




Chapter [Full-text available](#)**Sustainability and Corporate Social Responsibility in the Perspective of Social Economy Entities: A Bibliometric Study**

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In book: CSR and Sustainability in the Public Sector

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## Abstract

We start from the conceptual interconnection between Sustainability and Corporate Social Responsibility, which, although continuously subject to controversy, both within the scope of its definition and in its performance, advocate, as the ultimate goal, human development and of the society in general, promoting the interests of the Communities on a permanent, long-term basis and without compromising the options of the future generations. In this context, we cannot fail to draw a parallel with the entities that constitute the Social Economy Sector. The activities they carry out are of economic and social nature and must be pursued in the general interest of their members, users and beneficiaries, thus in the general interest of the Community. These institutions also reveal concerns about the sustainability in all the dimensions involved (economic, social and environmental), in which the organizational performance is particularly important, as it becomes imperative to guarantee their continuity, fostering and promoting their social action. We will, therefore, start by framing what is meant by Sustainability, Corporate Social Responsibility and Social Economy, with a particular focus on the current requirements of stakeholders regarding the socially responsible behaviour of the institutions as these, in turn, will entail the adoption of more comprehensive management tools, also more efficient and transparent concerning all dimensions (economic, financial and social). It is within this framework that a project called "TFA—TheoFrameAccountability—Theoretical framework for the promotion of accountability in the social

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10th International Conference on Corporate Social Responsibility (CSR)  
and  
9th Organizational Governance Conference  
- Escola Superior de Gestão do IPCA (Barcelos) -

**Title: Sustainability and Corporate Social Responsibility in the perspective of social economy entities: a bibliometric study**

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**Keywords:** Corporate Social Responsibility, Governance, IPSS, Social Economy Entities, Sustainability, Sustainable Development.

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[Download](#)[Share](#)[More](#)**Abstract**

We start from the conceptual interconnection between Sustainability and Corporate Social Responsibility, which, although continuously subject to controversy, both within the scope of its definition and in its performance, advocate, as the ultimate goal, human development and of the society in general, promoting the interests of the Communities on a permanent, long-term basis and without compromising the future of the future generations.

In this context, we cannot fail to draw a parallel with the entities that constitute the Social Economy Sector. The activities they carry out are of economic and social nature and must be pursued in the general interest of their members, users and beneficiaries, thus in the general interest of the Community.

These institutions also reveal concerns about sustainability in all the dimensions involved (economic, social and environmental), in which the organizational performance is particularly important, as it becomes imperative to guarantee their continuity, fostering and promoting their social action.

We will therefore start by framing what is meant by Sustainability, Corporate Social Responsibility and Social Economy, with a particular focus on the current requirements of stakeholders regarding the socially responsible behaviour of the institutions as these, in turn, will entail the adoption of more comprehensive management tools, also more efficient and transparent concerning all dimensions (economic, financial and social).

It is within this framework that a project called "TFA - TheoFrameAccountability - Theoretical framework for the promotion of accountability in the social economy sector: The IPSS case" emerges, being promoted by the University of Aveiro, with the participation of National Confederation of Solidarity Institutions (CNIS – acronym in Portuguese), and the Polytechnic Institutes of Coimbra and Porto.

This project aims to promote the accountability of the social economy sector (economic, financial and social aspects), in the Private Social Solidarity Institutions (IPSS – acronym in Portuguese), assisting them not only in fulfilling their legal obligations, but also facilitating the reporting of results of activities carried out in a more effective manner and promoting transfer of knowledge (for the IPSS and also for the academic community), thus contributing to the development and sustainability of these institutions.

Thus, we develop an exploratory and descriptive analysis, of a quantitative-qualitative nature, in which the procedures of data collection determine the result of the search strategy by the defined descriptors.

For this purpose, the analysis will focus on the following variables: number of articles published per year; methodologies used; theories of support; identification by sector / area of activity; countries of origin; more representative institutions; authors who publish more and journals with the largest number of publications.

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The main results indicate a growing concern about sustainability and a growing publication in this area.

This paper presents a bibliometric study to evaluate the main trends of current research on sustainability and on corporate social responsibility, thus contributing to the construction of the theoretical basis underlying the "TFA - TheoFrameAccountability" project.

**Keywords:** Corporate Social Responsibility, Governance, IPSS, Social Economy entities, Sustainability, Sustainable Development.

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## 1. INTRODUCTION

This work emerges from the new challenges that are posed to the social economy entities, in particular the “IPSS” (acronym in Portuguese for Private Social Solidarity Institutions) which, in Portugal, can take on various legal forms, from Associations, Mutualist Associations, Foundations to Mercies (Portuguese Basic Law of Social Economy - LBES, 2013).

These entities have great relevance in the national economy, as they develop relevant social and economic actions, supplying needs not met by either the State or the Second Sector (LBES, 2013). Their mission is to perform a social function in the general interest, providing welfare to the community in which they operate, thus denoting the social responsibility that is an integral part of their genesis (Meira, 2011 and 2012).

In the current context, among many of the demands placed on them, these entities are faced with the issue of sustainability that cannot be neglected, so that they can continue to carry out their mission properly.

We will begin by giving a brief theoretical framework on the concepts and definitions of Social Economy, Corporate Social Responsibility and Sustainability.

Nowadays, the demands on IPSS, both in terms of compliance with legal obligations and Accountability, are extremely high.

The duty of transparency required by the State, their main funding source, as by many other stakeholders with whom they are related (patrons, partners, suppliers, clients, users / beneficiaries, among others) leads them to have to act proactively and to include all stakeholders in decision-making processes and to disclose their performance not only at economic and financial, but also social and environmental levels, highlighting their socially responsible behaviour (Oliveira & Gouveia, 2011; Souza & Costa, 2012).

On the other hand, they face enormous challenges in terms of management and capacity of the social governing bodies to achieve sustainable development in all aspects (economic, social and environmental).

Thus, these entities must pursue strategic planning processes, drawing sustainable development goals in line with those set at national and international levels, improving their performance and disclosure in order to promote, ultimately, their sustainability.

It is in this context that the TFA project arises. The TFA project - “*TFA - TheoFrameAccountability - Theoretical framework for promotion of accountability in the social economy sector: The IPSS case*” is promoted by the University of Aveiro, with the participation of CNIS (acronym in Portuguese for National Confederation of Solidarity Institutions) and of the Polytechnic Institutes of Coimbra and Porto.

This project aims to promote the accountability (economic, financial and social) of the social economy sector, in particular the IPSS - Private Social Solidarity Institutions, assisting them in fulfilling their legal obligations, facilitating a more effective disclosure of results of activities developed and promoting knowledge transfer (to the IPSS and

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also to the academic community), thus contributing to the development and sustainability of these institutions.

This project proposal is to: (i) Facilitate a means for online dissemination of legally required information and voluntary information covering social and economic and financial aspects of its activities; (ii) Conceptualize a framework that allows stakeholders to make this assessment; (iii) Start a yearbook to evaluate the impact of the performance of the IPSS.

Finally, we carry out a bibliometric analysis in order to evaluate the main trends of current research on sustainability and on corporate social responsibility in the social economy sector, thus contributing to the construction of the theoretical basis underlying the project "TFA - TheoFrameAccountability".

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## 2. Concepts

We start by analysing the definitions of each of the three major themes of this study, Social Economy, Corporate Social Responsibility and Sustainability, in order to establish comparisons and interconnections between them, and place us among the controversies that exist in these domains.

The definition of the Social Economy, established by no. 1 of article 2 of the Portuguese Basic Law of Social Economy (LBES, 2013), is that of a “*set of activities freely carried out by social economy entities: Cooperatives, Mercies, Mutualist Associations, Foundations, IPSS, among others, pursued in the general interest*”. This law was able to consolidate the concept of the social economy, surpassing existing controversies (Meira, 2011).

The Corporate Social Responsibility (CSR) was initially defined by the Commission of the European Communities, on the Green Paper (2001) as “*companies that decide on a voluntary basis to contribute to a fairer society and a cleaner environment*”.

Regarding Sustainability, conceptualized by the UN, in the World Commission of Environment and Development (UN, 1987), by the Brundtland Report, “*Our Common Future*”, is seen as the development that “*promotes the satisfaction of the needs of the present generation, without compromising options of future generations*”.

These wide concepts, which are in constant evolution, seem somehow to be interconnected, sometimes intersected or, on the contrary, very distant one from each other, effectively generating difficulties of concise definition or knowledge or, we would even say, recognition.

Although the concept of Economy has been linked to concerns of citizenship and common welfare since Antiquity, Social Economy arises in more adverse circumstances or extreme crises surroundings, such as the Industrial Revolution, World War II or several rise of market failures, as the great scandals that occurred in the 90s and early 21st Century, among other facts. It should be noted that Portugal's first Mercy was founded in the 15th century, in Lisbon, to minimize social problems resulting from the Discoveries, and the first consumer cooperative, was founded in 1844 in Rochdale - England, due to the externalities of the aforementioned Industrial Revolution. Therefore, one might think that the Economy was becoming something merely “*economic*”, focusing only on pecuniary value and could have lost its social character over time.

In this context, it can be concluded that the associations emerged to fulfil growing social needs. The main concern of these non-profit associations was the general interest of the most disadvantaged people, characteristic which shaped the above-mentioned concept of social economy. They arose because states were neither efficient nor effective enough to develop this “*welfare*” role, and because the other actors in society, the companies, had a distinct purpose that focused solely on profit.

<sup>1</sup> Entities designed on article n°. 4 of LBES.

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In this regard, the activities developed by the social economy entities should pursue the general interest, and their mission is therefore outlined, essentially focused on this social object or general purpose (LBES, 2013).

The association between the concept of social economy and the general interest binds mandatorily social economy entities to the adoption of socially responsible behaviours (Meira, 2011).

The mode of organization and functioning of social economy entities is a reflection of their guiding principles, designated in LBES (2013): (i) Primacy of people and social objects; (ii) Free and voluntary membership and participation; (iii) Democratic control; (iv) Conciliation of interests; and (v) Respect for several values: Solidarity, Equality, Social Cohesion, Justice and Equity, Transparency, Social Responsibility, Autonomous and independent management, Allocation of surpluses to the pursuit of social economy purposes.

However, these entities simultaneously pursue business and social objectives, on a complementary perspective (Meira, 2011 and 2012), which brings us to the prominence of business performance, aiming to achieve the goals set in a sustainable manner.

According to Cases – Cooperativa António Sérgio para a Economia Social (2019) *“this sector has contributed to social cohesion, combating unemployment, labour instability, as well as social exclusion among the most vulnerable groups, through the development of various activities. The social utility of these entities also derives from their values and principles, based on the promotion of the human person and the communities, through practices of cooperation, solidarity and social justice”*.

The concept of Corporate Social Responsibility (CSR) is also not static and could not be more comprehensive. It does not ignore any aspect in which CSR may be exercised (social, economic and/or environmental). Hence this concept, triple bottom line (TBL) (Elkington, 1997) refers to organizations that promote environmentally sound, socially fair and economically viable behaviours, with the resulting consequences for the conception of the company's role in today's economy.

By incorporating in its definition, the purpose of contributing to a fairer society and a cleaner environment, the concept of CSR is highlighting the social and environmental aspects, although it is now seen from an organizational perspective (Meira, 2011).

This change of business paradigm - the company open to its external surroundings - implies a need for convergence of transparent, responsible and ethical attitudes, beyond shareholder profit.

Many theories have emerged over time, outlining the company's role, such as the Shareholders theory, which aims exclusively at maximizing shareholder profit (Friedman, 1970), the Institutional theory, which pursues the reconciliation of the parties' interests, through mimetic and / or philanthropic actions, still aiming at the legitimation of the company (Meyer & Rowan, 1977; Dimaggio & Powell, 1983), the Stakeholder theory, reinforcing the growing need for the legitimation of the company with these interest groups, but introducing social and environmental concerns (Freeman,

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1984) or even the theory of Shared value Creation, promoting cooperation and value creation for mutual benefit (Porter & Kramer, 2011).

The great variability of objectives and purposes of CSR, its scope of action or the many possible modalities for its pursuit generates great controversy. Several authors argue that the company can exercise CSR in order to pursue sustainability goals and business success, albeit in a different way.

CSR can be developed at the level of its internal or external environment, as the company seeks only to improve its organizational culture, or if it intends to improve intangible values such as reputation and brand, respectively, while aligning these objectives with the concern to achieve a “socially correct” status (Neto & Froes, 1999).

The social function of the company becomes more prominent through a growing interrelation with the social, economic and environmental environment and the company must become socially responsible in all areas of its activity, including the decision-making process (Torre, 2005; Velasco, 2005).

Other very critical approach, from Heal (2005), claims that many companies view CSR from a purely economic perspective, focusing solely on increasing notoriety and legitimacy, as a reinforcement of competitive advantage and financial return.

Returning to the great variability of objectives and company’s positioning towards CSR, Jamali & Mirshak (2006) and Castelo Branco (2006) agree with the hierarchical levels of action proposed in Carroll’s (1979) conceptual model: from the economic, legal, ethical levels to the discretionary level. However, they stress that companies will make strategic choices about their CSR program, developing it more proactively or reactively, more accommodatively or defensively.

Beyond all controversies, it seems consensual that the practice of CSR is not based on compliance with regulatory and coercive conventions. Companies that voluntarily undertake it, promoting management strategies that consider the interests of all parties and, above all aim at quality and sustainable development, are positioned at a high level of demand for social development, environmental protection and defence of fundamental rights.

Therefore, being socially responsible can affect stakeholder decision-making. CSR has important impacts on the company, as it is a factor valued by stakeholders, differentiates business performance (affecting decision-making), shows a great leverage capacity, conditioning the results, raises the requirements at managers’ skills and at the degree of achievement of the objectives. (Velasco, 2005; Roque, 2010).

Regarding the objectives of CSR outlined in the social policy of the European Union (European Commission, 2013), they are based on a supportive strategy for sustainable development and respect for European values, ie: (i) Human rights and labour protection; (ii) Continuous learning and employability of workers with inclusion of disadvantaged groups; (iii) Environmental protection; (iv) Reduction of pollution; (v) Rational use of natural resources; (vi) Social and environmental innovation; and (vii) Improvement of public health.

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As far as CSR development is concerned, we find the work of several national and global organizations, such as the Business Council for Sustainable Development Portugal (BSCD Portugal) and the World Business Council for Sustainable Development (WBCSD), namely the “Action 2020” (BCSD, 2013 a) and b)) and the “Vision 2050” (WBCSD, 2013 a) and b) and WBCSD, 2019).

Based on the above-mentioned CSR core values, these two players develop specific programs that materialize the priorities of various key areas such as social development, economy, natural capital, energy, cities and infrastructure, as well as industry and materials, in order to promote “meeting the needs of the present generation without compromising future generations’ options”.

We are, therefore, talking about Sustainability, understood as the set of human actions and activities that aim to supply the current needs of human beings, without compromising the future of the next generations. Sustainability related to economic development and based on the principles of respect for the environment and the rational use of natural resources, in a triple bottom line perspective, in order to ensure sustainable development.

In conceptual terms, some questions are raised at this stage: Are human activities carried out to solve people's needs developed in all sectors that make up the Portuguese institutional sectors (State / second sector / social economy)? Can CSR be confused with Sustainability? Is the latter an evolutionary extension of the former? Are the concepts of Sustainability and Sustainable Development equal or similar?

From the conceptual analysis of the terms sustainability and sustainable development we find numerous controversies, ranging from reports of a lack of clear, unconcise definition, misunderstanding and misconception, inconsistent interpretation and application, to a fashion accessory, to common sense or even being considered as a populist slogan (Sartori, Silva & Campos, 2014).

Sustainability, according to Sartori, Silva & Campos (2014), citing Dovers & Handmer (1992), is defined as “the ability of a human system, natural or mixed, to resist or adapt to an endogenous or exogenous change indefinitely”. However, they define sustainable development as the “intentional and evolutionary change that increases or maintains this system attribute, meeting the needs of the population”. From this perspective, sustainability is the long-term goal.

However, the same authors emphasize the existence of other approaches, such as that of Elkington (2001), according to which sustainability is not the goal to be achieved, but the process to reach sustainable development: sustainability arises from the recognition of the need of stable markets, from the ability/competence in the technical, financial and management fields that will enable the transition to sustainable development. Elkington, in 1997, was the creator of the term Triple Bottom Line (TBL), considering sustainability as the balance between the three pillars: environmental, economic and social.

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further to Sartori, Silva & Campos (2014), the lack of consensus between the definitions of sustainable development and sustainability lies in the fact that the term sustainability is based on processes and/or activities while sustainable development has as its focus on the persons and their well-being.

Following the opinion of these authors, sustainability entails a variety of topics from different areas of knowledge, with different frameworks. They conclude that sustainability requires: (i) The balance between the Triple Bottom Line strands; (ii) Indices and/or indicators for long term sustainability monitoring; (iii) Alignment between objectives and identified indicators.

Calleros (2012) also draws the attention to the multifaceted socioeconomic and environmental challenges that require the adoption of multidisciplinary scientific approaches in their assessment.

Besides that, Bansal and Desjardine (2014) also view sustainability in a time-based logic. They see sustainability as a system that should respond to current needs without compromising future needs from the perspective of a long-term system. Sustainability lies in the ability to trade indefinitely and timelessly and will be jeopardized by short-termism if strategic management omits the time factor. They, in fact, consider time to be central to the distinction of sustainability from other concepts such as CSR and TBL, that they claim only to operate in the short term.

They argue that sustainability has to go hand in hand with strategy, making it essential to analyse organizational issues, concepts and theories: (i) At different levels of analysis (*"to get the big picture"*); and (ii) Through performance evaluation indicators to promote integration and capture the value generated over the long term.

Strand, Freeman and Hockers (2015) comparatively address the concepts and evolution of CSR, sustainability and sustainable development. They emphasize that sustainable development is people-focused (UN - Brundtland Report, 1987) while in the CSR perspective the focus is on stakeholder engagement (EU, 2001); a decade later at the World Economic Forum (2013), CSR was associated with sustainability: the company is now responsible for the impacts on society, as we have seen in the historical evolution of CSR presented above.

In Scandinavia, according to those authors, there is a paradigm shift from "business in society" to "business and society", simultaneously promoting the interests of the parties.

These changes from implicit CSR, what they call "walking to walk" (to do!) to explicit CSR, i.e. "talking to talk", determine the ongoing change, no longer based on traditions, values, norms and rules to be supported on corporate strategies and business policies that will promote responsible articulation of community interests.

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<sup>2</sup> The Sustainable Adjusted Global Competitiveness Index (GCI) is created, reflecting a set of institutions, policies and factors that make a nation stay productive over time while ensuring social and environmental sustainability.

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furthermore, these authors emphasize the need to consider several cultural and institutional influencing factors for these changes to be successful, such as democratic management, ethical behaviour, mandatory worker representation on governing boards, and promotion of long-term relationships with stakeholders.

Stahel & Cendra (2011) emphasize the evolution of ethical and moral issues, as “*scale limits*” have been exceeded at many levels (socioeconomic, environmental, technological, cultural, ethical and political). In their opinion, the crisis of legitimacy gave rise to the sustainability / sustainable development paradigm, whereby an attempt has been made to propose an alternative development model that ensures the basic conditions for the well-being of present and future generations. It is about answering a political and ethical question: “*How do we want to live as individuals and society today and in the future?*” These authors make a sustainability analysis, which they foresee through several principles, presented on Table 1.

In short, these authors understand sustainability as a set of principles to be respected, with relations of reciprocal interdependence, from where a development model can emerge to equitably meet the well-being of present and future generations.

Considering the new requirements for the pursuit of sustainability and sustainable development goals (SDGs), Strand, Freeman & Hockers (2015) highlight the need to take into account various cultural and institutional influencing factors for these changes to be successful, such as democratic management, ethical behaviour, mandatory worker representation on governing boards, and the promotion of long-term stakeholder relations.

Schaltegger, Hansen & Freunde (2016) also propose sustainability-oriented business models, which should be imbued with structural and cultural attributes such as: (i) The development of team/community spirit; (ii) Increasing/enhancing worker confidence and loyalty; (iii) Commitment to sustainability evaluation; (iv) Disclosure to stakeholders.

In this respect, they argue that the organization's mission and objectives should have to be considered, not forgetting the performance evaluation approach, the need to include all stakeholders and the way nature must be addressed. Sustainability management, must have an interdisciplinary character, integrating social, economic and environmental aspects (TBL) to transform the organization and contribute to sustainable development (Economy and Society).

**Table 1 – Sustainability principles**

Sustainability principles	Involvement
<b>Long-term phenomenon</b>	Implying future generations, hence long-term policies.
<b>Qualitative and relational phenomenon</b>	Fundamental the quality and type of relationships between elements; organization of interests and their relations with external environment through self-regulation.
<b>It is measured by the</b>	Sustainability is evaluated by the achievement of the

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<p><b>achievement of an ethical and aesthetic objective.</b></p>	<p>Objectives and not the trough the preservation of a given system. Fundamental is not the resilience of the model, but the ability to generate wellbeing with inter and transgenerational equity (the core of sustainability).                  Technical / economic progress helps to achieve the goal, but it is a means, not an end. Sustainability should be assessed, not the development elements (economic / technical), which are subordinate to ethical / aesthetic objectives.                  They do not consider sustainable development as a goal, but as a means to an end (individual / collective well-being).</p>
<p><b>Sustainability is dynamic rather than static</b></p>	<p>Development is the process and sustainability is the ability to conserve / preserve certain elements.                  The essence of sustainability is the achievement of certain objectives and not the preservation of the development model itself, which may change in favour of sustainability.</p>
<p><b>Phenomenon emerging from an organizational process</b></p>	<p>Sustainability is the emergent property of a whole and not a characteristic that can be attributed to individual elements.                  The elements of development are the result of the system organization (as a whole and not separated), appearing as a result of the quantity and quality of established relationships.                  There are organizational models that favour (or not) the sustainability of the system (not sustainable separate elements). The elements of development are the result of the system organization (as a whole and not separated), appearing as a result of the quantity and quality of established relationships.                  There are organizational models that favour (or not) the sustainability of the system (not sustainable separate elements).</p>
<p><b>Sustainability requires participatory self-organization</b></p>	<p>Dynamic / complex systems, such as sustainability and development, are based on the elements of participatory organization (inside-out / bottom-up process).                  Decentralization autonomy predominates over centralized enforcement, in order to avoid lack of relevant information and gain the ability to change behaviours.</p>
<p><b>Sustainability is holistic and total</b></p>	<p>Implying the set of principles that define it and not some separately. This notion "The whole is greater than the sum of its parts" applies to the concept / definition of sustainability.                  Source: Stahel &amp; Cendra (2011)</p>

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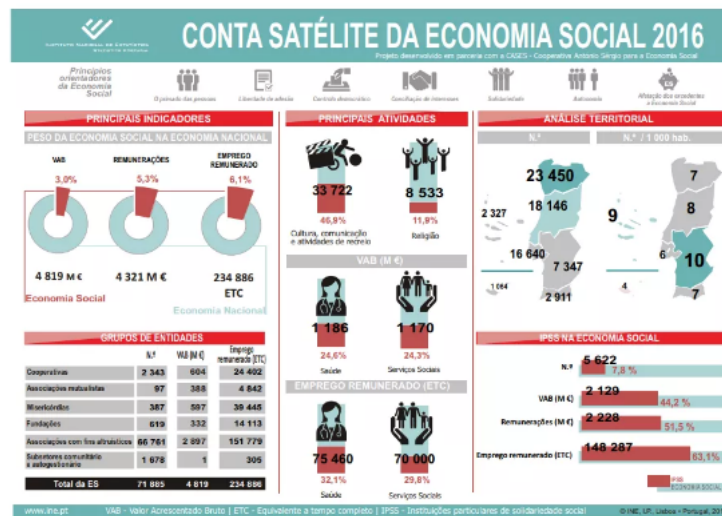
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### 3. The Social Economy in Portugal

Given that this study aims to establish a relationship between Corporate Social Responsibility and Sustainability from the perspective of the Social Economy, we cannot fail to make a brief presentation of this sector in Portugal.

The social economy shows a noteworthy performance in the national economy. The figures presented in the Satellite Accounts 2016 (INE, CASES, 2019), report that the entities of this sector contributed to the national GVA with 3.0%, having increased 14.6%, in nominal terms, compared to 2013, growth well higher than that of the economy as a whole (8.3%), in the same period, as shown in Figure 1 below:

Figure 1 – Satellite Accounts of Portuguese Social Economy 2016



Source: CASES (2019)

The social economy ascended to 5.3% of wages and total employment and 6.1% of paid employment in the national economy. Compared with 2013, those two factors increased by 8.8% and 8.5%, respectively, showing greater dynamism than the total economy (7.3% and 5.8%, respectively).

By groups of social economy entities, Associations with altruistic purposes, which include the IPSS, assumed special importance in number of entities (92.9%), GVA (60.1%), Remuneration (61.9%) and Paid employment (64.6%).

IPSS amounted to 5622un (7.8% of total sector entities), with a contribution of 44.2% to GVA, 51.5% to Remuneration and 63.1% to Remunerated Employment.

Table 2 shows the comparison of the statistical values contained in the satellite accounts for 2010, 2013 and 2016 (reported in 2013, 2016 and 2019, respectively), showing that

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this sector of the Portuguese economy was in counter cycle with the national economy, showing a strong resilience ability.

**Table 2 – Satellite Accounts of the Portuguese Social Economy (2010, 2013 e 2016)**

Satellite accounts of the social economy in Portugal			
	number of entities	GBP	paid employment (without volunteering)
2010	55583	2,80%	5,50%
2013	61268	2,80%	6,00%
2016	71885	3,00%	6,10%
	14,8%	6,7%	1,6%

Source: INE – Adapted from Statistics Portugal (2013, 2016 e 2019).

Comparing the three pillars referred to - Social Economy, Corporate Social Responsibility and Sustainability - we might be tempted to establish a timeline, in which the emergence of a concept seems to follow the previous one in an evolutionary way. However, in our opinion, they do not fade or replace themselves, but they complement each other or converge.

Sustainable development is an integral part of the social economy, as its end is the common interest. Objectives other than for the common good and for the benefit of the community and the planet cannot be set, nor can its actions be developed without bearing in mind the interconnection with other societal sectors such as the State and the Second sector and even civil society.

Social economy entities are stakeholders of companies in the second sector, as they will establish programs, projects, partnerships, alliances and various actions to develop their CSR programs. Both sectors converge in the objectives of contributing to the development and well-being of the community in which they operate, in a sustainable manner, and make commitments to each other, so that the viability, credibility and transparency of the projected and developed actions are shared.

As far as the connection of social economy entities with the State is concerned, recent legal frameworks have emerged in order to recognize the social economy as an important stakeholder on the national context, regarding the development of the Portuguese society (LBES, 2013). The State assumes a partner relationship with these entities, in addition to its supervisory function. Indeed, both sectors share many of their sustainable development goals. Thus, the State should foster and support social economy entities that will achieve these objectives on the ground.

Another important role of LBES (2013) was to have driven the revision of the legal frameworks of the different entities belonging to the Social Economy sector. Revised codes gradually emerged, such as the Cooperative Code, the IPSS Statute (EIPSS - acronym in Portuguese standing for Statute of the Private Institutions of Social Solidarity) and the Mutualist Associations Code.

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In particular, the EIPSS entails greater accountability of management social bodies, especially in terms of oversight and transparency duty (Tomé, Meira & Bandeira, 2016). This statute establishes a new model for financial supervision of IPSS .

On the other hand, this Statute is very demanding and implies the need for specific capacities of managers. They are required to have leadership and strategic vision skills, ability to align the institution's values and principles through the best governance practices and codes of conduct for fulfilling their Vision / Mission. They must necessarily know the social economy sector and the area where the entity operates. It is also imperative to have experience in people management, legal knowledge, finance and accounting, not forgetting that they should be motivated and have personal availability to perform the function, in most cases on a volunteer basis.

Many of these capacities required for governing bodies of social economy entities had already been identified and evaluated by several authors (Teixeira, 2005; Velasco, 2005; Mulgan, Tucker Ali & Sanders, 2007; Azevedo & Couto, 2010; Martins, 2010; Martins & Pinheiro, 2010; Meneses, 2010; OECD, 2010; Roque, 2010; Teixeira, 2010; Vasconcelos, 2010), given that companies are also becoming more demanding regarding the establishment of partnerships with social economy entities. The same is true for the international funds to which these institutions are increasingly applying for, and whose management is required to be more professional.

Regarding transparency, it should be noted that social economy entities have an added duty. Indeed, in Portugal, the public authorities have an obligation to promote these entities, which are also defended by the Principle of protection of the cooperative and social sector (Constitution of the Portuguese Republic (article 80) and LBES). On the other hand, being conditioned to the strict compliance of the general interest and of the guiding principles, they must highlight their socially responsible behaviour. In addition, as legal entities of public utility, they benefit from positive discrimination (more favourable tax regime (Gonçalves, 2010), conditions of access to credit, technical support), factors that lead to a greater need for accountability. Not of minor importance is the need for regulation by the State guardianship, in order to pursue proper evaluation and monitoring over the efficiency and effectiveness of public money's use as well as over the actions' contribution of these entities in the development of the sector.

Transparency is also required and increasingly important for all stakeholders (members, users, beneficiaries and third parties operating with the entity), and may be a differentiating factor in the visibility and notoriety of institutions.

As we can see, all actors in the various national institutional sectors aim at sustainable development; their sustainability depends on how they manage their resources to achieve these objectives.

In the context of sustainable development, we underline that the United Nations (UN) has been setting the Sustainable Development Goals (SDGs) since 2015, which “define

<sup>3</sup> The main purpose of accountability is to prepare and provide internal and external information about the entity's management and its equity situation. Failure to comply with the obligation to present the accounts within the set deadlines has serious consequences for the entity (EIPSS – no. 5 of Article 14-A).

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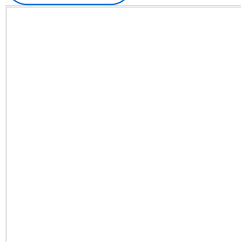
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