

Impact of Social Economics in Social Development

Wu Mai

Department of Sociology

Nanjing University

Email: maiwu0965@gmail.com (Author of Correspondence)

China

Abstract

Here, in the article, basically the society and economics how are related that will presented. Even, the nature of social economics or socioeconomics will be described here. This is an important branch of economics. Tis article contains various aspects of social economics. Some of important topics are as like social status, social class and so on. Thus by this article, we will get distinct idea about this topic.

Keywords: Socioeconomics; Degree; Way; Enterprise; Solidarity; Status; Class.

1. Introduction

Social economic theories may differ from conventional beliefs about economics. Traditional schools of thought often assume that actors are self-interested and make rational decisions. Social economic theories often consider subject matter outside the focus of mainstream economics, including the effect of the environment and ecology on consumption and wealth. French term ‘economies social’ first used by Charles Decoyer in 1830 in his paper called ‘Nouveau traité d’économie sociale’. This is the field of study that examines social and economic factors to better understand how the combination of both influences something. "Catherine studied the socioeconomic issues facing the community that she grew up in."

2. Idea of Social Economics

Social economics also referred to as socioeconomics, is concerned with the relationship between social and economic factors within society. These factors influence how a particular group or socioeconomic class behave within society, including their actions as consumers. Different socioeconomic classes may have different priorities regarding how they direct their funds. The social economy is formed by a rich diversity of enterprises and organizations, such as cooperatives, mutual, associations, foundations, social enterprises and praetorian institutions, sharing common values and features

- a) Primacy of the individual and the social objective over capital
- b) Voluntary and open membership
- c) Democratic governance
- d) Combination of interests of members/users and/or the general interest
- e) Defense and application of the principles of solidarity and responsibility
- f) Autonomous management and independence from public authorities, though cross-sector collaboration is common
- g) Reinvestment of -at least- most of the profits to carry out sustainable development objectives, services of interest to members or of general interest

3. In the Interdisciplinary Degree Program in Socioeconomics

- a) the relationships between economics and society are described and explained,
- b) social questions are considered from the perspectives of economics and the social sciences and
- c) Students gain knowledge of methods and statistics that is required to answer these questions.

3.1 Side By Side With Family Housekeeping, There Have Been Three Principles of Production and Distribution

- a) Reciprocity
- b) Redistribution
- c) Market
- d) It is prior to the market revolution, humanity's economic relations were subordinate to the social. Now economic relations are now generally superior to social ones.

4. Root of Social Economy in Workers' Movements

- a) Various traditions--socialist, Christian, liberal (Owen, Saint-Simon, Fourier, Proudhon).
- b) Context was industrialization, proletarianization and pauperization
- c) Multifunctional associations aiming to create a micro-social space of solidarity and to step in as actors in the area of economic organization, both at the level of production and at the level of distribution.
- d) Made some use of traditional types of solidarity (families, corporations), but grounded in principles of liberty and equality between members.

5. Social Economy as the 'third way'

- a) 'In the conflict between capitalism and socialism which characterized twentieth century Europe, the social economy became a "third" way.' (Westlund, 2003: 1193).
- b) State involvement in social services ended the multifunctionality of the third sector.
- c) mutual benefit societies specialized in social protection
- d) cooperatives confined their activities to consumption
- e) Trade unions turned to the 'workers' struggle'.
- f) Dissociation between the economic (the sphere of the market) and the social (the sphere of the state). (Nyssens, 1997: 179).

6. Social Enterprise

Referring to market-oriented economic activities serving a social goal. The social enterprise is then viewed as an innovative response to the funding problems of non-profit organizations, which are finding it increasingly difficult to solicit private donations and government and foundation grants. A social enterprise is an

organization that applies commercial strategies to maximize improvements in financial, social and environmental well-being—this may include maximizing social impact alongside profits for external shareholders. As a consumer, buying for a social enterprise is one of the most impactful methods of supporting positive social change and your community. Yes and no. There are examples of social enterprise that are more than 100 years old, but social enterprise is relatively new as a growing sector of activity in the U.S. and beyond. For example, Goodwill Industries pioneered the notion of “a hand up, not a handout” in 1902 when they began employing the poor to mend and repair used goods that could then be resold to the general public or provided for free back to the poor. Still today, Goodwill aims to provide economic self-sufficiency and in 2014 created employment and job training opportunities for more than 2 million people while generating more than \$4.6 billion in revenue – 86% of its total budget – through retail sales and other earned income sources. In recent years, social enterprise has become more prominent, with growing interest and attention from investors, consumers, universities, media and policymakers. The rise of “impact investing” and “conscious consumerism” are reflective of social enterprise’s development as a field, as are the growing number of university courses, the attention from Forbes and other mainstream media, and government support through the White House’s Office of Social Innovation and Social Innovation Fund.

Social enterprises can be structured as a for-profit or non-profit, and may take the form (depending on in which country the entity exists and the legal forms available) of a co-operative, mutual organization, a disregarded entity, a social business, a benefit corporation, a community interest company, a company limited by guarantee or a charity organization. They can also take more conventional structures. Social enterprises have both business goals and social goals. As a result, their social goals are embedded in their objective, which differentiates them from other organizations and corporations. A social enterprise's main purpose is to promote, encourage, and make social change. Social enterprises are businesses created to further a social purpose in a financially sustainable way. Social enterprises can provide income generation opportunities that meet the basic needs of people who live in poverty. They are sustainable and earn income from sales is reinvested in their mission. They do not depend on philanthropy and can sustain themselves over the long term. Their models can be expanded or replicated to other communities to generate more impact. A social enterprise can be more sustainable than a nonprofit organization that may solely rely on grant money, donations or federal programs alone. As a for-profit model, you control the curriculum and funding of the program. The incentives of the company are designed such that greater impact directly correlates to a great profit. Investors and business partners today want to know that the companies they choose are doing more than just providing a product or service. They look for companies that are doing good. They will feel a special connection to companies whose values align with their own.

6.1 An Economy of Solidarity

- a) The projects of an economy of solidarity have a tendency to reunite that which has long been separated and to question some presuppositions of the market-state synergy: the separation between the economic and the social, the sharp dividing line between paid work and leisure, the state's monopoly on solidarity, the market-state dichotomy, and so on.
- b) A solidarity economy is based on efforts that seek to increase the quality of life of a region or community through local business and not-for-profit endeavors. It mainly consists of activities organized to address and transform exploitation under capitalist economics and the large-corporation, large-shareholder-dominated economy, and can include diverse activities. For some, it refers to a set of strategies and a struggle aimed at the abolition of capitalism and the social relations that it supports and encourages; for others, it names strategies for "humanizing" the capitalist economy—seeking to supplement capitalist globalization with community-based "social safety nets". An economy of emancipation and co-operation Why produce only as a function of an unjust market that depletes and exploits, denying us the chance to manage both the production and the economy for our own service, for the service of all citizens, and of all peoples of the planet, as well as for future generations? Our proposal is a socioeconomic of solidarity as a way of life that encompasses the totality of the human being that announces a new culture and a new form of producing to fulfill the needs of each human being and of the entire humanity.
- c) The solidarity economy is a global movement to build a just and sustainable economy. It is not a blueprint theorized by academics in ivory towers. Rather, it is an ecosystem of practices that already exist—some old, some new, some still emergent—that are aligned with solidarity economy values. There is already a huge foundation upon which to build. The solidarity economy seeks to make visible and connect these siloed practices in order to build an alternative economic system, broadly defined, for people and the planet.
- d) The Solidarity Economy seeks to transform the dominant capitalist system, as well as other authoritarian, state-dominated systems, into one that puts people and the planet at its core. The solidarity economy is an evolving framework as well as a global movement comprised of The principles of the solidarity economy vary in their articulation from place to place but share a common ethos of prioritizing the welfare of people and planet over profits and blind growth. The U.S. Solidarity Economy Network uses these five principles:
 - e) solidarity, cooperation, mutualism
 - f) Equity in all dimensions (e.g., race, ethnicity, nationality, class, and gender, etc.)
 - g) participatory democracy

- h) sustainability
- i) pluralism
- j) Practitioners, activists, scholars, and proponents.

6.2 Socioeconomic Class

Most sociologists use the term ‘class’ to refer to socioeconomic differences between groups of individuals which create differences in their life chances and power. Generally it is a system of ordering society whereby people are divided into sets based on perceived social or economic status. A socioeconomic class is a group of people with similar characteristics. These characteristics can include social and economic standing, level of education, current profession, and ethnic background or heritage. Studies conducted by the Institute of Education Sciences, National Center for Education Statistics found that children from low-income families generally do not have the same opportunities available to them as children from middle or high-income families. For example, low-income families may not be able to pay for their children's participation in team sports, music lessons, or private tutoring, which can propel them toward achieving a prosperous future as well as provide them with growing confidence to take on more challenges. Also, these children may attend overcrowded schools where education is underfunded, understaffed, or considered inferior; thus, seeing no way to take the path to a better future, they likely accept their economic condition as permanent. Similar to their family and peers, many will not even consider a post-high school education and be unlikely to break through the poverty level as adults. Class is about categorizing people based on their economic position in society. The higher your class the more power, status and influence you have in the economy. This has made it one of the most important ideas over the last 150 years, driving massive social change and revolutions. However as societies have changed, the definitions of class have changed. In the Industrial Revolution it was easy to know which class you were in. Now it might seem a bit more difficult. Marx’s Proletariat vs Bourgeois¹ the famous economist Karl Marx defined class to be about who owns the “means of production”, which are basically all the physical or monetary things that can be used to make money, such as factories, tools, retail estate, computers etc. The people that own this stuff, called the bourgeoisie, can make money by simply living off the profits they get from renting this stuff out or investing it. This means they don’t need to work in order to survive. On the other hand, everyone who doesn't own the means of production has to work to live. They are called the proletariat and in Marx’s time in the 19th century consisted mainly of the new industrial workers in the factories.

6.3 Social Sustainability

Impact of Social Economics in Social Development

Social sustainability is based on the concept that a decision or project promotes the betterment of society. In general, future generations should have the same or greater quality of life benefits as the current generation do. This concept also encompasses many things such as human rights, environmental law, and public involvement & participation. Failing to put emphasis on the social part of decision or action can result in the slow collapse of the spheres of sustainability (and society as well).

6.4 Components of the Social Economy

There are many components of social economy. In below they are being described.

6.5 Cooperatives

A cooperative (also known as co-operative, co-op, or coop) is "an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise". Cooperatives may include:

- a) businesses owned and managed by the people who use their services (a consumer cooperative)
- b) organizations managed by the people who work there (worker cooperatives)
- c) Multi-stakeholder or hybrid cooperatives that share ownership between different stakeholder groups. For example, care cooperatives where ownership is shared between both care-givers and receivers. Stakeholders might also include non-profits or investors.
- d) second- and third-tier cooperatives whose members are other cooperatives
- e) Platform cooperatives that use a cooperatively owned and governed website, mobile app or a protocol to facilitate the sale of goods and services.

6.6 Mutual Associations

Owned by its depositors and sometimes borrowers, who are referred to as members in a saving and loan association. The members elect directors to its board of trustees. Members have no direct claim to the association's earnings and mutual associations do not issue stock shares. Credit unions are a type of mutual association.

6.7 Non-Profit Organizations

A nonprofit organization (NPO), also known as a non-business entity, not-for-profit organization, or nonprofit institution, is dedicated to furthering a particular social cause or advocating for a shared point of view. In economic terms, it is an organization that uses its surplus of the revenues to further achieve its ultimate objective, rather than distributing its income to the organization's shareholders, leaders, or members.

Nonprofits are tax exempt or charitable, meaning they do not pay income tax on the money that they receive for their organization. They can operate in religious, scientific, research, or educational settings.

6.8 Scope and Significance of the Social Economy

In a study of 40 countries, this sector contributes to \$1.9 trillion in operating expenditures, 48.4 million full-time jobs, and serves 4.6% of the economically active population in these countries (Salamon, 2007).

In Quebec, the Social Economy (including credit unions, day care centers and home care cooperatives) amounts to 7151 enterprises, 124,300 jobs, and \$17.2 billion in annual sales of goods and services (Downing, 2004). According to a 2004 study, there are 9,271 co-ops employing over 160,000 Canadians (Cooperatives Secretariat).

In the UK, there is an estimated 870 000 civil society organizations, assets of £210 billion and total income of £116 billion (Haugh, 2009).

6.9 Socioeconomic Status

This is an economic and sociological combined total measure of a person's work experience and of an individual's or family's economic and social position in relation to others, based on household income, earners' education, and occupation are examined, as well as combined income, whereas for an individual's SES only their own attributes are assessed. However, SES is more commonly used to depict an economic difference in society as a whole. Socioeconomic status is typically broken into three levels (high, middle, and low) to describe the three places a family or an individual may fall into. When placing a family or individual into one of these categories, any or all of the three variables (income, education, and occupation) can be assessed. Additionally, low income and education have been shown to be strong predictors of a range of physical and mental health problems, including respiratory viruses, arthritis, coronary disease, and schizophrenia. These problems may be due to environmental conditions in their workplace, or, in the case of disabilities or mental illnesses, may be the entire cause of that person's social predicament to begin with. Socioeconomic status (SES) is a composite measure of an individual's economic and sociological standing. It is a complex assessment measured in a variety of ways that account for a person's work experience and economic and social position in relation to others, based on income, education, and occupation. Socioeconomic status has been a powerful determinant of health; as a general rule, wealthy people tend to be in better health than people of poorer status. According to the American Psychological Association (APA), an individual's socioeconomic status can significantly impact their beliefs and attitudes, such as perceptions of available opportunities and beliefs in life directions. For example, an individual from an affluent social class will likely have a greater opportunity to achieve higher education and may be expected to pursue such a goal by peers and other members

Impact of Social Economics in Social Development

of their class. Completing higher education is more likely to increase your income potential, as well as provide opportunities to interact with people of similar or more advanced social standing and build beneficial social networks.

7. Public Policy Supporting the Social Economy

7.1 Four main categories of Public Policies

- a) Territorial
- b) Tools for development
- c) Sector
- d) Those in favor of target populations

Research building on Social Economy and Community Economic Development in Canada: Next Steps for Public Policy

8. Co-Production/Construction of Policy

8.1 Co-Production

Participation by stakeholders from civil society and the market in the implementation of public policy

8.2 Co-Construction

Participation by those very stakeholders in the design of public policy

“Democratization and enhancement of public policy requires participation by collective and individual stakeholders from the market and civil society” (Vaillancourt, 2008)

Highlights cases globally of successful co-production/creation of policy

9. Tools for Development

Cities and counties use a variety of approaches to actively promote their local economy’s growth and vitality. Economic development efforts also provide ways for local officials to promote healthier neighborhoods. Communities change over time, evolving in response to demographic trends, changing economic conditions and other circumstances. Guiding this change in a positive direction is an important function of local government, particularly in older neighborhoods that have lost jobs and local businesses as their traditional economic activities have weakened or become obsolete. These neighborhoods often suffer from aging infrastructure and inadequate public and private investment as well as other social and economic challenges. Quantifying how satisfied residents are with local services and programs is a necessary metric for municipal

decision makers. The traditional survey process is lengthy, and can be annoying to residents. And opt-in surveys are often used which can lead to biased responses that don't accurately reflect community priorities. Economic Developers and Township readers of the blog may be familiar with Tangible Words' tools for tracking and analyzing marketing data, which make it easier for development offices to manage their data and better understand and follow up with their leads.

Tools that specifically recognize and support the social, environmental and cultural objectives of SE organizations, enable a level playing field on which they can compete with conventional for-profit businesses.

10. Some International Examples - Policy Domains

- a) Financial cooperatives
- b) Community-based savings programs
- c) Taxation policies
- d) Social money
- e) Local currency
- f) Training
- g) Regulatory frameworks
- h) Investment funds
- i) Enterprise funds and venture philanthropy
- j) Loan guarantees
- k) Subsidized financing
- l) Micro-credit

11. Conclusion

Thus we can consider this course as a source of employment, income, revenue, and other goods and environmental services. Besides, the status of social populations are explained here. Many factors which are threatening for its populations are described here. And many recommendations to address the problems are also included here. Thus we can get explicit idea about this course.

References

1. Blaxter M. Evidence on inequality in health from a national survey. *Lancet*. 1987 Jul 4;2 (8549):30–33.
2. Haan M, Kaplan GA, Camacho T. Poverty and health. Prospective evidence from the Alameda County Study. *Am J Epidemiol*. 1987 Jun; 125(6):989–998.
3. Marmot MG, Kogevinas M, Elston MA. Social/economic status and disease. *Annu Rev Public Health*. 1987; 8:111–135.
4. Matthews KA, Kelsey SF, Meilahn EN, Kuller LH, Wing RR. Educational attainment and behavioral and biologic risk factors for coronary heart disease in middle-aged women. *Am J Epidemiol*. 1989 Jun; 129(6):1132–1144.
5. Winkleby MA, Fortmann SP, Barrett DC. Social class disparities in risk factors for disease: eight-year prevalence patterns by level of education. *Prev Med*. 1990 Jan; 19 (1):1–12.
6. Helmert U, Herman B, Joeckel KH, Greiser E, Madans J. Social class and risk factors for coronary heart disease in the Federal Republic of Germany. Results of the baseline survey of the German Cardiovascular Prevention Study (GCP). *J Epidemiol Community Health*. 1989 Mar; 43(1):37–42.
7. (<http://ryoung001.homestead.com/Sociology.html>)
8. Read more: <http://www.businessdictionary.com/definition/socioeconomic.html>