

SVI Glossary 2.0

Summary of the most significant changes to terminology

The process of publishing the SVI Glossary 2.0 has led to some significant evolutions to key terminology and even to the framing of SVI's role in 'accounting for value'. This short paper explains the reasons behind three significant changes that can be found in the new definitions.

1. Emphasis on 'Wellbeing'

The SVI board agreed in February 2022 [The Purpose of the Principles of Social Value and the SVI Standards](#), including that social value is defined as *'a broader definition of value that includes the worth or importance stakeholders place on changes (impacts) to their wellbeing that are not captured through 'traditional' financial accounting.'*

Definitions herein, therefore, start from this position. Explicit use of the word 'Wellbeing' provides a tighter focus for SVI's work and methodology (in terms of *what* needs to be measured). It is not SVI's remit to provide guidance and standards on accounting for economic value, environmental value or 'Enterprise Value' to organisations.

The Purpose of the Principles of Social Value and the SVI Standards is then all about accounting for impacts on wellbeing experienced by people and **not** about changes to the economy, environment, enterprises or public services. These changes or 'other types of value' are important to account for and include in decision making. However, SVI believes that guidance and standards for these other types of value is adequately supported elsewhere, whereas accounting for impacts on wellbeing is not adequately captured, and so SVI's focus is on this missing piece of the jigsaw that ultimately should be incorporated alongside financial, economic, fiscal or environmental accounts.

This means that a *social value account* should now be recognised as an 'account of wellbeing'. This can be integrated with economic, fiscal or environmental accounts to produce an SROI analysis or an *'account of value'*.

2. Use of the word 'Optimising'

The publication of Principle 8: Be Responsive ([standard published July 2022](#)) brings even more clarity on the reasons why we measure social value - in order to *'optimise the positive impact activities have on the wellbeing of people'*.

Principle 8: Be responsive requires organisations to embed impact measurement into a decision making system including use of targets and thresholds. This positions the whole SVI framework of Principles as a management framework rather than just a reporting framework. Internal decision makers are, therefore, the priority audience, not external audiences.

Again, the definitions published in the SVI Glossary 2.0, are therefore written with this sole purpose in mind. Other purposes may require different definitions. This new SVI Glossary aims to define technical terms for this purpose.

3. Stakeholders or People Affected

The definition of a stakeholder in SROI, as it is understood in Principle 1: Involve stakeholders, has been at the heart of the principles and enabled a focus on accountability since it was introduced in international guidance in 2006. (Previously in SROI guidance (nef 2004), the word ‘stakeholder’ was used more traditionally in terms of external stakeholders and the guidance was to ‘measure from the viewpoint of your different stakeholders’ and think about how to ‘prioritise their needs’).

Since the introduction of Principle 1 in 2006, the word stakeholders has been used intentionally to emphasise and give voice to those impacted or affected. We have also used it purposefully to subvert the mainstream meaning of the word, as part of our mission to *change the way the world accounts for value*. Unfortunately, our efforts to change the way the term is generally understood did not produce the desired result. On the contrary, it has created confusion and possible misunderstanding among wider audiences who may mistakenly believe that we account for the value to stakeholders as traditionally defined – i.e. those who have money, influence, power – and that we focus on what is important to organisations, funders, investors and policy makers. And this, of course, is the precise opposite of what we are trying to do!

The risk of confusion in wider audiences we seek to influence is greater than the benefit of any change of how the word is used in all other uses (outside of the SVI community and documentation) over the last 16 years.

Equally important in our decision was to acknowledge the colonialist implications of the word stakeholder to many Indigenous Peoples around the world. As we strive for a world with reduced inequality, we are committed to understand the impact of the language we use in order to be as inclusive as possible. (For a compelling discussion of the tenets of the emerging Indigenous economy, built around relationships, multigenerational stewardship of resources, and care for all, see *Indigenomics: Taking a Seat at the Economic Table* by Carole Anne Hilton.)

In these definitions, therefore, we have introduced the phrase ‘people affected’ which can be used instead of, or interchangeably with, the term stakeholder. We recognise that there is no universal term that is perfect, and practitioners may prefer to continue to use the term stakeholder or even another term such as ‘rights holder’. Words have different meaning in different contexts. We encourage practitioners to find the most inclusive language to use in their contexts.