Value and the third sector
Working paper on ideas for future research

Andrea Westall

December 2009
# Contents

- **Introduction**............................................................................................................................................ 2
- **What is value?** ....................................................................................................................................... 3
  - Economic quantitative value ............................................................................................................ 3
  - Value monism, pluralism, and relativism ......................................................................................... 4
  - Dealing with incommensurable values ............................................................................................ 5
- **Third sector and value** .......................................................................................................................... 6
  - Social value...................................................................................................................................... 6
  - Value-drivers, inherent value or process value ................................................................................ 7
- **Beyond economic ideas of value** ......................................................................................................... 7
  - Public Value ..................................................................................................................................... 8
  - Value confusion ............................................................................................................................... 8
- **Measuring third sector value** ............................................................................................................. 9
  - Blended value and SROI ................................................................................................................. 9
  - Wider ideas of social value .............................................................................................................. 10
  - Added-value and distinctive value ................................................................................................. 10
- **Conclusions** ......................................................................................................................................... 11
  - Implications for a future research agenda ..................................................................................... 11
  - Impact measurement ...................................................................................................................... 11
  - Blended value and SROI ................................................................................................................. 11
  - Value pluralism and value conflicts ............................................................................................. 12
- **Endnotes** .............................................................................................................................................. 12
- **References** ........................................................................................................................................... 13
Value and the third sector

Abstract

This paper provides a broad sweep across the ideas and practices around ‘value’, and how these relate to third sector organisations and activities. It argues that the current focus on outcome-based ‘social value’ by academics and policy-makers is limited and only part of how third sector organisations operate, why they exist, or how they contribute to society. It also shows how the new measurement approaches, predicated on ideas of blended value, open up opportunities for resources and impact but may downplay the inevitable conflicts in outcomes, stakeholder concerns, and ignore moral values or processes. These new measurement approaches also attempt to add together outcomes which cannot always be easily combined. The paper suggests ideas for a research agenda that begins to fill gaps in current understanding, and reweights policy and practice to better ‘value’ and support diverse third sector activity.

Keywords

Value added, Social Return on Investment (SROI), social value, environmental value, blended value
Introduction

The powerful stakeholders of government, funders or financiers, are pushing for measurable outcomes and evidence-based performance in order to better allocate finance or funding. This approach has been beneficial in enabling organisations to better understand what they are achieving and how, and to communicate this information clearly to government and to funders. There have been accusations that some third sector organisations have tended to make unsubstantiated claims about their impacts. A focus on rigor, performance and demonstrable impact has been part of changing this situation.

However, this focus on the value created for society or for beneficiaries, misses out some key aspects of third sector activity and functioning.

Firstly, values as beliefs and attitudes which inform activities and processes, may be inherent values and core to why or how organisations do what they do. Such values may be within an organisation’s mission or strategy, held by individual stakeholders, or part of working practices. They are also likely to be important influences on the way in which any external outcomes are achieved. It is therefore important to both understand the inherent worth of such values as well as their role in the maintenance and development of external impacts. This understanding, however, is not currently of much concern since with political attention on ‘what matters is what works’, processes, drivers, or ways of working, are a ‘black box’ with a focus primarily on externally-created outcomes. Of course you cannot know why something works unless you unpick all the factors and processes which underpin it.

Secondly, some organisations or activities have ‘existence’ value by just being, for example, an art space or a community group.

And thirdly, the current and increasingly important conceptualisations of external value creation by the third sector tend to adopt approaches which assume ‘blended’ value between economic, social and environmental considerations. A widely used and promoted measure of such blended value is that of Social Return on Investment which seeks to compare and combine third sector activities on a single monetary scale. Value creation is therefore being seen narrowly – as a simple and combinable impact, when the reality is often messy, involves conflict between outcomes and views, and cannot be easily added. There is much accepted theory and practice which shows that not all values can be easily monetised or that values may be fully or partly incommensurable – in other words, they cannot be easily compared on a standard scale or set of calculations.

But this is not just an externally imposed situation. Many organisations in the third sector have been actively contributing to this situation, adapting dominant ideas and values as a way to increase reputation, attention, and resources. Others have adopted a subtly subversive approach by using the language and practices of government and business, but extending and altering them, through ideas such as ‘blended value’ or the ‘triple bottom line’. Whilst there have been noticeable successes from this approach, there may also be limitations to the ability of an organisation to be truly transformational.
This paper ranges over the idea of value in relation to the third sector to see what is currently being promoted and what is being downplayed with a view to informing future research and policy practice. It provides:

- a brief overview of the different ways of seeing ‘value’ from outcomes, to inherent value, motivations and beliefs
- a summary of how ‘value’ is applied to third sector activity in practice
- examples of how third sector value is measured
- implications for a future research agenda
- implications for government policy

What is value?

The most common understandings of ‘value’ relate either to economic value – to some measure of the worth of what is created or desired by productive activity; or a personal or group belief about what is right – and which is often a guide to action. The first understanding has come to dominate and influence the way that third sector organisations are conceptualised and measured, and lies behind the focus on outcomes and the creation of ‘social’ value. Additionally, only certain kinds of outcome in this case are generally seen as relevant or ‘social’.

The second approach is reflected in what has come to be used by government and others as a defining phrase for third sector organisations – that of being ‘values-driven’. It is therefore more concerned with motivations, finding ways to live values, and is a core part and determinant of the processes by which activities are done, or decided on. But this area is receiving very little attention, is weakly articulated, or evidenced.

This is not just an issue of relevance to the third sector. For example, in the 2009 Reith lectures, Michael Sandel argued that markets presuppose a form of value, and that we need to debate the moral meaning of actions and things and the proper way of valuing. In some ways, discussions about third sector valuation have themselves been infected with this instrumental and economic way of looking at activities, ignoring ethical dimensions and how things are done.

Economic quantitative value

The generally held idea of value as equating to numerically equivalent worth has arisen because of the dominance of economic theory and language. A monetary value is assigned to products or services or even non-marketable states of the world, such as a particular environmental landscape, by assigning an exchange value determined in practice either by price in an existing market or through questions designed to elicit ‘willingness to pay’. (This is a simple exposition of ‘cost-benefit’ analysis.) An example would be that of being willing to pay for the experience of being able to see a hill from where you live, or for the existence of biodiversity.

This approach also relates to the idea of ‘allocative efficiency’, in other words, that a market economy is able to find the best use for resources such that what is most valued is produced.

This particular view of value arises from the neoclassical synthesis approach to economics which is dominant in teaching and practice. Implicit in the mainstream economic approach is that it is possible
to rank value, as revealed by price levels or willingness to pay and that you can add together different outcomes.

From this way of thinking, directly flow concepts such as ‘added-value’ (increasing the value of a product in different stages of production) or the similar idea of the ‘value chain’ (the linking stages of production each of which creates value).

There is of course much critique over such simple aggregations or the way that price or willingness to pay does or does not relate to broader societal value of an object or service. For example, there are concerns over ‘good’ and ‘bad’ contributions to GDP – itself a proxy for the value of economic activity. The ISEW, Index for Sustainable Welfare, for example, presents an alternative indicator which adds positive contributions to human and environmental welfare and subtracts negative contributions. Another recognition of the impossibility of assessing the full value to society through such approaches is the notion of market failure, and the acknowledgement of pervading positive or negative externalities. Behavioural economics has also pointed to other problems with measuring economic value since people can have different valuations for gains and losses, thus there is not one true or measurable value.

Martinez-Alier et al. (1998) argue that it is important to realise that it is not just money that can be a proxy or standard for valuation. They cite the example of the concept of ‘emergy’ in relation to energy – an accounting methodology which finds the total energy necessary for a full product lifecycle.

There have been many discussions of value in the economic literature. For example, economists may distinguish between ‘value in use’, and ‘value in exchange’ (a negotiation between buyers and sellers resulting in a price). Other economists have stressed different dimensions of economic value. For example, Marx is well known for his Labour Theory of Value, the amount and quality of labour embodied in a good or service.

If we take a more moral and ethical approach to value, we also come across a range of issues with practical implications. We know from experience that people hold many different moral beliefs and that these are complex mixes of individual experience and societal influence. Debates arise as to whether or not these views are reconcilable, or able to be at least ranked, negotiated, or compared in some way.

**Value monism, pluralism, and relativism**

The idea of value monism holds that values (or, more realistically, some values) are universal and held across all cultures. Efforts have been made to find or create these, for example, through universal human rights.

There is an opposing position which says that all values are relative and equally worthy of respect. This approach is behind some forms of liberal thinking and practice.

Moral relativism should not, however, be confused with ‘value pluralism’ which is a position that holds that values can be different but that there may be room for consensus or the recognition that some values may be practically limited or could be in some kind of hierarchy.
Another aspect of value discussion and debate is that some values may be ‘incommensurable’. This means that you cannot compare values on similar scales since they reflect different realms and are irreducible to any common factor or able to be proxied on some scale. Authors such as Trainor (2006) argue that the only way in which you can make decisions over courses of actions of groups or organisations on the basis of such values, is to use collaborative and discursive processes to negotiate ways forward. This discussion relates primarily to values as morality but also has implications for the measurement of outcome value.

Dealing with incommensurable values

Ecological economics, possibly because of its need to work with what have previously been seen as distinct areas of social, economic and environmental concern, has used multi-criteria analysis (MCA) techniques, as one way to deal with such incommensurable values. (See TSRC paper 14 on Economic analysis and the third sector by Andrea Westall)

Other authors have argued that it is unhelpful and impossible to argue a case for ‘strong’ incommensurability. Qizilbash (1997) for example, believes that there are ‘prudential values’ which are commensurable. He supports his argument by saying that we need to be able to share values to be human and to understand others. Also, if we look at a multi-dimensional concept such as wellbeing we can hold the idea that there are irreducible and different components but that they are not necessarily incommensurable, even though there is no ‘supervalue’. He argues that MCA is therefore a ‘weak’ form of incommensurability.

On the other hand, the Austrian economic school points to flaws with these arguments on incommensurability and MCA approaches to deal with them. They argue that markets are able to coordinate values and foster learning, and that it cannot be taken for granted that MCA will be able to help nonmarket coordination and decision-making.

Others have got around the problem of incommensurability or moral relativism in other ways. Amartya Sen, for example, bypassed subjective value differences by comparing individual ‘capabilities’ since he believes that these are measurable and have potential metrics, such as restoration of sight (summarised in Sen, 1999).

There is also some psychological literature which points to differences in context and personality type in dealing with complex incommensurable decisions, practices and outcomes. Tetlock (1986) for example, argues that some decision-makers find making trade-offs unpleasant and try to avoid them while others think more naturally in complex terms. Some of these differences relate to cognitive differences in problem-solving approaches and others to (although possibly related) strict ideological positions. The contention here is that those who are more moderate in their political beliefs are more likely to think in complex ways and acknowledge conflict. The paper also points out that context matters, that the relative degree of complexity of reasoning is related more to context than individual differences.
Ideas of ‘environmental value’ particularly illustrate the tensions between economic and more ethical ways of seeing value (see, for example, O’Neill and Spash (2000). Environmental values can be conceptualised through economic means in relation to the economy or productive activity, or as a set of values towards the environment which are more ethical or moral and cannot be combined easily with economic calculative methods.

Third sector and value

The current debates about value in different parts of the third sector have been strongly influenced by a narrow economic conception of value and with a focus primarily on outcomes. This approach is particularly reflected in the development of metrics such as Social Return on Investment, or the need to assert evidence of ‘added-value’ (often compared with the private sector). Additionally, only certain kinds of outcome are seen as relevant or ‘social’.

This bias is understandable since it fits with the needs and agendas of particular stakeholders, particularly government or finance and funding providers. The former have a concern with ensuring the best use of public money to achieve public interest goals.

For finance providers and funders – whether of grants, loans or forms of equity – value created in relation to money provided is a core concern. As a result of this pressure and the nature of dominant metrics, Holden (2004) believes that funders have become more prescriptive and directive. This means that there is likely to be little room for looking at the difficult dimensions of value creation and different ways of talking about them.

There is a danger therefore that the third sector will end up adopting and being forced to abide by practices and ideas that come from business and economics, which are ironically themselves being currently contested and altered.

Social value

The current dominant term in research and policy is that of ‘social value’. This concept is currently being used in practice in ways that derive from the social entrepreneurship literature and practice (for example, Auerswald, 2007). It relates to specific outcomes which tend to focus on relieving disadvantage or on the results of local economic development. As such it suffers from being purely outcome-focused as well as only concerned with certain kinds of outcomes.

This outcome orientation has arisen as a result of US-influenced social entrepreneurship research and practice which is predominantly focused on entrepreneurship for social ends, or on the goals of non-profits, rather than radically altered ways of behaving whose values might be inherent to the processes of the business itself. Greg Dees (2001) definition of social entrepreneurship, for example, includes that of: ‘Adopting a mission to create and sustain social value (not just private value).’

Whilst this approach is partial, it is metaphorically useful. The idea of social value has also extended away from just a focus on single organisations to entire systems. Value chains, for example, have always attracted considerable research and practical interest in business. A social value chain has become a useful way to look at value creation by third sector actors and as a way to change market reality, such as, through fair trade activity. Alex Nicholls (2007) for example, argues in a paper
for the UK Cabinet Office that we need to have a new model of value chain economics and look at the enhanced social enterprise value chain.

However, ‘social value’ has not always been seen in this way. For example, Schumpeter (1908) saw ‘social value’ as relating to societal wants which are consciously asserted by the whole community and valued jointly. Here there is therefore a focus on awareness and agency, and widely held views.

Philip Auerswald (2007) argues that social value should be distinguished from private or individual value. He also points out that social value can be the indirect impacts of say an increase in productivity arising from Microsoft’s work and is therefore not just applicable to the actions of social entrepreneurs. He contrasts this with the social innovation literature which only looks at value accruing to society rather than individuals. However, he recognises that the concept was not intended to be so narrowly applied, being more about ‘creation of benefits or reduced costs for society through efforts to address societal needs and problems beyond private gains and benefits of market activity’. In other words, he acknowledges that businesses can create social value and so can social entrepreneurs. So, by extrapolation, ‘social value’ can be created by all sectors and by partnerships, networks or activities. This therefore reduces its impact as a way to account for third sector value.

**Value-drivers, inherent value or process value**

For others, the notion of social enterprise and entrepreneurship has meant something more than outcomes. For example, the co-operatives’ use of ‘social’ refers more to the values of co-operation as ethics and guides to action, and hence there is more focus on inherent and driving values or ways of working, than on outcomes for external beneficiaries.

**The International Co-operative Alliance** states that:

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.⁵

As government has focused primarily on local and public service outcomes, then the values of processes and intrinsic value, as well as the potential for conflict between values, have been downplayed. Multi-stakeholder governance models, for example, may have implicit value conflict in how they operate but are under-researched. Additionally, practitioners often find tensions between social, economic and environmental outcomes and have to constantly manage these (for example, Seanor et al., 2007).

**Beyond economic ideas of value**

There is some literature outside the third sector which also shows the limitations of the economic-influenced outcomes approach to value, for example, in the idea of ‘public value’.
Public Value

Kelly et al. (2002) argued for a fuller concept of ‘public value’ in the UK. They see the concept of public value as enabling you to think through the ultimate goals of policy, particularly public services. It is a broader measure of value than is used within the public management literature since it covers outcomes, means, trust, legitimacy, equity, ethos and accountability. The concept of the full value created by government also requires that it is defined by the public themselves. They argue that conventional welfare economics provides a utilitarian account – and does not incorporate more public preferences for, for example, trustworthy government, or fairness.

The authors also argue that government needs to go beyond a market failure rationale for government action, to recognise subjective or value-based intervention.

This public value approach is still partly premised on the ability to rank, weight and measure outcomes although Kelly et al. stress that it is important to also value processes and ethical values such as involvement, satisfaction, trust, and procedural fairness.

Holden (2004) produced a report for Demos on ‘cultural value’ which is directly relevant to aspects of third sector activity. He argues that narrow ways of understanding value, particularly adopted by government, are too instrumental and technocratic. Holden rather believes that values are created from the bottom-up, and that it is important to recognise the intrinsic value of processes and activities or culture. His report argues that value has become limited to politically-desired social outcomes such as tackling exclusion, increasing diversity, or contributing to regeneration. As a result cultural organisations are unable to describe their real purpose, which is to create work which enhances people’s lives and whose value is formed by the interaction of the individual and the experience. These concerns can be extended to other kinds of third sector activity or communal experiences which are not captured by our dominant language, measurement models, and policy.

Some third sector organisations also seek to find new ways of valuing. For example, in time banks ‘worth’ is measured differently, when, for example, one hour of accountancy is valued the same as one hour of dog-walking.\(^6\)

Value confusion

Because of the moving and fluid nature of the use of value from process to outcome to different ideas of the ‘social’, it is natural that there is confusion. The UK Government’s 2007 third sector review (HM Treasury and Cabinet Office, 2007) saw value as relating to social value created, but also recognised process values, and other ‘valued’ activities such as ‘voice and campaigning’.

The NHS sees ‘social value’ as being both process and outcome and societally agreed. A report by NHS North West (2009) said that social value was ‘the collective desired needs of individuals who share common expectations through increased social capital, wellbeing and entrepreneurialism’. This definition is somewhat unclear and mixes up different kinds of value and modes of action or outcome. It is, however, a way of broadening value away from narrower economic conceptions or simple metrics, in order to incorporate issues such as respect.
Measuring third sector value

Much measurement literature and practice related to the third sector is currently dominated by outcome measurement. Beyond the focus on monetisable outcomes, there are many practitioner-based or theoretically-backed measures, such as ‘distance travelled’, as well as processes for measuring or presenting broader kinds of value created, by using social audit or accounting.

One academic, Alex Nicholls (2009) has argued that social impact reporting is not just imposed. Its use and development depends on the strategic objectives of an organisation, its context and influences. Impact measurement should therefore not just be seen as attempting to capture objective reality, but about creating a mandate, enabling accountability and accessing resources. One aspect of this way of looking at impact measurement is that some third sector actors have subverted or manipulated conventions, in order to self-legitimate as well as change reality, for example, through the idea of a ‘triple bottom line’.

However, questions remain about how far derivative measures and concepts, however widened and able to influence reality, can or do incorporate all aspects of third sector activity.

We should also consider the more difficult and conflictual aspects of value realisation or measurement. This is not a new issue. As one influential author said in 1972:

‘There is a great pressure for research into techniques to make larger ranges of social value commensurable. Some of the effort should rather be devoted to learning – or learning again, perhaps – how to think intelligently about conflicts of values which are incommensurable’ Bernard Williams, 1972

Blended value and SROI

Behind dominant modes of valuing at present is the idea of blended value from which, for example, SROI flows as a measure. The idea of blended value is attributed to Jed Emerson (for example, Emerson, 2004). This blended value approach extends the idea of economic value to combined social and economic value created by an organisation or activity. However, this approach suffers from a presumption of ‘win-win’ and the need or requirement to ‘blend’. We have already talked about the problems of incommensurability and also the potential conflict between values as outcomes or as beliefs.

Social Return on Investment (SROI) was also devised by Jed Emerson and is a way of measuring this blended value (OTS, 2009). This approach to impact measurement is currently being researched through funding from the Cabinet Office. Proponents are keen to point out that there are many dimensions of value which cannot be so measured and should therefore be captured in other ways and presented to stakeholders through broader processes such as social accounting or audit. Indeed, SROI is acknowledged to be similar to cost benefit analysis and hence suffers from its limitations, although it is an adapted version which particularly extends analysis to include stakeholder assessment of appropriate impacts.
Wider ideas of social value

Broader ideas of social value are reflected in a report for the Joseph Rowntree Foundation by Knox and Worpole (2007) where they explore the social value of public spaces. They stress that such places should be understood as being made by people – in other words, co-produced through people’s interactions with others and through their creation of attachments. There is therefore a danger of destroying forms of value and local meaning if a narrow individual outcomes approach to impact measurement and success is taken.

Similar arguments have been applied in the case of, for example, work on museums. Thyne (2006) argues for the importance of values research for nonprofits that particularly looks at motivation-based values. He studied the use of museums and found the importance of socially-oriented values such as being with friends rather than the more individualistic, and generally measured, ones of education and knowledge.

There have been other reactions to narrow derivations of value from the third sector. For example, the National Council of Voluntary Organisations (NCVO) has been talking about ‘full value’ rather than ‘distinctive’ or ‘added’ value.

Added-value and distinctive value

The ‘third sector’ is itself an economic term which demarcates organisations relative to the private and government sectors. The ‘third sector’ way of grouping activities therefore begs the question about ‘added-value’ – usually in relation to the business ‘sector’ but also in relation to government; and has created questions about ‘distinctive’ value.

Margaret Bolton (2002), whilst also at the NCVO, asked whether in fact developments to erode distinctiveness could counterintuitively add more value to society.

Eliot and Piper (2008 a,b) have argued for ways of conceptualising ‘full value’ and believe that it is not possible to think about the added value of a distinct sector since organisations can be very different. Full value for them includes:

- benefits that you create for your users or cause
- effects you have on other people or things – such as the economy or staff
- satisfaction you bring to your users
- satisfaction you bring to others
Conclusions

Because of the current technocratic and narrow understandings of ‘value’ in relation to the third sector, there is a need for any research agenda to critically assess how and why such a situation has come about as well as to investigate all the dimensions of ‘values’ created, embodied, and core to mission and beliefs.

A more thorough understanding of value can also better articulate the drivers and functioning of third sector activity, as well as better enable replication. It would also recognise the reality of the complex nature of values negotiation in organisational strategy, as well as the tensions between different forms of value-creation. As such, policy and practice could be based on a more realistic understanding.

Implications for a future research agenda

Here are some of the questions and issues that are currently not being addressed by an outcomes-oriented policy and practice:

- There is a need to fully investigate the range of values held by, and which inform, third sector activity. Are they compatible or do organisations have to adopt complex ways of negotiating between values as beliefs or as outcomes when creating strategy?
- How do values held as beliefs and attitudes affect the nature of the processes and ways of working embodied in third sector activity?
- How are ways of working and processes valued by participants, and how do they affect employee and stakeholder commitment and engagement as well as the creation of impact?

Impact measurement

With a strong current focus on impact measurement and ways of presenting such information, there is, however, little research that critically assesses the different commonly-used output, outcome and impact measures, or the integrative frameworks which are used to present the ‘full value’ of what is done, such as social audit or accounting. There is a need to subject such indicators and frameworks to research scrutiny as to their validity, robustness, and appropriateness.

Blended value and SROI

The development of the idea of ‘blended value’ should be critically assessed since it may serve to ignore or downplay complex situations where values cannot be combined, and fail to reflect the practical difficulties and implications for organisations that seek to practice multiple value creation.

Because of its potential dominance and impact on government and funding policy, SROI also needs to be critically assessed for its benefits and unintended or accidental disbenefits. It is usually presented as one number. Some critics have argued that the broad idea of ROI could have multiple numerators, be monetary, qualitative or even just narrative. Or it could be broken down into specific measures such as a form of Return to Government Investment in order to reflect more specific and direct returns to different stakeholders.
Work also needs to be done to assess the extent or otherwise of non-monetisable outcomes relative to different kinds of third sector activity, in order to place SROI in context and to critically ascertain its usefulness for policy and finance and funding provision.

Value pluralism and value conflicts

There is a gap in research on how third sector organisations deal with potential value conflicts in their practice, or between stakeholders, in outcome, process, strategy or motivations.

Much more work needs to be done on practical issues such as appropriate governance models for different kinds of value-oriented organisation since without this work, the danger is that the wrong or limited kind of governance is used for particular motivations and goals, or that the pros and cons of different types are not recognised.

There is a push towards partnerships and consortia, either between third sector organisations or across sectors, in order to make the most of each other’s specific ‘added values’. There seems to be a tendency to see such partnerships as creating combined value that is unique to that partnership and a result of ‘win-win’. Whether or not this is the case needs to be further investigated, as does the potential role of initial value negotiations and discussion prior to any activity. There is anecdotal evidence that this does not happen in practice, with the result that the ability to create genuine ‘added-value’ is not realised or is even diminished.

Endnotes

1 In this report reference is made to outcomes and sometimes impacts with which it is used interchangeably. Strictly, outputs refer to the direct products of an activity, outcomes to changes that are the result of activities, and impacts are similar to outcomes but take into account what would have happened without any intervention.

2 ‘What matters is what works’ is a phrase used repeatedly by Tony Blair throughout his premiership to move discussion away from the presumed relevance of ownership structures or choices between public and private in the delivery of public services.

3 The 2009 Reith lectures by Michael Sandel on the topic of the possibility of politics which serves the common good can be found at http://www.bbc.co.uk/programmes/b00kf7rg

4 For details of the ISEW see www.en.wikipedia.org/wiki/Index_of_Sustainable_Economic_Welfare

5 A full statement of co-operative identity is available at www.ica.coop/coop/principles.html

6 For more information see www.timebanking.org

7 Jed Emerson has set up www.blendedvalue.org which includes papers and diagrams to explain the blended value concept.

8 See a practitioner blog on Social Edge www.socialedge.org/blogs/svt-on-impact/the-problem-with-sroi/?searchterm=sroi
References

Emerson, J., 2004. Blending value: the intersects and opportunities of economic, social and environmental value creation. (Presented at the 5th Gathering of the Social Enterprise Alliance, San Francisco.)
Masters, J., 1986. Social values and public policy: From opportunities to rights and back to opportunities. Center for Community Futures.
Nicholls, A., 2009. We do good things, don’t we?: blended value accounting in social entrepreneurship, Accounting, Organizations and Society, 34, pp.755-69.


About the Centre

The third sector provides support and services to millions of people. Whether providing front-line services, making policy or campaigning for change, good quality research is vital for organisations to achieve the best possible impact. The third sector research centre exists to develop the evidence base on, for and with the third sector in the UK. Working closely with practitioners, policy-makers and other academics, TSRC is undertaking and reviewing research, and making this research widely available. The Centre works in collaboration with the third sector, ensuring its research reflects the realities of those working within it, and helping to build the sector’s capacity to use and conduct research.

Third Sector Research Centre, Park House, 40 Edgbaston Park Road, 
University of Birmingham, Birmingham, B15 2RT

Tel: 0121 414 3086
Email: info@tsrc.ac.uk
www.tsrc.ac.uk

Economic and Social Impact

Assessing the economic impact of third sector organisations is a key research priority for TSRC. It is linked to our mapping and measuring of the sector, and has a particular focus on the role that third sector organisations play in delivering public services and contributing to general community wellbeing. We are engaged in a review of the wide range of existing methods and tools for measuring impact within TSOs including Social Return on Investment (SROI), blended impact measures and other adaptations of cost/benefit analysis. We will also develop sector wide analysis of economic impact of third sector activity and its contribution to the wider economy, including analysis of workforce trends, volunteering and third sector value.

Contact the Author

Andrea Westall
Tel: 0121 414 3086
Email: info@tsrc.ac.uk

The support of the Economic and Social Research Council (ESRC), the Office of the Third Sector (OTS) and the Barrow Cadbury UK Trust is gratefully acknowledged. The work was part of the programme of the joint ESRC, OTS Barrow Cadbury Third Sector Research Centre.