

# On the Assessment of Social Impact. Approach to the state of the question *Sobre la evaluación del impacto social. Aproximación al estado de la cuestión*

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## Abstract

The objective of this article is to explore the concept of social impact, from the meaning attributed to the term, the fields in which it is used, as well as the existing methodologies for its calculation. In this way, and taking into account the existing professional and academic work, the aim is to establish a theoretical base as a frame of reference that allows the future development of a methodology for evaluating social impact. In this way and in relation to the term, a contextualization of the meaning itself is carried out to determine what is used. Likewise, the best-known methodologies that are considered, highlighting the differences between them and identifying possible shortcomings and the stages that may be improved. Given the growing importance of the impact assessment processes applied in economic, social and environmental terms, and at the same time taking into account what it was observed in this work, the existing methodologies have a lack of standardized model that offers quantitatively homogeneous results that allow comparison between entities, companies or projects.

**Keywords:** social impact, social indicators, voluntary sector, impact assessment methodology, social sustainability.

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## Resumen

El objetivo de este artículo es explorar acerca del concepto de impacto social, desde el significado que se le atribuye al término, los campos en los que se utiliza, así como las metodologías existentes para su cálculo. De esta manera y atendiendo al trabajo profesional y académico existente, se pretende establecer una base teórica como marco de referencia que permita el desarrollo futuro de una metodología de evaluación del impacto social. En este sentido y en relación con el término se realiza una contextualización de la propia acepción para determinar a que se alude con uso. Así mismo se consideran las metodologías más conocidas poniendo de relieve las diferencias entre unas y otras a la vez que se identifican las posibles carencias y las etapas susceptibles de ser mejoradas. Dada la creciente importancia de los procesos de evaluación de impacto aplicados en términos económicos, sociales y ambientales, y a la vez atendiendo en lo observado en este trabajo, las metodologías existentes carecen de un modelo estandarizado que ofrezca resultados cuantitativamente homogéneos que permita la comparación entre entidades, empresas o proyectos.

**Palabras clave:** impacto social, indicadores sociales, tercer sector, metodología de evaluación de impacto, sostenibilidad social.

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## Sumario

1. Introduction | 2. The extent of the impact | 3. Social Impact | 3.1. Social companies and Social entities | 3.2. Areas of action and affected groups | 3.3. Measurement Methods | 3.4. The use of indicators | 3.5. Social Impact Assessment | 3.6. Personal Narratives as a Complementary Source of Data in the Context of Social Impact | Conclusions | References

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## 1. Introduction

Social sciences have been using the measurement of the social impact of social activities or projects for quite some time already. Several authors, in various disciplines, have used the term. Despite the diverse definitions of the concept, it seems possible to establish a common denominator: the term impact is used to assess the effects produced by a specific action on a system or group of people, and a specific goal achieved. The term "social impact" has been associated with the effects produced by a certain type of action in order to solve social problems of diverse nature.

It is to be noted that most of the interest surrounding social impact measurement, has been mainly generated by companies corporate social responsibility increase. Indeed, for the last decades major companies have been trying to lend a return of their activity on various social issues, using social impact as a label of identity.

The National Council for Voluntary Organizations exposes a definition of social impact that seems especially interesting to our paper, social impact is a combination of all the effects from an organization and everything related to or influenced by his work. This includes the expected, as well unexpected effects, both negative and positive changes, the long-term impact and the benefits to short-term or provisional.

The term "social impact", which is the main subject of this article, refers to every action that has been achieved by social entities present in the cities. While using the term "social entities present in the cities", I refer to any organization working in the social field with the purpose of meeting a series of needs of certain social vectors, considered at risk or in a socially excluded, for different reasons.

The term "social impact" refers to a great variety of spheres, depending on the origin and nature of the actions carried out and therefore generative of the so-called impact. It also implies a great variety of groups, needs or problems. Just as describe in their work: "In a general approach it is possible to consider the various institutional spheres in which are organized social activities, economics, politics and various specific institutional domains, such as health, education, social welfare and social security. Selecting the fields more sensitive to the effects of the processes of production, intermediation and use of scientific and technological knowledge, and then identifying what areas are linked with the care of the quality of life of the population" (Albornoz *et al.*, 2005: 82).

Building upon the definition of the concept previously mentioned, this paper is based on the assumption that organizations and social institutions appear to respond to the needs of targeted population groups with specific action plans. Therefore, the objective of the research at first is to establish if these actions are getting the expected results, and second if the results have any impact on the entities or organizations themselves, as well as in their field.

## 2. The extent of the impact

The term impact has been in constant evolution, given the common willingness to understand the impact of all the actions carried out, regardless of their goal or nature. The extent of the impact is closely linked to the willingness to assess the results of a project or a process in terms of objectives and resources since the beginning.

Furthermore, the extent of the impact can be understood as a general evaluation, used to assess both the expected and unexpected results. It can also be used to monitor the diversity of effects generated by the implementation of a given program or project on a social group or a specific community.

As pointed out by Stufflebeam and Shinkfield (1987), the impact assessment can be defined as the process of identifying, obtaining and providing useful information and descriptive about the value and merit of the goals. In addition, the planning, the realization and the impact of a particular objective, with the aim of serving as a guide for decision making, solve the problems of responsibility and to promote the understanding of the phenomena involved. So, the key aspects of the object that should be measured, including its challenges, it is planning, its execution and its impact.

That definition of "impact" is actually one of the most complete ones, in my opinion. It summarizes major key points most scholars agree on, such as the consideration of the changes that occur from the execution of certain actions, either on a collective population that is objective as to other groups affected indirectly.

Although the measure of Social Impact has been closely related to the fields of development, cooperation and philanthropy, there has been a growing consideration from the point of view of corporate social responsibility in various economic regions. In many cases, this is the result of the tendency to expose the degree of social return of companies or organizations, which have a high territorial impact.

Regarding the measure, it is worth mentioning that several new organizations and research groups have been developing different methodologies. This has led to the consideration of parameters such as methodological, conceptual and interpretative standardization.

One of the most famous examples is the European Venture Philanthropy Association (EVPA). As explained on their website, EVPA sees itself as a community animated of organizations that share the same vision and a common goal: to create a positive impact through philanthropy risk. His vision is thus directly based on the need to create new models to address contemporary problems. These are often linked to the scarcity of funds and the inability of companies and social organizations to undertake projects that are more ambitious.

This type of incidence on social impact is made possible through funding mechanisms with the development of process improvements and structures to measure and manage social impact. As (Hehenberger *et al.*, 2015) describes in the guide, the methodology of measurement is based on five stages, starting with the investment or start-up of an action plan.

Figure 1. Detail of the 5 stages of the EVPA methodology of Social Impact measurement

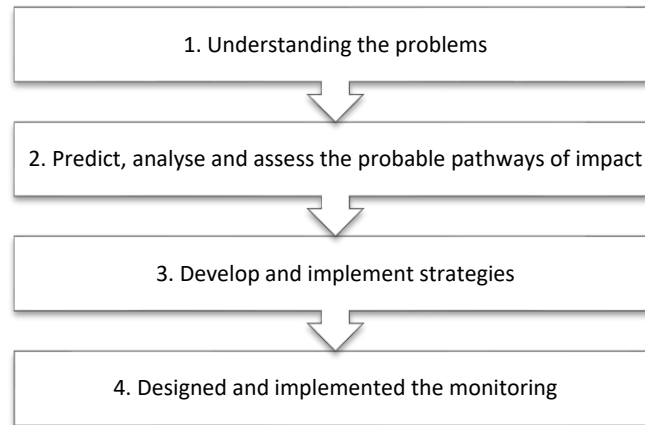


Source: Measuring and managing impact a practical guide (EVPA).

Figure 1 illustrates the various stages composing EVPA's methodology, in order to achieve the project. In this example, an analysis of the investment theme has been conducted, including the definition of the beneficiary public, and possible existing interest groups, the use of indicators to establish measures, the verification based on storytelling, interviews, reflection, and audits during the process. Once validated, the results are used to monitor progresses made and write an annual report.

It seems also important to mention the International Association for Impact Assessment (IAIA), which works only with volunteer members and professionals in a wide range of domains related to the administration of the environment and sustainability. According to their web site, their main mission is to provide of best practice in all forms of impact assessment as to further the development of local, regional, and global capacity in impact assessment. On its portal, the International Association for the Assessment of Impacts provides guidance on social impact assessment and advice to better social impacts projects manage.

Figure 2. Detail of the 4 stages of the IAIA methodology of Social Impact Assessment



Source: Guide to social impact assessment (IAIA).

In this guidebook Vanclay *et al.* (2015) also define, among other issues, the assessment of social impact through four main phases (see Fig. 2), as well as 26 necessary tasks, defining that: "Through the collection and analysis of data, the assessment of the Social Impact is a process of learning and consequently the assumptions of the initial and preliminary knowledge may be amended in the light of new information by which it must be an iterative process of validation and informed update through a continuous process of consultation with the proponents of the project and other actors, especially the communities affected" (2015: 7).

The 4 main phases include actions ranging from the initial steps of the project (e.g. understanding the goals of the project, and its scope) to the data collection, the identification of factors of change, the direct and indirect impacts and, if needed, alternative solutions. During the phase of implementation of strategies, a concept of high value has emerged. The Plan of Management of Social Impact (PGIS), which it has been used to establish the different roles and responsibilities, and puts in place mechanisms for mitigation, monitoring and governance.

One of the main challenges created by the diversity of methodologies used to measure the social impact is the lack of flexibility of these methodologies. Indeed, most of them cannot be use in other fields, since they have been established to fit to the specific nature of one precise association.

Based both on the increasing interest in controlling social impact, and on the professionalization of the sector, we can conclude there is an obvious need to develop assessment methods and other control tools. Those would enable a more careful analysis of the real social impact, and therefore contribute to the development of a methodology, which could be applied to various projects, from different natures.

Taking into account the impact of actions, whether through projects or specific actions, stems from the growing tendency to obtain objective measures of the functionality of various systems. These measures make it possible to show the evolution of the results of the actions over time. This makes it possible to observe the evolution of these actions, while comparing them. Therefore, it facilitates the discovery of potential weaknesses and deficiencies as well as strengths and opportunities.

Broadly speaking, considering the impact is an indicator of feasibility, effectiveness and scope of the actions carried out on specific groups. These actions are based on more or less defined goals, which will determine the direction of the resulting effects.

### 3. Social Impact

The consideration of the social impact has been used as a measurement tool for quite some time. It has acquired different connotations as the information requirements have increased and evolved. Thus, as first evaluations of projects and hence of impact considerations, it has been used mostly to assess differences in a limited timeframe, which is to say it has been used to compare the situation at the beginning and the end of the project. Therefore, the ability to acquire knowledge remains limited, due to the rigidity of the analysis system.

Not only is it necessary to take into account the evolution of the various approaches used to assess social impact, but it seems also necessary to add control tools, in order to draw conclusions about the use of allocated resources as well as the consideration of the impacts taking into account different timeframes. Because of the need of information required by actors, components, entities, and organizations, the social impact assessments, have evolved towards a new trend. It aims to better understand both the process. Also the need to understand the triggers have led to the creation of a specific entity or organization, by providing knowledge for those in charge of designing, operating and controlling, the different programs or institutions. Finally, the need for a reliable and comprehensive source of information, including both quantitative and qualitative data, has been clearly highlighted. Depending on the nature of the actions carried out, the research paradigm requires either quantitative data or qualitative ones. According to the work from (Castro and Chávez, 1994) called Assessment Impact of Social Projects, in summary, the impact assessment has to understand a phase or quantitative dimension that allows to review in a rigorous manner both the processes of the project and its results. Followed by, or in parallel of an approach to the processes carried out to understand and to interpret how it has been assimilated by the beneficiaries (recipients or target population), always in the perspective of the desirable situation that it seeks to achieve.

The social impact of the social entities is obviously an under-studied area of research. First, we should focus on the very nature of the entity or organization, in order to determine the reasons of its existence, and to establish whether its main actions are in line with the initial challenges. As a second step, the impact of both territorial and demographic scopes should be addressed, and then, by default, tools used for measuring social impact.

When an entity focuses on the international level, the beneficiaries of its actions are generally not as close as in the case of entities focusing on the municipal level. In fact, the latest work with more defined groups that in some cases even count as demographic numbers that include a particular problem or cause. Apart from the nature of social institutions and the territorial scope of their activities, the area they focus on may change depending on the issues they wish to address.

By contrast, considering the perspective of entities working at the municipal level or focusing on specific problems highlights differences between the causes, such as the modes of functioning (it varies between big cities and small towns). The problems themselves do vary. And even while addressing similar issues, and/or groups, the actions of the social entities may differ.

Overall, it is more likely to find similarities with causes and actions between different entities while studying organizations that manage both international projects and territorial scope at the regional or country level, as they address challenges in a more global perspective.

On the contrary, if we consider entities with municipal or problem-oriented action levels, it is more likely that differences will be found between causes. Due to the differences between cities' and town's regulations, problems vary. As a result, the actions of social entities will show more differences, even if they focus on the same domain or group.

For all these reasons, the methodology to measure social impact can take several dimensions depending on the nature of what needs to be measured. At this stage, once certain criteria of standardization and homogeneity between the various methods are in place, thus comparing metrics becomes possible. In any case, a comparable methodology applicable to different territorial levels will allow the collection of transcendental information, based on consistency. It will also allow measuring the performance and impact of entities on society, while still taking into account the interventions made, the resources used, the results as well as the possible repercussions of the results obtained and the actions undertaken.

At this stage of my analysis, and in order to contextualize the main approaches of the concept of social impact, I would like to summarize some of the definitions established by the most famous authors who worked on the matter.

Among these definitions, the most important one is probably the one published by the European Commission, in The EU Program for Employment and Social Innovation (EaSI) by Clifford *et al.* (2015). The report focuses on the methods and legislations related to social impact indicators. It defines social impact as: "The reflection of social outcomes as measurements, both long-term and short-term, adjusted for the effects achieved by others (alternative attribution), for effects that would have happened anyway (deadweight), for negative consequences (displacement), and for effects declining over time (drop-off)" (2015: 12).

Therefore, while paying attention also to other definitions, we find the one established by (Fontaine, 1999) in Evaluation of Social Projects especially interesting since it exposes that the definition of social impact shall not be limited to economic criteria. To define the concept of impact, it is necessary to differentiate between effect, result and impact. The impact is the change induced by a project sustained over time and in many cases extended to groups that are not involved in this (multiplier effect).

All the previous definitions show a tendency to measure the outcome of objectives set on fields that go beyond to achieve some economic figures. A good example is the great economic impact made by a company, which however has a poor social impact, or lacks somehow of corporate responsibility. Another example would be a company having a situation in the territory, which could lead it to disregard the type of issues it has been focusing on.

To sum up the various definitions and viewpoints, it is important to highlight a few points: first, the impact is directly related to a change of a situation through the implementation of an action. Considering the impact goes beyond measuring the effectiveness of possible effects provided, since it is a broad concept, involving a process, a series of practices, the people who carry it out as well as the methodology used. Depending on the authors, different aspects are taken into consideration, prioritizing either a quantitative or a qualitative approach. Sometimes, social impact should even be considered from a multi-dimensional, perspective.

It is therefore useful to summarize both the extent and the assessment of the social impact. Both aspects contribute to corporate responsibility, effectiveness and efficiency of projects and programs.

Doing a social impact assessment, can end up being a great opportunity for the company, differentiating itself from its competitors, and earning the reputation of an organization, company or entity with a determining degree of complicity and at the same time responsibility with the territory and the society. Furthermore, the introduction of the corporate activities in the field of philanthropy has had much to do in the growing consideration of the social impact and so derived the growing range of methods devoted to their measurement.

### 3.1. Social companies and Social entities

With regard to social enterprises, one of the most successful definitions is probably the one given by the Initiative in Favour of Social Entrepreneurship of the European Commission (2011). They expose a social enterprise, as an agent of the social economy, is a company that has as a main objective to have an effect on social impact, rather than generate profits for its owners or partners. It operates by providing goods and services for the Market in an entrepreneurial and innovative fashion and uses its surpluses mainly for social purposes. It is subject to a responsible and transparent management, in particular by means of association of its employees, its customers and the interested parties that are concerned in the economic activity. According to the document entitled Proposed Methods to Social Impact Measurement, the Commission uses the term "social enterprise" to cover the following types of business: those for which the social objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation; those where profits are mainly reinvested with a view to achieving the social objective; and where the method of organization or ownership system reflects their mission, using democratic or participatory principles or focusing on social justice.

Building upon the above definition of social enterprise, the Social Business Initiative (SBI) designed 3 main categories:

1. The Social objective is described as the very reason for social enterprises' activity. Thus, social enterprises are generally characterized by the provision of services related to the environment, local development, education, health, groups provided to the community and/or specific groups (e.g. people with disabilities).
2. The financial sustainability and the alignment of the financial and social objectives of the business model. Both the quality and durability of the services over time are crucial factors to be considered, as well as the level of reinvestment of the profits to fulfil the social mission of the social enterprise.
3. The organizational model, which refers to the governance structure, in particular to ensure a participatory and democratic organization and or ownership system. To a certain extent, it could therefore be compared to the structures of the government.

Correspondingly, there are a number of factors that contribute to deepen or expand the level of impact, such as geographical coverage, models of service distribution within the community, level of access to services, economic sustainability as well as the size of the population group receiver.

According to the report, entitled *The Social Enterprises Ecosystem in Catalonia (2018)* co-published by the Agency for competitiveness and the private company ACCIO and RaiSE, by Interreg Europe, it is possible to improve the competitiveness of social enterprises through better policies to support business. The study identified a total of 293 social enterprises in Catalonia that fulfill the criteria.

As stated in the introduction, there is a reason why social entities respond to the needs of different groups of people or demographic vectors of society. Over time, models of human settlements development have varied to the point of transforming society into a network of complex structures in which economics and politics have played a determining role. All political, economic and cultural factors have led to a continuous transformation of human settlements and society itself, leading to the resolution of certain aspects and inequalities among people.

The activities carried out by these entities are part of what is known as the third sector, which focuses on defending groups of people in situations of social vulnerability. Furthermore, social entities ensure the equality of people, the defense of their rights and the improvement of their quality of life. In the case of Catalonia in 2018, there were 3007 entities registered in the Institution of the Table of the Third Sector of Catalonia according to the data collected in the report called *Barometer of the Third edition of the Social Sector*. The existence of so many entities makes it necessary to develop a methodology allowing a comparison, beyond the results of rigid indicators.

In this section, the two main types of formal organizations dedicated to social affairs have been exclusively presented, in order to highlight the importance of defining a unique social impact measurement system. Furthermore, it is worth noting that even organizations or companies that do not devote their entire activity to social issues also have a social impact. That might be explained either by the nature of their activity development in a specific territorial environment, or by their levels of social and business responsibility such as the causes that support these structures (CSR and ESR).

This leads us to perhaps rethink the definition of a methodology that allows vertical and horizontal scalability, depending on the companies and/or organizations' attributes (e.g. size, system of involvement and social cause it has been dedicated to, time, financial investment or human capital). Thus, it would both allow a comparison and provide us with an objective measurement tool, based on, quantitative and qualitative criteria, such as the methods proposed in *The report of the methods proposed for the measurement of the social impact of the European Commission*.

Another aspect to take into consideration, is the territorial nature of companies and entities, for instance the spatial relationship between the headquarter and the location of the targeted social groups. This approach could help to understand the spatial relationship between entities and solve concrete problems. Also, it could contribute to create a spatial model problematic, depending on the nature of the projects and the number of social entities or companies.

Similarly, the study of spatial variables would reveal the level of trade flows in social services, investment and human capital, as well as their territorial displacement. In addition, it could help linking the entities and their nature to the characteristics of their territory. For example, it is commonly expected to find more entities in a large city and its surrounding area than in scattered areas.

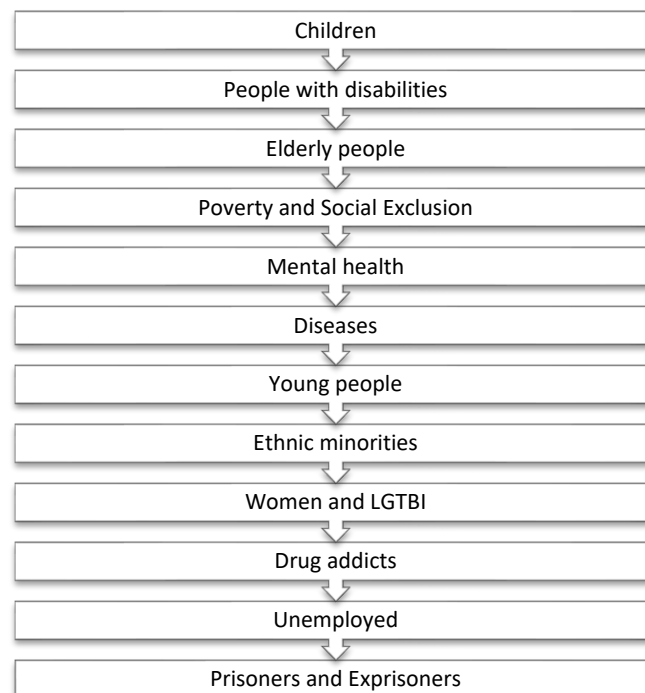
### 3.2. Areas of action and affected groups

With regard to the spheres of action of the companies and social entities, they often differ based on their nature, on which groups of people are targeted, as well as on the area where the project is being developed. Depending on the region, issues at stake may also vary.

It is crucial to ensure the well-being of most-in-needs groups. Main action areas include access to education, poverty and access to housing, fight hunger, health and socio-sanitary domain. Based on the study of various proposals and reports, let's underline a few tasks carried out by these companies in the field of civic and community action, training and education, actions, and the care services of psychosocial, tutelage in cases of rehabilitation, also in the field of employment and financial assistance.

Depending on the scope of the social entities and companies, the target groups will vary, as well as the nature of the actions. In this way and accordingly to the report of the Council of Entities of the Third Social Sector of Catalonia entitled "Third Sector Barometer, 2018" by Albareda *et al.* (2018) the main vulnerable communities as are presented below (see Figure 3).

Figure 3. Relationship of groups served by the activities carried out by social enterprises and social institutions



Source: Catalonia Third Sector Barometer (2018).

Once established the difference between the areas and the groups, it should be reminded that a standardization of the areas in which the companies and entities develop their activity would have a direct impact on targeted groups as shown by the Council of Entities of the Third Social Sector of Catalonia. It also allows comparisons between the exercises of different years. In this sense, the definition of a series of vertical hierarchical guidelines can be proposed in order to narrow down all the issues that may differ during the same phase, in projects dedicated to different areas of activity.

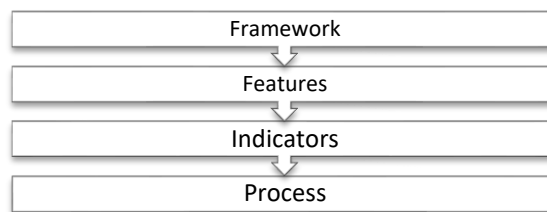


### 3.3. Measurement Methods

As far as measurement methodologies are concerned, I thought it was preferable in this article to stick to those described in the European Commission's document on social impact measurement. Therefore, based on the methodologies they propose, one must first focus on the range of policy considerations in order to create the Expert Group on Social Entrepreneurship (GECES). This group is working to create a method to measure the social impact of social enterprise activities in two different contexts.

First, they collaborate with the Development of the European Social Entrepreneur Fund (EuSEF), which is based on the creation of a measurement system in order to determine if a company meets the necessary funding prior-requirements. Second, they participate in the Program for Work and Social Innovation (EaSI), which collects data to determine to what extent the social objectives set by a company or entity are met. Under the EaSI program and the EuSEF fund, four basic elements are determined to ensure a meaningful measure of social impact. Figure 4 there is an indicator:

Figure 4. Basic elements to social impact assessment



Source: European Social Entrepreneur Fund (EuSEF) and Program for Work and Social Innovation (EaSI).

These four elements respectively refer to the steps that a company or a social entity must take to have an overview of the changes and repercussions of its activities. Likewise, regarding the Framework, both primary and secondary objectives should be taken into account, depending on the nature of the intervention. Indicators are considered as a measurement tool that generates a value or a measure of each impact generated. Finally, the report studies the characteristics of the measurement process, described as supporting its validity and recognition.

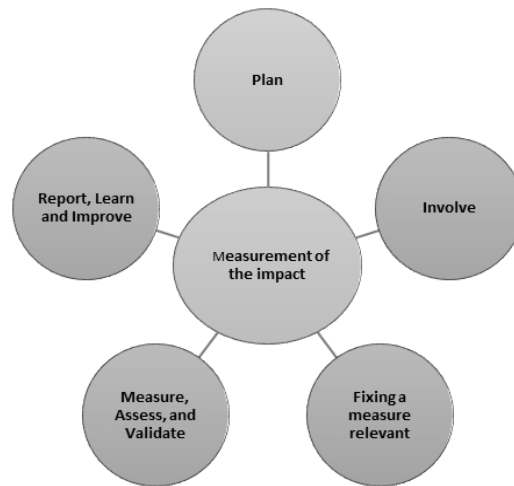
Among the standards proposed in the European Commission's report: "Proposed Approaches to Social Impact Measurement in European Commission", a framework is defined. It is described as a single process for the information presentation, including measurable results, characteristics, indicators, comparability, and communication.

Based on the previous considerations, five distinct phases have been identified, following the methodology used by The European Venture Philanthropy Association (EVPA):

- Phase 1: Identifying the objectives set by the parties involved in the project.
- Phase 2: Identifying all interested parties, including both actors and beneficiaries.
- Phase 3: Establishing the most appropriate measure. This phase is inherent to the social entity's type of intervention and its objectives. Then, comes into play the so-called "theory of change", which defines the relationship between the activity and its impact. Thus, the company is able to take the most appropriate measure to respond to the generated changes.
- Phase 4: Audit and impact assessment to determine if the expected results have been achieved.
- Phase 5: Monitoring and communication, which consists in maintaining a regular communication according to the results.

After careful review of the Social Impact Measurement Framework, and despite the existence of a common pattern, notable differences between the results can be noted. These differences are explained by all the possible methodology variations, at each phase. However, these 5 phases of reference correspond to the impact measurement and the benefits for the stakeholder (Clifford, 2013). These distinct phases are:

Figure 5. The 5 phases of the extent of the impact and benefits for interested parts



Source: Measuring Social Impact in Social Enterprise (Clifford, 2013).

The phases described by (Clifford, 2013), are related to the fact that measuring the impact of an organization brings benefits both internally (to the organization itself), and externally (to the stakeholders or interest groups).

These 5 phases comprise a series of actions that, in a respective order, consist in the planning and management of resources adequate to achieve optimally the objectives, the identification of the parts that will benefit of actions, and the involvement of the entire human resources.

Measurement as well as impact assessment will be planned accordingly to the expected results, based on the previous phases and in connection with the phase aiming at the establishment of a relevant measure. The final tasks of the process will be those related to dissemination, in order to reach the largest audience, both outside and inside the organization.

Some methodological works have been developed to measure the social impact. However, as mentioned in this section, a group of experts from the European Commission has tried to create a standard global framework, for the realization of this measure.

In addition to a series of differentiated and defined phases, it is important to highlight variations in each of them. For example, the indicators used represent an area in which a large number of possibilities are open if aiming at achieving a high degree of comparability while measuring the impact of different companies or entities, although of a different nature.

### 3.4. The use of indicators

According to the bibliography consulted, and to García (2000) article Systems of social indicators. An approach based on official statistics, social indicators were first used in countries such as the United States, which, in the 1920s-30s, strove to obtain a global vision of the country based on the collection of quantitative data.

In the middle of the century, the debate on the non-linearity of economic development and social development is born. This results in the need for information that can describe social reality and facilitate the recognition of problems, the definition of public policies and the approach of improvement objectives. As explained in this article, there are two basic approaches in social indicator systems.

The first one is based on the information of a general user, in relation to the knowledge and the free interpretation of the information. In the second approach indicator systems have been defined as tools, which are used to analyze social policies, identifying objectives, processes and evaluating applied policies.

Regarding the use of indicators for the measurement of the social impact, it is worth noting that a single indicator may not be of much utility, especially in terms of results comparison. In many cases, indicators vary according to the nature of the intervention of company or entity. This suggests the possibility of applying multidimensional indicators capable of assessing a variable, while taking into account different aspects, and to deduce the variable or, in this case, the impact.

The main difficulty while developing a system of indicators for universal measurement of Social Impact lies on the diversity of impacts that can be generated and in parallel the various fields or contexts on which are based the actions.

This already hints that the class of used indicators must allow for scalability so that these can be proportional to the size of the company or organization, its risks and also to the scope of actions performed.

One of the disadvantages of the most quantitative methods is the lack of qualitative data that can be decisive for the impact study. In addition, large amounts of data are needed to perform an impact analysis accurately. As a result, the ratio of indicators used will not be the same in a large enterprise as in a small business, including in terms of billing and territorial footprint. It can therefore be deduced that the indicator classes used should allow scalability, to the extent that they are proportional to the size of the company or entity, its risks and its actions.

In addition to the questions mentioned above, adds up the fact that there is a wide range of objectives depending on the nature of the expected results. Using more general indicators can therefore result in a significant loss of information. Finally, indicator-based methodologies are evolving very rapidly, which contributes to the presence of more standardization options proportional to the difficulty of achieving a certain degree of comparability.

Some authors, in addition to describing the existing difficulties regarding the lack of homogeneity of the existing methods, also suggest that certain aspects are not taken into account in the conventional measurements. As explained by (López and Luján, 2002), while a social "utilitarian" development would be basically measured through indicators of medium-sized population, a more comprehensive approach, sensitive to social justice, should also include measures that reflect 'How things go to those who struggle the most' that is to say, a type of measure of population segments that reflects dispersion.

In this case, the authors highlight the possibility of creating a disaggregation of traditional indicators based on the consideration of all possible population segments. They also propose to take into account the distribution of risk and negative social impacts, to adjust indicators to the scope of organizations (companies or entities) and to adapt to the environment.

Taking into account negative impacts can be understood as a strategy even when a level of participation with communities is developed. When people feel involved in a project, they are more likely to accept the reality they are working on, which helps to better understand that activities are being developed to achieve a common goal. The flexibility of indicators should be considered from the amount of data needed to obtain social impact measures or metrics. Depending on their nature and maturity level, the amount of data available about companies or entities may defer.

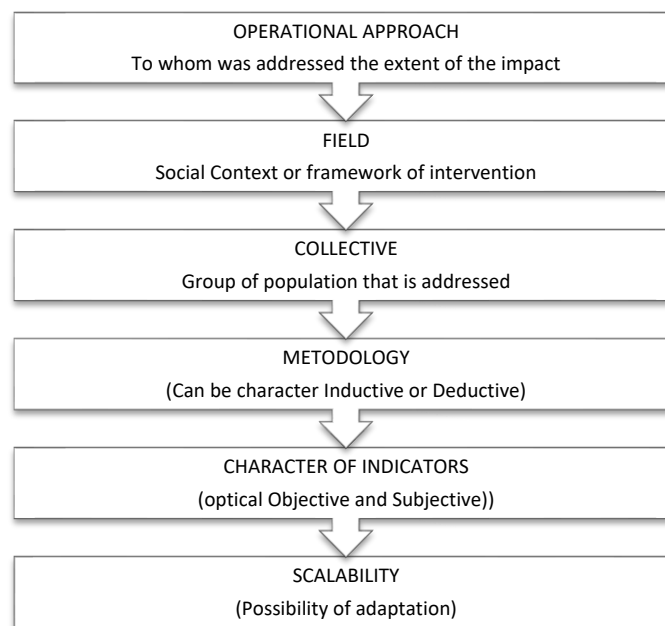
Another attribute to take into consideration is the territorial scope for which the system of indicators has been defined, the purpose being to evaluate a specific activity of a company or entity against the overall assessment of a region or state. As explained above, the territorial scale and the diversity of social groups differ from differences in the definition of indicator systems or others. Territorial scale and diversity of social groups generate many divergences when defining certain indicator systems. Also, issues related to the definition of a good system of indicators should include methods or paradigms, as well as the perspectives adopted in terms of objectivity and subjectivity.

Depending on the method used, the indicator definition phases are different from one another. As an example, there is a theoretical approach that develops methods independently of resources related to a specific social reality. Subsequently these methods are not devoid of modifications, precisely because of the lack of social considerations in their elaboration. Methods based on the availability of resources could be cited as an example. In case the indicators would consider available data, there would be a duality between deductive and inductive methodologies.

The same goes for the approach and perspective on which the indicators system is based. On one hand, the classical approach focuses on the acquisition of objective values and data, such as the environment, the state of the population or group of people. On the other hand, the subjective approach focuses on subjective levels such as satisfaction and perception, as the basis of the indicator system.

To sum up, a range of criteria should be considered to develop indicator systems for measuring the social impact, either of businesses and organizations at the organizational level, or of countries and cities at the territorial level. These criteria show some discrepancies, but at the same time offer possibilities. The most significant are illustrated in Figure 6.

Figure 6. Attributes to consider for the definition of a Social Impact Indicators System



Source: Own elaboration.

It is therefore of utmost importance to define what the target audience will gain from the social impact measures obtained. Likewise, it is also necessary to take into account the scope of the organization and the diversity of the groups of people affected. It is also important to highlight the importance of quantitative and qualitative data, which must coexist in the same system of indicators, in order to obtain information and work at a more complete and less general level. It is also noteworthy the importance of measuring both quantitative and qualitative data. Indeed, both of them must coexist in the same indicator system in order to obtain more precise and accurate information. Finally, the approach of assessing negative impacts and developing a methodology indicating the level at which it is based should be emphasized. In other words, to what extent is the target population group involved in certain issues? The same approach must be applied to all methodologies of measurement studied, and presented in our bibliographic corpus. That is to say that the two aspects of an inductive and deductive method must be compiled without strictly adhering to one of the approaches proposed for the objectivity and subjectivity of the information extracted. Finally, after studying all the aspects -which are taken into account in the definition of a system of social impact indicators- it might be concluded that there is no global reference model. Yet, expert groups have deployed extensive efforts to establish minimum standards for measurement methods. In the same way, these should also be considered in the definition of indicator systems. That being said, important similarities can be noted regarding the lack of data from companies and organizations, which leads them to use more rigid and simplistic indicators.

### 3.5. Social Impact Assessment

Social Impact Assessment Plans are designed as an instrument through which benefits, mitigation measures, monitoring systems and mechanisms of governance are defined in the so-called Agreement of Impacts and Benefits (AIB).

Social Impact Management Plans are indicative of the growing tendency to use this type of planning tool, while ensuring a complete management of the impact.

In addition to the general presentation of this tool, its importance and usefulness should be established. Using these plans allows a more precise control of the roles played by all parties involved in a project. Thus, it contributes to define the responsibilities of all parties involved in a project or action, which already come from a social enterprise or entity. This set of roles has a direct impact on affected communities, such as governments, entrepreneurs or other groups involved in one of the phases and processes of social impact assessment.

As stated in the Social Impact Assessment Guidance, for Assessing and Managing the Social Impacts of Projects (IAIA), in order to prepare a realistic and useful Social Impact Management Plan, data provision and the participation of all actors involved are both required.

### 3.6. Personal Narratives as a Complementary Source of Data in the Context of Social Impact

With the proliferation of social networks, the range of possibilities to generate information has tremendously increased. A good example of this is the use of narration "storytelling", through which people make a projection of their personal experiences. This concept is perceived as an important source of data related to social behaviours, emotions and needs. In effect therefore, storytelling could be used to gather data about the communities or people affected by social companies or entities projects. It could provide feedbacks on the current state and the repercussions of these actions. While generating a series of information pertaining to a specific time space, it could, therefore, help to dislodge the negative impacts produced by the activities of companies and organizations.

That is the reason why taking into account this way of showing experiences can be another way of assessing the development and the impact of the actions. At least, it could be considered as a showcase of opinions related to a precise activity, a systematic data collection based on the emotions and the social impact of certain measures taken.

The highlight of this section is combining both "storytelling" and "storydoing". This strategy continues to generate a greater emotional connection with the audience and greater confidence in the actions of a particular entity.

To conclude this section, the result of the use of the story is humanization and emotional involvement, since the most important of each story is its content. In this regard, several authors make the difference between a narrative based on utilitarianism, community and projection. However, the fundamental usefulness of storytelling must be a source of information that allows the control of -both positive or negative- outcomes on involved actors.

## 6. Conclusions

In summary, it has been established that there is a wide variety of definitions seeking to determine what social impact (IS) is. Despite their slight differences, they all share a common finding: social impact consists in the assessment of the results of a project targeting a certain population group.

If we were to consider social impact in a timeline frame, we would end up studying how the study of social impact has led to the consideration of environmental impact, since they similar methodologies have been used.

Not only the study of the environment and the evaluation of the impact of anthropological actions on it have increased, but the social impact of certain actions has also been evaluated, independently of their nature.

In general, the increasing importance and consideration of these impacts is related to the level of awareness and / or further investigation from an academic and institutional point of view. In many cases, this has led to introduce better practices, however, sometimes it might result in ignoring the possibility of comparing at the territorial and operational levels.

While looking at companies, there has been much to say, especially about the application of social responsibility, both at the corporate and small business levels. Measuring the impact of their practices on affected communities has contributed to a better recognition of social impact meaning. In that extent, the aim of assessing the degree of social impact, ends up culminating at its best, while measuring the social impact of organizations and entities dedicated to social issues, regardless of profit.

With respect to the measurement of social impact, it was stated that it evolved and perfected, since it was based on the differential consideration between two defined time stages. Consideration of all process steps and factors is likely to have an impact. This multifactorial consideration can be understood as a double-edged sword because it provides an impact assessment at any time of a project's development, but the possibilities for comparison are minimal. Indeed, the majority of methodologies consider different factors from each other, or their weight on the system differs from each other.

Referring to the methodologies of assessment of social impact, only two of them were concise. Yet, it is worth pointing out that they must be structured into several phases or stages ranging from the initial proposal up to the monitoring end. Meanwhile, to understand social impact, various optical and logical attributes, always differentiated, should be taken into consideration, e.g. the nature of the entity, its lines of intervention, its resources, its measurement, its results and the scope based on criteria of standardization and homogenization.

I also looked at the very nature of social enterprises, because if there is any organization or entity that requires a social impact analysis, it is they. Indeed, they are the ones devoted to social issues, after all. It is especially important to mention the increasing number of them. Only in Catalonia, there are 293 registered social enterprises and 3007 social entities. If only all them were using a standard methodology, it would be possible to compare them at any stage of development of their activity.

Thus, when the measurement methodologies and all the actions and situations resulting from a particular action are part of the Social Impact Management Plan, each stage of a project can be analysed. On the social impact measurement methodologies, the importance of the processes formed by taking into account objectives, groups of interest, characteristics and definitions, has been established. Also of equal importance, are the last elements of the communication plan and its follow-up. Both phases participate in the construction and design of a methodology of Social Impact Assessment.

Recalling what has been said about the use of indicators, the fact of giving rise to a multidimensional design of calculation would make it possible to apply corrections or adjustments according to the nature of the factors considered. Due to the need of both qualitative and quantitative data to factor the indicators and metrics used, it is also important to take into consideration personal storytelling through which qualitative information can easily and quickly be gathered (e.g. in a week or sometimes just in a few days).

To conclude, it is worth noting that the assessment of the social impact is a topic, which has been starting to generate an abundant bibliography yet, there is still a tremendous lack of practical experiences while collecting and measuring metrics. This phenomenon has led not to consider the need to unify and standardize methodologies as a priority, preventing at the same time to compare different experiences. The document of reference regarding this matter is the European Commission's report. It analyses the various methods used for measuring social impact and collects several experiences and summarizes the European legislation on that precise matter.

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