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IMPROVING PUBLIC CULTURE THROUGH THE EVALUATION OF OUTCOMES AND VALUES IN SOCIAL ENTERPRISES

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INTRODUCTION

The social achievements of social enterprises have a double nature as social projections of values that they intend to disseminate, and as its outcomes, which should produce impact, as benefits. This is the core of social management, to render values and to produce public goods for mission accomplishment. This peculiarity suggests that the evaluation must consider the bonds among the reproduction of values and the impact of benefits. The evaluation literature gathers many successful efforts to construct methodologies to match impact and economic evaluations. Although the technical procedures are well established, some interpretative questions deserve our attention, as the intangibility of benefits, and the limitation of methods adapted from the broadest area of public policies. The purpose of this paper is to suggest an evaluation framework of mission accomplishment, resulting from a mapping of public goods produced by social enterprises achievements. It is done by approaching the results of social management as values and benefits entangled in a public space endowed with some attributes. We emphasize in this paper the theoretical works of H. Putnam and A. Sen and present as example a project evaluated in Belo Horizonte, MG, Brazil.

1. THE PROBLEM AND ITS CONCEPTS

The evaluation of economic and impact performance of welfare program results developed by social enterprises is often considered as a requisite of external financial agencies and internal management process, to gauge the effectiveness of outcomes and the efficiency of cost-benefit relation.

In the evaluation literature we found many efforts to develop methodologies and approaches that could measure the impact, the benefits, and the outcomes produced by organizations that work fundamentally guided by its social mission. This is the case of social enterprises, where the *mission* is a social construction and its statement communicates to the society the private vision of a social group on a social issue as a political representation of solutions, opportunities, actions and targets, and in this sense, turns visible the public interest. The expectations, needs, capacities, interests, and rationales (*ENCIR*, for short) of the social group, expressed in the organizational mission, are projected onto its action, as an external phenomenon that makes these organizations, local and worldwide, so important in present times, because it introduces public values as guidance parameters of action.

But the mission also communicates to the organizational management the hybrid nature of the public space the organization belongs to and the hierarchical values that lead the people representative to its purpose (Evers: 1993) and (Cabral: 2005). The *ENCIR* now induces, as an internal phenomenon in the organization management, the recognition of the social life with its asymmetrical aspects, which have to be handled as social forms of development of collective and solidary ways of management of social issues. These aspects include the contribution, to the art of management, of many different disciplines as economics, sociology, political science, law, anthropology, history, psychology, and others.

The *social management* in this field is then a social and economic mode to produce goods and also to reproduce human values in an entangled relation where social enterprises achievements have a double nature as social projections of values they intend to disseminate, and as outcomes,

which should produce impact, in terms of benefits. Following a previous work of one of us (Cabral: 2005) we need three more concepts to identify the teleological peculiarities of management in this field of activities.

Social management renders these values and produce goods to fulfill the ENCIR of their *public constituencies* (founders, donors, employees, volunteers and beneficiaries). These are special groups of people with different and complementary ENCIR that must be individually recognized as autonomous actors. When social enterprises access many social resources (funds, work, donations, time, goods, capacities, and social entrepreneurship), they also access these different social groups and the organizational mission interprets the significance of social issues, as a paradigm of rationales. The results of social management as values and benefits are entangled in a *public space* endowed with an assembly of attributes: representation of collective interests; democratization; quality; effectiveness; visibility; public culture; universality; autonomy; social control; and sustainability. In this sense the goods produced are *public goods* because they connected to outcomes of mission driven organizations, are correlated in the public space with the attributes, and are consumed by those public constituencies.

Now we could ask how the singularities of this field impact evaluation. May we import methodologies and techniques from studies of public management, or from established methods of evaluation to be applied in the field of social enterprises? Our answer to this question is no. Another approach to evaluation may be proposed and experimentally checked, to bring into focus the social issues considering that social enterprises perform its activities through that kind of management that entangles benefits (as facts impacting public constituencies) and public values (as social representations) reproduced accordingly to the rationale expressed by its mission.

As one of us has shown (Cabral: 2005 and 2007) in his study of Brazilian organizations, social control is regarded as insufficient as a management process, and evaluation, although recognized as important, is far from being an available tool. In this sense we have in Brazil a low culture of evaluation. We don't mention operational difficulties, related to technical problems with personal data records, questionnaires, surveys and the constitution of control groups. The way to overcome them is to give a professional character to social management and to the evaluation process and it is beyond the purpose of this communication. Evaluation faces more fundamental problems in this area, and they are related to the recognition of evaluation and to the communications of its achievements as management tools.

The dilemma of this low culture of evaluation seems to be an alleged conception of intangibility of benefits, as the values and facts that impact the public constituencies at different social modes, may turn very hard to identify the focus of the evaluation. This presumed intangibility refers to the changes in the perception of values and the changes in the quality of life of the public constituencies, induced by the action of the social enterprise. The same conception has been addressing similar discussions in the area of evaluation of public policies and in the approaches to measure quality of life comparatively between countries. But in the field of social enterprises we have small groups, there is a social contiguity between the public constituencies, the actions are local, they live in the same area, and they share the values they aim to reproduce. Then evaluation, to be relevant, must be connected to management as a tool to find and communicate the impact on social enterprise's mission.

Technically it seems to be an opportunity to use multi-criteria analysis to construct social indicators and multivariate statistics to analyze data, but social enterprises, by its very nature, ask for something more. They need to take evaluation as an intrinsic management tool, linked with its interpretation of social issues they are acting on. They ask for answers on their mission completion. They must be confident on the congruence between social problems they identify and social solutions they promote, because this is the way they work. At this point, to improve the culture of evaluation it is important to say that evaluation looks for correlations between data and it is hard to apply to these correlations any causal significance. But the concepts of public good, social management, public space, and public constituencies may help us to interpret and to communicate technical findings, and so the evaluation of social enterprises may be an evaluation of mission accomplishment considering the peculiarities of the evaluated goods. What we need is a new framework to identify the focus of the evaluation and to interpret our findings in accordance with the social trends of this field, endowing with significance the evaluation findings.

2. THE ENTANGLEMENT OF VALUES AND THE EFFECTIVENESS OF OUTCOMES

The dilemma proposed by the intangibility of benefits request the examination of which outcomes are connected to values and how valuable are these outcomes. We have to answer questions as: how to measure values and expectations projected onto facts and results? How to establish a hierarchy of values? How to verify values components of an outcome that induce capacities, conditions, and accessibilities to the flourishing of public concerns? The argument is that neither the values, as judgments, nor the results, as identifiable facts are isolated. The theoretical conception of this idea has been developed by the American philosopher Hilary Putnam and is at the basis of the discussion provoked by the work of Amartya Sen on the measure of quality of life and social and economic development.

Putnam (Putnam: 2002) has shown, in a series of papers, the mistake of a dichotomy that imposes to values the condition of subjective judgments, insensitive to evaluation, and to facts the condition of empirical truth susceptible to be measured and took over as evaluation evidence. This conception was known as the Fact/Value Dichotomy and Putnam's argument to overcome it (Putnam: 2002, 397) shows that although there is a methodological distinction between facts and values, we could not factorize our achievements in a descriptive part, fitting to values, and an evaluative part, representing facts, because these facts are just considered as facts as they are endowed with these values, and so valuable for us. We could not take values only as part of truth where rationality is limited to describing, or classifying a collective opinion. Values must be considered as endowing facts with attributes that just make these facts valuable. For our purposes this is not a methodological question, but a matter of conception of evaluation as a measure of social choices that human beings could make when they live together.

The connection of Putnam's argument with the work of Sen (Sen: 1997; Nusbaum: 1995) and its relevance to the evaluation of economic development has been developed by Walsh (Walsh: 2003). Sen has shown that we can't judge the growth of social well being by measuring the attainment, or the utility of some acceptable economic pattern, because the claimed well being involves its own significance and its potential choice by human beings. The concept of *capabilities*, has been developed by Sen as a valuable function that indicates states of ability to achieve and to endow of significance the patterns of well being as part of living. This approach gives us the background to be aware of what kind of values outcomes have, and to envisage

which outcomes can realize the potentially well being of actual men living in society, the public constituencies articulated by a mission driven enterprise.

Social management mimics this conception when entails an entanglement between facts and values. This peculiarity suggests that the evaluation must consider the bonds among the reproduction of values and the impact of benefits considering outcomes as measurable objects and learning from its effectiveness the indicators that identify the communication of values. The evaluation is developed as the core of social management, elucidating the public constituencies' ENCIR in its relation to the goods produced, realized as public goods and not only as mere results.

Following this ideas it is possible to construct the evaluation framework that social enterprises ask for, similar to the *evaluative space* proposed by Sen (Sen: 1997) in his capability theory, to specify the public goods that must be taken as objects of value and, in this sense, can be evaluated. We propose for this framework the ensemble of values that are relevant to the social enterprise, in addition to the public space values (representation of collective interests; democratization; quality; effectiveness; visibility; public culture; universality; autonomy; social control; and sustainability) that gauges the flourishing of the public space through the mission accomplishment.

3. THE MAPPING OF PUBLIC GOODS AND THE EVALUATION FRAMEWORK

In this section we present an approach based on a mapping of public goods that entangles values and outcomes as benefits measured by indicators. We use as an example some preliminary results of the evaluation of a project, developed by FGR - Fundação Guimarães Rosa, a Brazilian social enterprise, founded by retired officers of Polícia Militar de Minas Gerais, in the city of Belo Horizonte. FGR promotes services, research and projects in public security, health, education, housing and social assistance. The *Portas Abertas (Open Doors)* is a social assistance project that promotes after school outdoor sport and recreational activities to children at risk aged 6 to 17. Five years ago there were boys and girls living in the central area near a square where they used to stay, spending their free time, and exposed to anti social behavior, drugs, and juvenile delinquency. Just across the square there was a police station with a wide and free leisure area. Through *Portas Abertas*, FGR aims to restore, in a new basis, a proximity relation between those children and the legal authority, the police station, to encourage the development of a responsible social behavior, free from risk. The admittance criterion is elementary school attendance. The square and the police station leisure area are now shared by 150 children, after FGR's intervention.

As an example of how to proceed exploring the entanglement of facts and values in evaluation, we present a parcel of an evaluation tool, a mapping of public goods of *Portas Abertas*. The starting point of the evaluation is to use this modified version of a logic model as a learning tool to design a connection between the expected benefits and the performed public goods. It is important to note that although we prescribe a logical dependence between the rows of the mapping, we refuse to establish a causal, or a consequential order to this relation. Any causal or consequential relation is a matter of social lives of those public constituencies in their respective interaction and could be assessed by other surveys or sociological inquiries. We are only arranging public goods perceived in the project and submitting then to a value perspective that imposes that we look for facts endowed with them. In this sense, this mapping is different from

the logic model that is induced by a causal perspective. Our purpose is to retain the values as the sink of the project development, because it is so in the social management.

To complete the rows of the mapping we first ask for assumed benefits as the fundamental values imposed by founder's conception on the social issue. In this sense we take guidance in logic model procedures, but substituting the causal, or consequential, relation by a value-based relation. Now it is possible to write the public goods, as the facts endowed with values, the fact/values objects, inscribed in the core of social management's interpretation of the project's realization. Following this prescription we have to ask about resources (budget, human resources, opportunity costs, etc.) and to suggest measurable outcomes (projected measurable changes) that will be indicators of the intended results, connected now as value components, valued by the project. The articulation between these program data, immediately induces the interpretation of public goods as the facts and values realized in public space; the benefits as their impact, measured by indicators designed as changes of outcomes; and the resources as the social costs accessed by FGR to accomplish its mission on the social issues. Table 1 resumes this idea, presenting some data of Portas Abertas.

Table 1 - The mapping of public goods

Resources	Activities	Public Goods	Outcomes	Benefits
FGR budget; Leisure area; Equipment; Volunteers; Donations; Opportunity costs	Education	Library; Use of time Safe environment; Trust in the staff;	School performance; School frequency; Age/Grade relation	Proximity to legal authority; Responsible behavior; Risk reduction
	Protection	Fairness and self-esteem Family alliance; Social skills	Reduction of family conflicts; Protection from crime; Awareness of values; Reduction of use of tobacco and alcohol	
Social Costs	Social Issues	Facts and Values	Indicators	Impact

This mapping is an enlightening experience to bring into focus some constraints we have to make explicit to monetize social benefits. If the mapping establish the bonds between facts and values, as actual outcomes, the process of impact monetization encompass the metamorphosis of the same elements regarding another value – money, as a universal equivalent measure – endowed with a social significance in terms of work, capital and also in terms of quantifiable belief of its reproduction and communication.

With this framework in mind we can translate public goods in terms of mission accomplishment; resources, in terms of facts and values produced and reproduced; and communicate to the public constituencies how the technical procedures of economic and impact evaluation may be used and what they signify as management tools. We can sum social costs, monetize the impact, measure value indicators through Likert scaled questions, questionnaires and surveys, and analyze the results through statistical methods with treatment and control groups as is usual in evaluation. The evaluation findings clear up the goods produced and values transmitted, as public goods resulting from the social enterprise capacity to access resources, work and people in a public perspective. Its communication to the public constituencies preserves the significance of their ENCIR, as their comprehension of social enterprises' mission.

In Table 2 we present the ensemble of ENCIR as the public constituencies' perceptions of shared values that must be attained by the project Portas Abertas. From the operational point of view it is a useful tool to design the evaluation and drive questions. But, as an evaluation framework these findings enlighten, in the sense of our arguments on the bonds of values and facts, the values considered as valuable by the public constituencies and them will endow with significance the facts acquired by the evaluation. We could now return to operational concerns and see that these are the values that must be assessed by the evaluation and must be focus of the evaluator's endeavour. Reading Table 1 and 2 together, we could say that the public constituencies realize their ENCIR through the production and consumption of public goods, reproducing values, measurable by the impact as a mission accomplishment index.

Table 2 - The mapping of public constituencies

	Expectations	Needs	Capacities	Interests	Rationales
Founders	Social issues	To accomplish the results	Social management	To share values. To fulfill outcomes.	Mission accomplishment
Families	Children education	Aid and support	To participate	To help their children	Protection
Donors	Risk reduction	Public image	Social investment	To share values	Social responsibility
Community	Risk reduction	Social cohesion	Support	Social development	Social cohesion
Employees	A good job	Wage	Personal skills	Personal achievements	Social outcomes
Volunteers	To contribute	Participation	Time	Well being	Participation
Police Department	Risks reduction	To show a social work	Human resources; Equipment	Recognition	Social cohesion
Children	Protection	Assistance	Happiness; Learning	Use of time	To participate

In this sense we have answered the questions proposed by Sen, (Sen: 1995): “*what are the objects of value? How valuable are the respective objects?*” If we consider the ensemble of facts, or *objects of value*, we are constructing the *evaluative space* that permits us to surmount a mere evaluation of an impact which, without these concerns, may be always submitted to the question: impact of what? This question follows from the vain excuses of an alleged intangibility of social enterprise’s objectives. In our approach to evaluation, the framework of values and facts ensures that the public goods are entailed to the benefits as the reproduction of values and connected, by social management to the production of measurable changes in the lives of these children. Then, the measurable impact, in the form of measurable indicators of change, is related to the mission accomplishment and may be taken as a measure of it.

CONCLUSION

In a country with a low evaluation culture the recognition that social enterprises act on a public space endowed with values is an enhancing approach to measure quantitatively the mission accomplishment. This reveals a new face of evaluation that surpasses the usual employment of its “market” or “state” methodological paradigms, with results that sometimes appear insufficient external patterns to gauge a mission driven social management. Evaluation performs a communication agent between the public constituencies referring to the enterprise’s public nature and, in this sense improves the public culture in this field. Our contribution, in more technical aspects, also permits an improved monetization of economic benefits and a more precise measurement of impact, as it considers the ensemble of public constituencies and the valuation of public goods endowed with social and economic values. The point to be emphasized is that our results contains both values and facts, valuable as money in the economic perspective and valuable as social values through their impact on public constituencies. In the case of *Portas Abertas* we propose an index of social impact to measure risk reduction on the beneficiaries and their families; an index of access to public goods and quality of this goods as perceive by those public constituencies, to measure these aspects from the perspectives of founders, donors, employees, volunteers and beneficiaries; and an index of sustainability to measure the economic and political capacity of all public constituencies to sustain *Portas Abertas* in the sequel. By monitoring these indexes FGR may have a measure of its mission accomplishment.

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