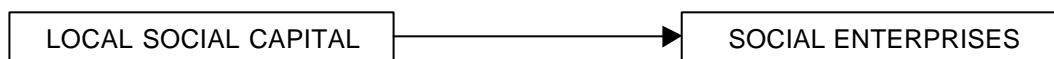


1. CONSCISE PROJECT: YEAR ONE: EXECUTIVE SUMMARY:

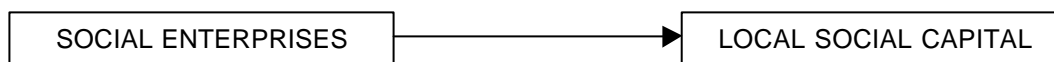
Throughout the world the generation of Social Capital has been increasingly promoted as a means to restore social cohesion, combat social exclusion and enhance economic and social development. At both the National and European level there are policies which emphasise the benefits of creating social capital (e.g. ESF Article 6 Local Social Capital, European Employment Strategy - Acting Locally for Employment). The importance of non-profit organisations and the social economy in particular for producing social capital is frequently highlighted. Yet, a debate continues over the precise character of social capital, methods of indicating and measuring its presence in groups and localities and the role of social enterprises in the social economy in both using and producing social capital. The role of the CONSCISE Project is to inform and progress this debate by defining key concepts and developing and applying methods of analysis.

CONSCISE (The Contribution of Social Capital in the Social Economy to Local Economic Development in Western Europe) is a Framework V Project operating in the UK (London and Fife), Germany (Berlin), Sweden (Vasterbottens) and Spain (Catalonia). The overarching objective of the project is to examine the extent to which social enterprises in the social economy produce and reproduce social capital and thereby facilitate local economic development, social cohesion and inclusion. The CONSCISE Project is also specifically concerned to examine how social capital, social enterprise and social economy *relate* to each other, and this is expressed in **three hypotheses**:

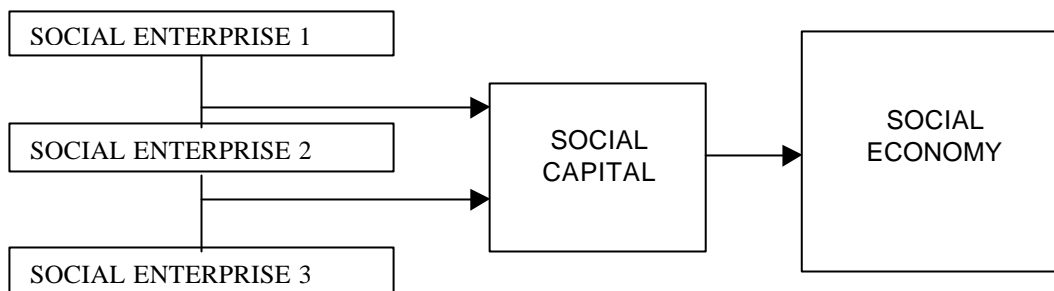
(1) That local social capital generated by local family, voluntary group and community networks contributes to the emergence and growth of local social enterprises.



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



(3) That 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.



The specific objectives of the **first year** of the CONSCISE Project were to:

- define the key concepts of the Project: *Social Enterprise, Social Economy and Social Capital*
- develop measurable indicators of these key concepts of the Project
- develop a methodological framework for the construction of *local socio-economic profiles* which incorporate the measurable indicators of the key concepts
- develop a methodological framework for the construction of *social audits of social enterprises* which incorporate the measurable indicators of the key concepts
- identify eight locations and *commence fieldwork*

Through literature reviews and workshop discussion the CONSCISE Project has defined the following **Key Concepts** as indicated in the following boxes:

SOCIAL ENTERPRISES

- are *not-for-profit* organisations
- seek to meet *social aims by engaging in economic and trading activities*
- have legal structures which ensure that all assets and accumulated wealth are *not in the ownership of individuals* but are held *in trust* and for the *benefit* of those persons and / or areas that are the intended beneficiaries of the enterprise's social aims
- have organisational structures in which full participation of members is encouraged on a *co-operative basis* with equal rights accorded to all members.

A further interesting characteristic is that social enterprises encourage *mutual co-operation* although whether all social enterprises share this characteristic is disputed. The CONSCISE Project also confines its focus to social enterprises which are active in the *local* community.

SOCIAL ECONOMY

that **sector of economic activity** which is **made up of social enterprises** (local and other) organised around:

- **shared values** about the satisfaction of **needs, not for profit principles, co-operation and self-organisation.**
 - pursuit of a **new mode of production**
 - a **mode of economic integration** characterised by **norms of reciprocity**
- which make it both a **formalised sub-sector of the broader third system** and **distinct from the public and private sector.** Specifically, the CONSCISE Project will focus its attention upon '*local* social economy'.

SOCIAL CAPITAL

Social Capital consists of **resources within communities** which are created through the presence of high levels of

- **trust;**
- **reciprocity and mutuality;**
- shared **norms** of behaviour;
- shared **commitment and belonging;**
- both formal and informal **social networks;** and
- effective **information channels**

which may be used productively by individuals and groups to facilitate actions to benefit individuals, groups and community more generally.

The **Methodological Framework** of the research involves techniques of local socio-economic profiling and social audit, as indicated in the boxes below.

A **Local Socio-Economic Profiling Method** has been developed to examine the nature and extent of social capital in the selected fieldwork locations. Literature reviews and workshops identified a methodological framework which would incorporate a triangulated approach involving in each fieldwork locality a:

- **Soundings Group** composed of local representatives who act as gatekeepers to other local contacts, informants, advisors and discussants
- **Local Data Profile** for the collection of base-line socio-economic data about each locality
- **Local Social Capital Survey** instrument, which serves as a heuristic device for measuring proxy indicators of the key characteristics of social capital
- **Local Social Enterprise Survey** instrument to identify the nature and extent of the social economy.

A **Social Audit Method** has been developed and adapted from literature review and a workshop discussion to generate measurable indicators which would identify ways in which social enterprises met social objectives and use and generate local social capital. Local social enterprises in each fieldwork locality were identified and invited to be involved in carrying out a social audit over a one year period. Social Audits will involve 5 stages:

1. The introduction of social accounting and social auditing to the social enterprise
2. The establishment of the social audit framework (mission, objectives, activities and values)
3. The setting up of social book-keeping methods
4. The preparation and use of the social accounts
5. The drafting of the social audit and establishment of a social audit panel

Progress at the end of the first year is that key concepts have been defined, a methodological framework established, sounding groups and social audit 'book-keeping' systems have been established in almost all of the 8 localities and socio-economic profiles are almost completed.

The findings of the Project are **Relevant to a range of policies at European and National levels.**

At the **European** level....

- **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 identifies Intermediary Bodies in each of localities it operates in (some 32 projects have been involved) and the role of these Bodies is to establish and resource local projects which build local social capital. Ongoing external evaluation of LSC is being carried out by the London based LRDP organization and contact has been made with LRDP regarding exchange of information. CONSCISE are also in the process of making contact with DG Employment and Social Affairs with a view to attending the Steering Group for the evaluation of the LSC pilot programme.
- **Acting Locally for Employment - A Local Dimension for the European Employment Strategy** (COM(2000) 894) is an EC Communication which promotes the mobilisation of structures at local level for the development of employment under the ESF programme for 2000-2006. The communication highlights the requirement for further methodological work on indicators and benchmarks, and identification of good practice and exchange of experience (COM (2000) VI 29) which CONSCISE is actively involved in. The EC also conceive an important role for the Third System within Acting Locally for Employment, and the focus of the CONSCISE Project is in this specialism. Furthermore, TECHNET, a partner in the CONSCISE Project, are co-ordinating a project called RISO (The Role of Intermediary Support Structures Promoting Employment in the Third System at Local Level) as part of the pilot action.
- **Article 137 of the Treaty of Amsterdam prioritises efforts and preparatory measures to combat social exclusion** and the work of the CONSCISE Project contributes to the development of knowledge for such efforts. The ways in which local social capital is both used in and further produced by local social enterprise is a focus of the CONSCISE Project and an important aspect of the development of measures to develop social inclusion. In this way CONSCISE connects closely to the aims of the LOCIN Project, funded by the Research DG under the Human Potential and Mobility programme.
- **The Improving Human Potential Programme of Framework V** has initiated a series of **dialogue workshops** and a future workshop in this series will focus on **new models of development**. The CONSCISE Project identifies that the further refinement and development of local profiling and social audit methodologies incorporating measurable indicators of social capital are important tools in the creation of **new models of development**. CONSCISE will participate in the planned workshop on this.

At the **National** level in....

- **England**, the Government has launched its National Strategy for Neighbourhood Renewal, which gives a prominence to the role of social enterprise and the development of local social capital in combating social exclusion. ISSR have been approached by colleagues at Middlesex University's Centre for Enterprise and Economic Development Research to advise the Government's Small Business Service on its new brief to support the development of social enterprise in disadvantaged localities arising from the National Strategy.
- **Scotland** CBS Network has just completed an Interim Evaluation of the Local Social Capital Pilot Project (funded under Article 6 of the European Social Fund) being implemented by Scottish Council for Voluntary Services as the "intermediary body". CBS Network make direct reference to the CONSCISE Project in the evaluation and remark on methods of measuring local social capital. As part of the evaluation CBS interviewed representatives from the Scottish Executive and ESF Objective 3 Partnership.
- **Germany** the CONSCISE partner TECHNET have been asked by regional authorities in the Brandenburg lander to advise on the evaluation of local social capital projects there.
- **Sweden** both the development of the Social Economy and the role of local social capital within that have gained a higher profile since the Swedish Government created in 1997 a working group at the Ministry of Culture to report on the Social Economy. The report was published in April 2000 and Sweden is set to host the 7th European Conference on the Social Economy in June 2001 at Gavle.
- **Spain** the concept of Social Capital is still very new, but it has started to be featured in some of the most influential mass media (the newspapers El País and La Vanguardia). As far as Spain is concerned, it is expected that the dissemination of the results of the CONSCISE Project will contribute to raising awareness, both at the political and technical levels, of the role played by Social Capital in the development of Social Economy.