

Social Capital and Social Economy in Europe: The work of the Conscise Project

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The concept of social capital has in recent years become increasingly common in debates across Europe about local economic and social development, social exclusion and the emerging third system and social economy. A definition used by the European Union in its Article 6 Local Social Capital programme describes it as - "features of social organisation such as networks, norms and social trust that facilitate co-ordination and co-operation for mutual benefits'. Thus, the role of social capital in - "restoring social cohesion, reinforcing local networks and formal and informal groups which seek to facilitate integration of excluded persons into work and start-up businesses and co-operatives" - is increasingly recognised, especially in the development of intermediate organisations under Article 6 Local Social Capital. What is more, the "main drivers of the creation of social capital are people and non-profit organisations that develop initiatives that contribute to the creation of employment and strengthening of social cohesion". But how can we indicate that social capital has been created in such ways? This is one key task of the CONSCISE Project - "The Contribution of Social Capital in the Social Economy to Local Economic Development in Western Europe".

The CONSCISE Project is a three year trans-national European partnership carrying out research funded by the European Commission's Framework V programme under its Key Action of Improving the Socio-Economic Knowledge Base. Led by the Institute of Social Science Research at Middlesex University, London the project also involves partners at Community Business Scotland Network, the Technologie Netzwerk Berlin, Gabinet D'estudis Socials of Barcelona and the Natverket for Co-operatives and Social Enterprises in Vasterbottens, Sweden. Work on the Project commenced in March 2000 and has been examining the ways in which social enterprises in the social economy contribute to the growth of social capital for local development. In examining this the Project will also be considering how social capital facilitates the creation of social enterprise and a visible social economy.

However, the key problems in using the idea of social capital in practice have been with developing clear definitions of the concept. Identifying the sources of social capital, pinpointing how it may accumulate and decline, and identifying ways of measuring its impact on development in order to gain knowledge of appropriate ways to perhaps guide and support its growth. To commence its task the CONSCISE Project has therefore adopted the following definitions of the key concepts involved.

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.

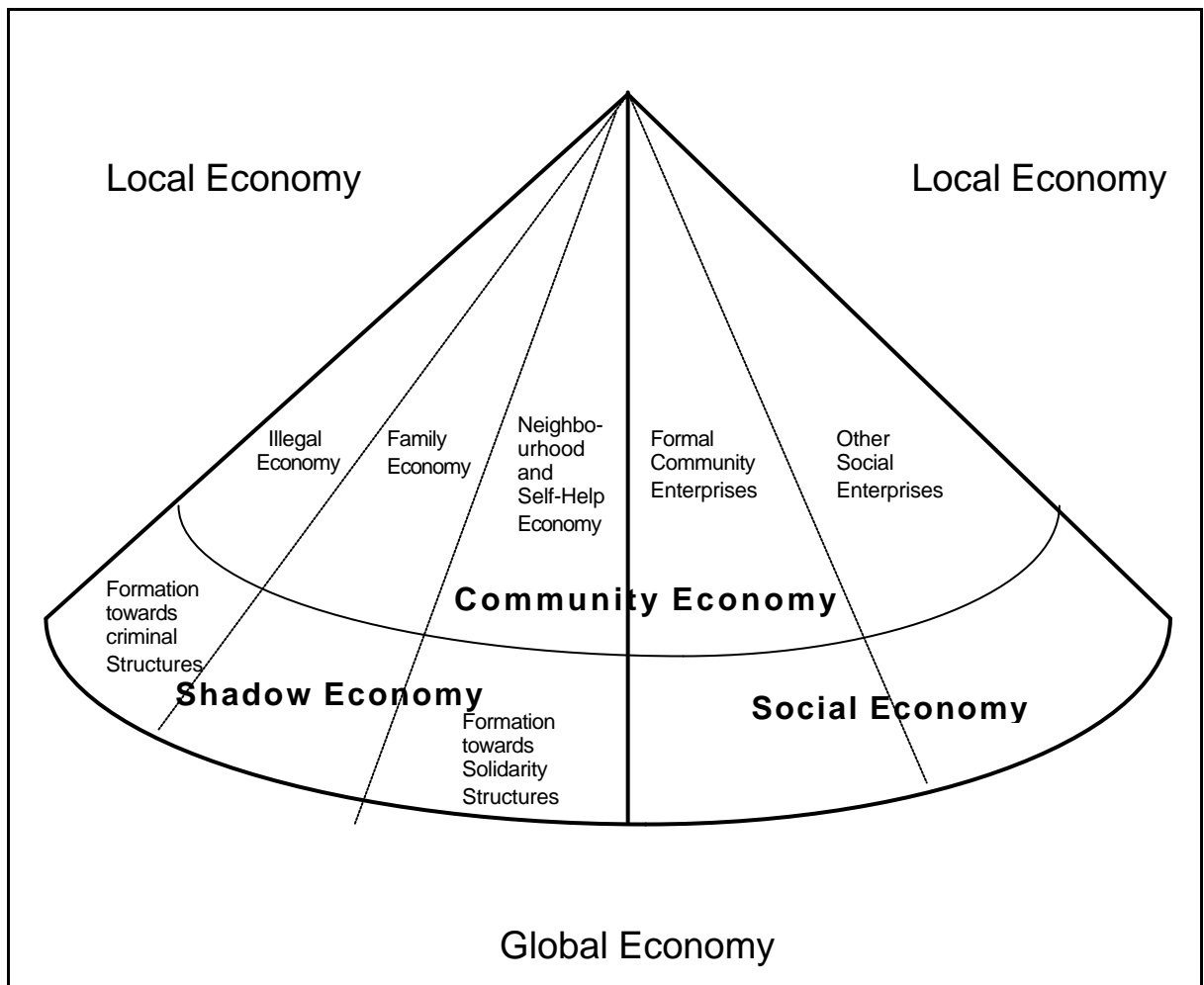
The CONSCISE Project also confines its focus to social enterprises which are active in the **local** community.

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.**
- distinctive types of **inter-organisational relationships**
- 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 sector** and **distinct from the public and private sector.** Specifically, the CONSCISE Project will focus its attention upon '*local social economy*'.

The situations of social enterprises and the social economy in relation to other activities in the local economy are indicated in the diagram below, which has emerged from research conducted by the European Network for Economic Self-Help and Local Development.



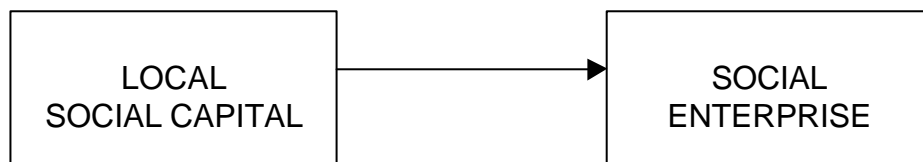
SOCIAL CAPITAL

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.

More than this however, the CONSCISE Project is concerned to examine how social capital, social enterprise and social economy *relate* to each other. The relationships can be hypothesised in the following ways:

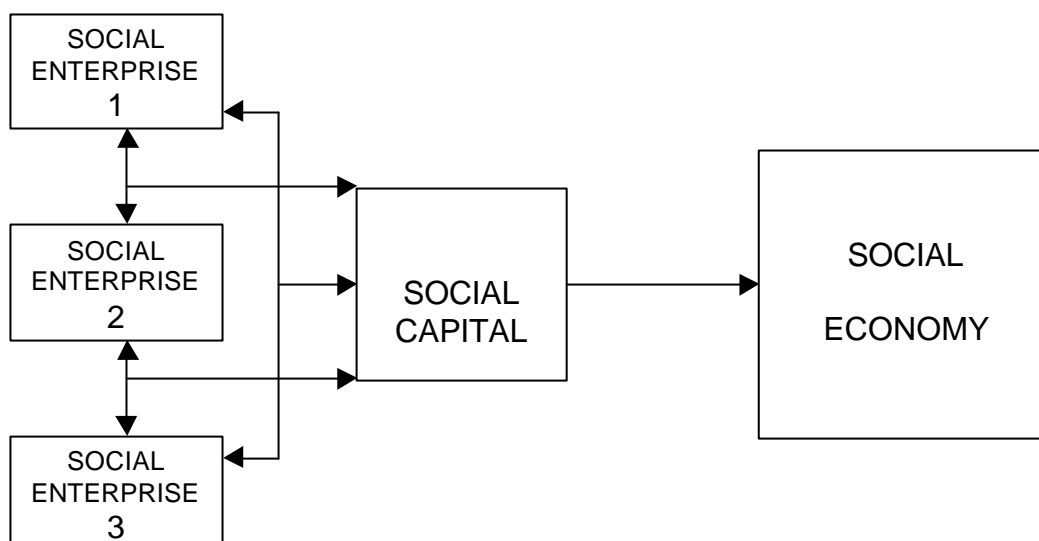
(1) Local social capital generated by local family, voluntary group and community networks leads to the emergence and growth of local social enterprises:



(2) Local social enterprises generate further social capital which is then available for further development.



(3) Furthermore, via co-operation and mutual support local social enterprises generate a form of social capital characterised by the development of a local social economy.



To examine these relationships and related questions the CONSCISE Project is carrying out fieldwork in a number of localities in the European Regions, specifically:

- Waltham Forest, London, England
- Benarty, Fife, Scotland
- Kreuzberg, Berlin, Germany
- Wedding, Berlin, Germany
- La Vall D'en Bas, Catalonia
- La Mina, Barcelona
- Vasterbotten, Sweden

The methodology for the fieldwork has developed - through workshops and collaborative research - indicators of social capital, social enterprise and social economy which have been incorporated into methodological frameworks to be used in the fieldwork localities. In particular the Project has adapted local socio-economic profiling and social audit techniques. The current phase of work involves using the agreed common methodology to develop socio-economic profiles of selected localities, paying particular attention to the presence and growth of social capital, social enterprise and an identifiable social economy. Fieldwork is also about to commence with selected and committed social enterprises in each locality. This will involve carrying out social audits which not only indicate the way these enterprises try to meet their social objectives and aims, but which have been adapted to consider how these social enterprises use and generate social capital (both in intended and unintended ways).

Over the next two years, the CONSCISE Project will be producing a range of reports arising from the fieldwork. The findings of the research should be of interest to social enterprise and local development practitioners, policy makers, politicians and academics. The specific focus on trans-European tools for identifying and evaluating the developmental impact of social capital, social enterprise, and the social economy will be of relevance in a variety of practical and policy contexts. To keep up with the development of the CONSCISE Project you can log onto our web-site at www.conscise.mdx.ac.uk

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