

# social value & intangibles review

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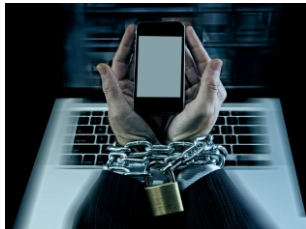


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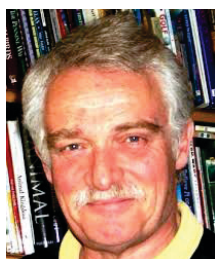
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## EDITORIAL

# Measuring Social Value - Making Intangibles Tangible



**Tom Lloyd**

Management writer. Former editor of Management Today, and contributor to the Sunday Times and Financial Times. Founding editor of Gemini Consulting's management journal Transformation. His books include 'The Nice Company' and 'The Charity Business'

*The CCEG Social Earnings ratio is the new kid on the block in the measurement of social value. Its creator, Dr Olinga Ta'eed, talks to Tom Lloyd.*

It has been called the 'God Metric' and the world's fastest growing social value measurement by none other than the Vatican. It is rapidly attracting interest from around the world. It is a disruptive technology initiated by the UK Premier's office following the fall-out from the banking crisis, and is a key part of a visionary campaign for better business - business acting in tune with society's expectations.

The new 'Social Earnings ratio' (s/e ratio) makes the intangible in a company's balance sheet tangible, and helps convert public sentiment about an organisation's social reputation into financial value. So who and what are behind this new metric?

It is better to be roughly right, than precisely wrong, as the old saying goes. Dr. Olinga Ta'eed, Professor in Social Enterprise at the UK's Northampton Business School. He believes that when measuring an organisation's social impact it's better to be roughly right, quickly and cheaply, than precisely right, after months of research, and costs of £5,000-50,000.

Dr. Ta'eed's Social Earnings Ratio (s/e ratio), which relates an organisation's Corporate Social Responsibility (CSR) spend to its reputation, can be generated in seconds, and the calculation costs virtually nothing.

Prof. Ta'eed developed the s/e metric at the University of Northampton's Centre for Citizenship, Enterprise and

Governance (CCEG) where he is the Director. Its focus on the perceptions from which reputational assets emerge is more in tune with the basic motivation that inspires organisations to engage in CSR activity than other existing hard-to-measure outputs.

"It's the Model 'T' Ford of social impact measurement" he says; "a starting point. I expect it to evolve and acquire new variants, as its use spreads. It's not sophisticated, but it produces a unique number for any organisation, which can be compared directly to the numbers of other organisations. That is much more than can be said for any other social impact metric I know."

He recognises that excellent work has been done in developing more elaborate social impact measurement systems. "I wouldn't presume to question the quality of their analysis" he said. "There are good rationales for their metrics. But their numbers aren't comparable, they're low volume, bespoke, slow and costly to generate."

CCEG relies on the support of universities around the world to further the development on its s/e metric, under a 'wiki-university' approach. Universities in countries as far afield as Brazil, Spain, Costa Rica, Poland, India and Malaysia are using the concept. "Universities are agnostic, not-for-profit bodies whose academic rather than commercial focus supports the rigour and neutrality of the s/e ratio" reports Dr Ta'eed.

He calls the s/e ratio the Model 'T', because it re-writes the rules of social impact measurement, just as the Model 'T' re-wrote the rules of the motor car. It is cheap, quick, and entirely objective. "We can calculate the s/e ratio of an organisation more or less instantly, using publicly available information" he says. If it catches on, Dr. Ta'eed expects the s/e ratio to change the environment for the measurement of social impact. "It is a disruptive metric" he says. "The software is open-source - anyone can use it."

Eventually, widespread use of the s/e ratio could



generate a great deal of information about, for example, trends in CSR, and the return on investment of different kinds of CSR. Information of this kind will be invaluable to strategy-setters and policy-makers alike.

Dr. Ta'eed believes the timing of the arrival of the s/e ratio has been fortuitous. The growing interest in social impact issues at a time of increased pressure on public finances and welfare spending should improve the chances that the s/e ratio will "go viral". In the UK, for instance, the Public Services (Social Value) Act, 2012 (SVA) encourages public sector organisations to use "social value" as a criterion when selecting suppliers of goods and services. The 2012 Act has yet to have much impact on public sector procurement. The s/e ratio changes that by giving the Act the simple cheap-to-apply test it has hitherto lacked.

In his Social Value Act Review, published by the UK's Cabinet Office in February 2015, Lord Young described the s/e ratio as "a quick, low cost, high volume way to assess social impact." Many British local authorities have expressed interest in using the metric to implement SVA provisions and five are now piloting the s/e metric in live procurement tenders worth in excess of £500 million (US\$800 million). But interest in measuring social impact isn't confined to local government, or the UK. "It's a global phenomenon" says Dr. Ta'eed. "Social impact measurement and reporting guidelines have been issued in the US and the EU and CSR cash levies have been imposed in India, Indonesia, and several Islamic countries."

He sees three application domains for the s/e ratio:

- As a standard measure for assessing social impact in public and private sector procurement.
- As a tool for increasing the transparency of supply chains, by focusing the metric on such issues as tax avoidance, pay and conditions, corruption and modern slavery
- As a screening metric for social impact investors.

Dr. Ta'eed deliberately designed the s/e ratio to be digestible by the financial and accounting communities. It shares the p/e's simplicity, ease and speed of calculation. It is more easily accommodated in financial reporting systems than the more complicated and hard-to-calculate Social Return on Investment (SROI) and other cost-benefit approaches.

Looking far into the future, Dr. Ta'eed believes the s/e ratio, or something like it, could affect the direction of the evolution of capitalism. "It's a small mutation in company reporting" he says, "and small mutations drive evolution. Big, complicated, expensive and slow mutations in this area will not survive, because they are not, by definition, well-adapted to today's environment. Something small and simple, like the s/e ratio, can creep in to the standard reporting system without being noticed. Once established, it could exert an influence on decision-making that could, in turn, lead to subtle changes in the relationship between organisations, governments and their host societies."







# Welcome



**Dina Nerozzi**, M.D. psychiatrist and endocrinologist,  
consultant for the Pontifical Council for the Family

I wish to express my appreciation to Professor Olinga Ta'eed for his new enterprise meant to make a better and healthier society.

This path goes in line with the direction previously taken by other intellectuals and people working in the field of charities along with the major international agencies.

I am sure his work will be guided not only by Caritas (Love), but also by Veritate (Truth) and this is the good omen I am pleased to forward to him and all the people working with him for this noble intent.

## Petri Tuomi-Nikula

Ambassador of Finland, Rome

Coming from a nation of social innovations I greet with great pleasure this new journal and wish the best of success for it. Many journals try to make sense of the world - why it is like it is - by focusing on political issues. But I believe the answer often lies in social structures. Where they function, the crises are less.



## Karlo Sikharulidze

Plenipotentiary And Extraordinary Ambassador of Georgia in Italy

I am sure this new journal will become a point of reference for the promotion of social value worldwide. I offer my best wishes to all at CCEG involved with the Review including the researchers who have created the SERATIO social value metric that measures intangibles, and wish this new CCEG SVIR Review every success in our common drive for a fairer society in which business, government and the community work together for sustainable mutual benefit.

## Enrico Testi

Director of International Relations Yunus Social Business Centre University of Florence

The need to measure intangibles and to connect these measures to the economic activity of firms is important to provide to the business community a metric to assess and communicate their non-economic results. I believe the articles of this journal will contribute to shed light on the topic of social value metrics, and guide organizations to better reach their triple bottom line. I'm honored to be part of this journal as a member of the Advisory Board and I wish a warm welcome to the readers as well as to the different authors.



# La evaluación de impacto social en la Unión Europea

## *Evaluating Social Impact in the EU*

By Mercedes Valcárcel, Doctora en Ciencias Económicas y Empresariales en la EU

Miembro del grupo de expertos en emprendimiento social de la Comisión Europea

**isis capital** Profesora de la UNED- Universidad Nacional de Educación a Distancia



In the past three years, the European Commission has launched various initiatives promoting social business in which the priorities have been its visibility as well as its financing and measurement of its impact. This article aims to enhance understanding of such businesses and their social projects and their access to funding through the methodology for measuring social impact, as defined by the European Commission's group of experts in social entrepreneurship and adapted for use in its future programmes.

La Comisión Europea comenzó a trabajar en el apoyo de la economía social porque el mercado único europeo necesitaba un nuevo modelo de crecimiento inclusivo. Así, la Social Business Initiative fue adoptada en octubre de 2011 y tiene su origen en los resultados de la consulta pública sobre la Single Market Act. En los mismos se mostraba un gran interés en la capacidad de la economía social, dentro de este mercado único, para proveer respuestas innovadoras a los existentes desafíos económicos, sociales y medioambientales (Comisión Europea, 2011).

En esta iniciativa se indicaba, entre otros aspectos, que se crearía un grupo de trabajo sobre empresa social para examinar la evolución de las medidas fijadas en la misma. Este grupo de trabajo estaría formado por representantes de los estados miembros, las autoridades locales, organizaciones de emprendedores sociales, el sector financiero y bancario y representantes del ámbito académico y universitario. Con este mandato, en febrero de 2012, la dirección general de mercado interior coordinó la convocatoria del concurso para la selección de miembros del grupo de trabajo, que es denominado GECES - Groupe d'experts de la commission sur l'entrepreneuriat social. Se recibieron más de 200 solicitudes entre las que se eligieron los 44 expertos que forman parte del grupo.

La "Single Market Act II" señala que "La Comisión desarrollará una metodología para medir los beneficios socioeconómicos generados por las empresas sociales. La creación de un método riguroso y sistemático para medir el impacto en la sociedad civil de las empresas sociales...es esencial para demostrar que el dinero invertido en las mismas genera altos ahorros y beneficios". Igualmente, el Programa para el Cambio y la Innovación Social (PSCI - Programme for Social Change and Innovation) indica, en su eje de microfinanzas y emprendimiento social, que los informes de implementación a enviar a la Comisión Europea por las instituciones financieras y los gestores de fondos también incluirán información sobre los resultados en términos de "impacto social".

Con este contexto, en octubre de 2012 se creó dentro de GECES un subgrupo de medición de impacto del que he sido miembro. Nuestro objetivo era definir una metodología europea que pudiera ser aplicada a las entidades de la economía social.

Los principales aspectos que consensuamos en el grupo de trabajo sobre la situación actual de la medición de impacto social y sus riesgos fueron:

1. Hay cada vez un mayor interés en medir el impacto social debido, parcialmente, a la crisis y por ello al deseo de los financiadores, ya sean públicos o privados, de concentrar los escasos recursos en





iniciativas con un impacto demostrable. Además, una medición clara del impacto permitirá buscar mejoras en la eficiencia y una metodología más uniforme de medición que contemple las necesidades de los financiadores públicos y privados, facilitará la futura colaboración entre ambos.

2. Aunque hay una variedad de aproximaciones a la medición de impacto social, ninguna de ellas ha alcanzado el estado de "estándar" para el sector.
3. Existe cierta desconfianza hacia la opción de metodologías de monetarización de los resultados (SER, SROI o contabilidad social) que se concretan en una única medida susceptible de facilitar las comparaciones entre diferentes tipos de empresa.
4. Otro riesgo que se debe evitar desde la Administración es que el tipo de metodología requerido pueda hacer que se deriven recursos hacia inversiones con buena rentabilidad en el corto plazo y resultados fáciles de medir (Ayala, 2005).

Frente a los riesgos señalados, había una convergencia básica sobre los principales pasos del proceso que deberían constituir la base para cualquier metodología de medición de impacto social. Estos pasos incluyen identificar claramente el impacto social buscado, los grupos de interés afectados, una teoría del

cambio (un análisis detallado y una descripción de como y porqué la iniciativa considerada puede tener impacto en los grupos de interés de modo que los objetivos se cumplan), implementar un sistema transparente de medición e informes y no olvidar una revisión permanente con enfoque de aprendizaje que mejore los impactos y el proceso.

Pero, sobre todo, teníamos claro que imponer una batería cerrada de indicadores cuantitativos desde la Administración podía ser muy contraproducente. Los indicadores elegidos no estarían, en muchos casos, alineados con las necesidades y objetivos de las empresas sociales y podría también llevar a las empresas a maximizar los resultados que registra el indicador en lugar de alcanzar el mayor impacto social según su conocimiento y criterio. Aun así, y no olvidando este riesgo, había que elaborar una metodología que corrigiera la situación actual de numerosos indicadores recogidos en los habituales informes de balance social, auditoría social, evaluación de impacto... que con su enfoque segmentado no proporcionan una visión global al no integrar las distintas facetas del impacto social (Díaz et al, 2012).

Adicionalmente, para que la medición de impacto social fuese un valor duradero, dicha medición debía contribuir visiblemente a la buena gestión de las empresas sociales. Si



conseguíamos este objetivo, la medida del impacto social no sería solo un instrumento para obtener fondos sino que también ayudaría a las empresas a tener un mejor desempeño. Este elemento será el que realmente haga que las empresas sociales adopten las metodologías.

Otro beneficio importante que pensábamos podría tener la iniciativa de la Comisión es que si la herramienta desarrollada era ampliamente aceptada, clarificaría mucho la visión del sector. Y este simple marco ofrecería el potencial de reducir los costes de reporting, ya que actualmente cada financiador impone el suyo, a menudo diferente.

En resumen, habiendo analizado y discutido prácticas en varios estados miembros y varios sectores, concluimos que las diferencias entre las distintas aproximaciones pueden ser solventadas ya que, generalmente, se basan en los mismos principios fundamentales. Estos principios, que son en los que se ha basado la metodología aprobada, se pueden resumir en los siguientes:

1. La empresa social debe ser la responsable de identificar su objetivo, grupos de interés, resultados relevantes para su misión y su teoría del cambio
2. La empresa social debe seleccionar los indicadores más apropiados para demostrar su impacto, dentro de un modelo básico definido, permitiéndoles seleccionar varios indicadores del modelo o adoptar otros indicando el motivo de la decisión.
3. La empresa social debe poder demostrar que ha seguido una serie de pasos concretos para validar su enfoque de medición de impacto social.

4. Aprender de la experiencia y ajustar y revisar los procesos y resultados será exigible en este sistema.

Basándose en estos principios, y dada la complejidad y dificultad de implantación de varias de las metodologías existentes, la Comisión Europea espera que la definición que se ha realizado y aprobado por GECES en 2014 pueda ser utilizada como estándar y permita la generalización de su uso y la clara comunicación de los resultados obtenidos; todo ello sin generar cambios en la misión o las prioridades de las propias empresas sociales. Igualmente, esta metodología es un marco adecuado para poder fijar como indicadores de la misma los resultados del SROI y el SER y seguir avanzando en realizar mediciones más claras para los financiadores de proyectos sociales.

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# Cornwall Council Review Responsible Procurement Programme (or The Importance of Social Value Objective Setting)

By **David Morgan**, Procurement officer, Cornwall Council

The introduction of the Social Value Act 2012 has had a significant impact on procurement in the public sector, nowhere more than in Local Authorities. Cornwall Council has historically hosted a comprehensive Responsible Procurement Programme which has included elements of Social Value. However, the practical implementation of specific Social Value objectives has remained a challenge. Finding the right balance between encouraging Social Value delivery through the award of contracts, whilst maintaining relevance and proportionality to the subject matter of contracts has been difficult. One of our primary concerns is providing clarity to the market on our Social Value objectives so that they know how it is likely to be assessed in the tender process.

One of the areas we have struggled with the most at Cornwall Council is defining Social Value. We are well aware of the plethora of definitions of Social Value around the UK and Europe but none of them link closely and clearly enough with our own Strategy and Business Plan to be operationally viable. In our new Responsible Procurement Policy we have set three clear Social Value objectives which will be reviewed on an annual basis to ensure continued relevance:

- Improved Employment and Skills
- Additional Outcomes for Vulnerable Groups
- Supporting, protecting and improving community assets



**David Morgan,**  
Procurement officer, Cornwall Council

Within the EU Procurement Directives contracting authorities are not, in our legal opinion, capable of asking as part of the award criteria 'How will your organisation provide additional Social Value in the delivery of this contract?' there is simply too much scope for "apples vs pears" considerations. Clear

definition of our Social Value objectives gives us scope to frame practical procurement considerations in these areas.

We don't feel that this precludes other Social Value considerations where they are relevant and proportional to the subject matter of the contract but it does give the market a clear indication of our direction of travel. It also shows a much clearer link between our overall strategic objectives and our procurement actions.

At Cornwall Council we are committed to supplier and market development initiatives which drive Social Value in our supply chain. We will be delivering a series of interventions to support businesses in their development, including around social value, as part of pre-procurement market engagement as actively encouraged in the new UK Public Contract Regulations.



# Incorporando la RSE a la Marca país España: potenciando empresas sostenibles para un país competitivo

**e** *Incorporating CSR into Brand Spain: Generating A Sustainable Private Sector to be Internationally Competitive*  
**Forética** By **Germán Granda**, Director General of Foretica



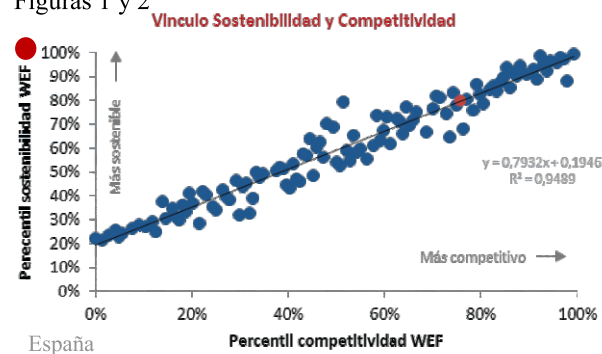
The recent Foretica report 'Brand Spain' presented different perspectives about whether the incorporation of sustainability into the international branding of Spain could foster increased competitiveness and wellbeing for Spain's economy and Spanish society as a whole. One of the key conclusions was that there is a clear link between CSR and competitiveness, and that Spain was well positioned to capture the benefits of a greater focus on social value.

La competitividad de un país es el producto de una serie de factores que interactúan creando las condiciones que, en última instancia, determinan la prosperidad y el bienestar de un sistema socioeconómico. Estas interacciones son complejas y frecuentemente no lineales, ofreciendo resultados divergentes ante pequeñas variaciones en las variables socioeconómicas. Esto convierte al análisis de la competitividad en una labor enormemente sofisticada y permanentemente sujeta a revisión.

Este artículo resume el Informe Foretica- Marca España 1 y trata de valorar el grado de contribución potencial que la sostenibilidad -a nivel macro- o la responsabilidad social empresarial -a nivel micro- puede tener a la hora de mejorar la competitividad internacional de un país. Para ello se ha tomado como base el ranking de competitividad que anualmente elabora el Foro Económico Mundial (WEF) y se ha cruzado con dos rankings distintos que reflejan el grado de madurez y aplicación de criterios de sostenibilidad en los países. En el primer caso, el ranking sobre sostenibilidad de países proviene de la misma institución (WEF), quien recientemente ha publicado una versión complementaria al de competitividad, que mide los pilares social y ambiental de los países. En el segundo caso, se ha utilizado el ranking de sostenibilidad de países realizado por otra institución independiente, la

gestora de fondos RobecoSAM, que cuenta con una metodología de análisis propia, que alimenta la familia de índices de sostenibilidad Dow Jones Sustainability Index. Este último modelo incorpora, además de los aspectos social y ambiental, la dimensión de Gobierno Corporativo. La utilización de instituciones independientes entre sí mejora la calidad y objetividad del análisis, evitando solapamientos por el uso de herramientas comunes entre los rankings. Como puede apreciarse en las figuras 1 y 2 existe, en ambos análisis, una relación lineal directa entre la posición competitiva de un país y la sostenibilidad social y ambiental<sup>2</sup>. Las economías más sostenibles a nivel social y ambiental tienden a liderar los rankings de competitividad desde un punto de vista económico. Una de las primeras conclusiones es, por tanto, que existe un claro vínculo

Figuras 1 y 2

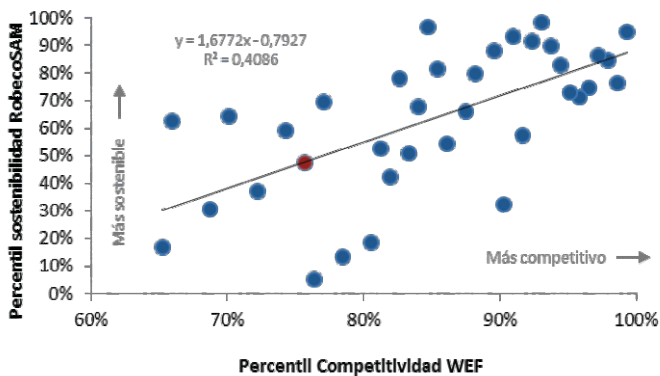


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Fuente: Foro Económico Mundial (WEF), RobecoSAM.

#### Vinculo entre Sostenibilidad y Competitividad (RobecoSAM)



entre RSE y competitividad. A nivel macro, los países con mejor posición competitiva tienden a tener políticas de sostenibilidad más solventes y reconocidas internacionalmente. A nivel micro, las compañías con mejor calificación en materia de sostenibilidad tienen un

mejor comportamiento bursátil y mejores ratios de desempeño financiero. Pero bajemos al nivel de España donde los autores defendemos que España tiene un gran potencial de capturar el valor de la sostenibilidad. De hecho, existen tres pilares que soportan un elevado nivel de madurez e integración de la RSE en España.

- 1) Por un lado, un número de empresas líderes en el desarrollo de políticas y prácticas en materia de sostenibilidad. De acuerdo con el Informe Forética 2011, un estudio que analiza el grado de avance de la RSE con una base de más de mil empresas españolas, un 88,9% de las medianas y grandes empresas mostraban un desarrollo progresivo de la RSE en sus organizaciones. Un 54% de las mismas, según el mismo informe, mostraban un liderazgo a la hora de desarrollar políticas y sistemas de medición y reporte. Además, las empresas españolas son líderes en rendición de cuentas respecto a sus esfuerzos en materia de RSE en diversas dimensiones. España es líder en número de empresas firmantes del Pacto Mundial de las Naciones Unidas, iniciativa de compromiso con los pilares básicos de la empresa



responsable (derechos humanos, derechos del trabajo, protección del medio ambiente y lucha contra la corrupción). España también es líder en la elaboración de memorias de sostenibilidad, el principal instrumento de rendición de cuentas a los grupos de interés. Según el Informe Anual de KPMG sobre Informes de Responsabilidad Social, la calidad de los informes de RSE que elaboran las empresas españolas supera en un 34% la media mundial y la europea en un 11%. A su vez, el reporte de RSE es una práctica extendida y madura en España. De acuerdo con la base de datos de Global Reporting Initiative - organización que promueve la rendición de cuentas en materia de sostenibilidad - 159 empresas españolas publicaron una memoria de sostenibilidad en 2013 frente a 4060 a nivel mundial. De acuerdo con los cálculos de KPMG, el 81% de las empresas españolas de mayor tamaño publican de manera regular una memoria de RSE.

- 2) En segundo lugar, un marco institucional receptivo y favorable al desarrollo de la RSE. El sector público, con Administración Central, Comunidades Autónomas y Corporaciones Locales y empresas de titularidad pública generando órganos de decisión y estrategias e impulso de la RSE. Recientemente se ha aprobado la Estrategia Española de RSE, cuyo objetivo principal es apoyar el desarrollo de prácticas responsables de organizaciones tanto públicas como privadas. Estas prácticas, a su vez, impulsan la competitividad del país y promueven una sociedad y una economía más productiva, sostenible e integradora. La

2 El análisis del cruce de variables de WEF muestra un patrón más nítido, frente al empleo del ranking de RobecoSAM. Se atribuye esta diferencia a dos factores: 1) Los rankings de WEF incorporan un número mayor de países por lo que los atípicos se cancelan y la recta de regresión tiene un mayor ajuste. 2) Los rankings de WEF tienen una mayor correlación entre sí mismos por el uso de metodologías comunes a sus distintos pilares de valoración.





estrategia de RSE, basada en una serie de principios (competitividad, cohesión social, creación de valor compartido, sostenibilidad, transparencia y voluntariedad), se marca 4 objetivos y propone diferentes líneas de actuación con el horizonte temporal de 2020. El sector privado, con una gran red de instituciones de fomento de la RSE, tales como Forética, y un mercado de servicios de consultoría especializada enormemente desarrollado.

- 3) Por último, la economía española cuenta con sectores estratégicos con alta exposición a los riesgos y oportunidades relacionados con la sostenibilidad (turismo, infraestructuras, agroalimentario, biotecnología, etc.).

El informe Forética- Marca España analiza un ángulo más concluyendo también que la RSE puede ser un atributo que fortalezca el atractivo del sector exterior. Los principales países socio a nivel de comercio exterior son, generalmente, pioneros en el desarrollo sostenible. La incorporación de la RSE como atributo de marca país fortalece la posición competitiva de España. Desde el punto de vista exportador, la RSE puede incrementar el atractivo de la oferta comercial española y reducir la fuerte atomización de las exportaciones españolas.

Por tanto, capturar la oportunidad de la RSE como país pasa por desarrollar competencias para la comunicación de la sostenibilidad a nivel institucional. El posicionamiento en RSE de España debe ser coordinado, coherente y consistente. Esto implica la inversión de recursos para facilitar la información precisa a observatorios y casas de análisis internacionales. Algunos mensajes como el buen gobierno son especialmente relevantes y puede marcar la diferencia en la valoración de país.

En definitiva, los autores defienden que España tiene las bases para desarrollar un modelo de liderazgo en RSE, soportado por prácticas ejemplares de grandes empresas que deben ejercer de tractor a la incorporación del resto de empresas y en especial de las pymes. Un modelo, que incorpora elementos cada vez más exigentes en buen gobierno corporativo, maximiza el impacto positivo en la sociedad, preservando el medio ambiente y cimentado sobre los principios de solidaridad e integridad. Este modelo proporcionaría resultados enormemente positivos para sus instituciones, empresas y ciudadanos. La RSE es en definitiva, un atributo de competitividad sostenible.







# WHAT DOES SOCIAL VALUE MEANS TO ME

**Enrico Testi**

Director of International Relations, Yunus Social Business Centre University of Florence

"The concept of Social value in term of society's well being is well defined within the paradigm of human development and within the capability approach of Nobel Prize Prof. Amartya Sen. By adopting this perspective social value is therefore conceived as the opportunity for individuals and communities to live the life they give value to. Project and activities aimed at creating social value should therefore improve the capability of the individuals to flourish according to their values and priorities."

**Jaroslava Hrabětová**

Charles University in Prague, Faculty of Humanities, Czech Republic

"In the context of my understanding of social value, I would use an interpretation of the Czech sociologist Petrušek. Social value means the social institution of a type of desired behavior, and is a part of culture of society, related to ethics, morals and standards. There are facets of material and spiritual nature that affect human behavior to ensure its conformity with the requirements of society and cultural system. They express man's relationship to the facts that surround him/her, they represent the criteria and yardstick for the assessment and orientation of human beings in the world, and lead an individual to correct behavior. They are grounded in past negotiations, transmitting and receiving by social learning. Individuals identify with them and accept them for themselves and strive to achieve them".

**David Morgan**

Procurement officer, Cornwall Council

"Social Value is about driving positive change through the effective procurement and commissioning of public sector contracts. Central to this concept is having providers deliver wider societal aims including; environmental sustainability, social cohesion and a stronger economy, over and above the core elements of the contract".

**Bruno Conte**

Social Entrepreneur and Innovator, Founder and President Social4Social - The Social Innovation Cloud Lab

"Social Value it's "me" and "us", impacting together. My ability to decide and/or cause things happen to create well-being and sustainability together with my neighbor, community or country: regardless having me as citizen, caregiver, patient, voter, entrepreneur or employee, or being referred as a sector like health, culture, inclusion or being approached by politics, public administration, enterprises, financial institutions or non profit organizations. So evident to all of us but difficult to be well defined and to be precisely measured".

**Jaya Chakrabarti**

MBE, CEO Nameless media group Ltd/ Big Red Square, Visiting Fellow, University of Northampton

"Social value, in my mind, embodies the ethics of an organisation in relation to its community (customers and suppliers) and the planet. It is the magnitude of the impact of the investment made into the ecosystem above and beyond the normal day-to-day operations and functions of that organisation".



# WHAT DOES SOCIAL VALUE MEANS TO ME

**Kevin Collon**

International Procurement  
Consultant, Asia Pacific  
International Business  
Services

"The development of sustainable, social and ethical procurement will ensure next generation business can continue and future generations have confidence in quality products and their source inputs meet all market and consumer expectations. Technology is enabling remarkable global developments and business and government leaders also need to keep up with this vision and show initiative. Those that do not ensure a clean and transparent supply chain will not be able to compete with those that do... be a market and thought leader, ensure good social value in all aspects of your business".

**Amardeep Singh**

national health service,  
United Kingdom

"Social value is a socio-economic construct that goes far beyond the limitations and assumptions of economic models and also is more quantifiable in its nature than some of the qualitative measures of social impact. In essence social value should define the price or the perceived extracted value of any action upon society at large. It is more than the sum of all adverse or positive ramifications of an intervention upon a community in a micro and macroscopic context. Every intervention has positive and negative impacts upon a local community or the world at large, hence social value defines the effect that it has upon this closed system. This social value should be observed as more than just a simplistic value or a mere tool which restores equality, transparency and sustainability, it is shift in both perception and paradigm for global communities which evokes change towards more positive outcomes for those who need them most".

**Wolfgang Teubner**

ICLEI Regional Director for  
Europe and Managing  
Director, ICLEI European  
Secretariat

"We are used to talking about progress in terms of money. Economic growth measured in terms of GDP is being sold to us as an ultimate yardstick against which all our activities are judged. However, GDP values fail to capture what really matters in our lives and cities are places when this is particularly apparent. Social value is about what is essential to us as individuals and members of communities, including quality of life, happiness, safe and healthy environment, decent standard of living. The trick is of course how to make it happen. We believe that social value is co-created by local governments, business and civil society partners, and if done right, its benefits are shared by everyone in the community, ideally with a focus on the disadvantaged and excluded members of society. We have been working with cities to deepen our understanding of these important processes and are happy to join forces with other interested actors".

**Simon Rabl**

Director Operations,  
Procurement & Supply  
Chain, Telstra Corporation

"Social Value is all about connection. Our ability to connect with all communities, all people, all countries, all cultures. Value has no boundaries and everybody has something to offer and we all have something to learn from every other person. It's about connection and interconnection of all people, of all technology and of all ideas. Through connection comes greater diversity and through diversity comes growth and innovation".

**Laura Orestano**

General Director  
SocialFare®, Center for  
Social Innovation - Torino

"Social Value generates economic value. It is sometimes hidden, sometimes misinterpreted or underestimated. Social Value is content and catalyst, it is about behaviours and knowledge of what links communities and generates innovation by co-creating new solutions and new business models".

# Connecting Individuals with their Data and Care Networks - Untapped Social Value

By **Dr Akeem Ali**, Director of Public Health, Northamptonshire County  
**Karen Bryson**, Director of Health and Wellbeing, Xantura Ltd



**Karen Bryson**

Times, they are a changing. And rapidly. The convergence of an ageing and more complex community, fiscal squeeze affecting public and personal purses, and the series of structural changes in attempts to fix the steady exposure of public service challenges offers the opportunity to fundamentally change the DNA of our system in Northamptonshire and shift the relationship between the individual and state to meet current and future care need.

We are placing the data, digital and social media revolution at the heart of our services - connecting individuals with their data and care systems - to maintain independence, improve service effectiveness and shape future investment decisions.

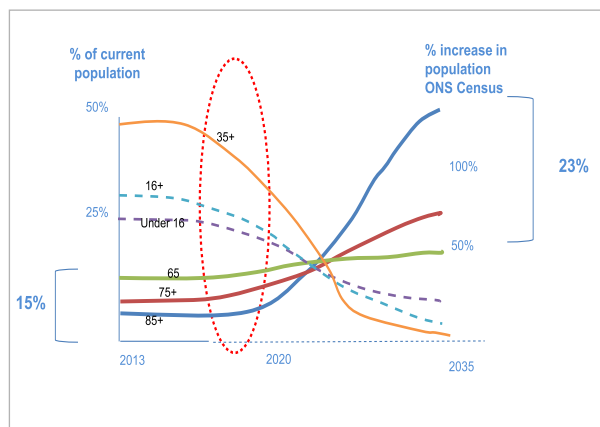


**Dr Akeem Ali**

The County is partnering with Xantura, a data solutions company, to build unique longitudinal insights through multi-agency data matching, develop predictive risk models using this matched data, and make these insights available electronically to individuals and their carers to enable better self-management and early pre-emptive preventative behaviours and choices.

## Why now?

Northamptonshire is in the middle of the country - and a good barometer of national trends in diabetes, coronary heart disease, dementia, mental health - as well as community safety, health, wealth, welfare and wellbeing



By 2035 the people over the age of 65 will account for 23% of our population. In comparison, the age group generating taxes to finance public services is getting smaller

Dementia, diabetes and circulatory disease driven by lifestyle choices, and frailty are increasingly common - and a more sedentary younger generation will sustain and expand that demand

Unidentified and poorly managed risk is manifesting itself in high social care costs and A&E - social care costs account for about 45% of care costs for this age group, A&E attendances equate to 26% of the county's population

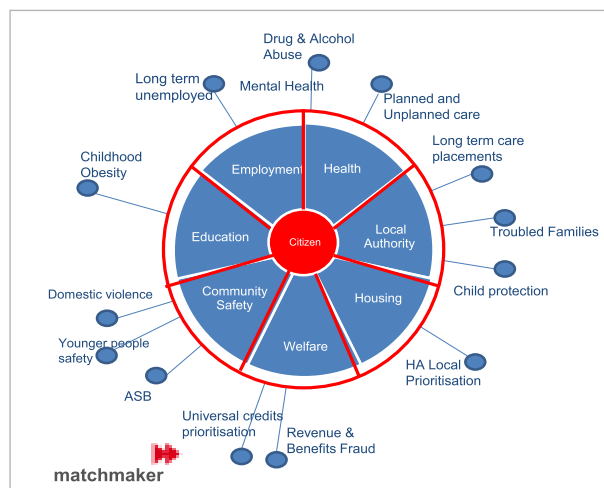
And as the cost of care grows and we look to greater self-funding of care needs, poor care choices will further compound financial pressures on state services.

It is, therefore, essential we understand who is at risk, incentivise positive well-being choices and, where care is needed, ensure that both personal and state funded support is effective.

## Being smart & connecting data

To do this we need to know who is at risk, why and where they are.

And as our health and well-being is affected by where we live, our employment and financial stability, our perception of personal and community safety, our confidence in making decisions about lifestyle choices and our personal care and social networks - a single agency lens does not tell the full story



The Northamptonshire partners have, therefore, agreed to share data - and connect it at individual citizen level using the Xantura's unique *IG Bridge* solution which has ICO approval.

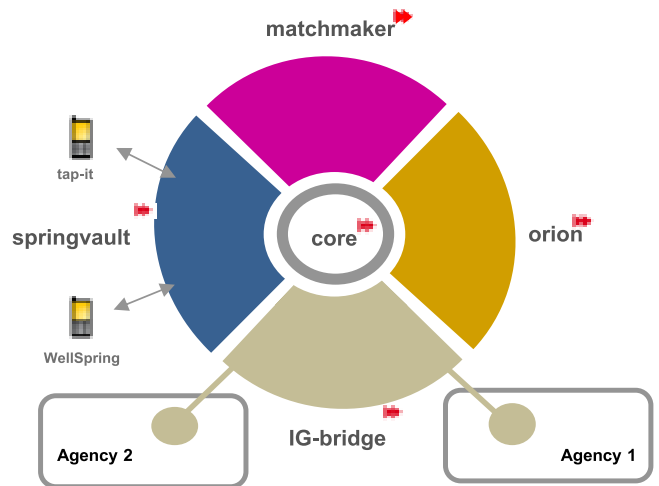
This is breaking new territory and is a major game changer

We will be able to build multiple risk models from a single matching exercise - and replicate this across the county's population.

**Social value through shared data**

Once the data is matched by Matchmaker to provide individual citizen electronic records we can

- Explore why those with similar need have different outcomes
- Develop meaningful definitions of vulnerability and dynamic, predictive risk models - to intervene early and well
- *Provide each person with a springvault web account, like Facebook, to manage and add to their data, communicate and share insights & sentiments through a mobile app and portal*
- *Enable direct citizen consent to data share - for local service development and research*
- Support care plans and personal budgets with greater insights on the impact of care interventions
- Forecast future provider markets & capacity
- Through *orion* digitally alert carers of the need for a service response



**What next?**

This year we will be working with representatives from the over 65 group to design the web-interface and ensure it meets their needs, is easily navigated and provides an easy route to supporting and participating in research. Long term conditions, young people, children and safe communities are all in our sights. As is working with industry, businesses, public services and research to use data about Northamptonshire for Northamptonshire

This is the early tremor of a seismic shift in the relationship between ourselves, our communities and individuals - everyone working together to deliver greater social value through data, digital and social media - its the world we live the rest of lives in already.





# Il dialogo interreligioso nel lavoro, il commercio internazionale, la finanza e l'imprenditorialità

Progetto pilota promosso dall'UCID (Unione Cristiana Imprenditori e Dirigenti) e dalla COREIS (Comunità Religiosa Islamica) Italiana alla Biblioteca Ambrosiana di Milano

*Guide-Lines for the Sharing and Implementation of Dialogue and Cooperation between Christian and Islamic Business Leaders: Work, International Trade, Finance Entrepreneurship.*

By **Yahya Pallavicini**, Vice President, COREIS (Islamic Religious Community) ITALY



The global crisis, which affected the whole world, is at the same time coupled with the crisis of modernity, whereby a large part of mankind is moving away from universal religious and spiritual values of reference. Businessmen as well as politicians or professionals should avoid considering material goals as the

only objective and they should try to pursue and implement the universal principles of Faith through the practice of virtues. This view was shared in the four Meetings held in Milan by COREIS (Italian Islamic Religious Community) and UCID (Christian Union of Italian Business Leaders) and represents the first step toward a way of doing business based on ethical principles, on real economy and on an active responsibility in managing human resources.

It was proposed that the 2013 Beirut Conference be the beginning of a road map which could be carried on this year in a new Conference in the Milano 2015 EXPO perspective. By that time we wish to present a shared international statement and public call for a company model based not only on material resources, professional skills and other facilities but also on business leaders spiritual and social responsibilities.

La crisi del lavoro, dell'economia e della finanza mondiale si accompagnano alla consapevolezza di una profonda crisi del mondo moderno e dell'uomo che tende a dimenticare i valori universali e spirituali della religione.

I mezzi e le occasioni per sviluppare le qualificazioni di ogni persona come imprenditore e come lavoratore nei settori della politica, del commercio e dei servizi rischiano di diventare delle schiavitù o degli idoli se sostituiscono le vere finalità e la pratica delle virtù nella vita di ogni credente.

In un mondo globalizzato la ricerca di rispettare i principi universali della fede e la loro declinazione anche sul piano delle responsabilità temporali rappresenta una importante occasione di dialogo, cooperazione e fratellanza tra credenti.

Il **Lavoro**, se non ha come unico obiettivo il successo e il guadagno materiale, è una occasione di rapportarsi con la realtà, di conoscere se stessi e il prossimo. La realizzazione professionale assume un carattere completo solo quando il lavoro è regolato da principi etici e spirituali, concentrandosi sul valore

e sulla gestione della persona in quanto tale e non solo come mero strumento produttivo. Il lavoro è sacrificio nel senso etimologico di rendere un servizio "sacro" tra più persone direttamente e indirettamente coinvolte, l'imprenditore, i suoi collaboratori e gli stakeholder dell'impresa. È la produzione pratica di un servizio utile alla collettività che deve essere ispirato da una intenzione che va al di là dell'azione o del riscontro esteriore e che nobilita gli sforzi necessari per perseguire uno scopo più alto, tramite la messa in pratica di un servizio professionale.

Il **Commercio** corrisponde all'avvio e all'esercizio di un'attività di scambio di beni e servizi ma anche di relazioni interculturali e interreligiose a livello locale, nazionale o internazionale. La globalizzazione e la libera concorrenza nel commercio rappresentano una sfida per l'uomo per "gareggiare nelle buone opere" e cogliere l'occasione di incontro e interscambio tra persone di diversa cultura e religione e mettere alla prova le qualità di affidabilità e onestà nella gestione corretta del proprio prodotto o servizio.

Un approccio ai mercati orientali e medio-orientali da



parte dell'Europa e viceversa, non può procedere separatamente da una intenzione di conoscenza e comprensione della realtà. Bisogna rispettare i credenti e le diverse sensibilità, proponendo beni e servizi che non siano in contrasto con le esigenze religiose e rituali dei diversi attori, i quali potranno essere ebrei, cristiani, musulmani, appartenenti ad altre e più antiche tradizioni o anche non credenti. Bisogna altresì imparare a non confondere l'esigenza di questa sensibilità e rispetto della dimensione sacrale con le sue contraffazioni come, per esempio, quella che potremmo chiamare la strumentalizzazione dei simboli religiosi a scopo commerciale. Il commercio internazionale, se rappresenta dunque un presupposto importante per favorire la crescita culturale e civile della comunità islamica europea, costituisce anche uno strumento utile a sostenere la maturazione interreligiosa e interculturale dei cittadini d'Europa che si riconoscono in un orientamento religioso o nella prospettiva largamente diffusa della secolarizzazione contemporanea.

**La Finanza** è l'occasione di rispettare il valore, anche simbolico, del denaro della gestione del capitale per sostenere un'impresa e quindi del lavoro. Occorre valorizzare il ruolo della finanza come strumento, riconoscendo il bene che c'è nella ricchezza e sottolineando che la povertà non è un male: lo è invece l'avidità di beni materiali e la miseria spirituale. La finanza islamica, con il

suo volume di affari che, in rapporto al volume globale, raggiunge circa il due per cento, appare d'altra parte come una realtà nuova destinata a rendersi visibile progressivamente. I differenti concetti che la sostengono rispetto alla mentalità occidentale prevalente nell'epoca moderna saranno forse fondamentali per il superamento della crisi economica anche in Europa.

**L'Intraprendenza nel Management e nell'Imprenditorialità** è un atteggiamento come assunzione di responsabilità, un atteggiamento mentale in opposizione all'assistenzialismo e alla passività. L'imprenditore deve sempre di più saper studiare sinergie lavorative affidabili sia all'interno che esterno dell'azienda, utilizzando le risorse, non solo umane, del proprio territorio. Lo sguardo dell'imprenditore deve poter abbracciare orizzonti di Paesi diversi dal proprio e quindi saper investire nella comunicazione con un'attenzione culturale nuova rispetto ai propri standard. L'azione economica, il progetto operativo, il «fare impresa» innesca una dinamicità che permette la circolazione di risorse finanziarie secondo una prospettiva etica applicata alla realtà commerciale, fornendo una base di valutazione dei progetti basati sull'economia reale. Il «fare impresa» costituisce una responsabilità che riguarda diversi livelli estesi all'intera filiera commerciale: il rapporto tra imprenditore-finanziatore ed il mandante o società, che svolge



l'attività lavorativa, i dipendenti, i fornitori, e infine il mercato come fruitore del prodotto o del servizio. La dimensione etica che sottende alla filiera commerciale estende un beneficio diffuso che verte sempre sui principi di legittimità, chiarezza, concretezza e «bene reale».

## Conclusioni

Gli incontri hanno portato principalmente ad una nuova visione di responsabilità di impresa volta a stabilire la centralità dell'uomo religioso, la cui iniziativa di "fare impresa" orienta l'individuazione di stakeholder, ossia tutti quei soggetti verso cui le imprese devono essere responsabili. Tuttavia la fondamentale responsabilità è quella di riconoscere che il primario portatore di interesse è l'uomo stesso, concepito nel suo statuto "spirituale" da cui dipende il "valore" dell'impresa e della sua ricaduta "pubblica". Il misconoscimento da parte dell'imprenditore di questa responsabilità, ossia quella di essere principalmente il "portatore di un interesse spirituale", capovolge lo stesso concetto di profitto, di interesse diffuso, di relazione pubblica e ricaduta sociale, aprendosi al rischio di un reale fallimento proprio sul piano del profitto e del successo economico. L'attuale drammatico scenario della situazione economica e finanziaria dimostra che serve il recupero di una vera imprenditorialità in cui non sia utopistico, ma attuale e reale, unire profitto ed autentica considerazione dell'uomo. Sarà fondamentale avviare una formazione al riorientamento, alla riconversione costante, in cui la visione degli stakeholder, da soggetti "passivi" dell'attività

L'opportunità, ora, è quella della costituzione di una rete di imprenditori e dirigenti, rappresentanti politici e finanziari, accomunati da una "illuminata" visione di impresa, che possano, da quest'ottica "riorientata", mettere a frutto opportunità e complementarità professionali. Gli investimenti possono indirizzarsi da un lato nella capitalizzazione o partecipazione societaria all'eccellenza made in Italy o Europe, nella valorizzazione dei fondi immobiliari e di assets significativi, o nel promuovere le aziende occidentali nell'esportazione dei loro prodotti ai nuovi mercati sia in Occidente che in Oriente. aziendale, diventino soggetti "attivi", che collegialmente partecipano con l'azienda al processo dell'attività economica e ne beneficiano conseguentemente in una più equa remunerazione.

La condivisione di questa visione, nel lavoro avviato a Milano tra la COREIS e l'UCID, costituisce la prima tappa di una formazione del "fare impresa" incentrata in una prospettiva etica, di economia reale, e di responsabilità attiva del lavoro. La nostra proposta è che il Meeting dell'UNIAPAC di Beirut 2013 sia l'inizio di un percorso la cui ricaduta operativa possa essere raccolta già dal prossimo anno, 2014, in un nuovo incontro a Milano, in anticipo sullo sfondo di EXPO 2015, e che dovrà saperci trovare già preparati a cogliere un nuovo valore dell'impresa, la quale, prima ancora che in termini di risorse, azionisti, competenze professionali e infrastrutture, dovrà fondarsi sulla rinnovata responsabilità spirituale dell'imprenditore.









# 论中国古代文学中社会价值观的重要性

## *On the Importance of Social Values of Chinese Ancient Literature*

By **Giorgio Orlandi**, sinologist, linguist, dialectologist,  
Member of IACL (International Association of Chinese Linguistics)



Chinese Ancient Literature is one of the richest literature of the World. From the other hand, social values are one of the most important topics both in China as in the whole

World. But one of the biggest mistakes of modern people is the belief that almost all of the social values of the past cannot fit in with our contemporary society, hence the ancient keys of

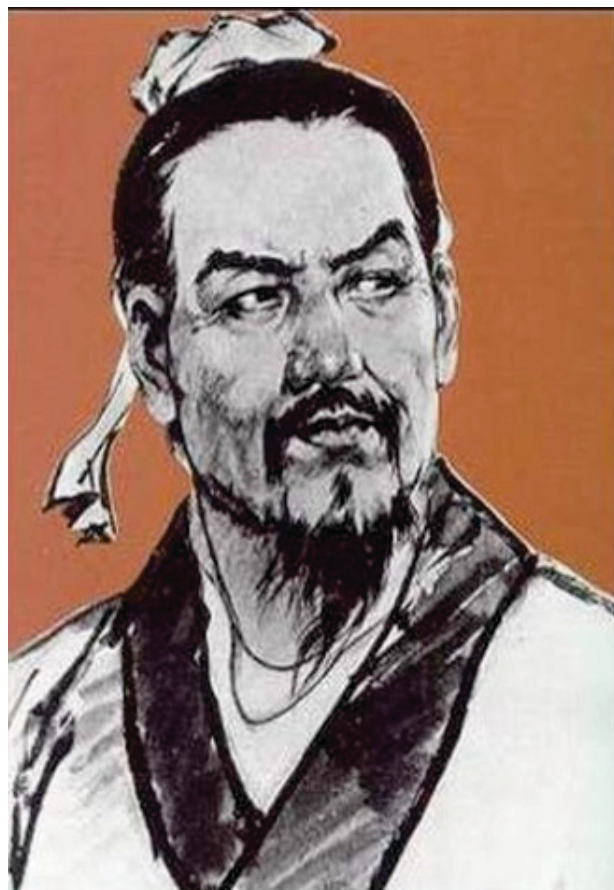
interpretation and resolution of problems would not be effective in our epoch. But if one accepts the general thesis that History is a cyclical social-economic process, then an ancient key of interpretation could still suit pretty well even in modern times. Hence ancient classics could still offer an effective resolution to some modern questions. For example the fifteenth chapter of the Huainanzi, where the author proposed a view of the Chinese Empire under a federalist perspective,

could be a key of interpretation for some modern questions concerning the Sinic Sphere, like the question of Tibet, Taiwan, and Xinjiang (Andrew S. Meyer, 2012). At the same time, Han Feizi could be a much more valid theorem for the resolution of social problems for Chinese society compared with some Western theories. How Chinese Ancient Literature could contribute to Chinese modern society in building social values we shall see later in this article.

中国文学历史悠久且博大精深。诸多社会价值观和理论在中国古代文学作品中都有所体现。有人问如何将古代的社会价值在当代社会普及并沿用，毕竟不同的时代有着不同的问题，而不同的问题需要不同的解决方式。不必身为历史学家，就可认知历史就是一个社会与经济的循环过程，谅不致误。如果一个人能接受历史循环性这一普遍理论，顺理成章，他也认同过去的问题和社会纠纷，同样可能会出现于当代。当然除在解决方法上有不同之处，其他别无二致。

打个比方，古代的时候也有战争、外交事件等，这与现在完全一样，只是技术发展使得人类不再使用刀剑而改用步枪。步枪替代了刀剑，尽管武器不停在进步升级，但战争的实质从古至今并没有改变。也就是说武器是变量，而战争才是我们方程式中的历史常量。由此可见，历史就是个循环的过程。因此，古代的社会价值也是开启当代人智慧的一把钥匙，从某种意义上来说，古代的社会价值观也可以作为当下问题提供解决方案。古代价值观如何能为当代社会做出贡献，且看后文分解。

刘安是汉高祖刘邦之孙，淮南厉王刘长之子。他驰名当世、辞丰意雄、文章风尚，上知天文，下知地理，审时度势、运筹帷幄。《淮南子》此部书的第十五章讨论刘安的兵法。虽然《淮南子》也被认为是道家的经典典范，但是不像《老子道德经》、







《庄子》那样，刘安并不支持自由放任主义，他在本章中提出了他联邦主义的想法。除此之外，文章还会提到一些当下炙手可热的问题，还能够找到解决与中国范围相关问题的方式方法，如藏、疆独问题或香港、台湾事务（注释：由于本人水平有限，恳请各位读者参考王贞威《中国的坦森尼亚式联合——“一国两制”的另一种实现形式初探》，或者Andrew Seth Meyer 的The Dao of the Military, Liu An's Art of War, the Montreal Review, 2012年）。联邦主义并不会影响一个国家的统一性，但更能满足所有民族的需求。因为民族与民族之间的习俗与概念有不同之处，正如汉族之内也分南北。“婴闻之，橘生淮南则为橘，生于淮北则为枳，叶徒相似，其实味不同。所以然者何？水土异也”（《晏子春秋·晏子使楚》）

春秋战国时期是中国哲学最大的aetas aurea（拉丁文：“黄金时代”）。诸子百家各抒己见，畅所欲言、众说纷纭。此时有伟大思想家提出自己的观点，各个哲学家提出了自己的社会价值观。孔子之道，以仁为体，有教无类、温故知新，己所不欲勿施于人。老庄之道，有无相生、独善其身、清心寡欲、与世无争、顺其自然、返朴归真。除了儒道二教之外，还有墨家、法家、阴阳家，等等。法家的代表之一为韩非。韩非比霍布斯早几个世纪认为人性有坏的倾向。虽然如此，人性通过一个外来的元素是可以变好的。若荀子认为只有“学”才能人性变好，韩非却认为只有“法”有这个能力。可是不像申不害、李斯等其他法家哲学家，对韩非而言，“法”是要自然地施行的。当代的社会渐渐地在走向失范（anomie，从古希腊语a-nomos，

“无规则”之意）的道路，此社会现象意味着传统价值和传统社会规范遭到削弱、破坏、乃至瓦解，从而导致的社会成员心理上失去价值指引、价值观瓦解的无序状态。因此在如此失范的社会中，笔者认为没有一本书比《韩非子》更能代表解决此社会问题的一种 pharmakon（古希腊语：“药”）。实际上，韩非所云的“法”并非一个严谨的法制体系而更是爱米尔·涂尔干所指的道德权威。因此，韩非所说的“法”非惩罚体系而是个自生系统论，此概念表达了结构与功能的互补性，他只需要国家的incipit（拉丁文：“开始”）。同时韩非所提的“法”也自然成为无道德以及失范所造成的认知失调的pars destruens（拉丁文：“破坏性部分”）。

当代的中国社会问题较为复杂，且笔者认为与外国理论的价值观念相比，中华古典学提供的价值观念在某些方面更加吻合中国人的思想与生活理念。即使在经济改革中，马克思主义与社会主义理论也往往可能被搁置，但是在教育以及其形成过程中仍是唯一被认可的理论系统。此系统只能导致中华民族的思想均变Uniformitarianism，渐进式的演化。晏子云：“若以水济水，谁能食之？若琴瑟之专壹，谁能听之？同之不可也是如此”（《左传·昭公二十年》）。

总而言之，笔者认为中国社会亟需以人文主义的价值观念来弥补其它理论的不足之处，因为古典文学提供的价值观念是最适合中华民族的精神和思想的。因此，如果中华民族从其本土文学能够找到最适合自己的价值观念，那么未来中国社会必将受益匪浅。



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# Procuring and Contracting for Social Value and Supply Chain Transparency: CCEG Intangibles

By **Helen Randall**, Partner, Trowers & Hamlins LLP



The increasing prevalence of ethically and sustainably sourced products indicates consumer values influence supplier behaviour. Adverse media coverage of some international brands' alleged poor practices in their supply chains means citizens are realizing "cheap is dear". However, is government?

Historically, some governments have been reluctant to use sustainable or ethical procurement to achieve social and environmental objectives. This perhaps stemmed from a perception that lowest cost procurement helped sustain competition in a free market economy but overlooked direct and indirect impact on the public purse including "intangibles".

There is no current legal definition of either ethical or sustainable procurement. Ethical procurement tends to focus on progressive improvement of international standards such as: anti-bribery; corruption; fraud; and human rights abuses (for example, modern slavery).

Sustainable procurement should secure environmental, social and/or economic improvements without compromising future needs.

However, context is all. It is important to specify precisely how in relation to the subject matter of the particular contract an ethical or sustainable objective can realistically be achieved within the procurement process and resulting contract.

## Context

We advise governments, over 200 UK local authorities, over 150 other contracting authorities and agencies, third sector organisations as well as the major suppliers to the public sector. The contracts and procurement frameworks we advise on range across all sectors: facilities management, ICT, business processes, customer services, health and social care, leisure, transport, utilities and heritage. Social and environmental considerations apply in all these sectors albeit in different contexts.

## FAQs

- Typical questions procurement officers ask us are:
- How can we promote diversity in our supplier base giving opportunities to SMEs and start-ups?
- Is it legal to require contractors to use products with eco labels or production practices which support biodiversity?
- Can we oblige our suppliers to pay a Living Wage and adopt fair employment practices?
- How can we veto suppliers who have poor health and safety; engaged in corruption or collusion; failed to pay tax or social security contributions for their workforce or not complied with labour laws?
- In light of the Modern Slavery Act 2015 (MSA), how can we check no forced labour exists in contractors' supply chains?

Our answers to most of the above is: "Yes we can help you do this lawfully," but it is easier to achieve legal compliance if planned, trickier to retrofit into a procurement.

Government may no longer be fulfilling its legal duty to taxpayers if it procures solely on the basis of lowest price without factoring in ethical or sustainable considerations regardless of the product, works, services or utilities being bought. A UK contracting authority which fails to have any regard to ethical considerations in its procurement process could arguably be vulnerable to legal challenge.





The reason behind this assertion is that there is now a plethora of European and domestic legislation imposing duties on contracting authorities regarding ethical and sustainability considerations. This includes the European Public Procurement Directive 2014 (the Directive) implemented in the UK through the Public Contracts Regulations 2015 (PCR), preceded by the duties on public bodies via the Human Rights Act 1998, the Equality Act 2010, the Public Services (Social Value) Act 2012 (PSSVA). The MSA 2015 now supplements these.

Under the Directive there is a requirement on EU states "to take appropriate measures to ensure that in the performance of public contracts, economic operators comply with international, EU, national and collective agreement obligations in environmental, social and labour law".

The PCR 2015 implemented most of the Directive (but not all optional areas) into UK law from 26 February 2015.

The PSSVA requires authorities to consider how when procuring services, they can act to "improve the economic, social and environmental well-being of their area". There has subsequently been a review of the efficacy of that legislation and a number of authorities are applying innovation in their procurements to achieve social, environmental and economic value, often with the aim of sustaining and revitalising local economies.

The recently enacted MSA 2015 imposes new duties on public authorities to co-operate with the Independent Anti-slavery Commissioner for the prevention, detection, investigation and prosecution of slavery and human trafficking. In the procurement

context, large commercial organisations supplying goods or services (which may be to either the public or private sector) have to demonstrate transparency in their supply chains.

This imposes a duty on large suppliers to prepare and publish anti-slavery and human trafficking statements (ASHTS). A supplier has a legal duty to explain in its ASHTS how it ensures that there is no slavery or human trafficking within its supply chain or any part of its business or if the supplier has done nothing, then to state that. Although there is no current explicit link between public procurement legislation and the MSA 2015, once the MSA has come fully into force one should expect that procurement officers will wish to evaluate the contents of a tenderer's ASHTS.

When can a contracting authority apply ethical/social and sustainability/environmental considerations within a procurement process and the subsequent contract?

Typically a procurement consists of :

- 1 Market consultation and soft market testing;
- 2 Advertisement;
- 3 Assessment of bidders (pre tender);
- 4 Shortlisting (if too many bidders);
- 5 Bid evaluation;
- 6 Contract award and management post award.

The PCR 2015 now allow contracting authorities to consult the market before publishing a formal advertisement in the Official

Journal of the European Union (OJEU). This is an opportunity to find out from prospective tenderers how social value could be delivered through the contract and to gauge potential interest levels from SMES, start-ups and suppliers who champion ethical values.

It is essential that social and environmental requirements are flagged up in the OJEU. The new best price-quality ratio allows the contracting authority to take into account "other criteria" in particular, qualitative environmental and/or social aspects, linked to the subject matter of the contract.<sup>1</sup>

The pre-tender phase consists of: assessing bidders' eligibility against exclusion criteria and assessing bidders' financial and professional suitability.

It is now mandatory for contracting authorities to exclude bidders where there is evidence of adverse judgments for conspiracy, corruption, bribery, fraud, money laundering, non-payment of taxes and social security.

The voluntary exclusion criteria which authorities may choose to apply include: conviction in conduct of the prospective tenderer's business; grave misconduct (which could include non-compliance with existing legislation (e.g. offences under the MSA 2015); evidence of non-payment of tax or social security contributions; violation of social and environmental laws; conflict of interest and/or poor performance history.

In terms of professional suitability it is now possible for contracting authorities to require tenderers to produce certificates attesting compliance with quality assurance standards, including accessibility for disabled persons and environmental management systems.

Under the PCR 2015 UK authorities can use any criteria to evaluate a tender including social and environmental criteria, provided the criteria are:

- Linked to the purchase;
- Comply with EU Law;
- Evaluate the most economically advantageous tender (which could include lowest price - the UK government decided not to ban "price-only" criteria in the PCR, which sits somewhat at odds with other legislation);
- Objective comparison of tenders would be practicably possible;
- The evaluation criteria are not discriminatory under EU law; and
- The tender evaluation criteria are pre-published.

In summary, it is now possible and indeed encouraged by the UK Government to include evaluation criteria which take account of social aspects, trading conditions<sup>1</sup> and life cycle costing<sup>2</sup>.

Still somewhat of a "minefield" legally is the issue as to the

whether the contracting authorities can insist on the use of local labour or locally sourced products within their procurement. In brief, my advice is that these objectives can be achieved but proceed with caution. For further detail on this, refer to the LFIG Report "Socially Responsible Procurement" [www.lfig.org](http://www.lfig.org), March 2015, pages 34 to 37 to which the author contributed.

It is now lawful to apply evaluation criteria covering fair employment practices, equality and diversity, incorporation of apprenticeships and skills training for long-term unemployed and or even the Living Wage.

The important issue here in the author's experience is to ensure that the social value or environmental requirement will be legally binding.

Contract conditions may relate to economic, innovation-related, environmental, social or employment-related conditions provided they are non-discriminatory and relate to the contract subject matter and could cover:

- compliance with social, labour and environmental laws, international conventions on forced labour, child labour, minimum age, discrimination, equal pay, health and safety, and data protection/privacy requirements;
- prohibition rights for abusive employment practices whether by the contractor or in its supply chain; and
- obligations to address unemployment and engage apprentices.

Given the proximity of the forthcoming UK general election and some local authority elections, how policy will be implemented through procurement will depend on the political outcome. One could envisage different procurement policies depending on whether the Scottish Nationalist Party, the Green Party or UKIP increase control or influence.

Regardless, it is reasonable to assume that increasing citizen concern over environmental and climate change issues, distaste for abusive labour practices and focus on local sourcing and traceability will persist whatever the outcome of the elections and successful governments listen to their citizens.





# Modern Slavery – Transparency in the Supply Chain

## The UK Approach

By **Andrew Wallis**, CEO of Unseen and Chair of Centre for Social Justice Working Group and Report - 'It Happens Here: Equipping the UK to fight modern Slavery'

Last month the UK enacted the Modern Slavery Act, two years to the month from when the evidence-led Centre for Social Justice's report 'It Happens Here' was published. It called on the government to decisively act in light of the overwhelming evidence that the UK's response was inadequate in identifying, let alone effectively dealing with the growing problem of modern slavery and we were failing the victims that were being found.

At the report's publication I was told that our primary recommendations: a Modern Slavery Act; an Independent Anti-Slavery Commissioner; better identification, protection and care for victims; addressing the specific needs surrounding children and Transparency in Supply Chains would not happen. There was no appetite for new legislation, let alone a Commissioner, and thinking that businesses could be asked to address the issue of forced labour and slavery was fanciful.

Yet in the light of the overwhelming evidence we presented, doing nothing was clearly not an option. Many had been



raising the issues over a number of years and yet 'It Happens Here' became the catalyst for government action as it offered not only the irrefutable evidence of the scale of the problems faced but also a coherent plan for tackling the problem.

So two years ago there was nothing. Fast forward two years and we have a Modern Slavery Act, a Commissioner, specific provision for children, a review of how we can effectively identify victims and a clause in the act requiring large businesses to report what they are doing to ensure slavery cannot exist in its business practices and supply chains.

But I have always argued that if we are to effectively tackle modern slavery then we must include and empower business to ensure that there is no slavery in their supply and product chains or business practices – there is no possible way to end slavery without them.

**At Unseen we see daily the horrendous reality of modern slavery – survivors of this shocking crime.**

The Home Office now understands and promotes the crucial role to be played by business in eradicating the scourge of slavery, backed by disclosure legislation.

However, the government can't do it all. Business has a crucial role to play in ensuring that the UK has a comprehensive response to modern slavery but the government has given the legislative lead to business – the days of voluntary compliance have been found wanting and ineffective. As one business







leader in UK manufacturing told me, "we warmly welcome this legislation as it will level the playing field for us. We are free of slavery in our practices here in the UK and we want our global competitors to be too." Another business leader involved in the supply chain audit for 20 years recently said to me: "it never occurred to me this was an issue, until I came across it in our supply chain and I realised it wasn't going to be an isolated incident."

## **There is no doubt that forced labour and slavery are flourishing in our global supply chains.**

Fuelled by our insatiable desire for cheap goods, services and raw materials, it's highly likely that the clothes on our back, the phones in our pockets and the food on our plates have all been tainted by

slave labour at some point along the way. The usual narrative around this huge human rights issue is that the use of slavery in the creation of the products we all use in our day-to-day lives is all down to the evils of big business.

Many businesses in the developed world have been tainted by media coverage of global stories alleging modern slavery and forced labour. Thai prawns found in major supermarkets are fished by slaves. Tate and Lyle have been linked to child slave labour in their supply chains. Human rights abuses, including slavery and trafficking, are rife within the palm oil industry servicing well known food companies such as Nestle, Kellogg and Proctor and Gamble. The impact of crushingly low pay for tea pickers in India, forcing children into child slavery, has ensnared well known tea brands as well as major UK supermarket own brands - even Waitrose, normally regarded as a paragon of corporate responsibility. UK high street clothing companies have been linked to the Rana Plaza disaster.

But is this demonization actually doing the estimated 37 million people trapped in forms of modern slavery a disservice? And is merely pointing the finger of blame at the businesses we buy from potentially alienating perhaps the only people who truly have the power to eradicate slavery once and for all?

None of the companies named above are directly involved in using slaves, but in a world of complex and extended global supply chains it is easy for modern slavery to thrive, often unnoticed, at the very bottom of the production line.

Despite all the anti-slavery work being done by NGOs, governments and multilateral bodies, without the cooperation of big business sitting at the top of our global supply chains we are never going to make effective progress.

Globalisation is accelerating. In a list of the top 100 global economic entities, 44 companies generated combined



revenues of US\$ 6.4 trillion in 2009, equivalent to over 11% of global GDP. This is larger than the combined economies of the poorest 155 countries, in terms of GDP. At a company level, Nike directly employs 30,000, but indirectly 800,000, and has over 700 sub-contracted companies.

Production, supply chains, jobs and investments are spread across continents, but the challenge is how to control those processes and impose minimum standards and regulations.

## Concern is not about where the jobs are done but under what conditions.

In order to really clean up our supply chains, we urgently need to change the way we are engaging with businesses over issues with labour rights abuses in their supply and product chains. Instead of demonizing the few and sending the many scuttling for cover, we need to move to a place where we are encouraging businesses to look proactively for modern slavery in its supply and product changes, all the way down to raw materials, as well as in its business practices.

Business should see as positive the investigation of their product and supply chains. They need to be encouraged to disclose any slavery found and report on

the processes, practices and procedures that have been put in place to ensure it can't happen again. Businesses need to realise that it's not just the bottom line that is at stake but their image and reputation that can make or break a brand.

In managing supply chains, business has often cried: "please don't regulate us" and "we will do it voluntarily", but enlightened companies have always recognised that regulation is necessary in order for companies to function. They have argued for a level playing field of regulation that allows for transparency, non-corruption, slave free, fair dealing so they are not penalised by the bad businesses that don't play by the rules and that aren't transparent.

Historically anti-slavery NGOs have sometimes been at loggerheads with business, often castigating them. But we urgently need to change the narrative. Media and NGOs need to acknowledge and verify the efforts that business is making in tackling the issue by bringing these positives to the fore. This doesn't

## We need to create an environment where the narrative is about the proactive hunt for slavery in supply chains and the remedial action to eradicate it.

mean that 'bad' businesses that are ignoring or corroborating with conditions of slavery in their supply chains shouldn't be exposed.

Following the Modern Slavery Act the game changer will be business innovation and the resources applied to tackling modern slavery. They can be used to promote a race to the top - and for business the added benefit will be improving its bottom line, because modern slavery is inevitably very bad for business. A recent study suggests that consumer boycotts of demonised companies cost them around GBP 2.6 billion a year.

Imagine a situation in which a business could announce that it had discovered forced labour in its product chain and was taking steps to redress this instead of issuing the now-familiar denials and defences when facing an embarrassing expose?

This is what we should be working towards. An environment in which brands and corporations proactively join the fight against slavery without fear of being the poster child for bad business practices and consumers - individual, corporate or government - are truly able to make informed decisions about who they are purchasing from and what they are purchasing. Ultimately this is about verifiable and meaningful accreditation that the clothes we wear, the phones in our pockets and the food on our plates are not there as a result of slave labour.

The reality is that only business has the resources and the ability to eradicate modern slavery because for business, ultimately, the impact of modern slavery is one of economics.

Is the legislation perfect? No of course not, but get real no legislation will ever be perfect! Two years ago we had zero and then we had the opportunity to aim for a 100% and today we've ended up with 95%. Sometimes we focus so much on what we don't have that we fail to see, appreciate, and use what we do have!

✉ Follow @andyw1 and @unseenorg on Twitter







Sense organs

My sense organs are five

They are the ear and the eye  
The nose, the tongue and the hand.

The ear is for hearing,  
eye is for seeing.  
nose is for smelling,  
tongue is for tasting,  
hand is for touching.



# The Psychology of Corporations and Social Value, or, the Corporate Hippocratic Oath 1.0

By **Jaya Chakrabarti MBE**

It has been argued that corporations exhibit sociopathic behaviour [1]. Whilst this doesn't make them inherently evil, it is easy to see how very large corporations are able to act in ways that seem less than ethical on a human level in their efforts to keep their shareholders happy. Over the years, the need for corporate social responsibility to be mandated and financed to help to cancel out the bad stuff has evolved in a way that has limited impact on the problems society faces, especially those facing the weak and vulnerable. Worse, with massively complicated supply chains (arguably webs), it is possible to be profiting from slavery with every procurement purchase, and no real visibility into those dark corners where bonded labour lurks.

At the other end, micro-businesses have a huge impact on their immediate environment and community but display behaviours similar to those of vulnerable consumers [2] [3]. These micros have no real lobbying power, and although they pay their business rates, they are given no vote in return. These disenfranchised catalysts for social change are undervalued, under-resourced and over-encumbered with red tape.



**Jaya Chakrabarti** is the CEO of Nameless, a digital agency, and Semantrica, a technology social enterprise start-up aiming to use technology to end modern day slavery. Her full bio can be found on [linkedin: uk.linkedin.com/in/jayachakrabarti](https://uk.linkedin.com/in/jayachakrabarti)

visibility to inform those decisions.

What's the solution? I believe it's a combination of a number of things, but it starts with measuring the harm (inadvertent or otherwise) done by trading organisations, and making all efforts to reduce and eventually eliminate that harm. This is what is encapsulated in the intentions behind the UK's recent Modern Slavery Act which was passed at the end of last month. We can then measure the good done by corporate entities. The intangible stuff that touches and improves lives, which is why the UK Social Value Act came into being. With

counterparts. A form of corporate democracy if you will, with voting rights for each business that pays their taxes in this country of ours. And finally with complete transparency we can actually achieve the change we desire. But more than that is the need to express our intentions as corporate organisms, from the very small to the very large. In short, the Hippocratic oath [4] needs a re-write for organisations living and growing in the 21st Century and, if you could please pardon my presumptuousness I've had a go at the first draft. It goes something like this:

We swear by the gods of wealth and innovation in business T'shai-shen, Ganesh and Laxmi (there will be numerous others), our most philanthropic of business leaders (take your pick [5]) and/or by Adam Smith's Invisible Hand [5] to fulfil to the best of our ability and judgement, this covenant:

We will respect the hard-won scientific gains of those scientists, engineers and researchers upon whose intellectual property we profit, and will invest appropriately to ensure that society continues to benefit from their outcomes.

We will remember that there is a human side to business as well as finance, and that warmth, empathy and humanity may outweigh our desire for growth, the prices we demand of our suppliers, our share value and the size of our pay packets and bonuses.

We will respect the privacy of our customers, for their personal information is not disclosed to us that the world may know and exploit it. Most especially we must tread with care in matters of trust. If it is given to us to improve the quality of lives, of all. But it may also be within our power to damage lives and livelihoods; this awesome responsibility must be

**The world would be a nicer, fairer place if consumers themselves took responsibility for their shopping basket purchases and only bought goods and services that didn't involve exploitation, but we all know that it's not as simple as that.**

Consumers are time-starved too, and an even greater proportion do not have the luxury of basing their purchase decision-making process on anything other than money. And those that do, have very little

these measures in place, all the players will be able to have meaningful dialogue about how to tackle these big issues. We also need to give smaller businesses equal ability to have their voices heard as much as their larger corporate lobbyist

faced with great humbleness and awareness of our own frailty. Above all, we must not play at God.

We will remember that we are not profit-making machines, devoid of empathy. That we sell the products and services made by human beings to other human beings, who trust us to make their lives somehow better as a result. The repercussions of selling a product or service that lacks integrity may affect our customer's or employee's family and economic stability. Our responsibility includes these related problems, if we are to contribute ethically to the economy.

We will remember that we remain corporate members of society, with special obligations to our employees, customers, suppliers and shareholders alike.



## **We will not be ashamed to say "we made a mistake" nor will we fail to call in the appropriate authorities when we discover wrong-doing that harms our employees, our customers or our planet.**

If we do not violate this oath, may we enjoy growth and profitability, and be respected while we operate and remembered with affection thereafter. May we always act so as to preserve the finest business practices within our sectors, and may we long experience the joy of improving the lives of all those we touch.

Please forgive the awkwardness that comes with a first draft, but I've named it the Corporate Hippocratic Oath and I hope that in it's rough and ready state it will inspire more eloquent and passionate folk to produce a version 1.2. We need to do more than just "not be evil" [6], and these are exciting times because for the first time in history, the UK is leading the way to join the dots

between profit, people and planet in a way with which corporates can positively engage. As part of the team leading the way in incorporating a metric for slavery in the supply chain into the CCEG social value metric I can already see that the future is looking much brighter. Now if only the bankers would follow suit [7]!

## **We will prevent harm and conflicts of interest wherever we can, for the planet and the lives dependent upon it are sacrosanct.**

[1] Are corporations sociopathic? <http://www.sociopathworld.com/2009/09/is-corporation-sociopath-writ-large.html>

[2] [http://www.fsb.org.uk/policy/assets/fsb%20project\\_small\\_businesses\\_as\\_consumers.pdf](http://www.fsb.org.uk/policy/assets/fsb%20project_small_businesses_as_consumers.pdf)

[3] Micro businesses' experiences of communications services <http://www.communicationsconsumerpanel.org.uk/downloads/panel-micro-business-report-final.pdf>

[4] <http://www.medicinenet.com/script/main/art.asp?articlekey=20909>

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SEISMIC in the UK  
Inaugural Forum 1st October 2014

**Case for Action**

Social Innovation has a major Role in addressing urban challenges and transforming city governance, especially since there is a major crisis in the funding of local services

UK SEISMIC Network has to find a place in a crowded Social Innovation landscape. It should avoid re-inventing the wheel, but could have an important communication role

Above all, it should promote integrated, cross-cutting solutions, building on existing initiatives

39 participants at Inaugural Forum

**Stakeholder Mix**

- Community Groups
- Local Government
- Academics
- Social Enterprises and the Private Sector
- Training Organisations
- Existing SI Networks
- Policy Bodies
- Funders



Birmingham Library and REP Theatre - National Forum Venue

**Key Areas of Social Innovation**

- Social Innovation in City Governance
- Engaging Communities in Social Innovation
- Improving the Knowledge Base for Social Innovation in response to Urban Challenges

**Initiatives & Projects**

**City Governance:** developing integrated solutions, involving social enterprise & the private sector, developing appropriate metrics

**Engaging Communities:** mapping the processes of community-based interventions, examining how they can be made sustainable and be supported by training, exploring the interaction of community initiatives with formal processes of governance (including funding) and conducting research

**Knowledge Base:** improving communication, promoting exchanges of experience across Europe, Supporting participation in research at national & EU level, providing feedback to research-funding bodies



New Heroes Artists Initiative: Representation of Urban Issues Perspectives.





Former MP, Hazel Blears has always believed that involving local people in designing and running services can lead to significant improvements in innovation and quality and often be far better value for money in the long run.

She was a parliamentary champion of the Social Value Act - which places a duty on public authorities to consider social, economic and environmental well being in their procurement process - and she has been working with large corporations and local social enterprises exploring how they can work together and learn from one another in a way that can benefit both, and provide better quality goods and services for local communities.

### Hazel Said

“

The Social Value Act has real potential to help people and save money at a time when public sector budgets are under pressure.”

“We now require major public sector bodies like councils and hospitals to consider wider public benefits when buying in services, and I have even encouraged Parliament to ‘buy social’ as its only right that we show real leadership on this.

“By awarding contracts to some fantastic social enterprises we are not only getting a first-rate service, but also helping to tackle really important issues in society and saving public money further down the line.”

“In putting social impact at the heart of what they do these organisations are setting the standard I want social enterprises and businesses of all kinds to aspire to.”

”

Hazel recently presented a report to the Cabinet Office, calling on the Government to raise awareness of the Public Services (Social Value) Act. The Act requires social and economic benefits rather than just cost to be considered when the public sector awards contracts to provide services - giving social enterprises and responsible firms more chance of securing work.

The report, compiled with the Social Business Partnership, follows a meeting organised by

Hazel in which businesses, the social enterprise sector, ministers and shadow ministers considered the success of the Act so far. It highlights examples, including the Pendleton Together Construction scheme, which is creating 500 jobs, 200 apprenticeships and 2,000 work placements. Half the work is being delivered by local enterprises and firms.

The report says more must be done to help commissioners and those bidding for contracts to measure social benefits and use the Act consistently. It says extending the Act to include infrastructure would enable communities to benefit more from schemes like the HS2 railway.

### Hazel Said

“

We have some great examples of social enterprises helping local people - including GPs prescribing group activities like baking and art classes for people with mental health issues at organisations like Social AdVentures in Salford. Those taking part tell me they are seeing their GP less, and coming off anti-depressants. They have a new lease of life and it is saving tax-payers’ money. I want to see more social enterprises like these, which think outside the box, being given the chance to help local people.”

“What I have found is that many companies and organisations want to do the right thing, not just for altruistic reasons but because they see there is a strong business case for using local suppliers, treating their customers fairly and using their mainstream business models to ‘do good’.

“What is imperative now, is that there is a consistent and universally accepted way to measure the social impact that is happening and that is why I am delighted that the Northampton Business School has found an effective and simple metric.”

”



# SEiSMiC UK National Network Conference

The conference review has been compiled

By **Elena Guidorzi**, Consultant, Centre for Strategy & Evaluation Services LL

**Soraya Zanardo**, Policy researcher, Eurocities

**Adrian Pryce**, Deputy Director, CCEG



The SEiSMiC project (Societal Engagement in Science, Mutual Learning in Cities) helps tackle Europe's biggest urban problems by engaging citizens, identifying social innovation needs, and contributing to future urban policies and research strategies.

On March 30th SEiSMiC held its London conference in association with two partners:

- Centre for Strategy & Evaluation Services (CSES): offers multi-disciplinary research and consultancy services and specialises in the evaluation and impact assessment, development of strategies and other research and studies
- Centre for Citizenship, Enterprise & Governance (CCEG): CCEG is an academic applied research centre focused on social impact measurement acting as an umbrella organisation between 90+ universities worldwide.

The Austrian Institute for Technology, Prague Charles University and EUROcities are all partners in the SEiSMiC project and also attended this workshop.

## Conference Report

### Introduction

Professor Olinga Ta'eed, Director of CCEG and Chair of the EU SEiSMiC Social Value Group, the largest Special Interest Group at SEiSMiC with over 90 members, kicked off the event. After welcoming all set the scene with a summary of the important developments in and around social value, both in the UK with the 2012 Social Value Act and the 2015 Modern Slavery Act, as well as similar legislation around the world. Such initiatives were creating not only an awareness of social value issues but also frameworks in which the public sector could generate social value through blended solutions involving the public, private and third or charity sector for the benefit of the disadvantaged in the community.

The recent failures of unfettered free market capitalism, which has led to government indebtedness and severe budget cuts in social services in much of the western world, and the consequent lack of trust in business has created a context in which the private sector can, and should, address the role of business in society and its responsibilities to not only its shareholders but also all stakeholder groups - especially its 'non-market' stakeholder groups within the community. It must do this to maintain its 'licence to operate' in a way that measures a 'triple bottom line' of not only economic but also environmental and social benefits. People, planet, profits.

With a shifting focus from future ecological issues to more pressing current social issues in times of austerity, the need for metrics to measure social value has never been more urgent. To get business attention, the public and third sectors must be able to articulate their case in ways that business understands - through key performance indicators that can be translated into financial value. In other words, a social value metric.

This is what Professor Ta'eed and CCEG have developed - a single number metric that will bring transparency to social value issues and be a currency in the dialogue between the parties who have to create the blended solutions that society needs in a way that is win-win. A combination of legislation sticks and procurement carrots is the context in which business, it is hoped, will react favourably and in which the conference addressed some of the key issues involved, in particular the hot topic of transparency in supply chains that cut across national borders.

### Keynote speakers

In the morning the conference was blessed with three key and highly informative speakers who spoke about the legal framework of social value, leadership challenges and the EU's enabling and measurement initiatives to generate social value.



## The Legal Framework of Social Value

### Helen Randall, Partner Trowers & Hamlins

Helen's informative presentation laid out the legal issues in the procuring and contracting for social value and supply chain transparency, giving a clear and detailed exposition of the current and new UK legislation, highlighting the impact for business in each step of the tendering and procurement process. She also suggested areas for further regulatory scope, namely

#### What law needs to change

- Stronger mandatory exclusions for:
  - environmental offences
  - unfair labour practices
  - violation of social laws
  - violations by affiliated corporations
- Clearer guidance/law re what constitutes grave misconduct
- Repeal of ban on local authorities procuring with regard to non-commercial considerations
- Expand Social Value Act to goods and works
- Better integration of NHS procurement law
- Integration T.I.S.C with procurement law

#### What does Government need to change in its procurement practices?

- New procurement strategies and policies to prioritise social and environmental considerations above lowest price
- Stronger and more probing bidder shortlisting procedures
- Better and more testing bid evaluation techniques
- More efficient and effective contract monitoring and management
- Courage to sue when social obligations are not delivered!

#### Leadership Challenges Prof Christine Bamford, KPMG

- Prof Bamford explored emergent key societal themes that have influenced the Social Value and Modern Slavery Act. In her view the emergent global mega trends were
- Peaceful protests and connectivity through social media changing society and impacting on Governments
- People over Banks - the mistrust of banks and the emergence of community support
- Self-help groups such as Soup Detroit - the crowd-sourcing concept of communities funding social entrepreneurs through micro grants raised at monthly soup dinners. Community participants vote on the best project for funding.
- The Women's Voice ... success of UBER promoting safety for

women passengers and flexible jobs for women to fit in with family commitments and the fact that women account for 85% of all consumer spending

- Living wage as a new business strategy - greater customer satisfaction through more engaged front line staff. Pay inequality and 'work poor' are becoming a critical social problem world wide
- The move to self-management of care and the use of technology has made us "all Doctors now". Obesity and Diabetic are increasing chronic diseases across young and old alike need attention which requires a change in food policy and the supply chain

Christine point was that civil society is feeling empowered and enabled by technology to take things into their own hands where there is dissatisfaction. She quoted researcher Jessica Leber, author Co-Exist World Changing ideas who said

#### "Peaceful Protest - slow and steady are winning the race to create change"

Mention 'peaceful protests' in conversation and immediately the discussion moves to media news and of ordinary people taking to the streets to correct an injustice. The societal revolution has gone beyond taking to the streets, the internet and mobile phone have made it possible to create social voice. Connected citizens and communities are making their voices heard through the host of social media sites ... Twitter, What'sup, Intagram, Facebook, LinkedIn etc. When Governments or public bodies are not listening or addressing societal problems - people are doing it for themselves. However, the public's expectation of a different kind of bottom-up government and better business addressing its social footprint is growing and needs to be heeded to avoid civil unrest.

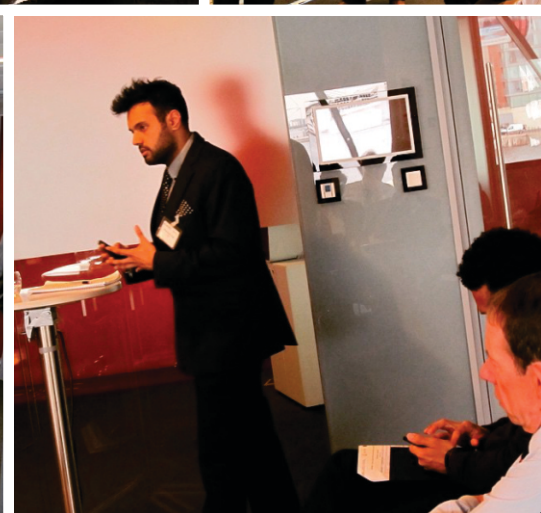
#### EU Compliance & Measurement Jim Clifford, OBE, Bates, Wells, Braithwaite representing the European Commission's Directorate General for Growth

Jim, who is co-chair, GECES sub-group on standards for Social Impact Measurement, and lead author GECES Standards, and Member of UK Advisory Board, and of Social Impact Measurement Working Group for the G8 Social Impact Investment Taskforce, spoke about four main areas:

1. Context: diverse needs; diverse Union; diverse World
2. The Social Business Initiative: EU support
3. Impact Measurement: as a means to growth and accountability
4. Funding and investment: breaking down barrier

He spoke about blended solutions and shared value, different concepts basically addressing the area around social value delivery involving business, giving definitions of key vocabulary used in the field.









Jim went on to talk about the why and the what of social value measurement as explored by the GECES group, and the conclusions the group came to for a flexible framework that could be adapted to different contexts and countries but with some basic commonalities.

The EU procurement directive 2014 has helped EU member states to go beyond the best value for money rule and also take into account the best social value for their citizens. Jim argued that there are four types of States and approaches to Social Value:

Social State : Italy, France

Social Capitalist : UK, Denmark, Belgium and Holland

State-led social sectors : Bulgaria, Latvia and the Czech Republic (former USSR)

Nordic countries : Strong local budgets from high taxes and a socially egalitarian ethos

#### Break-out sessions

In the afternoon, attendees divided in two break-out sessions: the SEiSMiC workshop, focusing on Social Value and Innovative Urban Governance in UK and Europe and the Modern Slavery Open Session.

#### Seismic National Network Workshop

Dan EBanks, the co-founder of Firesouls, a social innovation start-up, introduced the main panellists and working group themes. Dan commented that social value in an urban setting is very important in Europe and helps us understand that social value is inherently a place-based policy. Urban settings are also where great diversity of people and very complex needs can be found. These complex needs often can't be met with statutory/regular services. Businesses taking into account social value, and using social innovation to offer better tailored services would help.

Two SEiSMiC parallel working groups sessions then explored the following topics:

Working Group A: Social Value and Innovative Urban Governance

Key Speaker: Rachel Willsher - Head of Procurement - Lambeth Council - London Moderator: Dorian Grey of London's Lambeth Council

Five key questions were discussed by the group, with key conclusions as follows:

1. Should the achievement of social value for an area primarily be the responsibility of the local authority or everyone - and why?

- Yes should be responsibility of everyone. The service provider (contractor) could be the middle step between the local authority and the wider community in some cases. The challenge is how you encompass the social value

requirements of all communities - for example Lambeth uses coproduction techniques to engage the community. However, there is a need to be aware that the voluntary sector serves different communities (whether communities of place or communities of interest) so need to tailor approaches and manage competing or opposing priorities.

- People care about what's happening and how their own lives are affected - therefore need to make social value real to them so that they can see the benefits. Some in the working group saw unemployment and economic growth as key factors to improving inequality - e.g. if the gap between rich and poor is reduced this in itself will help to address many of the other areas of inequality e.g. educational attainment, health, etc.
- When thinking of SV it's important to re-articulate the expected outcome - re-think how we measure, re-think how we evidence. This will involve contractors working more with local community groups.

2. What should be the most important social value priorities for an area and who should make that decision?

- Need clear goals from the main target groups - e.g. who is the SV aimed at, who ultimately benefits from it? Needs assessments can be undertaken from different target groups.
- Most felt that local community should determine SV for the area, but the legislation applies to Local Authorities and the council writes the cheques so ultimately makes the decision - however this should always be in consultation with the beneficiaries, which should ultimately be about reducing inequalities and should be demand-led, not supply led

3. Other than through contract monitoring and measurements, what innovative ways are there for a local authority to determine if wider social value is being achieved?

- Suppliers should work with local partners and make their sub-contractors provide SV through third sector delivery agents. This can be done via contractual enforcement to ensure SV - although mixed feelings about this as it can send negative signals and make suppliers wary of working with the local authority
- Get feedback from the people who are receiving the SV e.g. a contractor might provide a Living Wage however as a result staff might have more stringent working conditions, productivity expectations may be higher which may put staff under increased pressure, and this could affect their health and wellbeing, resulting in increased sickness, poorer staff retention - so the SV provided by the Living Wage is offset by dis-benefits elsewhere).



4. What can local authorities do to encourage companies to embed social value in their working practices (even those who do not have council contracts)?

- Local authorities could work with schools, colleges and universities to get SV on the curriculum, and with key local companies acting in a certain way, demonstrating a commitment to SV –making it a default way of working for companies. Local authorities can also incentivise to encourage SV (e.g. lower business rates for companies paying Living Wage)

5. What can local authorities do to ‘nudge’ citizens to think about and apply social value in their everyday lives?

- Create a platform where people feel part of something (Lambeth have a project called Open Works that encourages people in the community to start their own practical projects - <http://www.theopenworks.org/>) which includes participatory budgeting and communities voting on projects
- Giving permission – role models acting and to be seen doing the right thing e.g. if David Beckham is seen picking up litter then it ‘normalises’ this behaviour

#### **Working Group B: Measuring Social Value and Social Impact**

Key Speaker: Amardeep Singh, NHS

Moderator: Han Vandevyvere – VITO

Amardeep gave a review of different approaches to social impact metrics. The social earnings ratio methodology proposed by the Centre for Citizen, Enterprise and Governance (CCEG) is intended to be a generic, universal tool giving fast feedback and relying on big data and new ICT based methods such as sentiment analysis. It is substantially automated.

Several speakers had stressed that social value is strongly embedded in the local context. So the challenge becomes the need to reconcile these two aspects. It appeared from the discussion that balancing these factors implies finding a compromise between universal applicability and local particularities when evaluating the added local social value. This compromise can be achieved by solid benchmarking and fair and transparent criteria for judgement basis.

It was noted that automated big data processing may still have to be complemented by manual data collection such as qualitative story-telling, focus groups, case studies of best practice and structured interviews. Finding arguments to incorporate social value in procurement processes is stated to be a ‘no-brainer’, but to win over resistance and to convince parties that have no interest in doing so, one must be able to move from the anecdotic evidence towards full accountability. This is a main driver for developing performance based social value measuring methods. An appropriate assessment method of

social value will deliver clarity through an easily understood system of metrics. It supports better insights and helps to reach compromise in a given context.

Some examples were discussed, including an initiative targeting elderly people with Caribbean roots and living in London, who tend to be socially isolated and subsequently over-reliant on medical care; and a pilot evaluating the complementary activities of fire brigades, such as health and safety advice, leading to a set of interesting services to society over and above fire-fighting.

#### **Open session on Modern Slavery**

In a further session, a group of non- SEiSMiC attendees discussed the issue of modern slavery and supply chain transparency, led by Unseen’s Andrew Wallis – please see Andrew’s article elsewhere in this Review.

#### **Closing remarks – a politician’s perspective**

At the end of the afternoon, the different groups summarised their discussions for the benefit of all attendees before Hazel Blears, the MP for Salford in Manchester who is standing down in the forthcoming UK election after a long and distinguished career including serving as a minister of state, gave a passionate and inspiring speech on the wider perspective of social value and how the UK parliament was responding in cross-party non-partisan terms to address a clear need and indeed expectation of society for action.

More on Hazel’s thoughts can be seen in the inset alongside, but in her rallying speech Hazel referred to local governments who are often leaders in creating social value. She cited the case of Birmingham and the Birmingham Business Charter for Social Responsibility, and said that central government should be exploring how it could also create more social value through procurement, harnessing the power of the private sector and those who understand that doing good is also good for business.

Hazel’s main conclusion was that the changed attitude of the EU concerning procurement was crucial as procurement officials were no longer frightened by the lowest price competition rule anymore. They now also need adequate training to fully use the opportunities offered by the EU procurement directive and the national legislation that has started to follow







Funding for growth of social entrepreneurship

Global dialogue in impact-readiness and Measurement

G7 Social Impact Investment Taskforce

Cross-border investment

EC Funds and support

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# A Target Group Oriented Approach of Creating Social Value

By **Peter Bodo**, CEO, Route4U



## The goal of creating social value

By creating social value we aim at increasing the wellbeing of people. While there are ways to measure subjective wellbeing (Waldron, 2010), the strategic question arises whether we want to increase the average wellbeing regardless of its distribution or we want to raise the wellbeing of those who are really suffering, whose subjective wellbeing is below a predefined threshold, which we identify as unacceptably low.

While improving the wellbeing of those who are in the most miserable situation can be hindered by several factors (such as learnt helplessness, adverse group dynamics, etc.), the author suggests that it is still the most efficient way to increase social value as it decreases the costs of symptomatic intervention (such as health, security, etc.) for society. Under a certain threshold of subjective wellbeing it is impossible to become a productive part of the community. However, crossing this threshold has farreaching impact on society as a whole through the various indirect consequences of integration into society.

Furthermore, the law of diminishing marginal utility (Menger, 1871) also applies to subjective wellbeing, i.e. a unit increase is worth significantly more for someone suffering than someone moderately well. On the other hand, above a certain level of subjective wellbeing, it is very difficult to find standardised measures to further increase happiness. Since at this point the basic needs described as the lower levels of the Maslow pyramid are fulfilled, a further improvement can only be achieved by measures more specific to the individual. It is more efficient and effective to carry out the by the individuals themselves than offering community level solutions.

## A strategic approach to identify measures to create social value

We have identified that the goal of creating social value is to increase subjective wellbeing above a level, where there is opportunity for further improvement by individual growth. Now we need to define a strategic approach how to reach this goal. We suggest three steps to find measure most efficiently increasing social value.

1. Finding target groups with high level of suffering; Using statistics (Waldron, 2010)



Fig 2: Volunteers participating at Route4U mapping party in Budapest in August 2014

2. Identify the underlying drivers of the situation; A working example is the Five Whys method (Ohno, 1988) developed as part of the Toyota Production System can be applied.
3. Find leverage points where intervention in the system is most feasible and efficient; Such as the twelve leverage points to intervene in a system developed by Meadows (2008).
4. Iterate intervention based on measurement and feedback.

A good example is the customer development method (Blank, 2003) developed for startup enterprises.

### Case study: Route4U – enhancing the social integration of disabled people

Based on the above defined approach we can identify disabled people with significantly higher levels of suffering (Lucas, 2007; van Campen and van Santvoort, 2013; Braakmann, 2014). People with physical disabilities have difficulties in fulfilling their basic needs where infrastructure and services are not fully accessible to them.

However, if we investigate further the underlying problem, we can find that in many cases there is sufficient accessible infrastructure, still not available to these target groups, because they do not have the necessary information. Many people with a mobility problem develop a passive lifestyle avoiding going to public spaces after having some disappointing bad experience. While accessibility is more and more widespread it is not easy to plan ahead trips. As a result it is difficult for these people to live an independent lifestyle, including participating in the job market or the economy as a whole and integrating in society. Consequently many people who had only physical disabilities start struggling with psychological issues as well. Route4U is an accessibility route planner, which provides navigation and reference services for wheelchair, pram and bicycle users. Through a gamified app it also enables crowdsourcing accessibility information by the users. Data collection on routes is automatic using the sensors of smartphones. This data can be translated to a network of routes most frequently used by wheelchairs and information on the quality of road surfaces, pavement curbs, or ramps.

With this approach we ensure that with a simple information tool, wheelchair users are not helped, but enabled to help each other. For people with disabilities who are often in the need of being helped, a paternalistic approach could be a frustrating experience. Route4U also uses a gamified approach, where users can collect scores for data collection collaboratively solving a real world labyrinth.

Financial sustainability is achieved by partnering with local business who can receive a detailed accessibility survey and promoted in-app appearance. Users' scores can be converted to sponsored offers, thus businesses directly support data collection, while reach well-segmented consumer groups.



Fig 1: Road surface data collected by Route4U users. Legend: red - very rough surface (such as cobblestone); yellow and orange - intermediate roughness (badly laid concrete plates, bad road quality); green - smooth surface (good quality asphalt)

Route4U is feasible to increase social value under the Public Services (Social Value) Act 2012. Local authorities can also benefit gaining up-to-date information and insight on the condition of public infrastructure and receiving decision support on cost efficient infrastructural investments improving dramatically the accessibility of public places and services.

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# Social Value in the Czech Social Economy

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**Marie Dohnalová**,



**Jaroslava Hrabětová**

Social value is created by a range of different organizations existing in modern civil society in the space between the state, market and individual citizens. This area is called the third sector, civil sector or the social economy. In the third sector, people voluntarily found organizations that play an important role in local conditions, because they respond to specific problems and needs of citizens immediately. Social capital increases and trust grows. Third sector organizations are part of the culture of the society. Culture, cultural interaction, cultural changes must be examined in a particular social environment - the experience of individuals and groups, perceptions of values and symbols, accepting and acting upon written or unwritten social rules. Civil

society creates conditions for meaningful participation in public life by individuals who choose to do what they want alone or in groups in the interests of the community and others. Definitions of social economy and common values have been codified in France. In 1980, a Charter of Social Economy was drawn up. The democratic principle was promoted as a fundamental characteristic feature. Although the types of entities (cooperatives, mutual societies, associations, foundations) can vary from each other in their activities, they pursue one or more of the following social objectives: providing social and environmental products and services; interconnection of economic activity with social or environmental objectives; using processes or methods of work that have significant social benefits.

## Social Economy

The social economy is formed by independent entities that produce goods and services, commercial and non-commercial in nature but with social worth; applying the democratic participation of its members and employees; in pursuit of solidarity and the general interest and which do not have as their aim the distribution of profits to shareholders. The starting point of the social economy

are the ideas of humanism and solidarity. Entities in the social economy are private, independent from the state. They perform economic activities, but differ from profit entities in the market sector because of pursuing social and environmental goals at the same time. Social goal is associated with either the employment of disadvantaged social groups, which have difficulty on the open labor market, or in the provision of products and services to those in need.

Some authors identify social economy with social enterprises. The concepts of social enterprise and social entrepreneurship have emerged and gained popularity throughout the world over the past two decades. This brings different approaches to the creation of social value in national contexts. An important role is played by European and American traditions, history and philanthropic charities, voluntary organizations and foundations, the tradition of reciprocity, cooperatives and other organized help, which is the basis of today's social economy. Social economy becomes of special economic importance when employing people who have difficulty in finding a job on the open labour market.

1. The values of social economy and social entrepreneurship are in accordance with the ideas of solidarity and humanism. The influence of philosophical, religious and economic thinking and implications for the origin and development of the foundations of the social economy were described by Jacques Defourny, Patrick Develtere, Benedicte Fontevau.

2 They emphasize the ideological pluralism, social economy in the 19th century, when numerous self-help initiatives and associations were inspired by various ideological currents. They indicate the ideas of utopian socialism by Owen King, Fourier, Saint-Simon and Proudhon or social values and ideas of Christianity. Favorable attitudes toward the social economy have been obvious for some liberal thinkers, for example, Leon Walras (a supporter of rural societies) and John Stuart Mill came up with the suggestions to replace the salary system by labor unions. Joseph Schumpeter had a

requirement for businessmen to be responsible for disruptive change in several directions. Contemporary economists, Jacques Defourny, Jean Louis Laville and others combine the ideas of social economy, solidarity, ethics or humanism to emphasize the importance of local social enterprises and social entrepreneurship.

**3** The ability of the social economy to react with such innovative responses to social needs as seen in recent decades, has seen its importance grow especially since the need for government budget cuts as a result of the recent economic crisis in the west. Thus today, the social economy is linked to other functions including helping to solve the problems of the welfare state or mitigate the effects of the current economic crisis. The social economy is based on voluntary collective initiatives, and responds directly to specific problems and needs of citizens.

### Czech social economy and social enterprises

Self-help, volunteerism and publicly beneficial activities have always been a part of the Czech culture. The high number of non-profit organizations in the first Czechoslovak Republic largely followed in the tradition of the 19th century. The late 19th century saw the interconnection of theoretical foundations of solidarity with its practical realization. Economic entities based on forms of expressing consumer, production and financial self-help were founded. Masaryk's philosophy and tradition opened the discussion on philanthropy as a core social morality.

Current Czech society is slowly developing an awareness of the social economy, although the activities of its entities are an important factor in socio-economic growth and often

link to past traditions. In a report on the social economy in the European Union in 2005, Member States were divided into three groups according to the adoption of the social economy. The Czech Republic was set out in the third group of countries, ie. non-recognition of the social economy.

**4** In the Czech Republic there is no legislative framework for the social economy, and therefore social enterprises use foreign definitions. Like the social economy in other countries, these private entities are independent from the state, carry out economic activities, but they differ from for-profit companies, because they pursue social and/or environmental objectives in a given location. They create new jobs and employ people from disadvantaged social groups and provide social services (offering alternative or complementary ways to meet the needs of citizens in community) and volunteers often work in such entities in addition to employees. Social enterprises are "grassroots" in the sense that decisions are often made by the citizens involved who can create new jobs, employ people from disadvantaged social groups and provide social services.



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3 Hart, K., Laville J. L. Cattani A.D. (eds.). 2010. The Human Economy. Cambridge: Polity Press.

4 ÁVILA, R. CH., CAMPOS, J. L. M. Social Economy in the European Union [online]. Bruxelles: The European Economic and Social Committee, 2007. [citováno 2012-11-05]. Available from: <<http://www.socialeconomy.eu.org/spip.php?article420>>.





Social enterprises meet the definition of economic and social characteristics compiled on the basis of EMES (European Research Society) research. According to the concept they represent a new stream in the social economy. They are autonomous and undergo economic risks in implementing their economic and social objectives. They are characterized by dynamism and innovation in the provision and needs of the citizens and social groups (especially disadvantaged persons, which are difficult to integrate into the mainstream society) and contribute to local development. Enterprises respond to the emerging needs of society by creating and providing the necessary types of products, and public and social services.

### **Basis for defining social economy and social enterprises in the Czech Republic**

In the Czech Republic the knowledge and use of the name of the concept of the social economy for the third sector are limited and there is generally low awareness about its content. However, research studies confirm the existence of the social economy and social enterprises, but these are not formally defined or incorporated in legislation. There is no authority under whose activities the social economy would be covered.

*Access to the determination of social enterprises*

To define the social economy can be helpful for the two approaches. Legally/institutional approach identifies the legal status of the social economy. Its supporters state the four basic "pillars" of the social economy as being: cooperatives, mutual societies, associations, foundations and other entities under national legislation. This prescriptive approach lays out the characteristics of social economy entities.

In the Czech republic, according to the legal/institutional approach social economy entities can be divided subsequently:

- a) legal forms of civic sector organizations (public benefit corporation, association, registered legal entity of church, foundation and endowment fund)
- b) cooperatives
- c) commercial companies (limited liability company, joint-stock company)
- d) self-employed persons from disadvantaged social groups.

A normative approach must be applied by using international definitions. According to this, the social economy arises and develops the concept of the "triple bottom" line: economic, social and environmental benefits. The economy is created and supported by different legal forms of entities and organizations.



## Conclusion

European initiatives are needed to spread the ideas of social economy and initiate wider research. The requirement to adopt the concept of social economy in the Czech environment is driven, however, not only by European initiatives, but also by domestic challenges related to public sector budget cuts, unemployment, social inclusion and sustainable local development and regional stability. The social economy plays an important role in local conditions because it directly responds to specific problems and needs of citizens. The social economy and social enterprise are not legally or formally defined in the Czech Republic. The third sector has been closely associated with the non-profit (civil) sector. Taking the name of social economy for the third sector is perhaps a limited approach, but however it is defined we can build on the country's traditions of voluntary associations and cooperatives in many areas of human activity to help create social value.

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# Kalkınma ajansları ve sosyal fayda

## *Development Agency and Social Value*

By **Fuat Özkan**

Expert, Eastern Anatolia Development Agency



In 1867, the chief engineer of the British Post Office said: 'The Americans have need of the telephone, but we do not. We have plenty of messenger boys'. Thomas J.

Watson, president of IBM, stated in 1948: 'I think there is a world market for about five computers'. History shows numerous examples of assumptions that appeared to be wrong, leading to strategies that seemed right at that time. As a development agency we have to take into consideration all the strategies

that seemed to be right but did not work out. The objectives underlying the Eastern Anatolia Development Agency are:

To improve cooperation between public sector, private sector and non-governmental organizations, to ensure proper and effective use of resources and mobilise local potential, thereby accelerating regional development in line with the principles and policies envisaged in our national development plans and programmes, and to ensure sustainability of regional development and to reduce development disparities among and within regions.

As there is a lack of institutional capacity in our poor region it is very difficult to promote social value via our institutions. As a development agency one of our main issues is to invest in people and institutions via our financial support instruments like Direct Financing Support and Technical Support.

By providing technical support to the civil society organizations and other institutions we are aiming to strengthen the capacity of our people create the social value. Disadvantaged groups are very important to us and are our priorities.

Amerika'da 1930 yıllarda kurulan(Silicon Valley) Avrupa'da ise 2. Dünya savaşı'ndan sonra kurulan ve daha çok ekonomik kalkınma hedeflerine hizmet eden kalkınma ajansları 2006 yılında Türkiye'de kurulmaya başlanmış ve 2010 yılı itibariyle toplamda 26 kalkınma ajansı Türkiye'nin 81 ilinde faaliyet göstermeye başlamıştır. Kalkınma ajansları bir yandan kendi kurumsal yapılarını tamamlarken diğer yandan kuruldukları bölgenin mevcut durum analizine yönelik çalışmalar yaptılar. Gerek ekonomik kalkınma gerekse de sosyal faydanın azami derecede sağlanabilmesi için çalışmaların yerinden yönetim ve katılımçılık anlayışıyla gerçekleştirilmesi gerektiği anlaşılmıştır.

Mevcut Durum analizinin yapılmasından sonra gerek kamu gerekse özel sektör tarafından yapılacak olan yatırımların maksimum( ekonomik ve sosyal) fayda sağlanması için söz konusu kişilere yol gösterecek, ışık tutacak nitelikte ulusal kalkınma planlarıyla uyumlu olacak şekilde bir bölge planı hazırlandı. TRB2 Bölgesi 2014-2013 Bölge Planı, özgün ve bütüncül bir yaklaşımla hazırlanmış ve hazırlık sürecinde yerel aktörlerin Plan'ın tamamında söz sahibi olmaları

sağlanmıştır. Bugünün toplumunun ihtiyaçları karşılanırken gelecek nesillerin de kendi ihtiyaçlarını karşılayabilme haklarından ödün verilmemesi adına kalkınmanın bütün boyutlarının- sosyal, ekonomik ve çevresel eşzamanlı gelişiminin sağlanması gerektiğinden yola çıkılarak Bölge Planı'nda üç önemli gelişme eksen-Güçlü Toplum, Ekonomik Dönüşüm ve Büyüme, Yaşanabilir Mekânlar oluşturulmuştur. Plan'da sosyal sorumluluk, eko-verimlilik, sürdürülebilir üretim ve tüketim, sağlık ve güvenlik, çevresel sürdürülebilirlik kavramlarının sistematik bir yaklaşım çerçevesinde





hayata geçirilmesinin insani bir yaşam için gerekliliği vurgulanarak sürdürülebilirlik politikası ana eksen haline getirilmiş; İstikrarlılık, kapsayıcılık ve yol göstericilik unsurları Planın tamamına hâkim olmuştur. Bölge Planının bütün bu unsurların içinde barındırması ve uzun vadeli bir bakış açısıyla hazırlanabilmesi için Bölge'nin mevcut durumunun ayrıntılı bir şekilde incelenmesi gerektiği belirtilerek, Mevcut Durum Analizinin mümkün olduğunca farklı sektörleri kapsayacak şekilde hazırlanması gerektiğine karar verilmiştir. Alınan bu kararlar birlikte Planlama, Programlama ve Koordinasyon Biriminde çalışan uzmanların eğitim ve deneyimlerine göre çalışma grupları (sosyal yapı, enerji ve tabii kaynaklar, kentleşme, çevre, sanayi, dış ticaret, istihdam, AR-GE, tarım ve turizm) alt komisyonlar oluşturularak TRB2 Bölgesi 2014-2023 Bölge Planı hazırlık süreci başlamıştır.

Çalışma grupları, Planın kurumsal düzeyde üst ölçekli planlarla uyumlu olabilmesi amacıyla ilgili kurumların stratejik planları, yatırım programları, sektör raporları ve mevzuatları incelenmiş böylelikle sektör bazında Mevcut Durum Analizi çerçevesi oluşturulmuştur.

Bölgenin ekonomik, sosyal ve çevresel ihtiyaçlarının daha iyi irdelenmesi ve Bölge halkına hitap edecek bir plan oluşturulması için süreç boyunca katkıda bulunacak paydaşlar tespit edilmiştir. Tespit edilen paydaşlarla il merkezlerinde yapılan geniş katımlı çalıştaylar ve ilçelerde kurum ziyaretleri aracılığıyla görüşülmüş ve böylece Planın katılımcılık ilkesi çerçevesinde hazırlanabilmesinin ön adımı atılmıştır.

Planlama sürecinde toplumun her kesiminden insanın Plan'a katkıda bulunabilmesi amacıyla anket çalışmaları yapılmasına karar verilmiş dört ilde saha anket çalışmalarına ek olarak 16

Şubat 2013 tarihinde "Sen de söz sahibi ol" sloganıyla [www.sozsahibiol.org](http://www.sozsahibiol.org) internet sitesi oluşturulmuş ve hazırlanan sektörel anketler siteye yüklenmiş, Ajans'ın, valiliklerin ve yerel gazetelerin sitelerinde duyurusu yapılmıştır.

Çalıştaylar ve anket sonuçları, kurum ve kuruluşlardan talep edilen veriler, üst ölçekli planlar ve paydaş görüşleri bütünleştirilerek Mevcut Durum Analizi yapılmıştır. Mevcut Durum Analizi'yle birlikte ortaya çıkan kolektif sonuçlar Bölge'nin potansiyellerini ve bu potansiyellerin hayata geçirilebilmesi için öncelik verilmesi gereken alanların tespit edilmesi sağlanmış sonuç olarak Bölge'nin kalkınma öncelikleri doğrultusunda hedefler belirlenerek gelişme eksenlerinin altında toplanmıştır. Bu hedeflere ulaşılabilmesi için gereken stratejiler tutarlı, üst ölçekli planlarla ilişkili ve birbirini tamamlayıcı bir şekilde oluşturulmuş ve bu stratejik amaçların sağlanabilmesi amacıyla imkân ve kaynak bakımından hayata geçirilebilme olanakları yüksek olan projeler belirlenmiştir. Son aşamada konsolidasyon çalışmaları yapılmış ve taslak Bölge Planı oluşturulmuştur.

Taslak Bölge Planı çalışma grubu bazında ilgili kurumlarla paylaşılmış ve odak grup toplantıları yapılarak paydaşlardan gelen yorumlarla birlikte tekrar gözden geçirilmiştir. Bölge Planı 28 Haziran 2013 tarihinde Yönetim Kurulu tarafından onaylanmıştır.

Ajans, yerel idarelerin, üniversitelerin, diğer kamu kurum ve kuruluşlarının, kamu niteliğinde meslek kuruluşlarının, sivil toplum kuruluşlarının, kar amacı güden işletmelerin, kooperatiflerin, birliklerin ve diğer gerçek ve tüzel kişileri çeşitli konularda desteklemektedir. Özellikle doğrudan faaliyet desteği ve teknik destek programları sivil toplum örgütlerinin kurumsal kapasitelerinin geliştirilmesi ve rekabetçi yapılarının artırılması



suretiyle bölgenin sosyal değer yaratma amaçlarına hizmet etmektedir.

Ben biraz doğrudan faaliyet desteği ve teknik destekten bahsetmek istiyorum. Ve bu programların bilinçli ve etkili kullanılmaları takdirde sosyal inovasyon ve sosyal değer(social Value) yaratmanın önemli bir enstrümanı olabileceğini söyleyebilirim. Çünkü biz bölge olarak şimdiye kadar kurumsal kapasite geliştirmeksizin ya da mevcut durum analizi yapmaksızın, bölgenin potansiyeli ya da karşılaştırmalı üstünlüklerini görmezlikten gelerek çeşitli sosyal ya da ekonomik yatırımlara ciddi anlamda ödenek ayırdık. Bu da sosyal fayda yaratmak yerine toplumu daha da geri götüren ve mağdur eden enstrümanlar haline geldi.

### Doğrudan Faaliyet Desteği;

Ajans, bölgenin kalkınması ve rekabet gücü açısından önemli fırsatlardan yararlanılmasına, bölge ekonomisine yönelik tehdit ve risklerin önlenmesinde acil ve stratejik tedbirlerin alınmasına ve kritik öneme sahip araştırma ve planlama çalışmaları, bölgenin yenilikçilik ve girişimcilik kapasitesini geliştirmeye yönelik iş geliştirme merkezleri, teknoloji geliştirme merkezleri, teknoparklar gibi kuruluşların ve bunların tesislerinin kurulması amacıyla yapılacak fizibilite benzeri ön çalışmalar gibi bölge için önemli olabilecek stratejik eylemlerin başlatılmasına ve gerçekleştirilmesine ve büyük hacimli yatırım kararlarına kısa vadede etki edilmesi ve yönlendirilmesine katkı sağlayacak olan faaliyetlere doğrudan mali destek verebilir.

Bu kapsamda Muş ilimizde daha çok kadınlarımızın girişimcilik yeteneklerini geliştirme ve meslek edinme konusunda faaliyet gösteren Kalkınmada Kadın Emeği Derneği tarafından Doğu Anadolu Kalkınma Ajansına sunulan 'Şekerli Eller Projesi' başarılı bulunmuştur. Şekerli Eller Projesinin amacı 20 tane girişimci kadına hediye nikâh şekeri yapmayı öğretmek ve kurs sonucunda 20 girişimci kadının hediye nikâh ve sünnet şekeri imalatını gerçekleştirerek kadınlara bir gelecek vaat etmektedir.

### Güdümlü proje destekleri

Ajans, bölge planlarında veya saha çalışmaları sonucunda belirlenen öncelikli alanlarda, işletme modeli, ortaklık yapısı, mülkiyet durumu ve proje bedeli gibi hususları çalışma programında açıkça belirtmek ve Bakanlık tarafından belirlenen proje bilgi formunu çalışma

programına eklemek kaydıyla güdümlü projelere destek verebilir.

Güdümlü projeler, proje teklif teklif çağrısı yöntemi uygulanmadan doğrudan destek sağlamaya yönelik olarak; bölge planında öngörülen öncelikler doğrultusunda, konusu ve koşulları ajans öncülüğünde ve yönlendirmesinde belirlenen özel nitelikli model projelerdir. Bu projelerde genel olarak özel dektör işletmeciliğini güçlendirecek şekilde, üretim ve ihracat kapasitesinin geliştirilmesi, iyi uygulama örneklerinin oluşturulması, sektörel çeşitlemenin ve ihtisaslaşmanın desteklenmesi, özel bilgi, beceri ve teknolojilerin geliştirilmesi, transferi veya yaygınlaştırılması, yeni finansman modellerinin geliştirilmesi, üniversite-sanayi işbirliğinin desteklenmesi, yeni hizmet ve üretim organizasyonlarının geliştirilmesi, işbirliği ağları ve değer zinciri oluşturulması, kümelenmelerin desteklenmesi, yeni sanayi altyapı modellerinin geliştirilmesi ve bölgedeki sektörlerin ihtiyaç duyacağı alanlarda insan kaynaklarının geliştirilmesi esastır.

### Teknik Destek Programı

Ajans; adil, açık, şeffaf kurallara tabi olmak ve kendisi tarafından yapılan herhangi bir proje teklif çağrısı ile ilişkilendirmemek koşuluyla, yerel yönetimlerin başta planlama çalışmaları ile bölge plan ve programları uygulayıcı veya yerel kalkınma kapasitesini artırıcı faaliyetleri ile diğer kamu kurum ve kuruluşlarının kamu kurumu niteliğindeki meslek kuruluşlarının, sivil toplum kuruluşlarının, organize sanayi bölgelerinin, küçük sanayi sitelerinin, teknoparkların, teknoloji geliştirme bölgelerinin, endüstri bölgelerinin, iş geliştirme merkezlerinin, birlik ve kooperatiflerin ve sayılan bu kurum ve kuruluşların kurduğu veya ortağı olduğu işletmelerin yerel veya bölgesel kalkınmaya katkıda bulunabilecek çalışmaları için, mevcut imkânları çerçevesinde kendi personeli eliyle ya da zorunlu







hallerde hizmet alımı yoluyla; eğitim verme, program ve proje hazırlanmasına katkı sağlama, geçici uzman personel görevlendirme, danışmalık sağlama, lobi faaliyetleri ve uluslararası ilişkiler kurma gibi kurumsal kapasite geliştirici teknik destek hizmetleri sağlar.

Teknik destek kapsamında şimdiye kadar 10'larca proje desteklenmiş ve bu kapsamda binlerce kişi çeşitli eğitimlerden faydalanmıştır. Teknik destek kapsamında eğitim gören kamu kurum ve kuruluşları, özel sektör, sivil toplum örgütleri kaynakların etkili ve etkin kullanılması amacına yönelik olarak değerlendirilen sosyal değer(social value) yaratma hedefine hizmet etmişlerdir. STK'lar daha da bilinçlenmek suretiyle ilin kalkınma hedeflerine nasıl hizmet edebileceklerini öğrenmiş ve batı toplumlarında olduğu gibi Türkiye'de de çeşitli alanlarda tematik koalisyonlar kurmak suretiyle işbirliği yapma yolunu seçmişlerdir. Bu yöntemle daha az kaynakla daha fazla katma değer yaratılmış ve çeşitli projelerin çarpan etkisi daha fazla olmuştur.

Kalkınma ajanslarının kamu kurum ve kuruluşları, STK'lar, özel sektör 'ün zayıf olduğu konulardan birisi olan stratejik hedef ve planlamalar konusunda çeşitli destekleri olmuştur. Daha önce bu kurum ve kuruluşların stratejik planlama yapma, fizibilite raporları hazırlama, proje uygulama ve değerlendirme, AB metodolojisine göre proje hazırlama konusunda ciddi eksiklikleri bulunmaktaydı. Teknik destek programı ile kalkınma

ajanslarının gerek kendi uzman personelleri gerekse hizmet alımı yoluyla vermiş olduğu eğitimler sonucunda kamu kurum ve kuruluşları, Sivil Toplum Örgütleri ve özel sektör artık kendileri için gerekli olan çalışmalarını kendi uzman personelleri aracılığıyla yapmaktadırlar. Bu da özellikle günümüzde daha da önem arz eden zaman ve kaynak israfının önlenmesi hem de stratejik planlar yapmak suretiyle kalkınma ve büyüme hedeflerine daha fazla yaklaşmaları anlamına gelmektedir.

Sonuç olarak kalkınma ajansı faaliyetlerinde bulunurken ekonomik kalkınmanın yanında insanların sosyo-kültürel anlamda da yaşam kalitesinin artırılması sosyal faydanın maksimize edilmesi, daha iyi bir geleceğin inşası ve sürdürülebilirliğin sağlanması hususlarına kendi imkanlara çerçevesinde ve sahip olduğu araçlar vasıtasıyla hizmet eder. Kalkınma ajansları yukarıda sayılan çeşitli destek mekanizmalarının yanında sosyal değer(social value) konularıyla ilgili toplantılar, seminerler ve konferanslar verebilir. 2008 yılından beri işsizlik oranının fazla olmasından dolayı daha çok ekonomik kalkınma üzerinde durulmaktadır. Gerek sosyal kalkınma konuları üzerinde önemle durulacaktır. Gerek ulusal kalkınma planlarında gerekse bölgesel kalkınma planlarında insan odaklı kalkınma anlayışının önemine atıfta bulunulmuştur. İnsan odaklı kalkınma politikalarının güçlü ve kararlı bir şekilde uygulanması da sosyal değer (Social Value) hedefine hizmet etmiş olur.







# Aspetti sociali dell'economia italiana

## *Social Features of the Italian Economy*

By **Fabio Verna**, Economist,  
former professor of Business Finance



In the past few years, economic issues have only involved the experts of the field: bankers, entrepreneurs and lobbyists. However, the burst of the financial bubble, determined by the insolvency of subprime mortgage loans, affected the whole economy of Western countries, generating the current economic crisis which highly increased inequality between upper and lower classes. At the beginning of the year, the Italian

Institute of Statistics (ISTAT) estimated that the one hundred wealthiest men in Italy hold the same amount of money and assets pertaining to the 20 million poorest Italians considered together. Consequently, economic issues today affect everybody, involving each one at a different level. We should not demonize our production system, nor capitalism - since the Western economic system is considered as such. We have instead a moral obligation to abhor wealth concentration, and to build a civil society where wealth is more equally distributed. In the last century John

Maynard Keynes, one of the major economists of modern times, expressed the simple concept of wealth distribution with the famous economic theory known as "the velocity of circulation of money". Keynes demonstrated - through a series of graphs and financial mathematics equations - that an acceleration of the circulation of money would result in increased social well-being. In spite of this, the Italian production system has been stuck for too many years and seems in need of rethinking.

I temi economici sino a pochi anni addietro sono stati appannaggio di pochi personaggi: banchieri, industriali, lobbisti, ma con lo scoppio della bolla finanziaria, determinata dall'insolvenza dei mutui "subprime" tutta l'economia del mondo occidentale ha subito un effetto domino che ha generato l'attuale stato di crisi con una fortissima sperequazione fra i ceti facoltosi e quelli meno abbienti. L'ISTAT all'inizio del corrente anno, ha valutato come i cento uomini più ricchi del nostro paese detengano un patrimonio pari a quello dei venti milioni di nostri concittadini maggiormente bisognosi. Dunque l'economia è divenuta un tema che tocca oramai da vicino noi tutti, pur in differenti sfaccettature. Non dobbiamo demonizzare né il nostro sistema produttivo né tanto meno il capitalismo come viene di fatto considerato il sistema economico occidentale, altresì abbiamo l'obbligo morale di demonizzare l'accentramento della ricchezza, dobbiamo costruire una società civile in cui la ricchezza possa essere maggiormente distribuita.

Lo scorso secolo, John Maynard Keynes uno dei maggiori economisti dei nostri tempi esprimeva

questo semplice concetto, ovvero quello della distribuzione della ricchezza, con la nota teoria economica denominata: "velocità di circolazione della moneta", infatti Keynes dimostrò con una serie di grafici e di equazioni di matematica finanziaria, come accelerando la circolazione del denaro si sarebbe incrementato il benessere sociale. Purtroppo oramai da troppi anni il sistema produttivo nel nostro paese risulta ingessato, inoltre lo Stato per sopperire alle proprie elefantache necessità, innalza la pressione fiscale ed incrementa il debito pubblico, il tutto senza che noi cittadini otteniamo in cambio tutti quei servizi pubblici che uno stato moderno ha l'obbligo di fornire efficacemente ai propri cittadini: la sanità, grande buco nero delle finanze pubbliche, il sistema pensionistico con l'INPS prossima al collasso, la sicurezza con i nostri tutori dell'ordine privati dei mezzi necessari per proteggerci, nonché sottopagati rispetto al rischio ed ai gravosi turni di servizio, la giustizia con milioni di cause pendenti ingolfate nelle lungaggini procedurali. Inoltre i cittadini italiani sono vessati da mille e mille laccioli burocratici, dalle pastoie della pubblica amministrazione. A questi macro problemi va ad





aggiungersene uno, a mio avviso ancora più grande, il problema occupazionale. Attualmente la disoccupazione è diventata una vera piaga sociale. Inoccupati, cassa integrati, esodati, precari, co.co.co., false partite IVA, sono le denominazioni dietro cui lo Stato si nasconde per non affrontare il problema che sta attanagliando tanti milioni di nostri concittadini, un problema che andava affrontato in maniera drastica già anni addietro. Le famiglie hanno assunto un ruolo che non le spetta, supplendo ad un primario impegno del governo, sono diventate l'ammortizzatore sociale del nostro paese. Ma naturalmente questo non basta, lo Stato, la Pubblica Amministrazione con i suoi molteplici enti, devono intervenire per sostenere una minimale qualità di vita per milioni di italiani.

L'Italia viene definita dagli studiosi di demografia: "un paese per anziani", indubbiamente la longevità della nostra popolazione è una reale testimonianza di come l'Italia dal dopo guerra sin quasi alla fine dello scorso secolo abbia saputo crescere, ma oggi questa longevità ha messo in crisi il sistema pensionistico, così come è in crisi il Sistema Sanitario Nazionale, non per la qualità dei servizi che quotidianamente, 24 ore al giorno, ci mette a disposizione, ma per il gravoso onere che ha creato nei conti pubblici. Questi sono solo taluni dei numerosi risvolti in cui l'economia e soprattutto le scelte di politica economica messe in campo dai nostri governi divengono un punto d'incontro imprescindibile tra la capacità di una nazione di generare ricchezza e la distribuzione di quest'ultima. Proviamo a mettere da parte lo stereotipo della ricchezza come sinonimo di consumismo ed intendiamola come benessere sociale, come qualità di vita per i cittadini. Il punto di partenza lo troviamo nella nostra Costituzione, dove all'articolo "1" della carta costituzionale possiamo leggere: "la Repubblica italiana è

fondata sul lavoro" e dunque la falla la riscontriamo sin dalle fondamenta di questo rapporto: "Stato e cittadino". Il lavoro non c'è oramai da anni e soprattutto mancano le prospettive per una reale inversione di tendenza.

I nostri padri intesero ricostruire il paese appena uscito dalle devastazioni del II° conflitto mondiale con un massiccio intervento della mano pubblica, all'epoca fu l'ERP, il cosiddetto piano Marchall, se in quegli anni quella scelta, dettata dalle primarie necessità della ricostruzione, si dimostrò vincente, col passare del tempo si rivelò invasiva, in quanto finì col generare una politica clientelare a danno dell'efficienza del sistema produttivo e soprattutto con un costante innalzamento della soglia del prelievo fiscale. Dunque aspetti occupazionali e morsa fiscale, temi economici ad alto impatto sociale, problematiche a tutti note e da tutti tanto dibattute senza che effettive soluzioni vengano poi poste in essere. In realtà il nostro sistema paese fortemente appesantito dalla burocrazia, ancorato a politiche clientelari, narcotizzato dalle televisioni, indistintamente siano queste pubbliche o private, non riesce a trovare la forza per rigenerarsi, anche se l'attuale peso delle circostanze lo costringeranno inevitabilmente a farlo. E' indubbio che si dovranno mettere in campo dei piani a medio/lungo termine, anche avvalendosi dei finanziamenti europei, troppo spesso inutilizzati, per affrontare la messa in sicurezza del territorio, il rilancio delle grandi infrastrutture di pubblica utilità, forti investimenti nella ricerca scientifica e nella cultura, e questo prescindendo da "colori" politici e da personalismi, il lavoro e con esso la ricchezza prodotta devono essere messi al servizio del paese, dando altresì la possibilità ai migliori di emergere e mettendo a disposizione dei più deboli le giuste tutele.

# Calcularea impactului social și a valorilor intangibile: o prioritate pentru România

## *Calculating Social Impact and Intangible Value – A Priority for Romania*

By **Radu Motoca** PhD, Director of Research Dignitatis Humanae Institut



Following the collapse of communism, Romania's still in-process transition from state to market economy entailed a number of social imbalances, part of

which were already in place during communism and were made visible by the new circumstances of post-communism. Social issues were among the aspects neglected by the state in the early years of "transition": in a country that was lacking not only a culture of attentiveness to social impact, but also an appropriate legislative framework able to regulate that, the new

entrepreneurs only acted in view of a quick profit. The lack of vision for a durable development became even more apparent in the context of the recent economic crisis.

Today it is vital that Romania follows the example of other countries by introducing a legislation able to take into account the total value of a business, that is, the summum of economic and social value, thus stimulating the ethical responsibility of the entrepreneurs. The market economy is not at odds with social protection, as some nostalgics of Marxism may proffer. New, revolutionary systems such as SERation offer the possibility to quantify and

stimulate the social impact of a business while maintaining its natural focus on profit and adding to it the option to mend and improve the social fabric. The funding received by Romania from the European Union and meant to minimise the current disparities between it and other, more developed, countries, could be allocated so as to be more beneficial to the Romanian population. To do that, Romania's political class should look for inspiration towards those countries, such as the United Kingdom, which have already demonstrated their commitment to the measurement of social value.

Într-un faimos articol din 1970, economistul american Milton Friedman lansează un dicton liberal devenit, ulterior, celebru: "the business of bussines is bussines", specificând că singura responsabilitate socială a unei afaceri este aceea de a-și folosi resursele și de a se angaja într-o activitate care duce la sporirea profitului în interiorul unui sistem (ideal liberal) al cărui reguli le respectă. Să ne imaginăm deci că prima - sau chiar unica - prioritate a unui întreprinzător este aceea de a obține un câștig, și nu aceea de a crea noi locuri de muncă, de a ajuta societatea sau de a proteja natura. Prioritatea numărul unu a omului de afaceri este, în acest caz, profitul și nu impactul social al întreprinderii sale. Această afirmație a economistului american a fost discutată și întoarsă pe toate părțile. Nu trebuie să o considerăm cinică ci, pe o linie de gândire deschisă de Adam Smith, trebuie să o interpretăm ca fiind pragmatic- realistă. Fără a ține cont de această dimensiune a unei afaceri riscăm să ne plasăm pe poziții politice și sociale nerealiste. Cu siguranță, etica personală a întreprinzătorului joacă un rol important,

dar regulile în interiorul cărora se mișcă sunt stabilite de către legislația țării respective și deci de către clasa politică - aceeași clasă politică chemată să asigure bunăstarea și demnitatea persoanelor. În acest sens, o clasă politică responsabilă va ține seama de cei doi poli fundamentali ai ecuației: nevoia întreprinzătorului de a face profit și îmbunătățirea calității vieții tuturor cetățenilor. În România, precum și în majoritatea țărilor ex-comuniste, liberalismul a pătruns oarecum din exterior. Trecerea la economia de piață a întâlnit piedici structurale, dar și filozofice. Marxismul a inoculat mai mult sau mai puțin ideea că proprietatea privată este un abuz, că „bogații sunt răi” și lipsiți de scrupule în cadrul faimosului proces de „exploatare a omului de către om”. În fața tentativelor de privatizare, oamenii - nostalgici după perioada când statul îi proteja (o impresie care s-a dovedit falsă) - au ieșit în stradă strigând „nu ne vindem țara”. Sistemul economic de tip socialist, așa cum a fost el aplicat în țările comuniste, a eșuat, lăsând în urmă economii fragile, o societate neprotejată și nepregătită pentru competiția liberală. În același timp, în rândul oamenilor s-a instalat o schizofrenie manifestată prin



dorința de a avea un nivel și un stil de viață precum în capitalismul liberal, dar cerând ca această bunăstare să vina de la Stat.

Tranziția la economia de piață s-a făcut în unele țări printr-o terapie de șoc - cum a fost ea denumită, de exemplu, în Polonia - sau, precum în cazul României, într-un mod mai lent, alimentând ideea falsă că statul protejează păturile defavorizate ale societății. Modelul urmat de România a avut o mulțime de puncte slabe. O economie necompetitivă, o gestionare neadecvată a societăților de stat, la care s-a adăugat imensul spațiu oferit celor care voiau să profite de netransparență pentru a folosi bunurile publice în interes propriu. Statul s-a dovedit un administrator prost. Au apărut îmbogății peste noapte, așa numiții oligarhi care, prin asocierea cu clasa politică, au făcut afaceri în interes personal. Evident, scopul respectivelor afaceri era acela de a produce profit. Întreaga responsabilitate socială a rămas astfel în sarcina autorităților. Statul a acționat - prin guvernele sale - în principal în două moduri: unul pozitiv și unul negativ. Cel pozitiv a fost acela de a crea cadrul legal pentru activitățile organizațiilor neguvernamentale ONG, iar cel negativ prin amânarea restructurării marilor companii de stat, sau chiar prin suprapopularea lor prin angajări nerealistice de personal.

Recenta criză economică a revelat slăbiciunea acțiunii statului; grupurile vulnerabile ale societății s-au descoperit lipsite de protecția pe care mizaseră. Investitorii au avut de înfruntat, la rândul lor, problema salvării profitului sau a reducerii pierderilor. O serie de falimente economice au sporit numărul celor defavorizați. Reacția organizațiilor neguvernamentale a fost, cum era de așteptat, limitată, pentru că acestea nu pot înlocui autoritățile prin abordarea tuturor problemelor sociale. În același timp, ideea liberală, în forma ei simplistă, care spune că îmbogățirea unei pături sociale duce automat la îmbunătățirea nivelului de trai a celorlalți indivizi, s-a dovedit falsă sau, oricum, mai puțin idilică. Legătura dintre profit și reducerea sărăciei este mai puțin evidentă decât se credea: bunăstarea unei părți a societății nu duce automat la reducerea sărăciei sau la protejarea categoriilor defavorizate. Acest fapt a fost simțit pe deplin, inclusiv în țările considerate economic dezvoltate.

Este evident că, pentru a introduce o spirală virtuoză și o legătură pozitivă între dorința naturală de a obține profit și necesitatea societății de a fi protejată, este nevoie de o revoluție culturală, de o convertire a modului în care este concepută relația profit-societate, stat-societate, politică și economie. Această schimbare de mentalitate este deja în act: în diferite țări, guvernele au înțeles care sunt limitele lor de acțiune. Începând deja din anii 90, responsabilitatea socială a întreprinderilor a devenit o chestiune de dezbatere publică. Prima lucrare dedicată responsabilității sociale a întreprinderilor a fost cartea lui Milton Friedman *Strategic Management: a Stakeholder*

*Approch* (Londra, 1984) în care sunt discutate limitele etice ale economiei. Fără a nega urmărirea profitului, întreprinderile sunt invitate să țină seamă de dezvoltarea durabilă a societății, integrând în strategia lor nevoile societății cu care interacționează. Aceste nevoi, sociale sau ecologice, odată nesatisfăcute, nu pot decât să dăuneze țesutului social și, pe cale de consecință, întreprinzătorilor înșiși. O analiză aprofundată a dus la înțelegerea tot mai amplă și mai nuanțată a conceptului de valoare socială. O mulțime de instanțe - așa numitele „valori intangibile” - au început să fie luate în calcul.

Au fost inventate mai multe metode de măsurare a valorii sociale și a impactului social, dar majoritatea acestora implică perioade lungi de estimare a parametrilor și investirea unor sume considerabile. Metoda inventată de echipa de cercetători ai Centre for Citizenship, Enterprise and Governance, condusă de Prof. Olinga Taaed, pare a fi, conform presei din Vatican, „cea mai rapidă și mai economică” din lume, dând posibilitatea tuturor întreprinderilor să-și măsoare „valorile intangibile” în doar zece secunde în schimbul unor costuri minime, începând de la 5 Euro. Această modalitate revoluționară de calculare a „valorilor intangibile” a fost deja validată de către guvernul englez, contribuind la introducerea Social Value Act 2012, intrat în vigoare în Regatul Unit la data de 31 ianuarie 2013 și menit să prioritizeze „valoarea socială” în fața „valorii financiare” cu care, împreună, creează „valoarea totală” a firmelor. Astfel, în prezent, legea britanică impune ca autoritățile să ia în considerare beneficiul social, economic și ecologic pe care îl pot obține atunci când cumpără

servicii. În același timp, furnizorilor li se asigură recunoașterea și recompensarea impactului social atunci când concurează pentru contracte de achiziții publice. Acest model legislativ ar trebui importat și de către România, deoarece este începutul unei mișcări în creștere, ceea ce va permite sectorului public de a face mai mult cu mai puțin, asigurând creșterea nivelului de trai și a gradului de mulțumire a populației.



# An Identity Crisis that is Affecting us All

By Dr. BK Modi



The 21st century can be popularly regarded as the era where the world truly became 'One'. In the era of communications technology, this 'One World' is perfectly poised for an international movement that supersedes traditional boundaries. There is a need for organisations that can build a community of people who are ready to embrace a new identity that can ease their interaction in the future. A new definition of Equality is emerging and it must be conscientiously developed and practiced to become a reality. In a fast collapsing world, the identity of the "Global Citizen" needs to replace the identities of white, black, male, female, British, American, Muslim, Christian to name a few.

The Global Citizen Forum (GCF) endorses this view. GCF is a burgeoning body of multi-disciplinary leaders, thinkers and professionals from across the Globe committed to building a better planet. The forum strives to open lines of communication to educate and develop practices that promote inclusive development and unity.

The future of equitable social development and Global Citizenship lies in the collective push of corporate professionals, business leaders, supply chain and consumers. Incipient efforts must be made to unite and educate them on contrarian viewpoints. For Corporate

Social Responsibility efforts to be truly successful, decision makers and executors must develop a semblance of unity. A common identity of a 'Global Citizen' that they can ascribe to.

The aim of the GCF is to harness the forces of Globalisation, Business and Technology to map out this new identity. A precarious balance of primitive and the modern, the 'Global

exploit innocent civilians across the globe and destroy natural havens. In severely simplified imagery, they are often depicted as an intimidating structure exercising massive control over people and resources. Such depictions give credibility to the negative perception about business, becoming a de facto barrier to any genuine efforts.

As the most potent perpetrators of inter-

## There is a crucial need to 'humanise' Global Corporations and develop the workforce as a key component of the decision making process.

'Citizen' is defined as someone who stakes a claim to the earth's natural resources and willingly recognises himself/herself as the member of the human tribe.

However, to manifest itself into the collective human psyche, Global Citizenship needs to be conscientiously imbibed into every element of society - global business operations, international travel & trade, social systems etc.

Popular culture has glamorised a very morbid truth about Capitalism. Multinational corporations are set out to

cultural homogenisation, multinational corporations play a key role in any development. However, their unidirectional approach and past record has increased apprehension about their commitment. Therefore, before businesses make a commitment to societal development, we need to re-examine their relationship with the society itself.

Contrary to popular discourse, this relationship is not a dialogue between corporations and communities. It is in fact a monologue within the corporation, whose affairs are handled by ordinary







people that constitute 'the society'. The intention and intensity behind Corporate Social Responsibility efforts and Social Impact Development programmes hinges on the authority and intent of the workforce that handles the operations of a corporate.

The main aim the GCF has been to provide a networking platform for decision makers, participants of the workforce etc. Their collective efforts are directed towards finding global solutions to remedy local problems or to effectively benchmark international success stories, all contributing to a sense of community. In a little over 2 years since its founding, the forum has held seminars and conferences in 12 International cities spread across Asia, Europe, North America and Latin America. The Mexico conference in November 2014 conference in Mexico City, saw over 500,000 people tuning in for the live webcast of the event.

Once businesses have worked within themselves to outline intent, they need to then engage with the governments. This was the main reason behind GCF's October 2014 conference held at the

United Nations Headquarters, New York. Endorsed by the United Nations Alliance of Civilisations, the conference was held on the theme of "Globalisation and Sustainable Development: The Role of Governments, NGOs and the Private Sector."

The timing of this conference was most opportune as it was held in the midst of discussions for the next set of Sustainable Development Goals of the United Nations to be achieved over 2015-2030. As Businesses continue to play an increased role in international social development, the conference was specifically aimed at the institutionalisation of Global Citizenship through organisations.

Similarly, international governments today face the trying task of balancing dwindling resources with increasing demand of the rapidly expanding population. This is a driver of the rapid rise of 'Sustainable Development' on the Global Agenda. The aim of these discussions was to formulate an agenda that may be taken up with specialized bodies of the UN to gain private sector, civil society and governmental buy-in,

optimizing the impact of the SDG's to achieve faster results.

GCF's growing community of 'Global Citizens' prides itself on constantly finding new and ingenious ways to perpetrate cross cultural unification. Our most recent attempt for this is to organise a Yoga Day event in New York on the occasion of World's first International Yoga Day on June 21, 2015. Stemming from the philosophy of "Vasudhaiva Kutumbakam" (The world is One family), Yoga has established itself as the paramount spiritual and physical wellbeing science. In a unique twist to communal unification, GCF plans to use the power of Yoga to unite people. A practice aimed at developing the individual mind, the widespread practice of Yoga has a domino effect on building a more aware and sustainable community.

The exciting thing about social impact development is that the rules are still being developed. Our collective efforts need to be directed towards all those factors that unite the community, and if we succeed integrated social impact will be its great consequence.

# Le premier quartier européen de l'amitié

## *First European Neighbourhood of Friendship*

By **Fabrizio Sabelli**, economic anthropologist,  
Honorary Professor at Graduate Institute - Geneva (CH)



Linking social and cultural with commercial issues can be described in a dream, which takes place in Rome whereby Trastevere is summoned by Cicero as a thinker / philosopher of friendship. He praises the institutions that have been awarded by the European Union the prestigious designation "European District of Friendship 2016". Cicero takes the opportunity to make his speech in favor of the "third sector" and particularly those organisations that put friendship at the centre of their social, cultural and political life without losing the ability to criticise, work with and improve the free market order established by neo-liberal globalization.

Il y a quelques jours, angoissé par la triste condition du monde à la dérive, le monde dans lequel nous vivons ce temps-ci et troublé par les nouvelles, presque toutes inquiétantes, rapportées par les journaux et les autres médias, j'ai pris la décision de me jeter dans les bras de Morphée pour chercher un peu de réconfort. « La nuit porte conseil » disait grand-mère. Et elle n'avait pas tort. Des scientifiques hollandais ont expérimentalement validé la justesse de ce vieux dicton. C'est ainsi qu'une vieille connaissance, un personnage très en vue dans la Rome de Jules César, m'a rendu visite dans mon sommeil. Marcus Tullius Cicéron, je l'avais bien aimé pendant mes années d'étude au lycée. Intellectuel égaré au milieu d'une foire d'empoigne, parvenu italien monté à Rome en quête de succès mondain, opportuniste versatile? Peut-être.

Ce qui me fascinait de ce personnage était surtout son esprit d'indépendance, mais aussi sa personnalité marquée par des nombreuses contradictions et, surtout, par son intelligence nourrie par les meilleurs penseurs Grecs. Tout cela faisait de lui, à mes yeux, l'exemple du vrai « sage », comme je l'imaginai.

Toujours dans mon rêve, quittant temporairement sa résidence éternelle, Cicéron était revenu à Rome. Il avait rendu visite aux habitants du quartier de Trastevere, le « rione » où je vis en ce moment, pour les féliciter d'avoir fait, de la zone qui était au temps de sa vie sur terre un faubourg marginal de la capitale, un exemple à suivre pour tous les quartiers des villes européennes de notre époque. Oui! Car, en raison des extraordinaires succès remportés par les associations du quartier dans leur

œuvre de renouveau, l'Union Européenne avait désigné Trastevere « Quartier européen de l'amitié 2016 ». En bref, l'exemple à suivre pour toutes les villes européennes dont les autorités avaient décidé d'améliorer en profondeur les conditions de vie.

Piazza Santa Maria in Trastevere, le cœur du quartier, était bourrée de gens. Télévisions, photographes, journalistes de plusieurs pays c'étaient donner rendez-vous pour assister à cet événement extraordinaire. Même Papa Francesco s'était « encanaillé » au milieu de la foule. Debout sur l'estrade placée au coin de la place, Marcus Tullius entamait ainsi sa « ciceronienne » en soutien des associations qui avait réussi cet exploit :

« Mesdames, messieurs, me voici de retour de la planète des immortels pour fêter avec vous ce moment mémorable de votre histoire ! Oui, cette fois-ci et grâce à vous, votre monde est en train d'être réellement chamboulé. Un changement radical, un changement historique ! Oui, la sauvage, néfaste mondialisation des échanges économiques avec son esprit de compétition poussé à l'extrême est en pleine crise. Oui, la domination







aveugle des marchés financiers, pilleurs de richesses et la souffrance de millions d'humains, les plus faibles, tragiquement éliminés de la compétition planétaire, touchent à leur fin. La planète/marché a du plomb dans l'aile. C'est ainsi que la valeur produite par des liens d'amitié, fondement de nombreuses associations à but social et culturel est en train de remplacer peu à peu la valeur liée au profit et à l'exploitation économique. Je ne vous cache pas ma grande satisfaction en constatant que de mes idées sur cette valeur humaine vous en avez fait bon usage! Les résultats sont bien là et même des économistes couronnés de prix Nobel ont dû le reconnaître. Ce que certains chercheurs appellent « le tiers secteur » de l'économie domine désormais tous les autres secteurs il produit des biens vraiment utiles aux populations et non seulement au « marché », il assure le plein

emploi dans des nombreuses régions du monde, il développe la culture et la créativité, il contribue au rétablissement des équilibres de notre écosystème, il détrône la corruption et réduit considérablement les injustices sociales.

Vous savez bien comment cette véritable révolution culturelle et économique a pu s'accomplir. Trois facteurs ont été déterminants: tout d'abord la prise de conscience que sans liens d'amitié - tel que je les ai moi-même défini dans mon petit livre intitulé « De amicitia » - toute association à but non lucratif est destinée, tôt ou tard, à se convertir en un entreprise à profit, comme toutes les autres. Il a fallu ensuite inventer tout un système de communication et d'échanges capable de créer sur un continent entier de solides liens de complicité entre tous les «







militants» pour la cause associative. Vous avez ainsi, pardonnez-moi l'expression, « cosmopolisé » vos quartiers. Enfin, vous avez dû convertir en termes économiques - et vous l'avez si bien fait - la richesse symbolique dégagée par vos projet sociaux, écologiques et culturels et cela dans le but de convaincre la population et les autorités que votre « révolution » n'avait rien d'utopique. Vos efforts ont été récompensés. En peu de temps et sous votre impulsion, les grandes villes d'Europe sont devenues des agglomérations de quartiers à gestion partiellement autonome. Les villages ont conquis la métropole. Les grandes agglomérations urbaines ont été fragmentées en de véritables bourgades cosmopolites dans lesquelles les relations de voisinage ont été réanimées. Tout cela a multiplié les échanges de toute sorte entre individus et facilite la naissance de relations d'amitié et d'entraide entre jeunes et personnes âgées, entre autochtones et étrangers, entre riches et pauvres. Dans ces nouveaux « villages urbains » on constate même une réduction considérable des inégalités et la disparition presque totale de phénomènes de corruption et de violence urbaine. De tout cela découle, mes chers amis, que les associations réalisées ne servent pas à grand-chose si les activités de celles-ci ne sont pas alimentées par l'amitié. « Celui qui observe un ami vrai - j'avais écrit - s'observe lui-même en image. C'est pour cela que les absents deviennent présents, les pauvres riches, les faibles forts et, difficile à dire, les morts deviennent vivants... ».

Enfin, chers amis romains, chers habitants de ce vieux Rione de la capitale, laissez-moi vous dire que ce que vous avez réalisé ce

n'est pas un simple geste altruiste, ce n'est pas seulement une action de bienfaisance au profit de la population du quartier et ce n'est pas non plus une intervention éphémère destinée à bientôt disparaître sans laisser de trace. Non ! Le succès que vous avez remporté en devenant le premier « quartier européen de l'amitié » équivaut à une victoire politique. Votre exemple est une menace pour un ordre bâti uniquement sur l'esprit de compétition qui génère corruption et illégalité, sur la lutte insensée pour le pouvoir qui produit inégalités et exploitation, sur l'ignorance diffuse, programmé par le gestionnaire de l'économie mondialisée, qui génère de nombreuses formes, inédites, d'esclavage, notamment celles qui s'installent à l'insu même des opprimés. En transformant un grand quartier historique de Rome, autrefois dégradé et transformé par des organisations criminelles en une triste mangeoire à touristes, en un immense salon de la culture, de l'art et de l'amitié vous avez entamé une véritable révolution culturelle qui aura, sans doute, une influence déterminante sur les choix politiques de vos gouvernants. C'est le début de cette révolution des esprits que nous fêtons ici, aujourd'hui, sur cette magnifique place. Vous avez montré que l'amitié est plus forte que l'intérêt marchand, que les relations humaines sont la véritable richesse de vos villes, que les associations sans but lucratif sont appelées à devenir les nouveaux acteurs de l'histoire». Ce fut en ce moment que mon réveil a sonné. Quel dommage! Dans le monde donné à nous, seuls les rêves alimentent nos envies de bâtir un monde vraiment nouveau.





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# Social Innovation in Brazil

By T. Jay, R. Campos

Brazil is a vast, beautiful, country that is blessed with natural resources and that has grown to be a major player in today's global economy. Despite having had a stable government in power for over a decade, however, deep-rooted social problems still persist. The responsibility has, therefore, now fallen to the Brazilian citizens and corporations to tackle these issues head on. This article looks at some of the key organisations, projects and individuals currently within this sector, with particular focus on the city of Sao Paulo; the most populous city in Brazil and with arguably some of the worst social issues.

**Design Echos** - Ricardo Ruffo and Juliana Proserpio believe that a company can generate profits and improve the world at the same time. This is something that they now teach to their students at the innovation school (Escola de Design Thinking do Brasil - [www.escoladesignthinking.com.br](http://www.escoladesignthinking.com.br)) which they founded as an offspring of their consultancy business 'Design Echos' ([www.designechos.com.br](http://www.designechos.com.br)). They create and deliver courses for adults by using a



**Thomas Jay** - an independent business consultant, with a particular interest in Corporate Social Responsibility, SocialImpact Strategy and Brazil.

human focused method that looks to solve complex social problems, by trying to view issues from different perspectives. Courses are for individual enthusiasts or tailored for executives and corporations already working in the area.

**Yunus & Youth** - Under guidance from Nobel Peace Laureate, Professor Muhammad Yunus, Cecilia Chapiro and Bozhanka Vitanova set up Y&Y at the end of 2013 to mentor the next generation of social entrepreneurs. Y&Y provide



**Reinaldo Campos** - an independent Innovation and Service Design consultant, based in Sao Paulo, who has a particular interest in collaboration, service and creativity.

support to young entrepreneurs with great ideas, by partnering them with experienced mentors as part of a fellowship program that is backed by a global network of mentors. Y&Y now have approximately 17 social projects, or social enterprises, around the globe, but with the majority in Brazil under country coordinator, Maria Martinez. Some example projects in Brazil are 'ASID' which helps schools become more accessible for the handicapped ([www.asidbrasil.org.br](http://www.asidbrasil.org.br)) and 'Apore' which provides innovation workshops to create 'creative leaders' amongst 15-20 year olds ([www.apore.biz](http://www.apore.biz)).

**Instituto Natura** - Whilst this is a national initiative, 'Instituto Natura' has a strong presence in Sao Paulo and one cannot discuss Social Innovation in Brazil without mentioning this. Natura is a Brazilian manufacturer of beauty products and created this institute with the belief that with education we can transform. The institute is funded by sales of their 'Natura Crer para Ver' (believe to see) line of products and 0.5% of annual revenues from the whole company. The institute







focuses in three strategic areas: Support to the Public Education System, Innovation in Educational Technology and Educational and Social Transformation. The institute has benefited over 5,000 schools in Sao Paulo (state) alone ([www.institutonatura.org.br](http://www.institutonatura.org.br))

**Aline Gonçalves da Souza** - Based in Sao Paulo as a lawyer, Aline is involved in consultancy projects for social businesses and the third sector and is an influential individual in this area. In 2013 and 2014 Aline was an assistant to the General Secretary of the President and worked on the agenda for the 'Marco Regulatório das Organizações da Sociedade Civil', a government bill that aims to bring about clarity and transparency of partnerships between NGOs and the federal government, after a study found that approximately R\$29 billion was transferred from the federal government to ten thousand not-for-profit organisations between 2003 and 2011.

Aline worked as a consultant for UNESCO on the aforementioned project and is also co-author of the book 'Perspectivas para o Marco Legal do Terceiro Setor' (prospects for the third sector bill) that looks at possible legislative changes for the third sector in Brazil, in partnership with the Ford and Kellogg foundations.

**Fernando Haddad** - As well as aggressively implementing a large network of cycle paths throughout the city so as to reduce the pressure on the public transport system, the Mayor of Sao Paulo, Fernando Haddad, has recently launched a project that is perfect in many ways. He has launched a program called 'Meu Lugar' (my place) which looks to the 100 largest companies in the city to build public nurseries. He wants the companies to build the nurseries on plots of land they currently own, but which they would donate to the city. He wants the companies to exploit this as an act of Corporate Social Responsibility

and hopes that this will deliver 243 new nurseries, in order to create free child places for the approximately 150,000 children currently on the waiting list. Only the retailer Carrefour has expressed an interest so far.

If the Mayor of Sao Paulo is successful in demonstrating the 'social value' that can be achieved with his project, and can turn this 'intangible' into something real that executives can see the benefit of, then this could mark a seismic shift in the way public projects are formulated in the city in the future. Only time will tell, however, if he can be successful in showing the executives that money can still be made whilst 'doing good'.

This article is certainly not exhaustive in highlighting Social Innovation in Sao Paulo, but we believe these are some of the key projects and individuals being creative in the way social issues are tackled in the city.

# Il Design-Thinking per la Buona Politica

## Design-Thinking for Policy Innovation

By **Laura Orestano**

General Director SocialFare®, Center for Social Innovation – Torino



The methodology of Design-Thinking applied to public administration is linked to models of strategic actions aimed at innovating services. Service innovation is key vis-à-vis new users' needs and the related involvement of stakeholders so as to generate participatory innovation models. Social innovation hubs are intermediate bodies that can facilitate the bottom-up process of innovation in public services. Design-Thinking does not apply only to idea generation but supports implementation and revision of a typical policy-making cycle- that is the case of centres such as the New York Public Policy Lab, Denmark MindLab and Toronto CSI. SocialFare, the first Center for Social Innovation in Italy, develops such an approach and applies Design-Thinking methodology for systemic change.

Il Design-Thinking è strettamente legato alla nozione di stewardship, che si può definire come la competenza specifica dei cosiddetti agenti di cambiamento a tradurre le idee in pratica al fine di facilitare il raggiungimento dei risultati auspicati. In questa luce gli enti pubblici, la cosiddetta pubblica amministrazione, diventano agenti del cambiamento ed i manager pubblici, innovatori di politiche ed azioni capaci di innescare una spirale positiva di effetti sia per l'organizzazione interna (gestione delle risorse, percorsi di carriera, leadership, coordinamento procedurale, progettuale e tematico) sia per le interazioni esterne con gli stakeholders e gli utenti finali. Certamente questa strada non è semplice e in questo articolo argenteremo i punti associati all'implementazione o meglio, alla potenziale istituzionalizzazione del Design-Thinking per il policy-making.

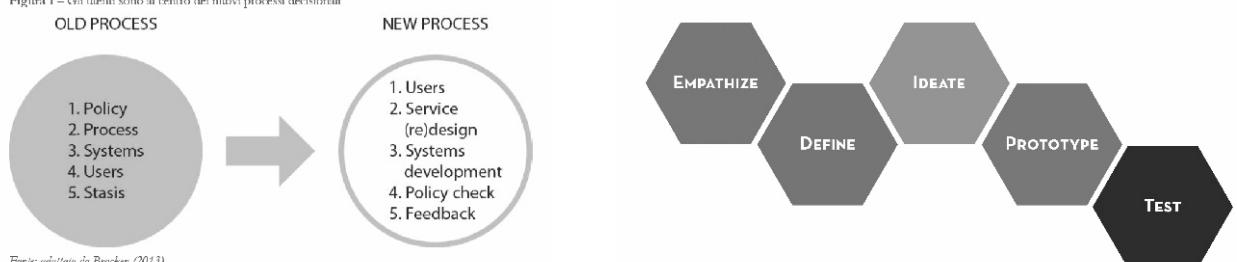
Il Design-Thinking è emerso come un approccio innovativo rispetto alla pubblica amministrazione e

al decision making come risposta alla concomitanza di diversi fenomeni nuovi e globali:

- crescita e diffusione delle interconnessioni
- maggiore complessità
- governance liquida
- calo di fiducia nei confronti delle istituzioni e delle organizzazioni pubbliche

In particolare il XXI secolo ha evidenziato l'ampliarsi del divario tra la complessità delle sfide contemporanee e la capacità degli strumenti metodologici, procedurali ed organizzativi adottati dai governi per gestire la suddetta complessità. Con l'aumento della frequenza e della scala del cambiamento, la natura dei problemi diviene più complessa. I funzionari pubblici sono sempre meno in grado di affrontare la complessità con strumenti ormai ridotti, competenze non dinamiche ed esperienze non dirette. Al tempo stesso gli interventi e le politiche sviluppate dalla pubblica amministrazione e/o dagli attori privati sono sempre più "intrusive" rispetto al

Figura 1 – Gli utenti sono al centro dei nuovi processi decisionali



Fonte: adattato da Bruckner (2013).





passato perché la scelta individuale diviene sempre più rilevante a livello sistemico. Il modello passato e ancora molto diffuso della governance, basata su diversi, numerosi e specifici silos di know-how verticalizzato, sembra non essere più idoneo ad affrontare le sfide sociali contemporanee. I governi e le pubbliche amministrazioni sono chiamati a lavorare all'intersezione di una conoscenza multidisciplinare e generata/condivisa tra diversi attori. È tempo quindi di sperimentare soluzioni e metodi innovativi, snelli ed efficaci. Il Design-Thinking, in particolare, si sta affermando nei paesi con classe dirigente educata e strutturalmente sensibile a cogliere le sfide dovute ai cambiamenti dei comportamenti e delle aspettative di innovazione dei servizi. Il Centro per l'Innovazione Sociale di Torino - SocialFare - si pone l'obiettivo cruciale ed ambizioso di collegarsi a queste realtà e di contribuire alla costituzione di un tessuto connettivo che si propaghi anche in Piemonte e nel resto d'Italia.

Le origini del termine design provengono dal settore privato e tradizionalmente indicano l'arte e la scienza di saper configurare oggetti e simboli in modo creativo e innovativo. Sempre di più la nozione di design supera la definizione tradizionale di creazione di stile e di forme e coinvolge la capacità di configurare e sviluppare processi decisionali e decisioni da sperimentare al fine di indicare possibili direzioni da seguire con metodologie

partecipative: in questo modo il design diviene "strategico". Il Design-Thinking pone gli utenti finali e i relativi bisogni al centro del sistema di formulazione delle politiche spostando i paradigmi esistenti e generando un nuovo processo decisionale e una migliore definizione dei problemi da affrontare, puntando ad una migrazione dei comportamenti e ad innovazioni culturali che segnino percorsi sostenibili e un ampliamento degli indici di qualità dell'offerta di servizi e dell'esperienza di fruizione.

Il Design Thinking è composto da un numero di componenti essenziali che sono sintetizzati come segue:

Così come l'innovazione raramente nasce dall'idea di un singolo ma piuttosto emerge dall'osservazione di un problema in un modo diverso e in un'ottica di opportunità, parimenti gran parte del decision-making deve cercare di includere, integrare e co-creare sin dall'inizio del proprio processo. Gli elementi del Design-Thinking non necessariamente devono susseguirsi in modo consequenziale e ordinato; al contrario, essi lasciano spazi di apertura, condivisione ed iterazione. Il Design-Thinking mira a sviluppare soluzioni innovative attraverso un processo di decision-making elaborato ad hoc e, soprattutto, questo elemento si pone come una sfida diretta alle strutture, alle procedure, alle culture burocratiche ed amministrative ormai consolidate. Questi anni di crisi, sebbene nelle difficoltà contingenti, offrono anche un'importante opportunità per

ridisegnare l'architettura di governance delle comunità locali costruendo su vantaggi strutturali più o meno evidenti o introducendo sistemi e metodologie innovative da testare ed eventualmente istituzionalizzare. Il Design-Thinking riguarda in modo prioritario i processi di decision-making, la loro organizzazione, le loro funzioni e come si possono promuovere attività di collaborazione e ibridazione affinché queste possano diventare parte delle strutture organizzative e delle discipline di governance. L'approccio del design fa leva sulla visualizzazione di dati quantitativi e qualitativi come mezzi di iterazione della complessità, delle relazioni, dei sistemi, che sarebbe difficile o quasi impossibile rappresentare e spiegare e quindi rendere partecipate, se si utilizzasse solo la forma scritta di relazione e numerica.

Se ben implementato, il Design-Thinking può apportare i seguenti benefici:

- una prospettiva centrata sull'utente
- la riduzione del rischio di un approccio parziale
- una prospettiva olistica e sistemica
- la riduzione di sovrapposizioni e incoerenze di approccio
- il miglioramento di sinergie e reciprocità
- soluzioni integrate e più focalizzate
- iterazioni esperienziali sin dall'inizio del processo
- la riduzione del rischio di conseguenze inaspettate
- maggiori possibilità di sviluppare soluzioni complete e resilienti

### L'economia politica dei laboratori di innovazione: Innovation Labs

La creazione di unità di innovazione all'interno di strutture governative o di pubblica amministrazione ha rappresentato e rappresenta un tentativo costante in diversi paesi. Uno dei tentativi pionieristici e probabilmente più ampio su scala nazionale si è verificato negli Stati Uniti all'interno dell'iniziativa denominata "National Performance Review", guidata da Al Gore



all'inizio degli anni 90. L'iniziativa fu poi rinominata "National Partnership For Reinventing Government" generando i cosiddetti "reinvention labs". Altre importanti iniziative sono al momento attive nel Regno Unito (The Innovation Unit), in Danimarca (MindLab),

Australia (Australian Centre for Social Innovation), Hong Kong (Efficiency Unit), Singapore (Innovation Lab), Toronto (Center for Social Innovation) e New York (Public Policy Lab).

Il ruolo di questi laboratori di innovazione e design è quello di sganciarsi dalla cultura dominante e creare spazi liberi nei quali possano emergere nuovi comportamenti per nuove soluzioni. Questi lab facilitano l'acquisizione di schemi e processi di innovazione da parte della pubblica amministrazione e cercano di accelerare il ciclo di raccolta dei dati, bisogni, diagnosi, brainstorming, design e sperimentazione delle politiche. Tali lab hanno anche funzione di neutralizzare "interessi vestiti" e giochi di potere. Si pongono come strutture permanenti per la creazione e la sperimentazione di nuove pratiche.

Crediamo che la configurazione di laboratori innovativi e di design all'interno della pubblica amministrazione possa costituire non solo un nuovo spazio di pensiero ma anche di sperimentazione, condivisione e crescita di nuove competenze. SocialFare, Centro per l'Innovazione Sociale, nato a Torino, come primo in Italia, nel 2013, costituisce un tentativo di sperimentazione contestualizzata di un nuovo spazio di pensiero, soluzioni e reti per il bene comune, strettamente correlato e vocato allo sviluppo di nuova imprenditorialità e nuove soluzioni di welfare che sostengano il ruolo possibile della pubblica amministrazione come catalizzatore di innovazione sociale. I funzionari pubblici possono divenire agenti di cambiamento ed innovazione e supportare la visione strategica di un'amministrazione "imprenditoriale".

L'innovazione non apporta solo "novità" ma diviene anche strumento di attrazione di valori ed esperienze che i funzionari pubblici accumulano nel lavoro giornaliero. Introducendo il concetto di innovazione nei domini delle politiche pubbliche, il valore aggiunto riguarda anche ciò che non è direttamente misurabile in termini di pura produttività economica. L'innovazione nella pubblica amministrazione contiene il potenziale di prevenzione della marginalizzazione sociale ed aumenta la sicurezza sociale soprattutto per quanto riguarda i settori più sensibili per i cittadini: servizi sanitari, servizi socio-educativi, qualità dei servizi erogati, partecipazione, capacitazione e ownership. Il Design-Thinking è facilmente implementabile laddove si voglia innovare e laddove l'amministrazione pubblica contempra margini di flessibilità o miri a sganciarsi anche solo parzialmente da un'impronta burocratica regimentata ed istituzionalizzata. Questo potenziale è probabilmente la caratteristica più promettente che fa sì che la metodologia del Design-Thinking si stia rapidamente diffondendo in economie avanzate ed emergenti come strumento e linguaggio di innovazione nella pubblica amministrazione e per lo sviluppo di nuove politiche per il bene comune.



# Why Social Responsibility Means More Than A Nice Fat Cheque!

By **Joel Blake FRSA**, Founder & Chief Executive, Cultiv8 Solutions

The pursuit of profit is the primary function of any normal business, whether the profit is for commercial gain or to meet a tangible social need.

A capitalist viewpoint may be that profit provides opportunity for growth and for repaying your proverbial organ grinders. But the purist view of capitalism, is being held up to the ethical light as the very backbone of businesses is scrutinised by a new age of socially-conscious customers, future workforces and supply chains, all looking for the fingerprints of your social values, demonstrable ethics and inclusive work practices.

After over a decade of experience in helping corporates strategically invest in communities and wider society, I am still frustrated to see that Corporate Philanthropy is still being culturally accepted as sufficient rather than the creation of real measurable Social Value.

But what is the difference between Corporate Philanthropy and Social Value?

## **Corporate Philanthropy has a very narrow focus.**

This typically relates to when a company undertakes social activities (normally through staff-led initiatives) that result in giving away money, time and/or resources to support a social or charitable need - charity bike rides, improving local parks, reading clubs for primary schools, pro-bono staff volunteer days etc. fall into this category.

Whilst I agree that such activities are relevant, admirable and have value, they do not tend to be integrated with sustainable impacts measurements, but rather a focus on employee engagement, anecdotal stories, PR & brand awareness and 'feel good' shared experiences that are feed into the mouth of social media,



and are positioned eloquently within End of Year CSR/Citizenship Reports.

## **Social Value has a wider strategic focus.**

This targets much wider issues that affect the environment, consumers, human rights, supply chain, sustainability and transparency for the greater good of the world at large.

Businesses that integrate social value into their company vision and core activities, acknowledge that their business processes have an impact beyond the company and must ensure they both measure and utilise the benefits of social value, strategically, across all levels of the organisation.

In this way, you receive all the philanthropic benefits above, but social value becomes a key driver for innovation, underpinning the strategic growth of the business, within an ever changing and increasingly social ecosystem of commerce.

Social Impact becomes a strategic investment for the company, that meets both commercial and social needs, not just a 'nice to do or to have' expense.

This misunderstanding of this simple notion has created the cultural norm within many business communities, of patting each other on the back for a job well done and a disconnect between what one believes has been done to add value to society, and the real life sustainable impact that has or has not been felt by the agreed beneficiaries of such social activity.

To be fair, I personally know a number of senior business leaders, who are trying to create a much more 'strategically social culture' within their corporate boardrooms and who do genuinely 'get it', from a more long-term strategic investment point of view.

Unfortunately, there are still many business leaders who still view the 'outside world' of social value as being just about social enterprises or charity

work. In my experience, such leaders find it difficult to face inadequacies in their knowledge and understanding, utilising authority and power to delegate social responsibility on the few members of staff who want to do something - in some cases, other business leaders simply do not give a damn!

Many still see social value as an alien concept and simply don't know how to shift from the historical way they have run their business to date.

But global initiatives such as the 2% CSR rule in India, & the EU CSR directive of companies with over 500 employees are just two evidence pieces that are causing companies to think differently about their business.

Whether business leaders want to accept it or not, future growth lies in the ability to embrace a new paradigm of what I call, Executive Social Leadership (ESL), enabling them to integrate this positive disruption into the practical application of business strategy, in order to compete in a rapidly changing global ecosystem.

### How?

Key decision makers must ensure they understand the financial ROI of their own investment into social impact, in relation to the bottom-line of their own business, alongside developing a more entrepreneurial organisational culture.



This will in turn, give them the confidence to articulate the business case for MORE investment into society, with their boards, shareholders, staff, suppliers, communities, funders and other stakeholders connected to their business!

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- Can translate data from over 1,000 other social impact measurement tools in financial terms

By focusing on the numbers only (there are more than enough social impact tools that measure everything else!), I have seen business leaders eyes light up, the passion in the heart grow and their love for humanity become rediscovered!

The more businesses understand what their social impact numbers mean, is the more that, I believe, society will receive the type of sustainable investment that can REALLY help our societies to prosper for the long-term, not just for one day.

### About the Author:



Joel is a multi-award winning Entrepreneur, Motivational Speaker and Social Impact Consultant with over 15 years of experience in advising companies on their Corporate Social Responsibility and Impact investment strategies.

Joel is also Founder of the Birmingham CSR Summit, an annual social impact conference for the midlands region's leading CSR professionals.

He is a qualified Corporate Governance Practitioner, Non-Executive Director of Birmingham Town Hall and Symphony Hall and national arts organisation The Drum, and Chair of the Career Academies Midlands Regional Board.

He was the Winner of Birmingham Young Professional of the Year 2010 for Recruitment & Training within Corporate Social Responsibility and in 2015 was voted as one of the Maserati 100, a prestigious award given to the Top 100 UK Entrepreneurs chosen for their contribution to society.



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# A Currency to Deliver Meaning in Our Lives

By **Professor Olinga Ta'eed PhD FloD**

Director / Centre for Citizenship, Enterprise and Governance



Yesterday our cat Bishy died. He was my son's cat, and his companion through my divorces, difficulties, and tragedies. I was surprised by the emotion that whelmed up in me - I'm not known for sentiment. How we feel about things has become the hallmark of this century.

## Intangibles

Our history is steeped in understanding and articulating financial value. Bartering, trading and using financial currency is universally accepted and older than organised religions; our world is built on it. So what about the currency of all that 'other stuff', intangible positive values like our personal values, consumer values, health and wellbeing, peace, animal welfare ... soft attributes? And then there are those negative values like modern slavery, domestic violence, cruelty, environmental impact ... that generate bad-will.

Some will argue that you cannot capture intangible values like love, happiness, goodwill, recognition, reputation, mental health, emotion and, indeed, that it is even wrong to attempt to do so. But it's too late, we already do that subjectively in our persuasion campaigns like advertising, marketing, purchasing decisions as well as on balance sheets when evaluating goodwill, brand value, Intellectual Property. Increasingly we use sentiment metrics to objectively articulate value. TripAdvisor, Facebook, LinkedIn, etc all use scoring, 'likes', number of connections, responses to allow us to rate each other and propositions. Unlike financial currency, however, where there is parity between different financial metrics and the dollar is king, there is no convergence or agreement on the currency of intangibles.

Until relatively recently the plethora of intangible metrics were divergent leading to confusion in social innovation. You could not compare 'apples and oranges' in terms of successful outcomes. We know what good looks like, but could not compare across the

field to other good outcomes. Almost invariably traditional metrics used proxies - usually financial (eg. what is a homeless man worth). They resulted in subjective normalised scores with no feedback loop from those who are the target or beneficiary. This approach was good enough when there were time no alternatives.

Over years they have become increasingly discredited with little correlation between proxy value tables, no agreement on subjective measures meant no benchmarking possible, and no broadly acceptable financial translation. They also fell out of favour as the social movement trended from philanthropy, to CSR transactional models, to sustainability, to current 'impact' and now multi-stakeholder citizenship frameworks. The lack of "service-user" opinion makes such methods seem very dated. They were all about things being done to people, with no regard to people's sentiment, something which has been the revolution behind many successful paradigms of today eg Twitter.

## Big Data, Social Media and Sentiment Analysis

Three things have changed the landscape - Big Data, Social Media and Sentiment, all of which have only come to prominence in the last 5 years. The concept that we no longer need to know everything about a person, job, company, etc. but are willing to take other people's opinion through a simple feedback sentiment is a revolution in evaluation. With the explosion of intangible metrics over the last 20 years - there are over 1,100 social value metrics alone - it is a relatively recent phenomenon to try to make sense of it all. The approaches are in two camps - statistical, and empirical:

- The statistical approach looks to correlate linkages between different metrics and uses available data to arrive at a consensus metric. The problem is that the end result is usually devoid of meaning - the number itself cannot be translated into useable KPI's that have real world meaning as they have been normalised,



averaged, and processed to become (ironically) intangible in themselves.

- The empirical approach is far more difficult, narrower and thus less likely to be adopted but also more rewarding. It works on choosing a definitive model to fit intangible value around or extend, and thus can rely on existing protocols if the original more robust model e.g. financial is already widely adopted. The empirical approach is far more difficult, narrower and thus less likely to be adopted but also more rewarding. It works on choosing a definitive model to fit intangible value around or extend, and thus can rely on existing protocols if the original more robust model e.g. financial is already widely adopted.

### 'The God metric'

The Social Earnings Ratio, S/E Ratio, which has been in development since 2011 is now "the most rapidly adopted social impact metric in the world" (The Vatican Press, July 2014). It works on existing well understood financial value, adopts GAP (general accounting principles), is compliant with GRI-4, IIRC and B Corp models of Social Innovation as well as EU GECEC directive on Social Impact (June 2014) using the latest Citizenship map as its framework. It is completely objective - three independent people across the world would arrive at the

## The basic concept is that the total value of something - organisation, project, process, person, experience, etc is the sum of its tangible financial value and its intangible social value.

same value. It is the Model-T Ford of intangible metrics, translating sentiment into financial value to give it broad based global acceptance. It is available open source under Creative Commons 4.0 for non-commercial applications and can be calculated manually often using publically available data.

Technically, the Social Earnings Ratio (S/E) is a corollary to the Price Earnings Ratio (P/E) which is universally accepted as a one number metric for financial value. S/E is the one number metric for Intangible Value. As the dollar is to financial value, S/E is to social value. Unlike normal approaches which are invariably survey based and can cost UK£ 3k-50k and take 3-18 months, S/E takes 10 seconds and costs UK£ 5. As you can imagine, it is thus a disruptive metric and has been described as a "God-Metric" (The Vatican Press, January 2015). It can articulate a complex concept in a simple number.

### Wiki-university approach

Coming from a wiki-university research programme curated by the Centre for Citizenship, Enterprise and Governance ([www.cceg.org.uk](http://www.cceg.org.uk)) it has a great deal of credibility since academics are non-partisan, neutral and agnostic, not driven by the profit motive. The commercial application SaaS platform at [www.seratio.com](http://www.seratio.com) funds CCEG with recurring revenues from a university spin-out company. We are now behind two UK laws, Social Value Act 2012 and Modern Slavery 2015 (Transparency in Supply Chains) with a multitude of prestigious commissions internationally. Our first successful applications have been very much in larger government compliance. We have over UK£ 12 billion of procurement under management - deciding who gets contracts based on their delivery of up to 20% social value or testing slavery (low pay, child labour and poor staff sentiment) conditions in supply chains.

It appears that S/E is the perfect metric to translate across public, private, third (NGO) and community sectors. As public sector funds recede, governments globally are using instruments of Legislation and Procurement to transfer value from the Private sector into the Community through Third Sector (NGO) agencies; in the UK we call this the 'Big Society' Agenda. Laws like UK Social Value Act, India and Indonesia's 2% CSR Law, UAE 2.5% Zakat, Italy 0.5% Cinque per Mille, etc. are all interpretations of this philosophy. In general there is a 2% levy to deliver up to 20% social impact which is also the EU target. They are radically changing the social delivery landscape but it is dependent on finding a standardised, fast, cheap, robust way of measuring social value.

Ultimately, we believe that the burgeoning sector of social values and intangibles will become mainstreamed as our knowledge of different aspects of intangibles allows us to get a more complete picture of our society. We expect to look back at S/E, which is organic and always in development, and laugh how crude it was. We are currently considered to be world leaders in the sector and a reference authority for others, but we hope others will join to allow the sector to bloom. CCEG is a campaigning organisation driven from belief irrespective of any ethical stance.

A currency for non-financial values is a powerful target, and we are already achieving significant traction in this area. As in business, if you can't measure it you can't manage it - and so it is that in our non-financial values we need similarly rigorous tools irrespective of where we come from and our aspirations.



# Centre for Citizenship Enterprise and Governance



## MEMBERSHIP

**16551** Subscribers  
**1286** Heads of CSR  
Multinationals  
**1852** Politicians



## ACTIVE IN

**31** Countries  
**125** Pilots  
**92** Universities



## WE MEASURE

- ▶ Environment
- ▶ People
- ▶ Tax Avoidance
- ▶ Cash
- ▶ Pay Disparity
- ▶ Hyperlocality



## GO-TO METRIC SUPPORTING

- ▶ Social Value Act 2012
- ▶ Modern Slavery Act 2015
- ▶ EU SEiSMiC Social Value
- ▶ EU PROCUREMENT Social Value & Transparency in Supply Chains
- ▶ UN PRIME Principles for Responsible Management Education



## COMMISSIONS RECEIVED

- ▶ Social Value
- ▶ Impact Investment
- ▶ Consumer Index
- ▶ Health & Wellbeing
- ▶ Animal Welfare
- ▶ Modern Slavery
- ▶ Personal Value
- ▶ Domestic Violence
- ▶ Arts



## WE REPORT ON

- ▶ Efficiency of performance - S/E Ratio
- ▶ Performance against size - SV as % Capitalization
- ▶ Created Social Value - UK£
- ▶ Benchmark by sector

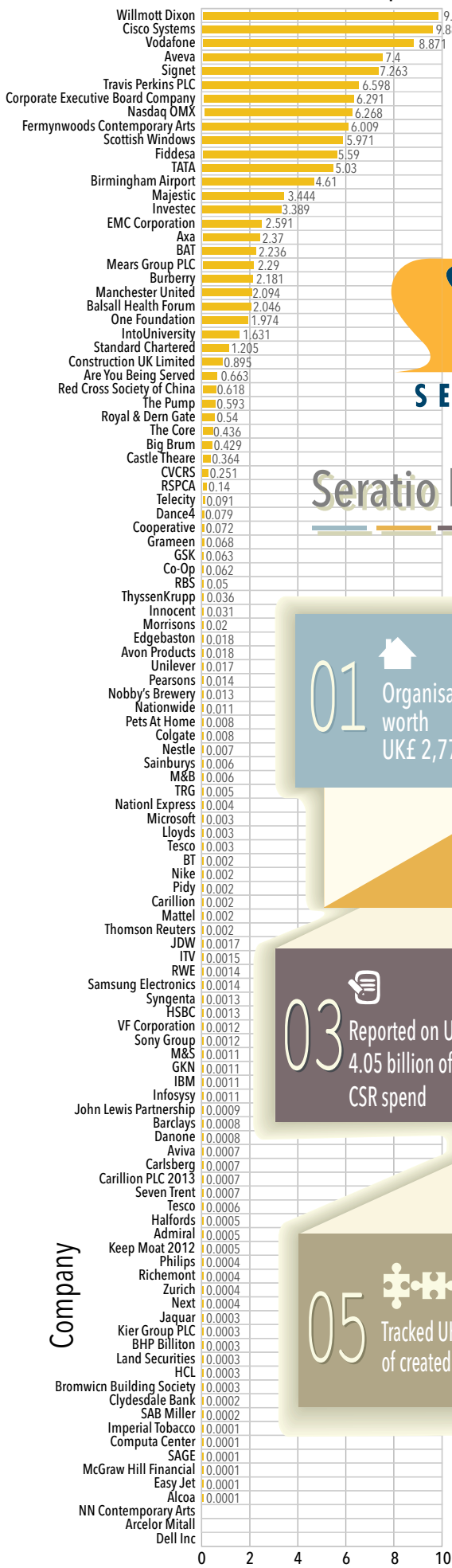


## JOIN OUR BLUECHIP MEMBERS

[www.cceg.org.uk](http://www.cceg.org.uk)



**Increase in market Capital/NAV(%)**



**Seratio has analysed**

**01** Organisations worth UK£ 2,771 billion

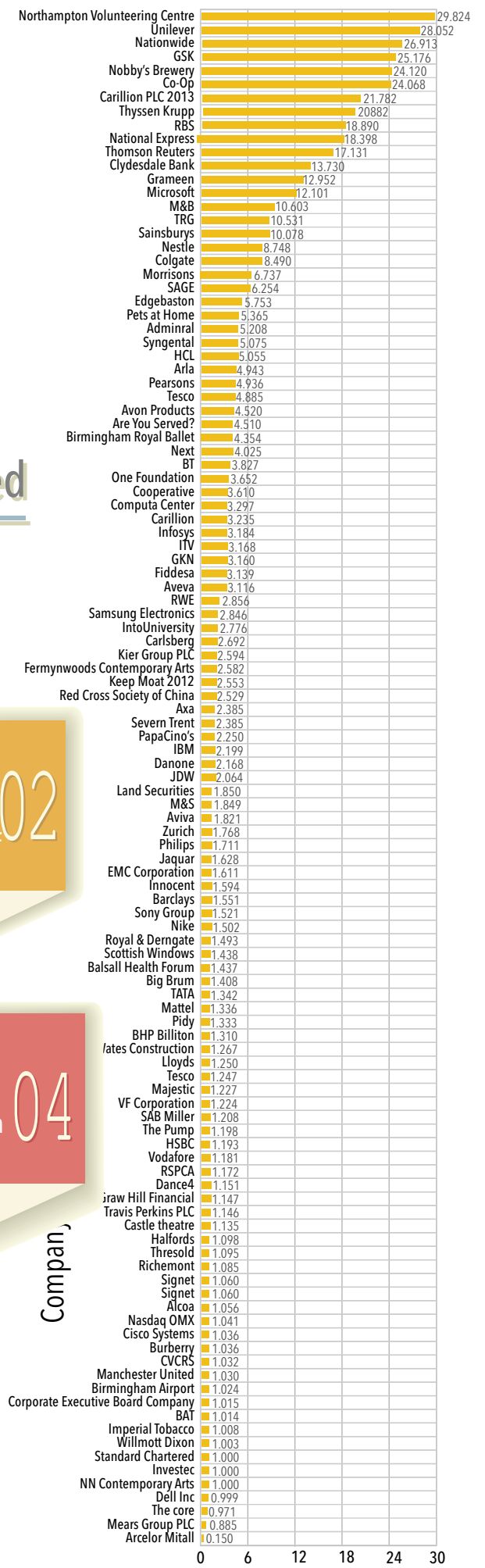
**02** Employing 7,616,776 staff

**03** Reported on UK£ 4.05 billion of CSR spend

**04** Measured UK£ 17.73 billion of social value

**05** Tracked UK£ 13.68 billion of created social value

**SER**





**PERSONAL  
VALUE**



**HEALTH &  
WELLBEING**



**DOMESTIC  
VIOLENCE**



**ANIMAL  
WELFARE**



**THE ARTS**

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# CCEG University Network

## UNITED KINGDOM

Anglia Ruskin University, Cambridge  
Aston University, Birmingham  
University of Bedford  
University of Birmingham  
Birmingham City University  
University College Birmingham  
University of Bristol  
University of Coventry  
De Montfort University, Leicester  
Institute of Financial Services, London  
Keele University  
Newcastle University  
University of Northampton  
Oxford University Said Business School  
Oxford Brookes University  
Salford University  
Sheffield Hallam University  
Staffordshire University  
University of the West of England, Bristol

## AUSTRALIA

Melbourne University  
University of Queensland

## BRAZIL

FAAP Fundacion Armando Alvares Penteado, Sao Paulo  
Yunis & Youth, Sao Paulo

## CANADA

Manitoba University  
Ryerson University Ontario  
Breakfast Clubs of Canada

## CHINA

Hunan University, Changsha  
Peking University  
Zhuhai University, Guangdong

## COSTA RICA

INCAE Business School

## CYPRUS

Nicosia University  
University of Cyprus

## CZECH REPUBLIC

Charles University, Prague

## DENMARK

University of Southern Denmark

## FRANCE

Montpellier Business School

## GERMANY

FH Aachen University of Applied Sciences  
ICLEI - Local Governments for Sustainability, Bonn

## INDIA

CIDS Centre for International Development Services, New Delhi  
DAV University, Punjab



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Trisakti University International Business School, Jakarta

## IRAN

Tarbiat Modares University, Tehran

## ITALY

Bocconi University  
Bologna University  
Ca Foscari University, Venice  
John Cabot University, Rome  
Link Campus University, Rome  
Modena & Regio Emilia University  
Padua University  
Perugia University  
Socialfare Centre of Social Innovation, Turin  
Yunus Social Business Centre, University of Florence

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University Nations University

## NIGERIA

National Open University

## PAKISTAN

Preston University, Islamabad

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ISG Business School, Lisbon  
Lisbon School of Economics & Management  
Universidade Lusofona, Lisbon

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Swedish Association of Social Directors

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Istanbul Technical University

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European University, Kiev

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Columbia University  
Duke University, Durham, North Carolina  
New York University  
Stanford University  
University of North Carolina at Chapel Hill  
University of South Florida  
Washington Tacoma, Milgard School of Business  
Washington University in St Louis  
Wingate University, North Carolina