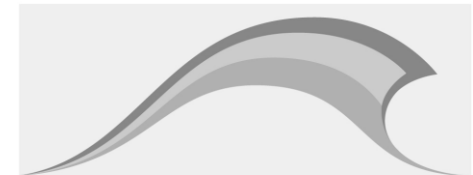


# SOCIAL ACCOUNTING

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Réseau de recherche pour mesurer la  
DIFFÉRENCE COOPÉRATIVE



Measuring the Co-operative Difference  
RESEARCH NETWORK

# Outline

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- What is social accounting?
- Why do it?
- Putting it into action



# Accounting

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- *“Gathering, measuring, summarizing and analyzing data in order to support decision-making”*
- Overall, accounting is often thought of as an objective, neutral, value-free, and technical enterprise that simply attempts to capture a picture of reality
- However, by the very act of “counting” certain things and excluding others, we could also argue that accounting shapes particular interpretations of social reality, which in turn has policy and decision-making implications.
  - Accounting is **not neutral** - what is included and excluded in accounting models shapes a particular perception of reality
  - Accounting is a **driver of behavior** (if it is not counted, it is not recognized; what gets measured gets managed), and can be used as a change agent

# Critique of Conventional Accounting

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- In conventional accounting, it is presumed that profit reflects and promotes the optimal distribution of limited resources
- Thus profits, and in turn shareholder returns, are a measure of success, and the resulting behaviour is that profit organizations try to maximize them
- On the other hand, the goals of a co-operative are both economic and social, and determined by its members, for example,
  - Providing value to its members
  - Supporting community needs
  - Providing employment for its members

# What is social accounting?

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- Based on a critique primarily of profit-oriented firms on the narrowness of accounts → what's in and what's out
- Social accounting broadens the domain of items that are included in accounting statements
  - “Social accounting is a systematic analysis of the effects of an organization on its communities of interests or stakeholders, with stakeholder input as part of the data that are analyzed for the accounting statement.”
- Quantitative and qualitative
- Supplemental to or integrated with financial reports

# To Keep in Mind

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- What *behaviors* are promoted in current accounting models and why?
- In designing new accounting models, what *behaviors* do we want to promote/change?



# Why do it?

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- To track and document performance and progress towards mission, taking into consideration economic, social and environmental factors
- To legitimize co-operative structure



# To start

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- To start the process, think about all the different **outputs** your co-operative creates and all the **inputs** (monetary and non-monetary) it uses. Set aside an hour at a scheduled staff meeting to brainstorm all of the direct and indirect effects of your co-operative.
- Hold focus groups with other stakeholders
- Ask: What difference are we making? What is our economic/social/environmental 'value added'?
- Decide which impacts are most significant



# To start

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Examples of some guiding questions:

Direct:

- What goods and services do we provide? What goods and services have we provided free of charge or at a reduced rate to others?

Indirect:

- When members contribute social or unpaid labour to your organization, what benefits might they gain as a result of performing that activity?



Waterloo Co-operative Residence Inc.  
268 Phillip Street  
Waterloo Ontario  
N2L 6G9



[SITE MAP](#) | [CONTACT US](#)

	Student housing co-operative
Economic outputs	822 spaces of co-operative housing and related services (including meals, social activities, maintenance of buildings)
Social outputs	Member skills training Consultations to co-operative sector Preferential pricing
Environmental outputs	[Energy efficiency]



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	Student housing co-operative
Employees	Pay, benefits, training
Residents	Lower cost of accommodations, skills learned, sense of community, property tax credit
Co-operative sector	Co-op development, consultation to co-op sector
Government	Municipal taxes (less property tax credit), housing of war refugees
Providers of capital	Interest earned
Organization	Amortization, operating surplus/deficit

# Relate to co-operative principles and sustainability

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- Environmental sustainability
- Equity (intra- and inter-generational)
- Education, training and information
  - Internally
  - Externally
- Co-operation among co-operatives
- Concern for community

# In Summary

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- Social accounting is a framework that can be used in different ways
  - To reflect economic, social and environmental impact and demonstrate how they are inter-connected
  - To encourage stakeholder dialogue
  - To increase transparency
  - To promote organizational learning
  - To change behaviours
  - To support mission



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Thank you! Merci!

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