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Guidelines for a TSR® process - the role of social economy in a territorial TSR® programming

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Abstract

TSR® is a methodology for local planning that integrates social, economic, cultural and environmental dimensions. It is based on a process of participatory governance, which aims for

improvement of quality of life for a whole community on a given territory, through greater social cohesion, sustainable development, economic efficiency and wider democracy.

Starting from the experiences of responsible approaches for enterprises (such as the CSR, the social and societal accounting..) and for local authorities (agenda 21...), TSR® works on the territorialisation of principles and criteria of reference, keeping in mind the irreducible difference that exist between a territory and all others, but also the necessity to have tools for comparing them.

In a TSR®, social economy actors are confronted with a methodology for local evaluation and programming that is: a) holistic; b) territorial, participatory and community oriented; c) leading to co-certification; d) efficacy. But they also have the possibility to influence a local TSR® and react on principle and criteria that they might consider as inconsistent with local context.

On the other side TSR® is a powerful tool local actors have in order to develop a responsible, wide and common labelling.

As a conclusion, TSR® is a tool for sustainable, cohesive and highly qualitative societies. Being entirely coherent with long-terms objectives of social economy movement. It clearly represents a major step forward regarding quality of decision-making processes, internal and external to social economy, based on a genuine participatory approach.

The background

First reflections about a concept of territorial socially responsibility within the REVES network (European Network of Cities and Regions for the Social Economy) started in 2001-2002, following the issuing of the green book on corporate social responsibility by the European Commission.

REVES members, which are local authorities and territorial organisations of the social economy, started arguing that corporate social responsibility and the other mechanisms which are normally linked

to it, such as environmental responsibility, were not completely satisfactory as such, in order to qualify a

whole territory as one being able to improve quality of life for all local inhabitants and stakeholders.

Following this reasoning, REVES members started an in-depth analysis on other wider tools for territorial sustainability, such as the local agenda 21, which were and still are active in many REVES territories. In the end it was stated that, notwithstanding the many positive aspects, these instruments still could not be considered as satisfactory, due to their relative self-centred approach and the non-compulsory dynamics.

For all these reasons, REVES started with a definition of a TSR® as a “territorial system that strikes the balance between the economic, social, environmental and cultural aspects of local way of live in order to pursue a better quality of life for local inhabitants and other stakeholders by means of a participatory governance approach”.

Such a definition, still valid, was enriched by the following steps that helped to qualify the TSR® as a methodology of support to the decision-making process of local organised stakeholders on a given territory (local authorities, enterprises, organised civil society etc...), but also identified the key element of the future TSR® methodology, that is to say the locally-based definition of values and principles to which each stakeholder has to stick.

Reached this stage of evolution of the concept, it was important to define its relationships with CSR, Global Compact, Agenda 21 and all other “labelling” procedures in the field of social responsibility, as well as to build TSR® on a strong legitimacy.

Starting from the first point, that is the links with non-compulsory procedures of social responsibility, it is important to underline that the TSR® is set in continuity with them. Indeed, some key concepts embodied namely in the local agenda 21 and global compact are most likely to be found in a common local TSR® process. In fact, it is worth to highlighting that these concepts make reference to a society existing at a higher level than the local one, such as the society of National States (as in the global compact) or the society of regional and local authorities (as in the Agenda 21).

It is therefore clear that, as the aforementioned tools are based on democratic representations, they should find a coherent application on all territories. But, if this is likely to be, we could not take that for granted, as local inhabitants and stakeholders could be willing to go beyond the basic principles or even attribute different weights to them.

Worth to underline that the inverse would not be possible: a territory as such could not derogate principles which are based on widely accepted behaviours and way of thinking by the international society and for this be considered as international rules. This is clearly because a single territory cannot put itself aside from the international rules, and therefore enter in a conflict with other territories, and be considered as responsible: indeed, a key element of TSR® is that the internal responsibility cannot enter in any kind of collision with the external responsibility, that is the respect of the same inner principles and values while entering in a relationship with other territories.

The second element of the TSR® is its legitimacy. In an international context, and according to international law, a rule or a procedure is intended as legitimate when a major part of the components of the international society consider it as such.

The TSR® founds its legitimacy in the legitimacy of REVES members, which are local authorities representing app. 25 M people, and in the TSR® territories as such. Indeed, it is important to underline that TSR® is a tool for a society of territories that accept and recognise its value for themselves, but also in the relationship among them.

The TSR® method – key elements

As already said, the TSR® is a methodology to support responsible decision-making of different stakeholders or components of a local society and a tool for developing ethical relationships among territories.

The word “responsible” is taken here in its most literary meaning, i.e. to *respond* to someone. In order to do that, to *respond*, it is fundamental to *know the question* to which one should respond. In other words, this means to have a clear view on which are the values and principles which are considered to be key ones and on which one could be called to respond by the inhabitants and stakeholders of the own territory.

Before continuing with the analysis of the key elements of the TSR® methodology, it is worth to very briefly refer to the meaning of *territory* accepted by the TSR® group, that is to say REVES as such. A territory is therefore the place in which relationships between communities, societies and their components enter in a stable and continue relationship.

These elements of the territory are called to define the local TSR® principles – both community and society, at different stages and at different levels – and to adapt behaviours of the organised components of the territory to these principles.

It is worth to underline that beside the components of a given territory, the TSR® takes into consideration also the external stakeholders of it, as it will be better explained further on.

This simple statement opens up a whole range of questions and problems linked to the definition of local values and principles, the latter being the synthetic translation of the former.

Indeed, it appears self-evident that the question recalls the one of actual realisation of local democracy intended not in terms of government of the majority, but as continuous discussion within a community and shared decision-making.

As stated in the introduction, one of the key elements, or maybe it would be better to say the *key element* of a TSR®, is the use of a participatory and fully democratic model of governance, based on the widest possible involvement of all parts of a community and all sectors of a society.

This would mean to use even sophisticated methods of participation, thus going - at the stage of the definition of principles – beyond the concept of democratic representativeness.

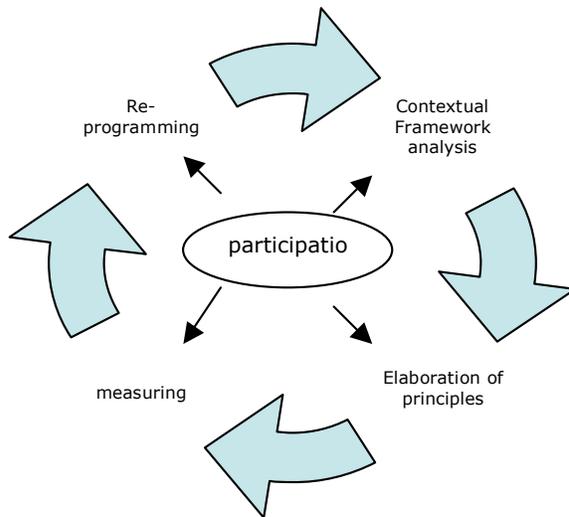
In fact, the participatory dimension – at different levels - is well present at all stages of the process, that is a) holistic; b) territorial, participatory and community oriented; c) co-certifiable; d) efficacy-oriented one.

The method – short description of different phases

TSR® being essentially a method aimed to support decision-making processes able to improve quality of life at internal level, but also to facilitate comparisons and relationships at external level, it is important to share a common basic methodology able to make any TSR® as efficient and efficacy-based as possible and easily recognisable by external stakeholders and territories.

The methodology is a key element, as far as it is the actual realisation of participatory governance on the territory.

The following picture gives an overview on the four components of the methodology



Contextual framework analysis shall help the actor that decides to start a TSR® to understand the key features of local communities and of local society so to be able to guarantee the representativeness of local principles. Indeed, even though it is true that the definition of TSR® principles should involve as many members of the different communities as possible, no one can *force* people to participate. It is therefore necessary to keep in mind what the structure of the community is, in order not to leave aside parts of it.

The elaboration of principles and the related weighting is a complex and key passage based, on the one hand, on the use of participatory tools and approaches and, on the other hand, on the use of a set of tools able to translate the indirectly expressed values and principles into well-defined principles. Indeed, it is not at all said that all parts of the communities would be in a position to communicate under the form of values and principles. On the contrary, it is not absurd to think that the communication will take the shape of expression of needs and wishes. It is therefore necessary to create interdisciplinary groups able to *normalise* the expressed values and principles, together with representative watch groups able to validate, also through participative tools, the work done by interdisciplinary groups.

The elaboration and weighting of principles should lead to the measuring of the compatibility of local organised bodies' and stakeholders' behaviours to local TSR®. This is a two-way process, in which any organised actor is able to check the meaning and consistency of values and principles and, eventually, to set them and the way they were collected and defined in a specific context.

At this stage, purely public activities carried out by locally elected authorities differentiate from economic activities, being them carried out by public-controlled bodies or by private enterprises.

Indeed, while the first will drive to changing in policies, the latter will drive to changing in practices.

In between defined policies and practices, in other words in between public authorities and private profit-making enterprises, there is an area where partially public and partially private activities meet.

Social economy based activities lay in this area. Indeed, keeping as a reference 4 main dimensions of the action: democracy, economy, environment and social, it is easy to remark as social economy based activities fall in an area closer to public interest activities; indeed, they are democracy-based (with reference to the internal structure of the organisation), social-based (as they contribute to the improvement of social capital), have or create an economic value (being acted on the market, protected or not) and are environmental friendly (in the wider sense of not destroying the environment in which the social economy organisation is acting).

It is therefore clear how social economy has a key role to play, being able to bridge the private and public dimension of activities. This has to be kept in mind while proceeding.

At this stage, a matrix-based tool allows therefore to measure and lead to the following passage.

The re-programming of activities, based on the elaboration of different more or less TSR®-compatible scenarios allows then to propose re-organisation of local actors having a clear view on where this reorganisation will lead to, and also on how this reorganisation could or would drive to a revision of the TSR® principles.

Indeed, it is important to underline that a TSR® is a never-ending process which enshrines in itself the elements of its continuous reforming and improvement. Indeed, the weight of the TSR® principles will change once the local territory gets closer to the realisation of a TSR® compatible framework while creating new values and new perspectives.

TSR® distinguishes and appreciates the difference between the various local actors, thus enabling each actor to take an active and integral part in the process, which otherwise could prove fatally inadequate and unsustainable.

Indicators to fully evaluate behaviour of private and public actors are obtained by crossing practices and principles. This way a study area with numerable indicators and descriptors emerges, as shown in the following scheme:

Principles / Field-Practices	Purchase practices	Environmental practices	Economic management	Social and culture	...
Systemic approach
Caution	I_p ...	...
Creativity and innovation	...	I_q ...	...	I_s ...	...
Democracy
transparency
spatial equality
education
social fairness
sustainability	...	I_i, I_s ...	I_e, I_g ...	I_c ...	...
...

The definition of the indicators is done via a descriptive analysis of the different fields of the matrix and a suitable quantification of them. This could lead to simple or complex indicators.

It appears self-evident that these indicators will be built in coherence with the context analysis and the type of actor/structure which is being examined. This means, as said, that while working with public authorities we will deal with policies and practices, whereas working with private bodies means dealing with practices only.

An inter-disciplinary group will be in a position to trigger alarms, if necessary, but not to block the process. The latter, however, can be done by a non-public actor or a group of actors. This option means that non-fundamental principles, i.e. those principles that do not relate to fundamental values recognised by international charters, can be subject of revision at request of the public and private actors entering a TSR® process. It goes without saying that the actor's request must be well-motivated.

The TSR® Agency and a local co-organiser will report the results of the assessment back to the actor concerned. If any incongruities between the principles, the indicators and his own structural and functional characteristics were discovered, he may re-activate the process.

Starting from the analysis of the ranking of principles and of possible reprogramming scenarios proposed by the evaluated actor, it is necessary to draft a matrix for each possible scenario. This is an adaptation of the previously described matrix. Indicators are in part the same and in part substituted by indicators quantifying inter-relations between the different areas of analysis. They will mathematically be calculated through partial derivatives.

Indeed, from a TSR point of view, not the absolute value of the indicators, but their relative one is relevant. Example: The measurement of profit as such, for instance, is not the objective. It is rather important to discover how profit influences social cohesion, environment etc..

principles / Field-Practices	Purchase practices	Environmental practices	Economic management	Social and culture	...
systemic approach
caution	I_p ...	...
creativity and innovation	...	I_q ...	...	I_s ...	...
democracy
transparency
spatial equality
education
social fairness
sustainability	...	$\partial I_i / \partial I_g$	I_e, I_g ...	$\partial I_c / \partial I_g$ ...	...
...

The analysis of the different TSR® matrices by the Agency is carried out according to a multi-criteria method. The aim is to support the choice of the most TSR®-compatible scenario among the different scenarios possible, and to start a labelling process. Thanks to its multidimensionality, this process allows thus taking into consideration different scenarios at the same time.

The evaluation of the scenarios is carried out according to different criteria (the TSR® principles), based on the expressed points of view of the community and determined by the ranking of the TSR® principles. The decision-maker has to stick to these criteria.

The basic elements of a multi-criteria analysis are:

- the decision-makers
- the alternative scenarios, i.e. the objects of evaluation and choice
- criteria and principles
- weighting and preferences

The different scenarios on a territory, that are not infinitive in their number, will then be illustrated through a limited list of complex indicators synthesizing the relation to each TSR® principle.

For each scenario, each synthesis indicator (si_m) summarizes all the descriptors developed in the TSR® matrix.

The *impact and reprogramming matrix (IRM)* is built as follows:

		Scenarios			
		Scenario 1	Scenario 2	Scenario 3	...
Principles	systemic approach	Synthetic indicator row 1 TSR matrix relating to first changing scenario	Synthetic indicator row 1 TSR matrix relating to second changing scenario	Synthetic indicator row 1 TSR matrix relating to third changing scenario	...
	Caution	Synthetic indicator row 2 TSR matrix relating to first changing scenario	Synthetic indicator row 2 TSR matrix relating to second changing scenario	Synthetic indicator row 2 TSR matrix relating to third changing scenario	...
	creativity and innovation	Synthetic indicator row 3 TSR matrix relating to first changing scenario	Synthetic indicator row 3 TSR matrix relating to second changing scenario	Synthetic indicator row 3 TSR matrix relating to third changing scenario	...
	Democracy	Synthetic indicator row 4 TSR matrix relating to first changing scenario	Synthetic indicator row 4 TSR matrix relating to second changing scenario	Synthetic indicator row 4 TSR matrix relating to third changing scenario	...
	Transparency	Synthetic indicator row 5 TSR matrix relating to first changing scenario	Synthetic indicator row 5 TSR matrix relating to second changing scenario	Synthetic indicator row 5 TSR matrix relating to third changing scenario	...
	spatial equality	Synthetic indicator row 6 TSR matrix relating to first changing scenario	Synthetic indicator row 6 TSR matrix relating to second changing scenario	Synthetic indicator row 6 TSR matrix relating to third changing scenario	...
	education	Synthetic indicator row 7 TSR matrix relating to first changing scenario	Synthetic indicator row 7 TSR matrix relating to second changing scenario	Synthetic indicator row 7 TSR matrix relating to third changing scenario	...
	social fairness	Synthetic indicator row 8 TSR matrix relating to first changing scenario	Synthetic indicator row 8 TSR matrix relating to second changing scenario	Synthetic indicator row 8 TSR matrix relating to third changing scenario	...
	Sustainability	Synthetic indicator row 9 TSR matrix relating to first changing scenario	Synthetic indicator row 9 TSR matrix relating to second changing scenario	Synthetic indicator row 9 TSR matrix relating to third changing scenario	...

The numeric algorithm that will be used to apply the multi-criteria analysis is Electre III.

Drawing on the IRM as well as on weighting and preferences, a software (system) will provide a well-ordered list of possible re-programming scenarios from the most to the less TSR® compatible, as determined by the local community.

It is clear that these are just tools of support for the decision-making process. They are one of the basic elements of a participatory reprogramming process. Thereby, it seems self-evident that the rules for decision-making inside a public body are different from those of a non-public body.

In fact, public administrations are complex systems which, although they have to achieve objectives of an institutional nature, carry out actions that are not dissimilar to the actions of purely private subjects.

It is therefore worth to make a distinction between purely political activities, which involve decision-making and enforcement, and activities of a more functional nature. The former are related to the ways of generating and executing decisions of a politico-institutional nature; the latter are inherent to the practices of management and technical running of an institutional organism.

With regard to the first type of activity (politico-institutional), there exists nowadays a whole range of instruments for participatory re-programming that have already been tried and tested.

One could mention, for instance, Local Agenda 21, as well as instruments such as participatory budgets or strategic conferences, but also consultations in all their various forms, which support municipal or regional councils in political decision-making through the expression of requirements, preventative consultation, co-programming and shared assessment.

Compared to these techniques, TSR® figures high up on the list. In fact, political decision-making in a TSR® must, out of necessity, take into consideration the principles expressed through the participatory mechanisms employed during the initial phase of the process.

Taking decisions of a political nature may therefore be summarised as shown in the diagram below:

Local Authority	Verification of existing policies with respect to local TSR principles
Local Authority and TSR® Agency	Launching a process for drafting political decisions
Local Authority	Verification of the possibility to change policies with respect to the law
Local Authority and TSR® Agency	Analysis of the consequences of alterations to existing policies and drafting of a public report
Local Authority and Local Co-organiser	Activation of participatory instruments with a view to validating new policies based on TSR®
Local Authority	Initiation of a process leading to policy changes
Watch Groups	Monitoring of the participatory process
TSR® Work Groups	Monitoring of cohesion with TSR® principles

At this point, a local authority is capable of reviewing its own political agenda.

The operational activities of public institutions are another matter. They include all the practices linked to industrial relations, purchase, environmental practices, provision of services etc..

These practices, although legally bound to abide by more stringent criteria than equivalent business procedures, are basically the same as business practices. However, the latter have less external ties, even though they should also be integrated in a participatory process of change.

In fact, many public administration practices do not derive from the direct choices of the administration concerned, but respond to legal impositions. For example, purchasing practices are determined by a series of regulations that originate from the application of national and supranational laws over which the local authority has a limited power of decision.

Also in this case, social economy organisations lay in between these two situations. Indeed, even being theoretically free to take alternative decisions without legal boundaries, they have to stick to their proper character of social or community based organisation, having different or partially different objectives from the economic or business ones.

Social economy organisations must be recognised by their local social context; in some cases, this could be also translated into national rules, that provide some ties to their activity, but even more important to underline the social or community ties to social economy organisations, that bring their concern for territorial consistency high on the list. Given this last statement, it goes without saying that the role social economy organisations play in a TSR® is necessary a pivoting one, possibly in partnership with local authorities.

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