giving a density of 1:233 per head of local population. BRAG is the social enterprise participating in the social audit fieldwork.

#### ***1.2.1.3 Wrangel Kiez, Kreuzberg, Berlin, Germany:***

Wrangel Kiez is a densely populated neighbourhood in the Kreuzberg district of Berlin with a population in its area management district of 12,449. It is a neighbourhood characterised by ethnic divisions between white European and Turkish and has a very high unemployment rate (25%). However, there is a good level of associational life as indicated by the presence of around 50 local groups (though only 35 formal ones) giving a density of associations per head of the population of 1:249. There is a very active social economy in the neighbourhood, which has developed mainly from alternative and squatter movements, and there are 22 social enterprises in Wrangel Kiez. BGQ is a large training and employment company which is the social enterprise participating in the social audit fieldwork.

#### ***1.2.1.4 Soldiner Kiez, Wedding District, Berlin, Germany:***

This is another densely populated neighbourhood within the Borough of Mitte (including the former borough of Wedding) in Berlin. The area is a declining older industrial district which once contained many internationally renowned engineering and processing firms (e.g. Rathenau, Schering AG and Schwartzkopf are just three) which have left the area since global economic restructuring in the 1970's. The area now has a high unemployment rate of around 22% and is an ethnically divided one with around 37% of the population of Turkish origin. There are around 50 local associations but this figure produces a less dense indicator of civic activity (1:300 per head of population). There is a smaller social economy in terms of only being around 7 social enterprises, but these are quite large and active. Zukunftsbau gGmbH, which provides socially excluded target groups (youth and young adults) with training vacancies, jobs and prospects for qualification, is the social enterprise involved in the social audit fieldwork.

#### ***1.2.1.5 Umeå, County of Västerbotten, Sweden:***

Umeå is a small city of some 70,000 in the North of Sweden. As with most of northern Sweden it is an ethnically homogenous settlement (96% white European). It has an economy mainly centred on the public sector, with the health care and local university being major employers, and an unemployment rate of just 5%. Local people enjoy a good quality of life, there is good housing and services and the population density is very low for a European city, and there is clear evidence of civic life with 691 local associations giving a density of around 1:101 per head of the population. There is also an active social economy of 17 social enterprises and the social audit fieldwork involves work with Vågbyrtarna, a project set up by the local YMCA, who are working on employment, education and training for socially excluded young people.

#### ***1.2.1.6 Nästansjö, County of Västerbotten, Sweden:***

This is a small (population only 200) and isolated village in North of Sweden, and as to be expected it has a very low population density and is again ethnically homogenous. Yet the unemployment rate of 7.4% is higher than in Umeå and there are few employment opportunities locally (main economy is in forestry, mining and farming). Despite this there is a good level of local associational life, with at least 8 formal organisations producing a very high-density indicator (1:74). There is just one social enterprise, Koopi, the co-operative local store, but this is an important focus for village life and communal activity. There is a small group from the management of Koopi who are involved with the social audit.

#### ***1.2.1.7 La Vall D'en Bas, Catalonia, Spain:***

This is a small number of agricultural villages in Catalonia with an ethnically homogeneous population of 2,501. Although farming is the dominant land use, there are other economic activities around textiles, furniture and publishing, and -as the area attracts tourists - bars, restaurants and hotels. There is a close communal life and the area has 26 voluntary associations (1:96). The social economy is limited to two social enterprises, a nursery and an agricultural co-operative, but the former is very large and involves 200 farms, has 400 members and a good turnover much of which is re-distributed for community benefit. Cooperativa La Vall d'en Bas is thus the social enterprise involved in the social audit fieldwork.

### 1.2.1.8 La Mina neighbourhood, Catalonia, Spain:

La Mina is a very deprived neighbourhood of 9,810 official residents (many more unofficially however) mainly situated in a social housing project on the outskirts of Barcelona. The neighbourhood has an official unemployment rate of 33%, many of whom are very young and disproportionately gypsy (who make up much of the 30% of the population in ethnic minority groups). Yet there is a local industrial district involved in metallurgy, publishing, furniture, chemicals and textiles. The high levels of crime, problems of drug abuse, and turnover of population mean that there is a poor formal level of civic association (only 13 voluntary associations and a low official density therefore of 1:817 local residents). Although there are now 8 social enterprises, many of these have been instigated by state involvement and funds. Thus the organisations that are involved in the social audit process are the Cirem Foundation which is the intermediary body for the ESF Article 6 Local Social Capital (LSC) which aims to favour social integration and employment creation in La Mina neighbourhood.

LOCATION	LSC INDEX SCORE (1-5)	P O S	RATIO OF VOLUNTARY ORGANISATIONS PER HEAD OF POPULATION	P O S	TURNOUT AT LAST LOCAL ELECTION	P O S	TURNOUT AT LAST NATIONAL ELECTION	P O S
Nästansjö	1.88	1	1:74	1	79%	2	79%	2
Val D'en Bas	2.18	2	1:96	2	76%	3	69%	5
Benarty	2.33	3	1:223	4	50%	7	70%	4
Umeå	2.36	4	1:101	3	80%	1	81%	1
Kreuzberg	2.68	5	1:249	5	58%	4	79%	2
Waltham Forest	2.75	6	1:320	6	33%	8	54%	7
Wedding	2.85	7	1:300	7	57%	5	56%	6
La Mina	3.03	8	1:817	8	57%	5	60%	8

### 1.2.2 Key Issues Emerging from the Profiles:

The work to consolidate the local socio-economic profiles highlights a number of issues with respect to local social capital as a context for generating local social enterprises.

1. The apparent distinctions between local social capital in rural and urban localities and how this relates to **geographic and non-geographic networks**.
2. The varying roles of **bonding and bridging social capital** in different localities and how the formalisation of economic activity via social enterprises increases the presence of such bridging ties.
3. How **linking social capital** ('vertical' ties between people and groups with differential access to resources and power) is important for generating social enterprise, especially through connections to networks of the local state.
4. That different cultures, legal frameworks and political systems clearly impact upon the type and extent of social economy developing at local levels in Europe is obvious. This makes the search for comparative **indicators of local social capital** very difficult. The use of a local social capital survey instrument, although crude and unrepresentative, is one possible proxy indicator and a composite indicator based on this is contrasted to two other popular proxy indicators in the Table above.
5. The importance of **contextualising** the study of local social capital is therefore highlighted by these profiles. The variance in the definition of social capital is a result of it not being a tangible resource, but one that is only apparent in effect when networks are activated to bring it into play. The study of social capital should therefore proceed on the basis of contextual study and not by broad and crude statistical indicators alone, although as the above Table shows these may be of heuristic value.

### **1.3 POLICY RELEVANCE OF FINDINGS TO DATE:**

**Article 6 Local Social Capital** (LSC) is a pilot programme of the European Social Fund under the direction of the Employment and Social Affairs DG of the European Commission. The LSC programme was identified in the year one periodic report for the CONSCISE Project as policy relevant. The unit of the Employment and Social Affairs DG responsible for LSC have been made aware of the CONSCISE Project research and will be kept informed.

The Article 6 programme managed through the Employment and Social Affairs DG, **Acting Locally for Employment**, considers social enterprises operating in networks within the Third System as beneficial for local development.

In addition to areas of policy relevance indicated in the Year One Periodic Report, the findings to date of the CONSCISE Project support the resolutions of **European Conference on the Prospects of the Social Economy within the Context of Sustainable Development**, held in Ghent on 13/14 November 2001. Specifically, the work of the CONSCISE Project supports the conference resolution for the 'harmonisation of practices and standardisation of labels and assessment tools, at least at European level' and to **'extend and test these tools on a wider range of samples and train people to use these tools in order that they may become more widespread'**. The use by the CONSCISE Project of augmented local socio-economic profiling and social audit methods to examine the relationship between social capital and the social economy is an attempt to develop tools for use in new models of economic development.

Finally, the CONSCISE Project through its coordinators and others welcomes the Draft **Consultation paper on Co-operatives in Enterprise Europe** prepared by the Enterprise DG, and wants to make a representation.