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Classification of Social economy organizations

Edith Archambault

For it is not a question of linking consequences, but of grouping and isolating, of analysing, of matching and pigeon-holing concrete contents; there is nothing more tentative, nothing more empirical (superficially, at least) than the process of establishing an order among things; nothing that demands a sharper eye or a surer, better-articulated language; nothing that more insistently requires that one allow oneself to be carried along by the proliferation of qualities and forms. And yet an eye not consciously prepared might well group together certain similar figures and distinguish between others on the basis of such and such a difference: in fact, there is no similitude and no distinction, even for the wholly untrained perception, that is not the result of a precise operation and of the application of a preliminary criterion.

Michel Foucault, *Les mots et les choses*, 1966

Introduction

Standard classifications were built to simplify the complex world of the corporate sector, to analyse the international exchange of goods, more than services, and to make cross-country comparisons of production sectors and products feasible. They date back to the beginning of international exchange and are much older than the first system of national accounts (Vanoli, 2002). On the mathematical point of view, classifications are embedded partitions. They introduce discontinuities in a continuous reality (from the smallest producer to the largest one, for example) under the following hypothesis:

- There is much more similarity between the items inside a category than between the items of two neighbouring categories
- The borderline or ambiguous cases have to be classified in one category and only one, in the same way anytime and anywhere
- The classifications are able to be aggregated or broken up as Russian dolls
- The standard classifications have to be revised periodically to include technical, institutional or organisational changes. These changes of the classifications introduce a discontinuity inside the time series Statistics. This is a great complication for historians or analysts of the long-term trends who have to link the successive time series. However classifications have not to be changed too often because the revisions break the time series statistics at the roots of economic and social policies evaluation and forecasts.

That is to say that standard classifications are artefacts and following their initial use, they fit the reality of corporate producers more than the reality of unincorporated enterprises owned by households; they also fit the reality of the government as a non market producer of collective or divisible services more than the production of services by the non-profit institutions.

However social economy entities are either market or non market producers and they must be included in the standard classifications (and they are, but not completely). In a first part we

will examine where they are in national accounts and what are the advantages and drawbacks of these classifications. In a second part we will try to go beyond this standardisation to examine the role of social economy to create or repair social ties and their impact on the whole society.

1 Advantages and drawbacks of standard classifications

In this part we will expose and criticize the standard classifications applied to social economy units in the System of National Accounts (SNA 1993 and SNA 2008). We will privilege the national accounting framework and classifications despite the periodical resurgence of the critics

which are common but, to a large extent, unfair—National accounting cannot do more than what it was built for (Vanoli, 2002). But it has two precious and irreplaceable qualities: it is unifying and empowering. Unifying because it makes comparable different human activities by their purpose or their location, and allows guaging them together in common quantitative scales. Empowering, because national accounting acts as a kind of grammar, universally accepted, the control of which allows to formalize, to estimate and to make diverse complex realities or badly perceived interdependences understood. Suitably dominated and civilized by decades of use, the national accounting is an instrument—open to complementary and qualitative data that humanize the monetary core framework (Archambault and Kaminski, 2009). This openness relies in particular in the satellite accounts (Stiglitz, Sen and Fitoussi, 2009)

11 Where are Social economy units among the institutional sectors of the national accounts ?

A main classification of national accounts is the repartition of economic actors among institutional sectors. This classification relies firstly on the main economic function of the unit (to produce, to consume, to finance...) and secondly on its main resource (sales, taxes, wages or other incomes). The guidelines of the international System of National Accounts (SNA 1993) as well as the more recent one (SNA 2008) and their application to European countries, [European System of Accounts](#) ESA 1995 and 2010, break up social economy units among all the institutional sectors² of national accounts according to the following scheme,

- Cooperatives³ and non-profit institutions⁴ (NPIs) the income of which comes mainly (more than 50% in ESA 1995) from the sales of the goods or services they produce at the market price are classified as “Non financial corporations” or “Financial corporations according to the kind of their product”. These social economy organizations must “continue to be treated as market producers as long as their fees are determined mainly by

¹ See in this book the chapter signed by Mertens and Marée.

² An institutional unit is capable of owning assets and incurring liability on their own behalf. They are centers of legal responsibility and of decision making for all aspects of economic life. These institutional sectors are grouped together to form institutional sectors on the basis of their principal function and main resources (SNA 1993, 2.19-20)

³ Cooperatives are set up by producers for purposes of marketing their collective output. The profits of such cooperatives are distributed in accordance with their agreed rules and not necessarily in proportion to shares held, but effectively they operate like corporations (SNA 2008, 4.41).

⁴ According to SNA non-profit institutions are legal or social entities created for the purpose of producing goods and services but whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them (SNA 2008, 4.83).

their costs of production and are high enough to have a significant impact on demand”
 The “Non financial corporations” sector includes also NPIs serving the interests of businesses and/or funded by them such as chambers of commerce or trade associations (SNA 1993, 4.58, 4.59)

- Insurance mutual societies are classified as “Financial corporations” providing life, accident, sickness and other form of insurance to institutional units or groups of units inside the subsector called “Insurance corporations and pensions funds”(SNA 1993, 4.97, 4.98) ”
- NPIs providing goods or more often services free or at price that are not economically significant to individual households are classified in the Government sector if they are mainly (over 50% in ESA1995) financed and controlled by government sector’s units. These non market NPIs are classified inside the state government subsector if they are controlled and mainly financed by state ministries or public agencies or inside the local government subsectors if they are controlled and mainly financed by local government units (SNA 1993, 4.62-63). In SNA 2008,” The determining factor is whether the unit is part of, or controlled by, government”and the criterium on the origin of the NPIs resources disappeared (SNA 2008 4.25). This major change between the two SNA will lower the NPIs classified inside the Government sector and broaden the NPISH sector.with independent NPIs mainly funded by the Government sector
- Small NPIs run by volunteers without a paid staff are included in the Household sector and their current expenses are considered as final consumption while these expenses are considered as intermediate consumption for the NPIs allocated to other sectors (ESA 1995, 2.88)
- Other non market NPIs - that is NPIs with at least one employee funded mainly by membership dues, donations or other earned income and/or mainly funded but not controlled by central or local government units - are classified in the Non profit institutions serving household sector (NPISH). This sector is composed on one hand of member serving organizations: professional or learned societies, political parties, labor unions, consumers associations, churches and religious societies, social, cultural, recreational or sports clubs...On the second hand another type of NPISH is composed of organizations created for a philanthropic or public purpose and not to serve the interests of their members; The resources of these charities relief or aid agencies are individual or corporate giving and public or international funding (SNA 1993, 4.65-67). NPISH is therefore a residual sector and many countries do not fill the NPISH accounts because of a lack of the basic statistical information; in this case, the operations of the NPISH units are either confused with those of households or simply overlooked

In national accounts, social economy is thus dispatched in the five institutional sectors, as summarized in Box 1

Box 1 : social economy in national accounts

Social economy organizations	Institutional sector of SNA 1993
Non financial cooperatives	Non financial corporations, S11
Market Non-profit institutions	Non financial corporations, S11

Cooperatives and mutual banks, savings and loans and other SE financial organizations	Financial corporations, S12
Insurance and health mutual societies	Financial corporations, S12
Non market NPIs [mainly funded and] controlled	
by Government units	General Government, S13
NPIs with no employee	Households, S14
NPIs not elsewhere classified	Non-Profit Institutions Serving Households (NPISH), S 15

Source: Archambault and Kaminski, 2009

The advantage of the SNA classification of institutional sectors is that all producers and consumers are inside one institutional sector and only one. All economic transactions are described in a sequence of current and accumulation accounts and balance sheets; with balancing items that form important aggregates such as value added, operating surplus, disposable income, saving and net worth.

The first obvious drawback of this classification is that the economic weight of social economy cannot be seized because of its fragmentation among the institutional sectors. The 2008 SNA affords a considerable improvement for NPIs: it recommends that both financial and non-financial corporations will be disaggregated to show non-profit institutions as separate subsectors to facilitate the derivation of a satellite account for NPIs (SNA 2008 4.35). A similar distinction is made for general government sector where NPIs may also be separately identified. Another more general drawback is that economic exchange is privileged over other functions of social economy units: Purely social ties, influence or political role are out of the scope but could be reintroduced by specific indicators in a Social economy satellite account.

To overcome these disadvantages and facilitate the building of a NPIs satellite account, the new SNA 2008 states:

“Like the 1993 SNA, the 2008 SNA assigns non-profit institutions (NPIs) to different institutional sectors, regardless of motivation, tax status, type of employees or the activity they are engaged in. Recognizing the increasing interest in considering the full set of NPIs as evidence of “civil society”, the 2008 SNA recommends that NPIs within the corporate and government sectors be identified in distinct subsectors so that supplementary tables summarizing all NPI activities can be separately derived”(SNA, 2008, 4.35 and Annex 3. 17)

1.2. What do social economy units produce?

In the analysis of the economic functions of corporations or unincorporated enterprises two international classifications are in use; the International Standard Industrial Classification of economic activities (ISIC) and the Central Product classification (CPC). Generally a product matches with an activity but not always. There is not a one to one correspondence between activities and products: certain activities produce more than one product (join-products) and a product may be produced by using different techniques of production (2008 SNA, chapter 5).

Therefore CPC is more detailed than ISIC (five levels for CPC and four for ISIC).

1.2.1 The International Standard Industrial Classification of economic activities (ISIC)

Corporations and other enterprises including general government entities, NPISH and other social economy enterprises are classified according to their principal activity⁵ at the lowest level of the ISIC classification. These activities are grouped in industries; an industry gathers enterprises engaged in the same activity at the lowest level of the classification and in similar activities at most aggregated levels. The industries of ISIC (and its implementations to regional areas, NAICS for North America and NACE for Europe) are built according to three criteria, by declining importance:

- The physical composition and the stage of fabrication of the good or service
- The use of the good or service
- The inputs, process and techniques of production

Of course bullets 1 and 3 fit more to the production of goods and bullet 2 of services. ISIC and its twin, the Central Product Classification, are frequently revised because they become quickly obsolete with technical progress: for example many IT products or e-trade and on-line services were added to the last version ISIC rev 4, presented at the most aggregated level in Table 2.

Table 2 International Standard Industrial Classification of All Economic Activities, Rev. 4

<http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=27&Lg=1>

- A - Agriculture, forestry and fishing
- B - Mining and quarrying
- C - Manufacturing
- D - Electricity, gas, steam and air conditioning supply
- E - Water supply; sewerage, waste management and remediation activities
- F - Construction
- G - Wholesale and retail trade; repair of motor vehicles and motorcycles
- H - Transportation and storage
- I - Accommodation and food service activities
- J - Information and communication
- K - Financial and insurance activities
- L - Real estate activities
- M - Professional, scientific and technical activities
- N - Administrative and support service activities
- O - Public administration and defence; compulsory social security
- P - Education
- Q - Human health and social work activities
- R - Arts, entertainment and recreation
- S - Other service activities
- T - Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use

⁵ In case of multi activity, the principal activity is the determined by the largest part of value added (or by default the largest part of the turnover or the employees)

- U - Activities of extraterritorial organizations and bodies

Source: SNA 2008, Annex 1

Social economy entities are not everywhere in ISIC. Their position in this classification varies according to countries, but in developed countries, they are found in few industries. In a nutshell, social economy units are nearly non-existent in the B to E; O and S to U industries. They are numerous in the agriculture forestry and fishing, financial and insurance, education, human health and social work and finally arts, entertainment and recreation industries. In other industries, they are rare, but present or absent according to countries.

The main interest of this classification is to compare cross-country the structure of social economy, because the detailed explanatory notes included in every classification are a guarantee that, roughly speaking⁶, all countries allocate the same activities to the same industries. It allows as well **comparing** the social economy entities with other companies, to calculate their “market share”. Table 3 gives an example of this utilisation for France

Table 3 Employment in social economy as percentage of total employment by industries, 2010

Industries	% of total employment
A - Agriculture, forestry and fishing	4.4%
B to F Manufacturing industries + construction	1.1%
Of which Manufacture of food, beverages and tobacco products	4.7%
G to I Trade, transportation and accomodation	1.8%
Of which Trade	1.9%
K Financial and insurance activities	30.2%
J, L to N Information, real estate, professional and support activities	4.2%
P Education	20.0%
Q Human health and social work activities	18.6%
Of which human health	11.4%
Of which social work	62.4%
R Arts, entertainment and recreation	42.9%
TOTAL Social economy	10.3%

Source : INSEE-CLAP Tableaux harmonisés de l'économie sociale 2010

In this table we can see that social economy mainly produce services in France as everywhere. The French production of goods by cooperatives is concentrated in agriculture and food manufacturing. Cooperatives and mutuels are very active in the financial and insurance industry while non-profit institutions have a significant share of the service industries connected to the welfare state : education, human health and mainly social work activities. Arts, entertainment and recreation services are mainly run by associations

To produce services, the main input is work. Paid employment is clearly classified among

⁶ Car dans le cas de comparaison bilatérale ou multilatérale, il faut observer les interprétations des statisticiens des normes du SCN dans chaque pays.

labor intensive service industries, but volunteer work, a major input for associations, foundations (and of minor importance in mutuals and cooperatives) is overlooked. As volunteering is not proportional to paid employment among the diverse activities, the structure of activities of the NPIs and therefore of the social economy is biased. It is a first disadvantage of this classification.

Another one is that the ISIC classification by main economic activity is little adapted to the NPIs the main object of which is of social or societal order as well as to those who defend causes more than they provide services. This classification was indeed designed to describe finely the market economy and they detail more the production of the goods than of the services. Periodically revised to take into account the appearance of new goods and services under the influence of the technical progress, they remain badly adapted to the nonmarket production of government and the bulk of the NPIs services. The more recent classifications, ISIC Rev 4 and CPC, ver. 2, are in progress comparing to their predecessors, but they remain marked by their origin.

1.2.2. The Central Product Classification (CPC, ver 2)

As said before, CPC is consistent with ISIC, but more detailed, with a large span but not thorough one to one correspondence. CPC ver 2 offers especially an interesting breakdown of the community, social and personal services corresponding to the social work activities in the 932 to 935 codes, presented in table 4

Table 4 Breakdown of community, social and personal services

<p>Hierarchy</p> <ul style="list-style-type: none"> • Section: 9 - Community, social and personal services • Division: 93 - Human health and social care services <hr/> <p>Breakdown:</p> <p>This Division is divided into the following Groups:</p> <ul style="list-style-type: none"> • 931 - Human health services • 932 - Residential care services for the elderly and disabled • 933 - Other social services with accommodation • 934 - Social services without accommodation for the elderly and disabled • 935 - Other social services without accommodation
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Source: SNA 2008, Annex 1

Another decisive improvement for the classification of NPIs relies in the breakdown at the finest level of the services provided by “other membership organizations non-elsewhere classified”. This residual position (code 9599) is in most of the countries too often plethoric, reflecting as much the maladjustment of the classification as the difficulty of determining the main activity of a multiactive organization or still the laziness of the coder... This breakdown whose interest relies in the five digits subclasses is presented in Table 5.

Table 5 Breakdown of the Services furnished by other membership organizations

Hierarchy

- Section: [9](#) - Community, social and personal services
- Division: [95](#) - Services of membership organizations
- Group: [959](#) - Services furnished by other membership organizations
- **Class: 9599 - Services furnished by other membership organizations n.e.c.**

Breakdown:

- [95991](#) - Services furnished by human rights organizations
- [95992](#) - Services furnished by environmental advocacy groups
- [95993](#) - Other special group advocacy services
- [95994](#) - Other civic betterment and community facility support services
- [95995](#) - Services provided by youth associations
- [95996](#) - Grant-giving services
- [95997](#) - Cultural and recreational associations (other than sports or games)
- [95998](#) - Other civic and social organizations
- [95999](#) - Other services provided by membership organizations

Source: SNA 2008, Annex 1

1.2.3 The International Classification of Non Profit Organizations

To fill the gaps of the ISIC rev 3⁷, the international research team of the Johns Hopkins Comparative Non-profit Sector Project was thus brought to test (and adopt because it was efficient) a specific classification in its object: the International Classification of not Profit Organizations (ICNPO). This ad hoc classification, which contains 12 groups and 30 subgroups, fits into ISIC and CPC. This embedment has a double advantage:

- According to the uses and specificities of each country, the subgroups can receive titles which make sense in a country: the addition of subgroups of “popular education” or “social tourism” for example, within the group culture and leisure activities makes sense in Nordic and French-speaking countries.
- The ICNPO classification is relevant only for the NPIs; if the scope is widened to the whole social economy, its join in ISIC allows to report specific activities of cooperatives and mutual companies: food-processing industries, trade, insurance and financial activities mainly.

Table 6. International Classification of Non Profit Organizations (ICNPO)

<p>1 Culture and recreation</p> <p>11 Culture (media and communication, arts, performing arts; museum, learned societies)</p> <p>12 Sports</p> <p>13 Recreation (recreation , social tourism, service clubs)</p>
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⁷ ISIC rev 3 was in use before ISIC rev 4. The later benefitted of the critics addressed to the former

2 Education and research 21 Primary, secondary and higher education. 22 Other education (training and adult education, alumni, parent-teacher NPIs)
3 Health 31 Hospitals and rehabilitation; nursing homes 32 Other health services (crisis intervention, sanitary education, emergency, self help)
4 Social services 41 Residential homes (for the disabled, elderly, homelesses...) 42 Social services without accommodation (income support and material assistance, day care, child and family welfare, home services; emergency and relief charities)
5 Environment (pollution control, natural resources conservation, animal protection)
6 Development and housing 61 Economic, social and community development 62 Building or rehabilitation; housing of students, workers...and assistance 63 Employment and on the job training, vocational rehabilitation
7 Law, advocacy and politics 71 Civic and advocacy NPIs 72 Law and legal services (crime prevention and rehabilitation, victim support, consumer protection) 73 Political organizations
8 Philanthropic intermediaries and voluntarism promotion
9 International activities (exchange programs, development assistance and relief)
10 Religion (religious congregations and associations)
11 Business and professional associations and labor unions
12 Not elsewhere classified

Source: Salamon, Sokolowski and associates, 2004

To experience, this classification mainly based on the nature of services provided showed itself well adapted to its object, because the residual category 12 was void in most of 36 countries which participated in the phase 2 of the project. Indeed the quality of a nomenclature is conversely proportional in the size of the residual category. That is why this classification was adopted, with minor modifications by the Handbook of Non-profit institutions in the System of National accounts published by the United Nations Organisation in 2003.

1.3 What kind of functions do social economy entities fulfil?

Functional classifications are proposed in the SNA to identify the purpose or the objectives of non-market producers (central and local governments and non-profit institutions serving households (NPISH), a major part of social economy entities. These classifications show in principle how government and NPISH cope with the needs of the population through the provision of collective goods or private goods with positive externalities.

For NPISH, the classification of the purposes of non-profit institutions serving households (COPNI) would describe the various outlays of NPISH splintered according to the social need fulfilled. Practically most countries do not collect such detailed information on these entities and COPNI is not really in use. It is a pity, because the COPNI of 2008 SNA is more detailed than its predecessor in 1993 SNA and much nearer to ICPNO.

Table 7. Classification Of the Purposes of Non-Profit Institutions Serving Households (2008 SNA)

<ul style="list-style-type: none"> • 01 - Housing <ul style="list-style-type: none"> ○ - Housing • 02 - Health <ul style="list-style-type: none"> ○ 02.1 - Medical products, appliances and equipment ○ 02.2 - Outpatient services ○ 02.3 - Hospital services ○ 02.4 - Public health services ○ 02.5 - R&D Health ○ 02.6 - Other health services • 03 - Recreation and culture <ul style="list-style-type: none"> ○ 03.1 - Recreational and sporting services ○ 03.2 - Cultural services • 04 - Education <ul style="list-style-type: none"> ○ 04.1 - Pre-primary and primary education ○ 04.2 - Secondary education ○ 04.3 - Post-secondary non-tertiary education ○ 04.4 - Tertiary education ○ 04.5 - Education not definable by level ○ 04.6 - R&D Education ○ 04.7 - Other educational services • 05 - Social protection <ul style="list-style-type: none"> ○ 05.1 - Social protection services ○ 05.2 - R&D Social protection • 06 - Religion <ul style="list-style-type: none"> ○ 06.0 - Religion • 07 - Political parties, labour and professional organizations <ul style="list-style-type: none"> ○ 07.1 - Services of political parties ○ 07.2 - Services of labour organizations ○ 07.3 - Services of professional organizations • 08 - Environmental protection <ul style="list-style-type: none"> ○ 08.1 - Environmental protection services ○ 08.2 - R&D Environmental protection • 09 - Services n.e.c. <ul style="list-style-type: none"> ○ 09.1 - Services n.e.c. ○ 09.2 - R&D Services n.e.c.
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Source: SNA 2008, Annex 1

A potential advantage of COPNI is the inclusion of the R&D services into their object. Advocacy services have the same treatment. COPNI is also well fitted to the comparison of the respective role of government (through COFOG, the classification of total outlays of

government by function⁸) and NPISH in providing collective or quasi-collective goods. It is especially significant when the government units cannot or do not desire to provide these collective or quasi-collective goods/services. The comparison of COPNI with the Classification of individual consumption according to purpose (COICOP), is also feasible and significant in terms of welfare and living conditions of households.

Disadvantages exist as well: a purpose is less objective than a product, even if it is a service product, less material than a good. A purpose has to be declared and the declared purpose can be different of the effective product. Finally, how to deal with multipurpose NPIs? The main activity of a multiactive company can be determined by the part of its value added or turnover (in default employment) devoted to this activity; it is impossible to do the same with multipurpose NPIs and that is why there would be an inflation of the residual category 09, services non elsewhere classified.

⁸ United Nations Statistics Division, *Classification of the Functions of Government*, online : <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=4&Top=2&Lg=1> (site visited on July 26 2013).

2. Beyond the standard classifications

2.1 Measuring the social ties that Social economy units create

The standard classifications are made to serve the national accounts that is to describe all the transactions which take place during one year in a country and contribute directly or indirectly (through intermediate production) to the gross domestic product (GDP) of the country. Therefore they overlook the social ties that market transactions and non-market cash or in kind transfers afford. For social economy entities, of course, these social ties come first because they associate persons contrary to stock companies and corporations. That is why social economy units are the building blocks of the social capital as Putnam showed it (Putnam, 2000). These social ties are rarely measured but if they are, specific classifications are needed according to the governance and the ownership of the social economy unit.

2.1.1 Measuring the membership of Social economy

Firstly, in producers' cooperatives members are generally owners and producers in the same time (but some shareholders are not producers). Secondly, in most cooperatives and mutual insurance companies (consumer cooperatives, cooperative or mutual banks, mutual damage, health or life insurance) and inside those NPIs who work in their members' interest, members are clients and owners at the same time. Thirdly in cooperatives who gather independent workers or unincorporated companies or corporations (such as farmers, craftsmen or traders), the members are either clients for intermediate products or sellers of their own product and they are owners of the cooperative in the same time.

In these three categories this double quality of the members generate social ties by frequent meetings including the annual general meeting of members where the governing body of the organisation is elected and accounts of its activity, results and management. Of course the social ties are weaker in large social economy organizations than in the small ones.

Fourthly and by contrast, the two qualities of member and beneficiary are dissociated in the associations who work for the public interest or the common wealth⁹. However social ties are generated between members by the meetings, as in member oriented NPIs, but they are more intense when members become volunteers. Volunteering creates also social ties between volunteers and beneficiaries or clients.

⁹ Foundations have no members.

This distinction between these four categories of members could be the beginning of a classification of members. In spite of the interest of having data on their members/owners, the knowledge on the membership is better for NPIs than for cooperatives and mutuals, with some exceptions. The knowledge on the membership of NPIs is rather ancient in many developed countries, but the data are rarely comparable cross-country. However the data are comparable in the case of European Union owing to two surveys: the Survey on income and living conditions of households (SILC) or, less reliable, the European values survey (Figure 1). The breakdown of membership is done according to the socio-demographic characteristics of the members and the industry of the NPI whose they are members. Unfortunately, the ad hoc classification adopted to identify the industry in these regular surveys is rather rough and incomplete or obsolete¹⁰

2.1.2 Measuring and classifying voluntary work

Voluntary work is not yet inside the scope of national accounts. As households' services mainly provided by the free of charge work of women mainly, of men in a less extent, the services provided by the volunteers to social economy organizations are outside the border of the production in use. However 2008 SNA gives a theoretical wider definition of production:

“Economic production may be defined as an activity carried out under the control and responsibility of an institutional unit that uses inputs of labour, capital and goods or services... Activities that are not productive in an economic sense include basic human activities such as eating, drinking, sleeping, taking exercise etc., that it is impossible for one person to employ another person to perform instead “(2008 SNA 6.24-25)

Now the production of services by volunteers is indeed carried under the control and responsibility of a social economy organization that uses labour, capital and intermediate goods or services. In addition voluntary work answers the criterion of the third party because we can generally substitute it some paid work (Hawrylyshyn 1977). Volunteering is thus situated, as the household work, between the two borders, wide and narrow, of the production.

In addition, none of the following justifications of the SNA 2008 to exclude the own account production of services within households from the narrow borderline of the production is valid for the volunteer work of the social economy organizations:

- the relative isolation and independence of these activities from markets,
- the extreme difficulty of making economically meaningful estimates of their values,
- the adverse effects it would have on the usefulness of the accounts for policy purposes and the analysis of markets and market disequilibria (2008 SNA, 6, 29-30)

Indeed, the activities of the volunteers are independent neither from the market of goods and services nor from the labour market. It is not impossible to attribute an economic value in the time of volunteer work, because this work is socially organized and comparable more easily to paid work than the household unpaid work; its monetary valuation is thus less arbitrary (Archambault and Prouteau, 2009). Finally, the weight of volunteer time is much smaller than the household unpaid time, so it does not modify the labor market equilibrium. In addition, economic and social policy influences obviously the social economy organizations and the

¹⁰ For instance in SILC 2005: Health or social services organizations, charities; sports; culture; recreation; advocacy and lobbying associations; elderly clubs; unions and professional associations (SILC 2008)

volunteers; sometimes even social policies are discussed with the social economy organizations and experimented by them.

Therefore there is a trend to measure voluntary work inside mutual societies and non-profit institutions. Volunteer work is no doubt a major part of the “added value” of these organizations, even if in the most professionalized it is reduced to the volunteering of board or other elected members. Volunteers are frequently members of the organization: one member over two fulfils some voluntary tasks, regularly or occasionally in most countries (SILC 2008) But membership is not a prerequisite: people can volunteer just a few times a year for special events through an organization they are not member of or even give time without pay regularly without being a member of the organization they work for.

As existing surveys on volunteering are neither regular nor comparable, the International Labor Office (ILO) asks in a recent Manual on the measurement of volunteer work to measure it according to the same methodology and the same classifications (ILO; 2011). We will present and criticize the definition, delimitation and classification of voluntary work included in the ILO Manual.

The definition proposed by the ILO Manual is the following:

“Unpaid non-compulsory work; that is, time individuals give without pay to activities performed either through an organization or directly for others outside their own household”¹¹. (2011 ILO, 3,5).

This international definition is more extensive than that of most of the existing surveys which concern only the organized volunteer work, while the definition of the ILO also includes the direct (or informal) volunteer work, the aid to other persons outside the volunteer’s household. But these two forms of volunteer work are clearly distinguished and separated and obviously, only the organized one is of interest here. Volunteer work can be conducted to benefit an assortment of causes, including people, animals, the environment and the wider community. It provides divisible as well as collective goods and services. And volunteering can benefit to other organizations than social economy namely government agencies, local communities, and even private companies outside social economy.

The borderline cases with other activities must be obviously discussed and cut. It is a principle of all classification. The ILO definition specifies firstly that the volunteer work is not compulsory by law or by physical force. Not compulsory according to the law, what excludes for example community works accomplished in substitution of a penal punishment. On the other hand a strong social pressure does not disqualify the volunteer work.

Secondly, the border between volunteering and leisure bases on the criterion of the third party (Hawrylyshyn 1977). To give free lessons of tennis, it is volunteering, because the volunteer can be replaced by a paid coach. To play tennis is leisure, recreation, because nobody can be paid to play instead of the player. The divide is not so clear however still: the criterion of the third party works badly for the most militant and the most charismatic activities. May I pay somebody to demonstrate in the street to defend a cause or visit an ill person in a hospital instead of me? These activities are yet considered as traditional volunteer tasks.

¹¹ UN, 2003, 4, 45 gives the following definition: “work without monetary pay or legal obligation provided for persons living outside the volunteer’s household”

Thirdly the border between volunteering and paid work is easy to make with paid employment because of the existence of a contract and of wage that makes the difference. It is more difficult with free-lance work especially when it begins and brings no earnings. But there are obviously intermediate situations between a wage-earner and a volunteer as well: the too generous reimbursement of expenses, the fringe benefits, the civic voluntary service of the youth indemnified below the minimum wage... It is doubtless necessary to put clearly the border in the simple defrayal on supporting documents.

Another border with own account service production is relevant mainly with direct (or informal) volunteering. But finally, for volunteering through an organization, the borderline with training or education has to be clarified as well. It excludes obviously the unpaid time spent to study because a student cannot pay somebody to study instead of her/him, but unpaid internships or students volunteer work in the social economy organizations or somewhere else is inside the scope of volunteering if it is carried out voluntarily but outside if it is compulsory, that is legally mandated to meet the examination requirement.

The ILO manual recommended approach to measure volunteering is to add a brief volunteer supplement to the Labour force survey, the most frequent and regular data collection program. Therefore, volunteer and paid work can be observed in the same industrial and occupational classification framework.

Because ISIC Rev. 4, and its national and multinational counterparts are the classifications used in labour force surveys, it is recommended as the classification structure to use for identifying the industry in which volunteer work occurs, particularly since ISIC Rev. 4 has incorporated at its finest level much of the detail originally available only in the ICNPO (cf above 1.2). But of course, ICNPO can be used as well and a detailed cross-walk between the two classifications is proposed in the ILO Manual.

The International Standard Classification of Occupations (ISCO-08) or its national or regional equivalents is recommended by ILO 2011 to classify volunteer work activities. This classification contains four levels, but the two first ones are sufficient for volunteer work. Hereafter, table 8 gives examples of volunteer occupations associated with ISCO major groups. ISCO-08 will make it possible to fulfil a reasonable degree of comparability in the data collected in different countries despite the various traditions of volunteering

Table 8 Examples of volunteer occupations associated with ISCO-08 major groups

ISCO major group	Examples of volunteer occupations
1. Legislators, senior officials and managers	Lead or manage a non-profit organization, association, union, or similar organization. Serve on a board of directors or management committee of a social economy organization Policy and research managers
2. Professionals	Develop emergency plans for a community Provide pro bono legal or dispute resolution services Manage a programme or organisation designed to collect and analyze data for public information Provide professional social work and counselling

	services
3. Technicians and associate professionals	Provide emergency medical care Take the lead in planning, managing, or organizing an event Coach, referee, judge, or supervise a sports team Teaching, training, or tutoring
4. Clerks	Interview other people for the purpose of recording information to be used for research Provide clerical services, filing and copying Help to provide technical assistance at a sporting or recreational event
5. Service workers and shop and market sales workers	Prepare or serve meals for a soup kitchen Contact people to advance a cause by going door-to-door Help and entertain children in a summer camp Sell in a charity shop
6. Skilled agricultural workers	Make improvements to the public green areas of a community, by planting trees and other nursery stock Care birds after an oil spill
7. Craft and related trades workers	Construction, renovation and repairs of dwellings and other structures in a cooperative or a community development non-profit Bicycle repair and maintenance in a sports club
8. Plant and machine operators and assemblers	Drive children to a sporting or recreational event Drive a film projector in an elderly club, a cine-club.
9 Elementary occupations	Collect trash, garbage and sort recycling materials Help to clean up after a sporting or recreational event for public entertainment Do odd jobs for a non-profit organization

Source: Adapted from ILO 2011, Table 5.1

What are the advantages and the drawbacks of ISCO? On the positive side, comparability comes first. Secondly crosswalks between occupations commonly performed by volunteers and ISCO are given by the ILO manual and crosswalks with its national or multinational equivalents can be developed. Such indexes are thus key instruments for matching the verbatim responses of the person asked for in surveys to appropriate codes of the classification. Finally ISCO facilitates the task of assigning a monetary value to the volunteer work by making it possible to use the average wage of the performed occupation.

The drawbacks of this classification exist as well. Firstly some occupations commonly performed by volunteers are difficult to classify: it is the case for example of the volunteers of the organizations without paid staff who are fulfilling any task: they lead and manage their

organizations and clean up after the meetings. This case is dominant in the bulk of countries. Other examples could be found in the most militant and expressive occupations. Secondly, when using the average wage of an occupation as the shadow wage of a volunteer, we suppose that the productivity of a volunteer and a paid employee is the same. That is obviously false (except the case of volunteering in the same occupation than one's job), because volunteers are generally less qualified than employees and they spend more time to socialize, to create social ties with the beneficiary of the service they provide.

2.2 Measuring the impact of SE entities needs to build ad hoc classifications

SE entities are more and more invited to account on their economic, social, environmental and societal impact to their stakeholders: owners, employees, volunteers, central and local public funders, donors... They have to evaluate their performance with other tools than the standard yardstick, the rate of profit. Accountability and evaluation lead to build multi-dimensional indicators included in reference classifications common to the organizations working in the same field, the same area or competing for the same bidding offer.

The useful classifications have to be built in partnership between the organizations and their partners. These ad hoc classifications of rules and targets can be embedded into standard classifications but it is not a necessary and sufficient condition, because cross-national comparison is no more an issue while it is benchmarking with organizations working in the same industry or towards the same public.. Of course these classifications are more normative than positive, but the indicators that observe the application of a rule or the completion of an action are positive. A good indicator has to be relevant to the purpose of the social economy organisation, simple to be understood by the stakeholders, including the volunteers, and calculated in the same way over a span of time long enough to present a reliable evolution.

Hereafter Table 9 shows how these indicators could be articulated to measure the social utility (or public interest) of social economy organizations (Gadrey, 2003) according to five multidimensional main themes, declined at two levels, the finest one consisting of one or more indicators.

Table 9 . Classification of a multidimensional social utility

Theme 1	Global criteria	Elementary criteria
Social utility with strong economic component	Created or saved economic wealth	<i>Lesser collective cost</i>
		<i>Indirect reduction of costs</i>
		<i>Contribution to the rate of activity</i>
	Territory	<i>Contribution to the economic dynamism</i>
		<i>Liveliness of the community, the district</i>
Theme 2	Global criteria	Elementary criteria
Equality, human development and sustainable development	Equality, development of "capabilities"	<i>Reduction of social inequalities</i>
		<i>Actions towards disadvantaged public</i>
		<i>Insertion of the long term unemployed in the employment</i>
		<i>Professional equality men/ women</i>
		<i>Modulated pricing for the services</i>

		<i>Right in the housing</i>
		<i>Remedial courses for children in trouble</i>
		<i>Resumed self-confidence</i>
	International solidarity, human development	<i>Actions for the development and struggle against poverty</i>
		<i>Defense of human rights</i>
	Sustainable development	<i>To improve the quality of the natural environment</i>
<i>To protect natural resources</i>		

Theme 3	Global criteria	Elementary criteria
Social link and local democracy	Social link	<i>Creation of social links</i>
		<i>Mutual aid, local exchanges of knowledge</i>
		<i>Positive impact of the social capital</i>
	Local democracy	<i>Participative dialogue, process of pluralistic decision making</i>
<i>Voicing of opinions of the citizens</i>		

Theme 4	Global criteria	Elementary criteria
Contributions in the social, economic and institutional innovation	Innovation	<i>Discovery of emergent needs</i>
		<i>Innovative ways of coping with unsatisfied needs</i>
	Value of the "world" of the creation	<i>Institutional innovations</i>
		<i>Organizational innovations</i>
		<i>Distinction of the internal and external innovations</i>

Theme 5	Global criteria	Elementary criteria
Internal social utility with possible effects of external contagion	Not for profit, giving and volunteering	<i>Non-profit management</i>
		<i>Volunteer board</i>
		<i>Voluntary action</i>
	More democratic and alternative governance	<i>Rules of internal democracy and joint participation</i>
		<i>Free membership: free entrance and free exit</i>
		<i>Volunteers professionalism</i>
	Associative professionalism	<i>Cooperative internal training</i>
		<i>Social and wage acknowledgement</i>
		<i>Internal and external trainings</i>

Source: Archambault, Accardo, Laouisset, 2010 , adapted from Gadrey, 2003.

The partnerships between the central or local governments and social economy organizations are institutional arrangements regulated by rules, formal and informal, and procedures. Several authors developed typologies to analyse these institutional arrangements, the most famous of which is the classification of the rules governing the partnership by Ostrom and

Crawford, summarised by Elbers and Schulpen in table 10 (Ostrom and Crawford, 2005, Elbers and Schulpen, 2013)

Table 10 Classification of the rules and content of a partnership

Type of rule	Content	Key questions
Boundary	Entry and exit	Which type of actors may participate? Who decides who is in and who is out? Which criteria are used for selection?
Scope	Outcomes	What are the outcomes to be achieved? What characteristics should outcomes have?
Position	Roles	What positions exist? What responsibilities are associated with these positions?
Choice	Actions	What are the rights and obligations of different actors?
Aggregation	Decision-Making	What is the level of actors' participation in decision-making? On which topics do they participate and in which decision making stage?
Information	Information exchange	What type of information do actors have to exchange? How frequently do actors have to exchange information?
Pay-off	Performance	How is performance defined and measured? What are the consequences of excellent or poor performance?

Source : Elbers and Schulpen, 2013, adapted from Ostrom and Crawford, 2005

Conclusion

Classifications structure our vision of the reality. As Giddens pointed out structures are rules and resources at the same time (Giddens, 1984). Social economy has to stick to standard classifications when cross-country comparison is at the agenda and has to be innovative in classifications as in other fields, especially when it has to report on its specificity, its values, its volunteering and its alternative way of governance. But one should not ask classifications more that they can give.

As Michel Foucault said it in the quotation in epigraph of this chapter, a classification is “an institution of an order among things”. It is a way to put words on things (Foucault, 1966). As every institution it relies on the temporary agreement of the stakeholders (Desrosieres and Thevenot,2002) . But as Michel Foucault showed it in another book, an agreement or a rule has a self-disciplinary effect (Foucault, 1977) and the artefact may become a taken for granted truth.

The history of classifications (Guibert, Laganier and Volle 1971, Desrosières, 2000, Desrosières and Thevenot, 2002), and to a lesser extent this chapter, show how the classifications, these artefacts, shape our vision of the economic and social reality and overlook a part of this reality, namely social economy¹². To study the history of classifications or to multiply the classifications existing in the same time, each one adapted to its purpose, is a way to show how classifications are discretionary, as three statisticians express it in the following quotation:

¹² See in this book the chapter signed by Artis, Bouchard and Rousselière.

“The economist is not interested, if we allow us this image, in the glasses through which he sees the economy: he is interested on the other hand strongly in what he sees. To see the glasses which we wear, it is necessary to remove them at first, and it blurs the view: also, the discussions about the classifications bring to consider as fragile, modifiable, finally rather doubtful aggregates from which the solidity was guaranteed up to there. Outlines, clear previously, become unpleasantly fuzzy » (Guibert, Laganier and Volle, 1971).

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