

How NSIs can contribute to the third sector's effort to pursue social aims

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Abstract

The current economic crisis and the state budget constraints for welfare have contributed to the third sector's development in filling the gaps left by the shortage of public social aid. Nowadays, Civil Society Organisations and Social Entrepreneurs play an important role in solving social problems, promoting social cohesion, as recently recognised at a European level too. The availability of data, speeded up by the advance of digital technologies, are crucial factors for their activity. Nevertheless, their request of detailed data, the barriers they encounter to access and easily interpret them often induce CSOs and SE to produce data by themselves, generating a supply of non-official statistics, affected by a lack of specialised skills.

This apparently conflicting situation between official and non-official statistics can be the occasion to develop new forms of partnership. CSOs and SE would profit from NSIs' expertise in producing data, while NSIs would be encouraged to investigate other data sources as a complement to official statistics, as recommended by Lisbon memorandum. To take up the challenge, NSIs have to share experiences among themselves and invest in IT and methodological skills, if they wish to keep their leading role in producing information at the service of society.

Keywords: third sector, non-official statistics, partnership.

1. Introduction

The current complexity of society, the economic crisis and the ensuing getting poorer of citizens, accompanied by the state budget constraints for welfare have contributed to the quick development of the third sector, also known as non-profit sector, which refers to activities that belong neither to the for-profit private sector nor to the public sector. Third sector is used to refer to widely differing kinds of organisation such as charities, Civil Society Organisations (CSOs) –including nongovernmental organisations (NGOs)– self-help groups, social enterprises, networks, and clubs, as civic initiatives that do not fall into the state or market categories.

While the 20th century has seen the growth of the public interventions towards social policies and welfare, in the 21st century, cuts in public spending and the increasing social

needs due to the recession have stimulated the fast development of the third sector whose core business is to fill the gaps left by the shortage of public social aid and commitment. This shift means that roles of the different actors involved need to be reconsidered, renegotiated and reconstructed: CSOs and social entrepreneurs, recently acknowledged at a European level as well, act and react within this context.

Besides the above mentioned situation, the sudden and widespread advance of digital technologies and interactive tools has strengthened the already active role of social enterprises and CSOs, contributing to the development of citizens participation and commitment. The main consequence of the digital revolution is an even greater availability of data and information which allows a more active social involvement and new ways of control on government policies.

To develop measures and indicators capable to reflect new and complex social phenomena, the third sector needs data that have to be timely, disaggregated at a local level and by specific sectors, easy to be interpreted and managed. This context of changing data needs clearly shows that official statistics sometimes presents some limits in covering some dimensions and aspects related to specific needs in a given territory with adequate statistical indicators.

Given this increasing gap between demand and supply of data, this paper intends to draw the attention to the potentiality of new forms of collaboration between NSIs and social actors, that is CSOs and social entrepreneurs. This is a big challenge for NSIs since they have to rethink the way they produce statistics in order to meet the new social needs and to keep their leading role in providing information at the service of society.

This paper is structured as follows: in section 2, some insights on CSOs' constraints in gathering data for carrying out their activity are described. Section 3 is focused on social entrepreneurs' main role and need of data for their core business. Section 4 is devoted to the recognition of both actors at a European level. In section 5, some hints on possible collaboration between NSIs and third sector are given. Finally, the conclusion summarises the main findings and offers some suggestions.

2. Civil Society Organisations' data need to empower citizens

In recent years, CSOs have become high profile actors within public policy landscapes at local, national and global levels. Specifically, CSOs play a seminal role in terms of raising awareness, stimulating debate in public and institutional spheres, engaging social

participation, sharing information, investing their social and scientific resources and skills such as public advocacy and consultation.

A crucial activity carried out by CSOs is to monitor policies, with the function of keeping policy “honest”, developing and demonstrating ways of doing things differently, legitimating and sharing scientific, political and cultural objectives such as the elaboration of public policies or the priority setting of local government actions. In particular, they mainly act to fulfil a service need, especially to the marginalised and underserved people (Najam, 1999).

Over the last decade, data and statistical information have become crucial pillars and drivers of knowledge and societal progress. To this effect, CSOs have developed major experiences in collecting and disseminating non-official statistical indicators, for example alternative indicators to GDP for measuring human well-being and societal progress, developed through the involvement of citizens and based on different models and methodologies¹. Even if this production of civic data and information may not have true statistical value, nevertheless it provides a major source of first-hand information which can be at any time exploited. Moreover, the use of Web2.0 technologies facilitates the creation of smart communities of data providers and data users. This kind of contribution is particularly effective at the sub-national level, where many organisations and CSOs are active in the territory (Zola et al., 2015).

Thanks to the recent digital revolution, a huge amount of liquid data has been made available on line, resulting potentially in an important source of data and knowledge allowing to produce, among others, innovative set of indicators to meet new social needs. Within this context, by putting pressure on public administrations, CSOs have somehow forced the institutions to start dealing with open data.

Additionally, civil society actors are playing an important role as data interpreters. In this sense, CSOs are becoming a sort of mediator between the huge mass of liquid data available on-line and citizens, in terms of re-elaboration, interpretation, visualisation and

¹ Among others it is worth mentioning: Basic Capabilities Index (Social Watch World Coalition); The Happy Planet Index (New Economics Foundation); Genuine Progress Indicator (Redefining Progress); The Gender Equity and Quality of Life Index (Center for Partnership Studies); QUARS–Index of Regional Quality of Development (Lunaria/Sbilanciamoci!); The Child Development Index (Save the Children); Footprint Index (WWF -World Wildlife Fund); Corruption Perception Index (Transparency International); Gender Equity Index (Social Watch).

dissemination, so that data can be understood and re-used to enhance citizens' engagement towards common goals of social well-being and progress.

Nevertheless, barriers to access and use data faced by civil society are still manifold. One of the main limits is the IT skills and digital exclusion: even if CSOs have similar and strong interests in generating knowledge through data, there is a kind of a digital divide among CSOs, since available tools and expertise employed for data collection and analysis differ among organisations (Easton-Calabria et al., 2015). In fact, specialised IT competences are required accompanied by a proper ability of analysing the data available. Moreover, other drawbacks are based on lack of methodologies, funds, and legal constraints as well.

Against this background, only a wider collaboration with academia or technical experts such as NSIs can provide means for civil society organisations to truly access the available data and help to harness civil society's potential to spread and maximise the impact of welfare and development policies. In this sense, CSOs and official statistics providers are called to further consolidate and strengthen their interaction in order to broaden the participation to the central process of defining what should be measured and what should really count for social needs at large. Furthermore, official statistics providers would take major advantages of an in-depth, real time civic feedback and of accurate information provided by civic monitoring initiatives.

3. Social entrepreneurs' data need to overcome social problems

Social enterprises are a recent social and economic phenomenon developed from and within the third sector. A social enterprise is a company which affords a significant level of economic risk, limits profit distribution among shareholders and reinvests profits towards social goals, within the company or the community (Defourny, 2001). Social enterprises are often characterised by an innovative nature, both for the goods or services they offer, and the organisation or production methods they use. Addressing their production of goods or provision of services to society's most fragile members, that are socially excluded people, they indirectly contribute to social cohesion, employment and reduction of inequalities.

Social enterprises grow from needs and, in some cases, are the pursuit of sustainable solutions to problems of market inefficiency caused by positive externalities that leads to under-provision or under-consumption of beneficial goods (such as access to water,

promoting small-business creation, or waste management). Actually, positive externalities can be neglected by other economic agents because of low potential for value appropriation and by government actors because externalities can be extremely localised benefiting powerless segments of the population. Social entrepreneurs, due to their motivation to create value without concerns to the amount they appropriate, will do enter those areas of activity where the more severe market and government failures occur (Santos, 2009).

Working in close collaboration with local communities, social entrepreneurs develop partnerships with governments, companies, and charities. Most important they aim at influencing governments to create legislation that legitimates and supports their innovation.

The above mentioned characteristics of a social entrepreneur's activity suggest that an appropriate usage of suitable data and indicators among social entrepreneurs can be highly important for the success of their activity. Moreover, social entrepreneurs are often closer to their market or the social problem they are trying to address rather than policy makers, thus they benefit from a unique perspective in producing and interpreting data that is usually finely attuned to measuring impact and solving specific problems.

Data are needed to get information on the market, and on social problems and needs as well, both to start-up and improving business, but also to measure and evaluate the activity impact in order to promote collaboration or get finance, often through crowdfunding. Moreover, providing people with information and data can be also the core activity of a social entrepreneur, such as the production and systematisation of open data or the development of linked open data portals. Finally, data can be used to measure and communicate the overall phenomenon of social entrepreneurship to increase the visibility of social enterprises and trust in their activities, particularly for policy makers (Hutchinson et al., 2015a).

In this context, digital technologies and liquid data can be key factors for the development of social enterprises. However, they still face a number of core questions such as access, usefulness, representativeness, privacy and safety, lack of skills or infrastructure.

Given the market-oriented and less institutional nature of these social actors, they are traditionally less used to collaborate with National Statistical Institutes and trusting the data is a major preoccupation for social entrepreneurs. It applies to all data, whether

official or not, even if public data seemed more trustworthy and thus more used than private data (Hutchinson et al., 2015b). To this end, greater and new forms of collaboration with NSIs would increase social entrepreneurs' data availability, releasing financial resources for their social core business. At the same time, NSIs would be stimulated to make their statistical production more relevant and timely for these actors, and, thanks to digital technologies, to further improve their ways of visualising and disseminate data, allowing an easier and interactive access to data by social entrepreneurs.

4. The recognition of the crucial role of social entrepreneurs and CSOs by the European Union

Both social entrepreneurs and CSOs are a relatively recent phenomenon which is rapidly increasing and gaining a more and more important social role, as acknowledged by the European Union. A formal recognition at a European level is needed to legitimate the third sector activity and to create a regulatory environment to overcome the legal and administrative constraints they have to cope with.

As for social entrepreneurs, the European Commission has recognised the importance of creating a favourable climate for social enterprises, as key stakeholders in the social economy and innovation, by issuing a Communication on Social Business Initiative². The Commission considers the social economy and social innovation its main concerns, in terms of territorial cohesion and the search for new solutions to societal problems, in particular the fight against poverty and social exclusion, contributing to reach the objectives of Europe 2020 Strategy. Social enterprises contribute to smart growth by responding with social innovation to needs that have not been met yet; they create sustainable growth by taking into account their environmental impact and by their long-term vision. Moreover, the related action plan adopted by the Commission aims at supporting social entrepreneurship in Europe, facilitating access to private funding, mobilising EU funds, increasing the visibility of social entrepreneurship, reinforcing the managerial capacities, professionalism and networking of social businesses.

With regard to the civil society organisations, the EU support is essential considering their twofold role. From one side, their experience and specialised knowledge can have a positive impact on decision-making, resulting in better and more valuable policies; from the other side, they play an important function in helping the wider public to understand

² European Commission, 2011.

and engage with decisions, and therefore to implement them more effectively. The European Economic and Social Committee (ESSC), “a bridge between Europe and organised civil society”, is the ideal forum at EU level for representing civil society organisations, putting forward their views and feeding information back to them.

In this regard, within the increasing of its support to CSOs, the European Commission has made a proposal focused on three priorities: 1) promoting a conducive environment for CSOs in partner countries so that they can fully play their role in the delivery of social services, transparency and good governance advocacy and contribute to policy making; 2) promoting a meaningful and structured participation of CSOs in domestic policies of partner countries, in the EU programming cycle and in international processes; 3) increasing local CSOs' capacity to perform their roles as independent development actors more effectively.

In conclusion, targeted European policies, characterised by a comprehensive and integrated approach, would bring benefits in terms of a major support to those actors, and thus the possibility to increase their social impact. This kind of policies requires certainly a wide knowledge of the phenomenon based also on relevant and accurate statistics³. However, the enormous diversity of kinds of entities potentially included in the concept of third sector and the wide variety of terms used to describe it make the analysis of the phenomenon highly difficult. In any case, their crucial role in pursuing European goals and priorities cannot be underestimated.

5. From competition to collaboration between NSIs and third sector

Being the availability of data a crucial factor for the success of their activity, and the official statistics not always suitable for their informative needs, social entrepreneurs and CSOs are often forced to produce the data needed by themselves. Thus, there is a big production of non-official data and indicators, both ad hoc produced or indirectly processed on the basis of the massive availability of open data, which proceed in parallel with or complement the official statistics (Calza et al., 2016). In this sense, the third sector may behave as a sort of competitor of NSIs, although they often have to cope with the lack of experience and specific expertise on the matter. NSIs cannot undervalue this

³ “Third Sector Impact” project, Seventh Framework Programme, European Commission, represents a valuable effort to conceptualise the third sector and to develop cross-country comparative data in Europe, <http://thirdsectorimpact.eu/>

phenomenon and can take up the challenge of playing their key role to provide knowledge in support of civic initiatives to pursue social aims. Besides the problem of data availability for social entrepreneurs and CSOs, NSIs, as producers of official statistics, can give a valuable contribution in terms of quality. Moreover, NSIs can guarantee the rationalisation of data and information, through the construction of metadata, that, representing the field structure of a database, allow data to be accessible and understandable as concepts by different classes of users.

Against this background, a closer collaboration between NSIs and third sector would be a useful solution bringing mutual benefits. As well, the Lisbon memorandum⁴ has underlined the importance of other data sources as a support and complement to official statistics, the valuable opportunities of using a combination of new and traditional data sources within solid statistical frameworks to produce fit for purpose indicators, and the need for a close cooperation between official statisticians and other analysts.

Within this framework, the traditional role of NSIs as producers of official statistics at the service of society can be further strengthened if they will operate taking into account the new emerging information needs expressed by society at large, in some cases not fully represented in the current national and European statistical programmes.

Of course, to take up the challenge, NSIs have to significantly invest in terms of human resources, digital technologies, statistical and IT methodology, and also to strengthen the collaboration among themselves in sharing best practices and experience. The current situation requires NSIs to react as quickly as possible to adapt to the new emerging needs and to catch the opportunity given by the explosion of open data and digital technologies. In addition to that, NSIs have to perform with great flexibility and be willing to re-organise rapidly, and also re-thinking their traditional statistical programmes, integrating traditional statistics with new ones tailored to the novel needs.

6. Conclusions

In a context characterised by new social needs and thus by changing data needs, official statistics has to cope with its limits in measuring complex social phenomena using suitable statistical indicators. Nevertheless, human and financial investments have to be made by NSIs to deal with this challenge which is, at the same time, an opportunity to keep their leading role in producing data and information at the service of society.

⁴ [Lisbon Memorandum](#) (2015)

New actors from the third sector are playing an important role in the social and economic landscape. They are Civil Society Organisations and Social Entrepreneurs that are involved in solving social and economic problems and promoting civic engagement, democracy and social cohesion, as formally recognised at a European level too. To meet these important tasks, a wider use of data is essential, although these new actors still encounter barriers in accessing data because of legal constraints and the lack of proper statistical and IT skills. Against this background, a closer collaboration between NSIs and third sector would be a useful solution to bring mutual benefits. From one side, the CSOs and social entrepreneurs would profit from the expertise of NSIs which produce data and information complying with quality issues. From the other side, NSIs would be encouraged to investigate on other data sources as a support and complement to official statistics, through a combination of new and traditional data sources within solid statistical frameworks to produce fit for purpose indicators.

To take up the challenge, a series of investments and actions by government and mostly by NSIs are necessary to develop capacity in this area. Mostly important, a cultural change by official statistics producers is essential to drive NSIs policies towards a wider collaboration with the third sector. Maybe this collaboration can lead to new scenarios whose developments are not predictable at the moment. But in the current situation this is the only solution to avoid that the gap between official and non-official statistics would become unmanageable. In any case, this is a valuable occasion for NSIs to improve their role in providing knowledge in support of civic initiatives that pursue social aims.

7. References

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