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# Economic sustainability models in Portuguese Social Organisations: mobilisation and market resistance

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## Abstract

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Economic sustainability - as a concept that embodies the balance between efficiency in the execution of a mission and the ability to mobilise and obtain resources for its fulfilment - currently materialises one of the main challenges of social organisations. From a theoretical point of view, the approaches of social entrepreneurship (e.g. Dees, 1998) and social innovation (e.g. Mulgan, 2012), tend to target the professionalisation of the management of non-profit organisations, justified, among other aspects, by the need to diversify financing models. The social enterprise model has been gaining some robustness in Anglo-Saxon countries, demonstrating the success of hybrid financing models.

Using a mixed methodology, the models of economic sustainability of Portuguese social organisations were analysed, trying to understand how they relate to the representations of leaders on social innovation, focusing attention on the Portugal Social Innovation Mission Unit (EMPIS), a "public initiative aimed at promoting social innovation and stimulating the social investment market in Portugal and mobilising around 150 million euros from the European Social Fund, under the Partnership Agreement with the Portuguese State" (Portugal Inovação Social, 2015).

The research carried out analysed the narratives expressed in 16 interviews with leaders of social organisations at grassroots, representative (sectorial, regional and national) and political levels regarding economic sustainability, creating a system of categories that allowed the identification of management trends on the evolution of sustainability models in recent decades. Based on this categorisation, an online survey was created and answered by 150 leaders of social organisations at grassroots level.

It was concluded that social organisations tend to use a strategy of greater diversification of sustainability sources to mitigate the risks of dependency on a single source of financing. Simultaneously, it was found that although the number of financial support opportunities for organisations has increased and diversified, there is a significant number of organisations that continue to consider the opportunities to be scarcer. It was also concluded that the participation of the organisations surveyed in public programmes to foster hybrid models is low.

**Keywords:** non-profit organisations, sustainability, social innovation.



## Introduction<sup>1</sup>

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The Social Economy sector takes on a prominent position in the current economic and social panorama partly due to the strong growth of its economic activities and due to its systematic action in the social sphere, namely since the last quarter of the 20<sup>th</sup> century (Proteau, 2003).

This position arose from a long history of organisational and missionary evolution that has gradually developed throughout the West, among other factors and in the current era due to the weakening of the Welfare State, which has favoured the importance assumed by these organisations among the different vulnerable sections of the population.

The affirmation of the Social Economy sector results from the development of a civil society based on a very broad and permeable sphere of relationships and activities created by a set of collective actors - social movements, networks, formal organisations and collectives - acting independently of government and market instances (Laville, 2009). However, the independence of the social economy sector does not mean impermeability to influences, whether from the State or the Market.

In Portugal, the social economy sector makes its way largely regulated by the State and the resources and practices dictated by it but also by mobilising learning and relationships originating from the organisations that form the market.

It is the latter that this article aims to address. The aim is to reflect on the most common sources of economic sustainability in social organisations in Portugal and how they position themselves in the face of the new hybrid models.

### **1. The influence of the State-Market dichotomy on the emergence of social organisations**

The social economy in general, and the organisations working in social services in particular, although independent, are permeable to the strategic and operational influences of the market and of the State.

The action of the profitable market, without the mediating intervention of the State, presents disadvantages derived from its operational failures, such as: the sale and

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provision of services which are harmful to the society and frequently embodied in illegal, irregular and parallel dynamics; the fact that the market destabilises the economy, at the level of phenomena such as inflation and unemployment, or the warnings which the theory of transaction costs equates around the transfer and maintenance of property rights (Zerbe & McCurdy, 1999).

The operational failures of the market lead to the search for new alternatives to satisfy needs, this being one among other reasons for the emergence and growing demand for organisations that provide social services over recent decades. The theory of public goods embodies an explanation for the emergence of a greater demand for solutions found in social economy organisations. This theory, based on the logic of *Public Choice* (Kingma, 2003), argues that if only private goods were produced in the economy, the efficiency in the allocation of goods would be uneven and unequal, requiring the production of public goods in sufficient numbers to satisfy all needs.

Public goods are susceptible of being used and/or consumed by an entire community, without restrictions (Gonçalves et al., 2012). These goods, produced at a cost similar to market costs, are supported by taxes and contributions from the population, from where comes their nature as public goods (ibidem, 2012).

Public goods are governed by two principles: they are non-exclusive, thus accessible to all and it is impossible to exclude beneficiaries from having access to them; they are non-rivalrous, thus, when the good is used by an individual, it does not prevent other individuals from enjoying the same good (Kingma, 2003).

The State, as the supplier, generator and caretaker of public goods with management gaps in terms of the diversity and coverage of beneficiaries, unintentionally leaves out many individuals in terms of the provision of public, or quasi-public, goods (Almeida, 2011).

In turn, the market, guided by principles of profit maximisation, disregards principles of non-exclusion and non-rivalry, demonstrating itself asymmetric and discriminatory in the provision options it fulfils.

It is in the face of a scenario of low State and market response that the opportunity arises for the collective action of the social economy organisations that provide quasi-public goods that are not characterised by non-exclusivity and non-rivalry (ibidem, 2011).

Another relevant theoretical contribution for reflection is the theory of contract failure, which refers to the works of Arrow (1963) on the questions of the provision of health services by non-profit social organisations, namely as a response to the asymmetries of



information existing between patients and the provision of care by the State or the market.

The theory of contract failure is formalized through the work of Hansmann (1987), where it is stated, that under normal conditions, service providers are transparent and information is perfect: therefore, consumers may, without effort or cost, compare the prices practiced by enterprises in the market, before making their purchase decision: to establish agreements with the defined choice and to monitor whether the service provider party complied with the agreed.

However, this reality is not always observed due to compliance with the conditions described, either due to the conditions under which the good is purchased or due to the characteristics of the good or service.

The preference for a social organisation lies in the trust in non-profit management over profit management, given that the latter is represented with negativism regarding the economic advantages that it may take from this dynamic (Krashinsky, 1986).

Enterprises that pursue profit have the opportunity to take advantage by exploiting clients through the supply of products or goods in lower quantity or quality, allowing manipulations in the market. However, some studies indicate that the interests between the mission of social organisations and the behaviours of their leaders may not be congruent with the mission and with the principles of social welfare (e.g. Ortmann & Schlesinger, 2003).

Given this reality, the opportunity arises for the emergence of a provider, materialised in an organisation from the social economy sector. The approach followed allows to save on transaction costs and in a paramercantile logic (Badel, 1990), presenting to the consumer a greater reputation and trust (Kingma, 2003), as well as a greater negotiating flexibility and the possibility of integrating contractual arrangements (Almeida, 2011). James (1987) also argues, in line with the theory of contract failure, that a provider from a social organisation is not governed by the distribution of profits but its action may be supported by legal and tax regimes dictated by the State of the countries where it operates. This logic may favour its action in competitive circumstances more favourable to social organisations.

The theories of public goods and of contractual failures lead to the reflection that the emergence of social organisations results from the failures of the market and of the State in correcting the failures of the former.



Increasingly globalised social and economic dynamics lead to the reconfiguration of productive processes, to new relocations of production units, as well as to the integration of growing social diversity (ethnic minorities, emergence of new social phenomena), which, in turn, lead to an increase in situations of socio-economic weakness and fragility and, consequently, to a greater and more effective need for the State intervention.

In Portugal, this conjuncture forced changes in the Social State model since its always fragile affirmation at the end of the 1970s, characterised by the transformation of administrative and management needs at the level of resource allocation towards the mission of ensuring welfare and social homeostasis.

From the 1980s onwards, the crisis of the Social State model became undeniable, marked by insufficient intervention to address the different political, economic and social demands of an exponentially more demanding society (Santos, 2014).

This reality made evident the need to extend social protection to all citizens, either in terms of coverage or in terms of the material nature of the support.

More recently, the budgetary difficulties and the Portuguese public debt led to the need to reflect on the role of the State in maintaining its level of relationship with partners, namely the social organisations (ibidem, 2018).

The relationships between Portuguese social organisations and the Social State configure an enormous diversity, arising from the step backwards and the growing inability of the State in the creation and maintenance of social responses. These relationships have been of growing importance, assuming logics of complementarity and substitution (Parente, 2011). Consequently, the inability or limited ability to generate resources and the consequent dependence on state financing constitute the main weaknesses of social organisations in Portugal (Guerra & Santos, 2014), thus discussing the need to create innovative models towards a greater adaptation to the constant changes in societies. This was one of the reasons that coerced a set of initiatives, actors and entities of civil society to seek alternatives to social, environmental and economic problems (ibidem, 2014), many of them innovative and disruptive with respect to traditional structures, in a continuous management between organisational independence and the adoption of public strategies and normatives.



## **2. The emergence of new forms of management of social organisations: the hybrid models**

The emerging of hybrid models in the macro context of the social economy reflects the need to create alternatives that adjust to the emergence of new organisations able to respond to the challenges and opportunities brought by the crisis of the Social State.

Thus, the tensions between social morality and management (Froggett & Chamberlayne, 2004) and the logic of welfare and sustainability with a commercial basis, constitute the background for the emergence of new hybrid models that are adapted to contemporary logics, aiming at a globalized modernity.

Thus, this concept refers to the institutions that work in limbo between the public and private sectors (Wood, 2010), in a matrix of mixed action, towards the search for better sustainability models that optimise the best market and State opportunities.

The term hybrid organisation appeared in 2000 in scientific literature, referring to institutions that work in limbo between the public sector and the market (ibidem, 2010), following the New Public Management policies and the creation of charges and responsibilities between public and private, in a logic of sustainability and social and organisational management in the medium and long term.

Simultaneously, the activity and management practices of these types of organisations do not focus solely on financial balance and obtaining value in the form of profit but rather on creating social and environmental improvements through their practices, products and goods made available to communities (Haigh & Hoffman, 2012).

These organisations play a central role in the face of the failure of the Social State and the inefficiency of the market, being operationalised either via social enterprises (several countries that have formalised this figure), or in Portugal through public-private partnerships of profit and non-profit nature, whose purpose will be to present more effective and efficient solutions that combine the best solutions either for State management or for the modus operandi of the market.

The constitution of these hybrid models was intended to benefit the State by generating savings in public resources through the sharing of charges and risks between public and private (Santos, 2014).

The communicational network that unites these organisations is generally structured around public-private partnerships or shared/collaborative management principles that include governance and network management processes (Guerra & Santos, 2014), as





well as public payment by objectives, private investment against public results or the emergence of figures with both public and market characteristics.

The following are examples of hybrid models: i) social enterprises; ii) social businesses and social entrepreneurship initiatives; and iii) social investment actions.

i) social enterprise was a concept born in France in the 1970s, in response to the need for integration through work, being adopted in several countries as a legal and normative figure, incorporating voluntary work and paid work (Defourny & Nyssens, 2010), receiving transfers from States and bodies, despite being guided by a business management (Nogueira, 2017). These figures combine value generation goals with social objectives, therefore being referred to as hybrids (Kerlin, 2006). Currently, some countries keep these social enterprises providing diversified services, employing people with various social fragilities and providing services at more competitive prices with a double social impact. These enterprises can be linked to social organisations with commercial activities, or exist independently (Volkman et al., 2012).

ii) social businesses are a figure of entrepreneurial origin, whose operationalisation will be similar to a social enterprise if it is framed in a State that foresees this legal figure. They represent an entrepreneurship guided to solve a social problem and it should be financially sustainable through the application of its profit in generating social value for the community and remaining stakeholders (Yunus et al., 2010). In certain States, such as Portugal, social businesses are not legally formalised and only exist as a conceptual figure.

iii) social investment is an investment of capital in activities, organisations or funds, with an expected financial and value return to society, under monitoring mechanisms that influence the decision making of the researcher (Laboratório de Investimento Social, 2014). It was born from Giddens' Third Way theory (1998), drawing attention to the delegation of welfare responsibilities to markets and the State, challenging the adoption of an entrepreneurial and risk-taking logic, through investment in solutions that cause social impact.

The impact towards social change is a criterion for private and/or public investment to take place, simultaneously or combined. Philanthropic welfarism is replaced by a logic of investment towards social outcomes, seeking to support sustainable solutions that generate revenues and return on investment.





The figures of social enterprises and of social businesses are not legally and formally recognised in Portugal. However, social investment has been promoted between 2015 and nowadays by the Portugal Social Innovation Mission Unit (EMPIS).

EMPIS is a governmental structure that operates in Portugal in order to mobilise a social investment ecosystem, crossing social organisations' needs and private (or other) investment provisions in sustainable solutions that generate social impact (EMPIS, 2015). This structure has a range of programmes that combine private investment and EU and state funds for innovative initiatives that enhance solving social problems in the country.

The three figures represented embody what are called forms of social innovation, through the articulation between the principles of social organisations and business and management methods, brought from the market (Mair & Marti, 2006) and supported by the State, where the pursuit of better sustainability models is present, aiming at the fulfilment of responses to various social problems.

### **3. The sustainability of social organisations**

The Brundtland report released by the United Nations in 1987, launched the concept of sustainable development as the ability to meet the needs of current generations, without compromising the ability of future generations and, to ensure their own needs.

Although it is not a term centred on solidarity and patronage, it embodies a concept that addresses the organisation's competitiveness and the good management under three strategic pillars: economic, social and environmental (Bolzan, 1980).

These living standards include good levels of health and well-being, longevity, psychological maturity, education, environment, community and citizen spirit and creative leisure (Ferreira, 2003).

The concept of sustainability was framed within the context of the Social Economy given its role in the development of a new social order, a new equity and a more interventive logic in social investment (Barbieri, 1997).

In this logic, the concept of organisational sustainability corresponds to an action reference that takes into account the social, environmental and economic aspects (Carvalho, 2005), calling for a multi-axial approach necessary in a sector as specific as that of the social economy.



As a hybrid sector that lives the economy according to the social values that guide its actions (Nunes, Reto & Carneiro, 2001), social economy sees its sustainability itinerary interrelated with social relationships and dependence on various economic and financial sources, whether originating in the market or the State.

Ferreira (2003) argues, regarding the sustainability of social economy organisations, that these present at least three types of contradictions: one between the purposes of the institutions (between the importance of surplus/profit) in order to survive, and the ethical and social purposes that intend to solve problems; a second that relates to the dichotomy of the desire for autonomy and the submission to public rules due to their subservience position resulting from being constituted as recipients of subsidies; and a third that concerns the bifurcation between moral duty and instrumental reason, materialised by the market regulation and the State regulation.

In the case of the economic sustainability of these organisations, it concerns the balance between efficiency in executing the mission and the capacity to mobilise and obtain resources (Kerlin, 2006). Hence, it is related to structural costs at economic level and to expenses, revenues and financings obtained at the level of financial logic (ibidem, 2006). We aim to reflect on the most common sources of economic sustainability in social organisations in Portugal and how they position themselves in the face of the referred to new hybrid models.

#### **4. Methodology**

The proposed reflection on the models of economic sustainability in social organisations in Portugal arises within the scope of a research for a Doctorate in Sociology at the University of Porto, anchored on a strategy of explanatory sequential mixed approach (Creswell, 2010). As a method which combines a qualitative logic with a quantitative analysis of the data collected, combining them through the establishment of relationships between both logics.

The starting point was to understand which are the most common sources of economic sustainability in social organisations in Portugal and how they position themselves in the face of the new hybrid models.

The following are elected as specific objectives:

- to know the evolution of the social organisations (past-present) in relation to the sustainability models adopted and their difficulties;



- to analyse the trends of the sustainability model of organisations nowadays, both in terms of opportunities and in terms of expectations for the future;
- to explore perceptions about EMPIS as a public structure for mobilising social innovation hybrid sustainability models and the motivations for joining social investment initiatives.

In a first phase, an exploratory semi-structured interview was constructed and applied around the issues of sustainability of the social economy to 16 privileged informants from the Portuguese social sector, selected for belonging to three types of organisations: a) national political level organisations, i.e. government actors and agencies that develop systematic and regular national social investment programmes; b) representative organisations of different families of social organisations at sectorial, regional and national level; c) social organisations at grassroots level. The interviews were conducted between February and November 2021, in a face-to-face or synchronous online format, using the Zoom™ platform.

The data processing of the narratives collected in the semi-structured interviews followed a categorical content analysis method. The categorisation oriented towards the themes of the literature and by the frequency analysis of recurring and regular terms.

These categories were used for the 2<sup>nd</sup> phase of the research in which the online survey was created, using Google Forms™, structured into 5 dimensions of analysis and a total of 38 questions. The following dimensions were considered: i) Identification of the respondent's social economy entity; ii) sustainability of the respondent's organisation; iii) sustainability of the social organisations in general; iv) perceptions of the Portugal Social Innovation (PIS) initiative; v) socio-demographic characterisation of the inquired.

The survey was distributed after creating an e-mail database comprising 1252 social organisations from all over the national territory, calling for its completion through two reiteration requests per organisation. Over a period of two months, 150 valid surveys were received. The statistical treatment of the information collected through the online survey included the following operations:

- validation of the sample and of the surveys, clustering variables according to proxy criteria, for an improvement of the subsequent analyses;
- univariate analysis, which included the analysis of the socio-demographic variables through frequency analysis and descriptive analysis;
- bivariate analysis, including the calculation of correlations and respective coefficients and respective tests for a significance level  $p= 0.05$ .



The triangulation of empirical data was used as a strategy to validate the results always supported on the crossing of the data obtained in the statistical processing of the survey answers with the categorical content analysis of the interviews. The discussion around results in the following point also reflects an ongoing approach to the information collected limited to the preliminary phase of the study of a doctoral thesis in progress in the scientific domain of Sociology at the University of Porto.

## 5. Discussion of the results

The discussion of the results will closely follow the objectives set out in the article, triangulating, according to the explanatory sequential mixed approach (Creswell, 2010), the content from the semi-structured interviews with the answers obtained from the survey.

Two different intentional samples were considered, according to the two phases of information collection selected: the first sample to whom the semi-structured interviews were administered and a second sample to whom the online survey was administered.

The characterisation of both samples is shown in Table 1.

	Phase 1 - Interviews		Phase 2 - Survey	
	ni	%	ni	%
<b>Gender</b>				
<b>Female</b>	8	50	93	62
<b>Male</b>	8	50	57	38
<b>Total</b>	16	100	150	100
<b>Level of education</b>	ni	%	ni	%
<b>Primary education</b>	0	0	5	3.3
<b>Secondary education</b>	0	0	15	10
<b>Higher education</b>	16	100	130	86.7
<b>Total</b>	16	100	150	100
<b>Role in the organisation</b>	ni	%	ni	%
<b>Statutory direction</b>	13	81.3	92	61.3
<b>Technical direction</b>	0	0	36	24
<b>Other similar</b>	3	19.7	22	14.7
<b>Total</b>	16	100	150	100
<b>Type of organisations</b>	ni	%	ni	%
<b>Grassroots org.</b>	6	37.4	150	100
<b>Representative org.</b>	3	18.8	0	0
<b>Political org.</b>	7	43.8	0	0
<b>Total</b>	16	100	150	100
<b>Geographical location</b>	ni	%	ni	%
<b>North</b>	4	25	56	37.4
<b>Centre</b>	1	6.4	14	9.3
<b>Lisboa e Vale do Tejo</b>	10	62.5	67	44.7
<b>Alentejo</b>	1	6.3	9	6
<b>Algarve</b>	0	0	2	1.3
<b>Azores/Madeira</b>	0	0	2	1.3
<b>Total</b>	16	100	150	100

Table 1 – Characterisation of the intentional samples



As shown in Table 1, there is a gender balance in phase 1, but a predominance of the female gender in the response to the surveys. The interviewed population has in its totality a higher education level. As for the respondents, they follow the trend of greater representation of higher education, but include individuals with other levels - namely secondary and primary education.

Most of the people interviewed belong to executive or non-executive directorates and in the survey phase there is a greater dispersion between members of the administrative and technical directions.

In terms of characterising the interviewed sample, it is possible to observe a distribution across the three types of organisations, with the survey, by intentional choice, being administered only to organisations at grassroots level.

The geographical location of the organisations to which the participants belong is differentiated. In the interviews, there is a predominance of organisations located in the Lisboa e Vale do Tejo region, expression of the headquarters of the policy decision organisations. The survey also keeps a representative expression of responses from the Lisboa e Vale do Tejo region, but also from other regions, namely the North and Centre, with all the regions of the country being represented.

### **5.1. Evolution of the sustainability models**

The first objective proposed was to know the evolution of the social organisations, on a past-present time axis, in relation to the sustainability models adopted and the difficulties faced by them.

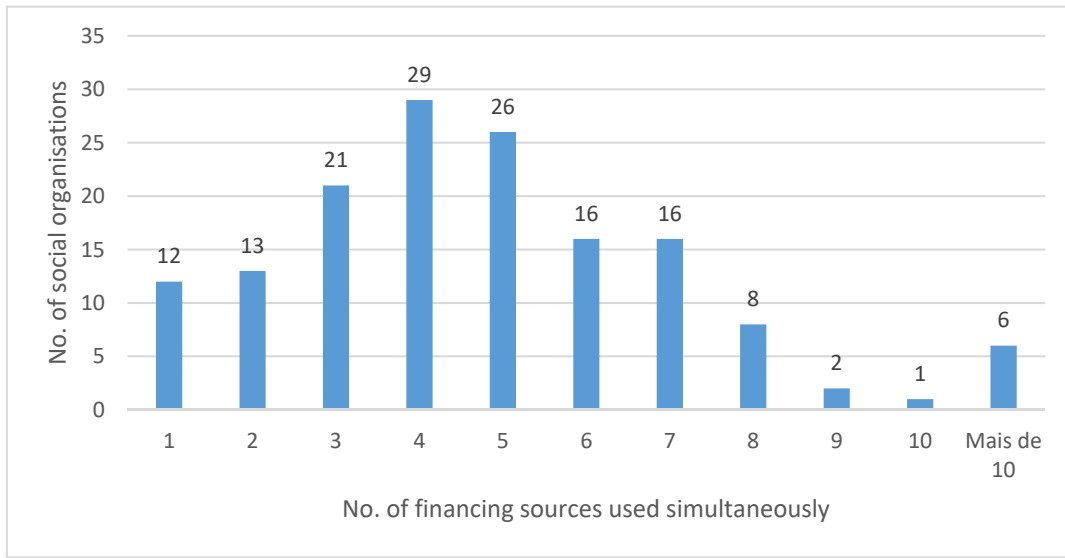
There is an almost unanimous tendency to recognise the importance of the simultaneous diversification of financing sources, with the use of a greater diversity of financing sources seen as positive for the sustainability strategy of social organisations.

It is observed that 92% of the organisations inquired simultaneously resort to more than one financing source for their economic sustainability strategy at their organisations while the number of organisations depending on a single financing source is quite low in the sample universe (n=12), as can be observed in Graph 1.

These data are indicative of a diversification strategy of the sources used in order to mitigate the risks of dependence on a single source, setting the tone for the use of hybrid models by combining various strategies. However, it should be noted that it was not



investigated whether these sources were used in an articulated way among themselves, or independently, according to isolated action axes of the organisations.



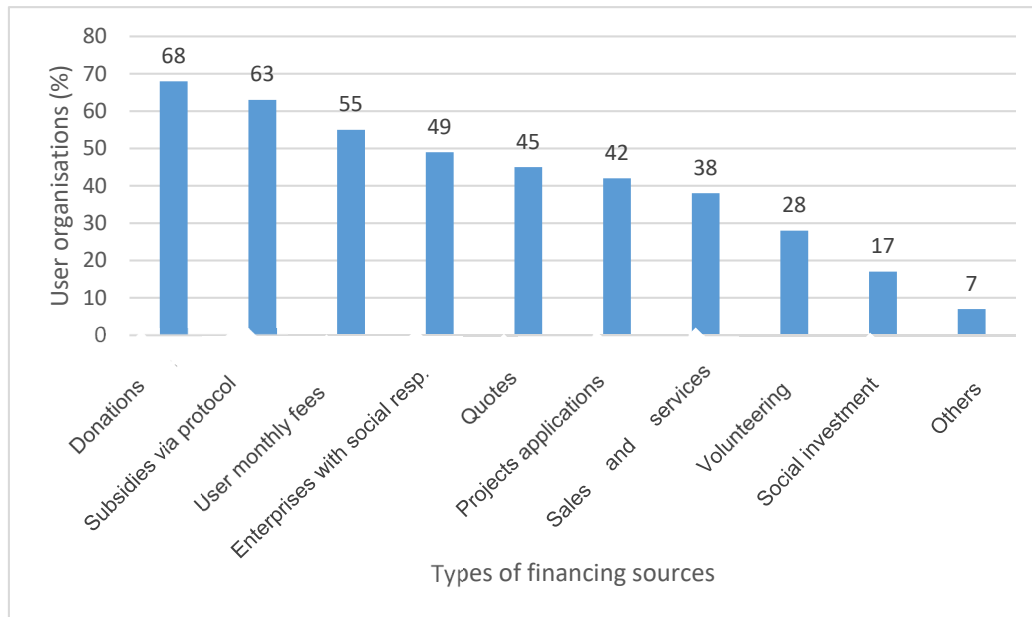
*Graph 1 – Number of financing sources used simultaneously by the social organisations inquired*

The diversity of the financing sources used by the social organisations at grassroots level surveyed is presented in a very wide spectrum, according to graph 2.

The representativity of donations in the financing structures stands out as being a source shared by 68% of the organisations inquired, followed by the subsidies and protocols with the State (63%), the dependence on the market through user monthly fees (55%) and the social responsibility actions of enterprises (49%), as well as the sales and provision of services (38%).

As for social investment as a hybrid financing mechanism par excellence, their use is still residual (17%), with more diversified and non-integrated strategies being used to raise revenues through the State or the Market.

This diversity of financing sources should be read with caution as it tells us nothing about the importance of each source in the total financing of the organisation, where subsidies and protocols with the State tend to hold a preponderant place (Parente et al., 2014).



*Graph 2 – Types of financing sources of the social organisations inquired*

Within the scope of the narratives heard, whilst the political organisations defend the need for a strategic search that will lead to sustainability models grounded on social innovation initiatives with greater effectiveness and less dependence on State subsidies and the oscillating wills of social responsibility and market donations, the organisations at representative and at grassroots levels point to the difficulties encountered in the operationalisation of this type of strategy.

The leaders of the social organisations at grassroots level interviewed emphasise the existence of a greater and fiercer competition between organisations in accessing the available financing, whether from the State or on the market.

Regarding the sustainability difficulties identified in the chronological sense past-present, there is a strong tendency to consider that the difficulties experienced are greater nowadays. In fact, 66% of the respondents consider that, compared to 2010, the management of social organisations is more difficult or much more difficult (of the respondents), while fewer qualify it as easier or much easier (12.67%) or remains the same (21.33%).

The narratives of the leaders of the social organizations interviewed also indicate greater difficulties today than in the past, with growing bureaucracy and the complexity of the language and of the regulatory norms being used as reasons for these difficulties.





At the level of the responsibility placed on the State-market-social organisations parties, there is a divergence between social organizations at grassroots and at sectorial, regional and national representative levels, versus national organisations at political level.

The former tends to blame the State-market system for their difficulties, while the organisations at political level, in their discourses, tend to emphasise the need for social organisations to take joint responsibility for their management, to invest in the professionalization of their human resources for more effective and efficient management, as well as to seek better strategic solutions for their financing models.

It is also noted that the organisations at grassroots level are associated with those at sectorial, regional and national representative level by blaming the State over the last few years for the difficulties in sustainability. These organisations emphasise the scarcity of opportunities from the State and financiers/investors as a barrier to success in obtaining financing to a better operationalisation of their sustainability strategy.

## **5.2. The models of sustainability in the future**

The second objective was to analyse the trends of social organisations in terms of opportunities and expectations regarding the future sustainability model to be adopted. In the interviews, they express a narrative of convergence regarding the opportunities of hybrid sustainability models by considering them as a "closed window" given the difficulty in accessing financing opportunities due to the difficulty of language, the logistic difficulty in accessing them, as well as the need to find social investors. The organisations at grassroots level claim the need for new policies and better resources to face the future complexity.

Simultaneously, at the level of responsibility behaviours regarding the difficulties of sustainability for the future, the organisations at grassroots level hold hetero-responsibility, namely on the market for not supporting the emergence of hybrid models, particularly by taking little part in social investment actions. In parallel, there is also a responsibility placed on the State, namely for the lack of awareness of the market and for the lack of capacitation of social organisations in the orientation towards improving their sustainability models.

At the level of the evolution of the sustainability model for the future, there is a tendency among organisations at grassroots level in their narratives to consider that the search for



sustainability in the market may overlap and question the organisational identity of a management based on the social mission and values. However, they also emphasise their greater tendency to seek market opportunities, combining them with the accountability of the State, emphasising the need for a greater alert state to mitigate risks in the market, which they regard with some mistrust.

Therefore, despite the State being pointed out in the interviews of the organisations at grassroots level as "inefficient" and for "making mistakes that damage the models of the organisations", it is seen as a trustworthy agent when compared to the organisations that constitute the market. In the same way, 70.67% of the social organisations self-refer to themselves as following a traditional strategy dependent on the State and its sub financing, as opposed to 29.33% that qualify as innovative, the latter mobilising some hybrid model practices.

It was also concluded that the social organisations that self-represent themselves as "innovative" use a strategy of greater diversification of financing sources, revealing a significant correlation ( $p=0.05$ ) between the combination of different sources (e.g. provision of services and philanthropy of impact in the market logic and subsidies in the State logic). Correlating the financing sources and the degree of self-perceived innovation, there is a significant correlation ( $p=0.05$ ) between the commercialisation strategy of goods and services in 27.3% of the most innovative organisations that use them, as opposed to 9.4% of the organisations self-perceived as traditional.

These data reflect a connotation of innovation with the commercialisation of goods and services, foreseeing a representation of social innovation linked to market strategies.

### **5.3. Response to the policies to foster hybrid sustainability models**

The third objective of this article involved analysing perceptions about EMPIS as a public structure for mobilising hybrid sustainability models and the motivations of organisations for joining this programme.

There was a low appreciation of EMPIS on behalf of the social organisations at grassroots level, essentially due to a lack of familiarity with the nomenclature used, described as "bureaucratic", "difficult" and "inaccessible" in the narratives of the interviewed interlocutors from the organisations at grassroots and at sectorial representative level.

However, the EMPIS strategies are seen as "another alternative", without, however, representing "the sustainability alternative necessary to ensure the persistent maintenance of



the permanent and uninterrupted needs of social organisations that are at the service of the most varied people with weaknesses" (interview No. 5, leader of an organisation at sectorial representative level).

However, only 12% of the organisations inquired have a history of applying for the initiative, which they justify by not having qualified human resources to apply for EMPIS programmes, nor to manage projects with sustainability models based on social investment. It is also relevant to analyse the level of effectiveness of the interactions via social organisations' application to EMPIS, based on the survey. Out of the 18 organisations that applied to EMPIS (out of a total of 150 inquired), only 13 were successful (72.2%) and there is still a significant percentage that cannot successfully interact with the procedures of the organisation that is responsible in Portugal for mobilising hybrid financing responses.

These difficulties do not favour the mobilisation of hybrid strategies as a support to a future sustainability model, which could in fact be provided by EMPIS, but its practices of dissemination, communication and management of the relationship and processes with the fabric composed of social organisations in the Portuguese territory do not seem to be successful.

## 6. Conclusions

The exploratory analysis carried out allows us to indicate some conclusive clues about the sustainability models of the social organisations analysed, relevant to determining trends on the positioning towards hybrid models of sustainability of Portuguese social organisations.

There is unanimity on the interest in the adoption of hybrid models as an added value for the operationalisation of sustainability and consequent mission of social organisations, but without hiding that is only feasible with a professionalised and strategic management dependent on qualified technical human resources.

However, there is heterogeneity of positionings between the different types of organisations studied, namely regarding the challenges and opportunities that the hybrid models of sustainability represent and in the way the process is managed. The organisations at political level that conceive the programmes for their implementation do not find an echo in the social organisations at grassroot level, nor even in the organisations at representative level, which has contributed to a tendency of low execution of the support programme.



The divergences are significantly felt in the attribution of responsibility for the successes and failures of the management of the social organisations, namely in the assessment of their locus of control: the organisations at grassroots level tend to hold the external context responsible; the organisations at political level emphasise the systematic accountability of the social organisations.

It was also concluded that despite the appreciation of the use of hybrid models by social organisations for the future, these are still inaccessible to effective use by social organisations and that the language, codes and understandings between social organisations and the market are divergent.

The self-representation of social organisations as innovative is equally linked to the adoption of market models, such as sales and services provision, in the search for models less dependent on the State, but there are many organisations who in their narratives indicate as fragility and low qualification of their human resources for the mobilisation of hybrid strategies, which combine the investment of the market, mediated by the State.

Therefore, there is a self-representation of inadequacy in using the management of hybrid models, as well as a vision of mistrust in relation to social investment mobilised by the market, with the mediation of EMPIS as a representative of the State.

There are still few organisations that access or understand the mission of EMPIS public initiative that mobilises hybrid strategies of State financing combined with the market, which is an important factor for reflection on the way this public structure operates, given the perceptions and needs of Portuguese social organisations.

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