Expanded abstract

Social Impact Analysis in the Social Economy and the Future Research Agenda

Objective

The primary objective of this article is to propose an integrative framework for the analysis of social impact measurement within the social economy. While social impact is inherently present in all economic activity, it is intentionally pursued only in the social economy, contrasting with its incidental nature in orthodox capitalist models. Recent economic and environmental crises have challenged the assumption that financial profitability automatically aligns with positive social impact, heightening the relevance of sustainability across economic, environmental, and social dimensions. However, existing approaches to social impact measurement often suffer from fragmentation and a lack of coherence, employing diverse theoretical frameworks and varied methodologies. This article aims to bridge these gaps by systematically examining key existing models—such as Input-Output tables, Cost-Benefit Analysis, Key Performance Indicators (KPIs), Social Accounting, Satellite Accounts, and Randomized Models—through multiple analytical dimensions including scope, temporality, stakeholders, utility, creator, metrics, transaction type, and conceptual approach. By doing so, it seeks to offer both a theoretical contribution to understanding these models and practical guidance to organizations, especially in the social economy, for selecting appropriate impact metrics. The ultimate goal is to enable more comprehensive, consistent, and effective social impact assessments aligned with the specific values and needs of social enterprises.

Design

This study employs a comprehensive conceptual and analytical design aimed at synthesizing and structuring the diverse and complex landscape of social impact measurement (SIM) models. Through an extensive review of academic literature, institutional standards, and grey literature, the article critically examines a broad range of methodologies developed and applied in the assessment of social impact. The research identifies eight key dimensions—scope, temporality, recipient, utility, creator, metric, transaction, and approach—that serve as analytical lenses to systematically compare and categorize existing SIM models.

Building on this, the study classifies the methodologies into six representative frameworks: Input-Output tables, Cost-Benefit Analysis, Key Performance Indicators (KPIs), Social Accounting, Satellite Accounts, and Randomized Models. This structured classification enables a detailed analysis of the benefits, limitations, and practical applicability of each model, especially within the context of social economy organizations.

The analytical framework developed is both theoretically robust and practically relevant, providing practitioners and policymakers with guidance to make coherent, context-sensitive decisions when selecting appropriate social impact metrics. By integrating a systematic review with a clear categorization, the study offers a solid foundation for understanding the complex field of SIM and supports more informed and effective social impact assessments.

Results

The analysis reveals that social impact measurement is a complex and multifaceted field characterized by a plurality of theoretical approaches and practical methodologies. The reviewed models differ significantly across eight key dimensions. For instance, the scope ranges from project-level assessments to aggregate sector-wide evaluations, while temporality involves ex-ante, on-going, and ex-post measurement phases. Recipients of impact information vary from internal stakeholders to external funders and policymakers. The utility of impact measurement spans accountability, strategic management, communication, and compliance, influencing the choice of models and indicators. Creators of impact assessments include internal evaluators, mixed teams, and independent external bodies, each impacting the rigor and credibility of results. Metrics vary from quantitative financial proxies to qualitative social indicators, with transaction types spanning market and non-market exchanges. Approaches include logical frameworks, causal inference, and probabilistic models.

The study groups existing methodologies into six predominant frameworks: Input-Output models primarily capture economic flows but inadequately reflect non-market social values; Cost-Benefit Analysis struggles with intangible and long-term social outcomes; KPIs provide standardized but often insufficiently tailored indicators for social enterprises; Social Accounting integrates economic and social dimensions but faces challenges in data availability and comparability; Satellite Accounts offer macro-level insights but lack granularity; Randomized Models provide robust causal attribution yet are limited by temporal and contextual constraints.

Importantly, the article identifies the "Frankenstein effect," whereby hybrid models combine incompatible elements, risking methodological incoherence. The authors introduce the Uncertainty Principle of Social Impact (UPSI), highlighting a trade-off between causal precision and breadth of impact measurement. This principle underscores the inherent limits in achieving simultaneous depth and scope in impact evaluations, advocating for strategic compromises tailored to organizational goals.

Conclusions

This study finds that measuring social impact in the social economy needs well-designed and coherent frameworks that reflect its unique values and realities. Unlike traditional economic actors, social economy organizations create value through non-market and emotional exchanges, requiring measurement methods beyond standard financial metrics. Impact models should balance breadth (covering various impact areas) and depth (detailed understanding

of specific outcomes), but achieving both fully is impossible, as explained by the Uncertainty Principle of Social Impact (UPSI). Practitioners must prioritize based on context and goals.

Satellite Accounts provide useful economic overviews but focus on markets, missing much social value created outside market systems. Social Accounting integrates social and economic factors but faces data and standardization challenges. Input-Output and Cost-Benefit models miss intangible and long-term impacts. KPIs risk oversimplifying diverse organizations unless adapted. Mixing incompatible methods ("Frankenstein effect") harms credibility. A clear, theory-based framework is needed. Advances like artificial intelligence can improve measurement's reach and accuracy.

Future research should deepen integration of theoretical paradigms underpinning different models, explore comparative analyses of multiple impact assessments, and operationalize fuzzy logic and probabilistic approaches to better capture the complexity of social impact. Ultimately, tailored, consistent, and transparent measurement systems are crucial for legitimizing, managing, and scaling social value creation within the social economy.

Original Value

This study critically examines various social impact measurement models, analyzing their benefits, limitations, and applicability across diverse organizations. It provides a theoretically grounded and practical framework to guide the selection of appropriate impact metrics. Additionally, the article outlines a future research agenda focused on improving measurement coherence, integrating theoretical paradigms, and exploring advanced methods to better capture complex social impacts in varied contexts.