

Studies on Entrepreneurship, Structural Change
and Industrial Dynamics

María Isabel Sánchez-Hernández
Luísa Carvalho · Conceição Rego
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Social Innovation and Entrepreneurship in the Fourth Sector

Sustainable Best-Practices from Across
the World

 Springer

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Social Innovation and Entrepreneurship in the Fourth Sector



**María Isabel Sánchez-Hernández, Luisa Carvalho, Conceição Rego,
Maria Raquel Lucas, and Adriana Noronha**

Abstract The Fourth Sector has large potential to move the traditional economic models to the innovative ones, which serves to improve social and environmental objectives. Social innovation and entrepreneurship in the Fourth Sector are generating economic benefits while adequately addressing the challenges toward the 2030 agenda for Sustainable Development. This chapter presents the works included in this book, exploring the consolidation of the Fourth Sector in the solidarity economy, best-practices case studies and, social innovations and business models along this trendy sector.

Keywords Entrepreneurship · Fourth Sector · Social innovation · Solidarity economy · Sustainability

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Social innovation and entrepreneurship in the Fourth Sector are protagonists of a business revolution already underway. They are responsible for societal progress, economic benefit to its respective partners and shareholders, and, simultaneously, appropriately addressing the social and environmental challenges face toward 2030.

This book addresses some of the main sustainable best practices in the fourth sector worldwide, encompassing the public sector, the third sector (nonprofit organizations), and the private sector. Public sector and policies should aim to join in fostering economic growth taking into account social and environmental externalities generated by activities. The private sector must play an increasing significant part in progress toward sustainable development objectives, substituting traditional pure economic profit or cost-effective models for new ones, in which business strategies are affiliated with other purposes such as sustainability, ethics, and commitment, which consequently benefit society and the planet. Effective cooperation and communication are the driving forces to the acceleration of Fourth Sector activities. Social innovation, particularly, is increasingly based on business models on the Fourth Sector that create or capture social value and generate positive impacts on society, especially in the most vulnerable groups.

Despite its complexity, the Fourth Sector has large potential to move the traditional economic models to the innovative ones, which serves to improve social and environmental objectives. The book explores the consolidation of the Fourth Sector in the solidarity economy, best-practices case studies, and social innovations and business models along this trendy sector. Apart from this introduction, this book comprises 14 chapters divided into 3 sections. The first section regards the Consolidation of the Fourth Sector in the economy, and it includes three chapters. The second section regards the best-practices case studies across the world, containing seven chapters. The third and last section offers a discussion about social innovation and business models on the Fourth Sector, and it includes four chapters.

The following next paragraphs detail the book structure, meaning its sections and respective chapters.

1 Consolidation of the Fourth Sector Within the Solidarity Economy

Chapter “Humanitarian Social Logistic and the Fourth Sector: Policy Design for Communities Affected by the Disaster,” developed by Flórez and Morales, demonstrates the way in which the Fourth Sector can be involved in the post-disaster phase without interfering with the different aid and rescue operations carried out by government-assisted relief agencies. More specifically, the authors suggest a general procedure on how the Fourth Sector would improve the living conditions of affected communities and sustain that this sector can significantly help restore these communities, from the social, cultural and economic side. Thus, it should be presented to

both solidary economic organizations and the government so that it is included in the public policies of solidarity and social economy.

Chapter “Nonprofit Organizations of the Fourth Sector That Promote Education Social Solidarity Economy in the Fourth Industrial Revolution of Medellín, Colombia,” proposed by Calle et al., explains the conditions of relevance and compliance of teaching social solidarity economy in order to promote the fourth industrial revolution in the Fourth Sector and obtain financial benefits to invest in social benefits. Despite the relevance of cooperatives toward solidarity education from the fourth industrial revolution and their contribution to improve the Fourth Sector, their implementation fails because there is no awareness of it.

Chapter “Social Innovation, Fourth Sector, and the Commodification of the Welfare State: The Portuguese Experience,” proposed by Guerreiro and Pinto, presents theoretical aspects of social innovation, focusing on its conceptual development and exploring the novelties emerging from the consolidation of a Fourth Sector in the economy. The text provides a brief analysis of the history of the Portuguese social sector, highlighting the specificities of its evolution, and the role played by social innovation and the Fourth Sector in this transformation.

2 Best-Practices Case Studies Across the World

Chapter “A Case Study of a Socially Responsible Entrepreneurship: The Local Action Group POEDA,” suggested by Vázquez-Burguete et al., shows a good example of entrepreneurship in the Fourth Sector. POEDA is a nonprofit Local Action Group aiming toward endogenous and sustainable development of the southern territory of the Province of León (Spain) through the territorial quality brand Reino de León Calidad Rural (León Kingdom, Rural Quality). This territorial brand is promoted as a collective reference of quality of life development, respectful of social values and cultural resources as well as the territories dynamics and sustainable balance.

Chapter “Case Study: How Medellín Is Creating a Hub for Impact Start-ups,” proposed by Lamy et al., presents the combination of public, private, and community resources to make possible, through entrepreneurship with positive impacts, the creation of an innovative and more inclusive future to the city, since the end of the violent era of the 1980–1990s. The forced renovation of Medellín was done through a clear intent of complete social integration and an effective communication toward foreigners that established nonprofit or business activities within the city, despite the large inequalities and a culture of violence and illegality.

Chapter “The Behobia/San Sebastián Race: Running Past the Boundaries of Sport,” written by Mujika et al., presents the relevance of “Club Deportivo Fortuna Kirol Elkartea” and its best-known popular event (the Behobia/San Sebastián 20 km race) that each year brings together more than 30,000 runners on the second Sunday in November, as a particularly interesting case in the Fourth Sector, more specifically, the undeniable economic and social impact that sport and the practice of

physical exercise have. Thereby, the authors concluded that this sports association can be classified as a “for-benefit organization” due its “best practices” in the use of relevant business management tools in the Fourth Sector and its strategic thinking, market orientation, and public-private collaboration.

Chapter “The Project Partnership for Local Development: The Fourth Sector and Hybrid Initiatives,” proposed by Foret and Melas, is devoted to showcasing the results of a project partnership for local development in the Czech Republic. It is one of the first initiatives to informally create a space for developing the Fourth Sector at the local level. The authors point out the increasing role of public institutions and local residents in the Fourth Sector activities and the emergence of hybrid organizations and initiatives created by multiple institutions and key stakeholders. Moreover, they sustain the effective cooperation and communication between three key stakeholders—local residents, public institution, and private companies—as driving forces to the acceleration of the Fourth Sector.

Chapter “Social Innovative Approaches on Health Care: Evidence from Home Hospitalization in Portugal—the Elvas Study,” developed by Pinto and Brito, analyses how hospitalization at home can become an innovative tool in health policies and how it can transform the State’s role as the main provisor of health care in Portugal and how it can also transform civil society’s role in preventing social risk. Taking Elva’s municipality as case study, the authors demonstrate that home hospitalization can be a civil society rebuilder, a relief to State’s efforts, and it can reinforce the importance of balancing the State, market, and civil society triangle.

Chapter “Havířov: “The City of Green” and Its Fourth Sector Sustainability Activities. One Case Study from the Czech Republic,” proposed by Pawliczek et al., deals with the characterization of the well-established and robust ecosystem of the Fourth Sector of the city of Havířov. It is based on municipal and private sector cooperation in order to track the sustainable goals in all spheres of a citizen’s life. The improvements in this ecosystem and in its dynamic equilibrium with the city of Havířov should regard a small water cycle, public-private partnership, and the community self-sustainability projects.

Chapter “Commitment to Social Responsibility in a Social Solidarity Institution: The Case of Alfazema Flower,” proposed by Rodrigues et al., carried out a descriptive analysis of practices of Corporate Social Responsibility (CSR) existing in the Association of Pensioners called Elderly Flower of Lavender, a private institution of social solidarity in the County of Sintra. Preliminary results suggest that, in general, social solidarity institutions are engaging in their public policy strategies for CSR.

3 Discussion About Social Innovation and Business Models on the Fourth Sector

Chapter “Sustainability Perspective Through Social Responsibility in Microenterprises of Tulancingo, Hidalgo, Mexico,” written by Gordillo et al., analyze the position of companies in relation to the Fourth Sector and their intention to follow the trend of producing with sustainability and for social welfare. Considering a systemic approach in the inputs, processes, and results, the authors compare studies carried out in 2018 and 2019 to microenterprises of Tulancingo, Hidalgo, Mexico, where the environment variables were analyzed through CSR Principles of ISO 26000 and CSR Issues of ISO 26000.

Chapter “Social Innovation: Insights in the Fourth Sector in Portugal,” written by Siva et al., explores trends in social innovation in the Fourth Sector in Portugal through a set of three studies where different partnerships seek creative and efficient solutions to social problems: The Khan Academy, Vogui Águeda Tomorrowland, and The Mozart Pavilion. The work shows how the public, private, and nonprofit sectors work together to develop strategies and solve citizenship and community problems, allowing the identification of successful ways of collaboration.

Chapter “The Fourth Sector and the 2030 Strategy on Green and Circular Economy in the Region of Extremadura,” developed by Naranjo-Molina et al., examined the Fourth Sector in Extremadura, a developing region in the West of Spain, in Europe, considering that this sector could grow up under the social, green, and circular economy strategy promoted by the public authorities as regional policy. More specifically, the chapter presents the results of a qualitative-quantitative study to conclude that the economic weight of the Fourth Sector and its environmental and social value are still unknown in the region.

Chapter “Marketing for Business Opportunities Management on Foreign Investment and Productive Enchainments,” developed by Salas et al., focuses on knowledge and performing gaps of Cuban state enterprises as an emerging Fourth Sector in Cuba for development. It is an example of a directed economy where the public sector opens the door to the private sector. Their main contributions are the marketing efforts administration integrated vision as a knowledge technology tool to ease the enterprises’ opportunities findings and strong business (foreign investment and productive enchainment’s) and a selection of the most remarkable enterprises with business opportunities potentially influencing socioeconomic development at the local.

This book allows practitioners and policy makers an enlarged perspective on consolidation of the Fourth Sector, sustainable best-practices across the world, and social innovation and business models on the Fourth Sector. It provides a set of perspectives related with the theoretical concepts and supports, case studies, new models, and trends to foster the Fourth Sector.

Part I
Consolidation of the Fourth Sector Within
the Solidarity Economy

Humanitarian Social Logistic and the Fourth Sector: Policy Design for Communities Affected by the Disaster



Néstor Flórez Oviedo and Juan Morales Gaviria

Abstract It is important to recognize the role of the solidarity economy in the development of a community; in the literature, several cases of successful experiences on this type have been found. The typical case in the eastern Antioquia sub-region is the municipality of Granada whose, after being victims of violent actors, inhabitants through the cooperative sector (fourth sector) have managed to move on from the social, cultural and economic point of view.

Therefore, the Fourth Sector as a resilience mechanism in a community can contribute to improving conditions after a population has been the victim of a natural disaster. This work demonstrates the way the Fourth Sector can be involved in the post-disaster phase without interfering in the different aid and rescue operations carried out by government-assisted relief agencies. In trying to design this kind of general protocol, humanitarian logistics and the social area of cooperatives come together to create the term humanitarian social logistic, which is the objective of this essay and lay the foundations for this theory.

The methodology of this research work is retrospective quantitative with a descriptive scope, based on the events that occurred in the eastern Antioquia sub-region and how the affected communities did or did not move forward and which organizations helped to rebuild them. As a result, the general procedure of how the Fourth Sector would improve the living conditions of the possible affected community is obtained, and thus this sector can significantly help restore these communities since the social, cultural and economic.

Therefore, it will be presented to solidarity economy organizations and the government so that it is included in the public policies of solidarity and social economy.

Keywords Fourth Sector · Humanitarian logistic · Cooperatives · Humanitarian social logistic · Community

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1 Introduction

Humanity development has evolved despite the natural and anthropic disasters that have happened historically and that have occurred in various generations that have occupied the face of the earth. “The international community recognizes the increase of natural and human caused disasters occurrence, as well as their magnitude and the number of people affected by them” (Lalane & Souza, 2015, p. 2422). “The impact of a natural event on communities increases due to un-natural reasons such as lack of preparedness, uncontrolled development, environmental deprivation, or low capacity of communities to cope with disasters” (Tumini & Poletti, 2019, p. 1). In some cases, consequences of these types of events are materially substantial, and in many cases, they are catastrophic when the population is tragically affected, especially by the disappearance of people. Usually, the community that is affected, after the occurrence of the disaster, moves on and attempts to start again the normal development of their economic and social activities. Natural disasters are most damaging in underdeveloped regions, rural areas and communities in which there is no emergency preparedness plan (Benjamin et al., 2011). According to Iuchi and Mutter (2020), the communities targeted for relocation are often disadvantaged to begin within, and relocation disturbs their social networks and economic wellbeing. Considering this factor, the following questions might be derived: Has the affected population’s quality of life improved after the disaster? Has the intervention of the Government and of disaster management agencies been successful and enough to improve affected community conditions? Have contingency strategies or plans been developed so that if this or another type of disaster occurs again, the effect of this event among members of the population is mitigated to the maximum? Have the Fourth Sector organizations, especially cooperatives, been a resilience factor for affected communities to become a productive part of the society again? These questions are the source to this research work, which aims to become a tool for government entities and solidarity sector to design strategies for the long-term sustainability of the affected communities in the post-disaster phase.

The social approach of this research is defined as the actions and alternatives that a community must carry out to improve its quality of life considering the characteristics of the environment and the common benefit of its members. An example is what happened in the Canterbury earthquakes at New Zealand, where, according to Carter and Kenney, “mainstream media failed to acknowledge the significant emergency management capabilities and support extended to the community by the Māori Earthquake Recovery Network” (2018, p. 731). “The actions of the Māori earthquake recovery network have subsequently been addressed within disaster and public health research literature” (Kenney et al., 2012, p. 373). The concepts of sustainability and solidarity are included. Sustainability because the activities to be carried out must be feasible in the long term, and sustainable because in some way, the benefits of these efforts must be paid to improve the living conditions that the community had before the disaster occurred, the “(‘sustainable’) development that is net regenerative of natural capital, versus the dangerous, uncoordinated growth

associated with mounting local and regional negative impacts” (Seidler et al., 2018, p. 99). “Solidarity, in the point of view that the community shared interests, objectives, standards, and sympathies. Solidarity is conceptualized as having three major attributes that bring about a sense of commonality and familiarity: shared beliefs, shared behaviour, and social interaction” (Woosnam & Aleshinloye, 2012, p. 494). Promoting the development of a population within these pillars would include various governmental actors (mayors, governorates) and private (cooperatives, unions, mutual) and independent organizations (NGOs, associations), which would function as links in the value chain of the humanitarian social logistics, where the main objective is to design alternatives for progress in the community affected by an event such as those described above. “We considered a humanitarian environment composed of donors and non-governmental organizations (NGOs) that the non-profits may adopt competitive or competitive inter-organizational interaction for managing the disasters” (Fathalikhani et al., 2020, p. 1).

Furthermore, a procedure will be designed where the different social actors (NGOs, cooperative and private sectors and government) will be integrated to develop strategies for the population affected by a disaster. Characterization of the natural disasters that occurred in the eastern Antioquia sub-region is included, describing the effects and activities executed in the recovery phase. “These populations have registered, in recent years, sensible changes in the demographic, economic, social, and cultural order, which link their inhabitants with urban realities not always prone to well-being and improvements in their quality of life” (Osorio et al., 2019).

2 Humanitarian Social Logistics (HSL)

“The main purpose of humanitarian logistics is to provide the affected people with supplies necessary for their survival, and to alleviate where possible the human suffering caused by a lack of goods or services” (Shao et al., 2020, p. 1). Humanitarian logistics is understood as the mobilization of resources to effectively assist a community affected by some type of natural disaster (floods, earthquakes, landslides, etc.) or a man-made disaster. That intervention within the logic of the process consists of three main phases, preparation, response and recovery. The preparation consists of evaluating the risk factors that a community could be vulnerable to and managing through state resources and the different relief agencies, such as the Colombian Red Cross, and what elements can be considered to mitigate the negative impact that may occur in the event. The response phase is activated when the event occurs; in this phase, the rescue operations are carried out, also, the census of the affected people (missing and injured) and the registration of material damages. Another important activity that occurs at this stage is the collection, dispatch and distribution of humanitarian aid to the area of occurrence.

The recovery has as main activities the operations of cleaning, reconstruction of the infrastructure and the restoration of the populations. In this last activity, the

lessons learned from the event are considered to be applied in the planning phase. It is at this stage of the humanitarian logistics process where this research work would intervene, linking the social concept as a solidarity and sustainability approach. “Post-disaster assistance is an important factor for disaster reduction and can contribute to the sustainable development of communities that have been impacted by a disaster” (Wu et al., 2019, p. 11). However, for Messaoudi and Nawari, “the management of the Post-Disaster recovery process can be slowed down because of poor management of the permitting process” (2020, p. 2).

According to different perspectives from the social and world one, Table 1 considers different authors with their respective definitions of the social solidarity approach and their respective application area.

The social solidarity approach converges in the different areas of culture and society worldwide. Throughout history, the purpose and operations of cooperatives have been framed in education, health, housing and entrepreneurship (Restrepo, 2016). In this specific case of humanitarian logistic, it is about the plans and strategies for the rehabilitation of infrastructure and the services necessary for the community affected. “This requires a company, non-governmental organization (NGO) and the Government to work together to prepare, respond to, and design new effective disaster management strategies” (Wahyuningtyas et al., 2019, p. 1227). Also, long-term sustainable strategies and plans need to be implemented. This includes resources, training for the community members and trust and commitment by the third sector, the NGO, governmental areas, associations and cooperatives, among others.

On the other hand, humanitarian social logistics (HSL) can be defined as sustainable activities of resilience, planning and logistics directed by different organizations to minimize the impact that a disaster has on a community in the long term. Each stakeholder (the different organization) will have its role in the activities that will be carried for the benefit of the community, and this procedure will be defined in the recommendations section of this chapter. It is intended with this guide that the affected community can take resilient actions that allow its sustainability from the economic point of view and renewable resources. The HSL execution time begins from the occurrence of disaster to a medium term of no more than 3 years, sufficient time so that the community can, by itself and without the intervention of third parties, develop economic activities for its sustainability.

3 Importance of the Fourth Sector for the Design of Public Policies in the Post-disaster Stage

The Fourth Sector brings together organizations with different economic reasons in order to deal with various concerns about the social and environmental impact of business activities and the need to solve the growing social problems that governments and civil society organizations are not in condition to attend (Vives, 2012).

Table 1 Definitions of social solidarity

Authors	Definitions	Area
Dean (1996)	Solidarity also represents a set of norms that oblige an individual to care about certain others, especially members of the in-group	Politics
Barea (1990), Calle-Collado and Casadevente (2015), Dos Santos et al. (2017))	Democratization of the economy through the organization of society so that it can satisfy the needs of its members and its development	Economy
Isham et al. (2002)	The integrity of the community depends largely on the social solidarity formed in the aspect of bonding, individual basic relationships, development, effectiveness and function of community that allows to thrive civic engagement	Society
Goudge et al. (2012)	Social solidarity has been identified as an important factor in health-care financing reform in a wide range of countries	Health care
Ocampo (2015))	The evolution of the sector in the region was the initiative of the Catholic Church, based on mutual aid and considering the human person first, so that money and savings at the service of others were founding principles	Sub-region of eastern Antioquia
Caraway (2018)	Permaculture in Cuba also functions like other religious movements in Cuba, because it provides spiritual as well as material benefits through networks of mutual aid	Religion
Melleuish (2018)	As means of uniting individuals to seek the common good	General
Mufatakah et al. (2019)	The concept of learning community is the most important factor in students' social life related to the teaching and learning process	Learning
Rosetti (2019)	A union power resource, measuring the impact of trade union membership on social attitudes of solidarity	Force work
Kapela and Pohl (2020)	The impact of social support, on emotional commitment to the organization and organizational citizenship behaviours	Management
Straub et al. (2020)	Paving the way for the formation of informal networks that stitch together resources in order to cultivate resilience	Humanitarian logistic

Source: Authors' elaboration

Also, it serves as support to government entities in the hard work of serving a community after a disaster event has occurred, especially in affected communities. Therefore, this article aims to raise awareness among various types of organizations

such as NGOs, government entities and organizations of the solidarity sector such as cooperatives.

The organizations of the solidarity sector in Colombia historically proceed “uniting human and economic resources as tools to solve problems and/or needs or develop common productive projects for the well-being of this group” (Unidad Administrativa Especial de Organizaciones Solidarias, 2013, p. 4). One of the main objectives is to attend to the needs of its associates and the community in general. Based on this logic, it can be considered that these organizations within the fourth sector would be the ideal ones to work with the community affected by some type of natural disaster.

The concepts of humanitarian logistics and the social solidarity approach have not been combined to form a definition or to establish theories, even though the mission of the organizations that work with these areas is to help the community. Humanitarian social logistics is defined as the activities aimed at strengthening, in a resilient manner, a community that has been a victim of a disaster, generating cooperation and economic sustainability through collaborative networks. These networks of collaboration remain in the medium term, leaving strengthened commercial and solidarity relations with the actors involved in occurrence. An example that approximates the concept of humanitarian social logistics is a study in west Malaysian aboriginal communities (Orang Asli). “The study also reveals that Orang Asli people share almost similar values and culture which helps them to distribute resource and work each other during the time of disaster” (Sadeka et al., 2020, p. 5). In the development of this paper, the theories of humanitarian logistics and the social solidarity converge lay the groundwork for a new concept named humanitarian social logistics (HSL). At the end, as a result of the analysis, a protocol will be designed for the realization of proposals that, from a social and solidarity approach, allow the grouping of the cooperative sector with different entities (private and governmental) for the benefit of the affected communities. “Literature has found several motivation factors in humanitarian sector for engaging in partnerships with the business and vice versa” (Baharmand & Comes, 2019, p. 13) “Although such collaboration is often seen as beneficial humanitarian organizations also face difficulties in managing collaborative efforts, including collaboration with the private sector” (Nurmala et al., 2017, p. 83).

The cooperative sector is known for its work with communities and as an alternative for people with difficult access to the finance sector. “Cooperatives also look forward to contributing, through different institutional actions, to improving the well-being of both its members and the community” (Serna & Rubio, 2016, p. 248). This can materialize under the application of Solidarity Collaboration Networks (SNC), thereby achieving the economic reactivation of the community and the sustainability of the available resources. “The model SCN represents an alternative to the dominant economic system, so our proposal considers a production and consumption chain (co-partnership) centred on the locality” (Soria et al., 2015, p. 243). “In Bangladesh, the cooperative society assured secured market for farmers’ production at a fair price and provides technical assistance through training and extension services that lead the higher production and higher income for the farmers”

(Sultana et al., 2020, p. 1). “The cooperative membership has significant and positive influence on farmers’ propensity to adopt safe production practices and the effects are heterogeneous across a number of key cooperatives, farm and household attributes” (Ji et al., 2019, p. 231). For these reasons, the Fourth Sector is proposed as a facilitator of sustainable conditions for the different activities that the community must carry out at the post-disaster phase. Community members would again become an active part of the productive and consumer society. According to the Eastern Antioquia Chamber of Commerce (2018), “39.05% of the business fabric is made up of solidarity economy entities” (p. 44). This shows the influence that this sector has in the region. The social and humanitarian principles of the cooperative sector justify this choice.

4 Research Background

“Accumulated evidence demonstrates the centrality of social psychology to the behaviour of members of the public as immediate responders in emergencies” (Drury et al., 2019, p. 1). When an event happens, the first to help are members of the affected community. They are the ones who give notice to the local authorities, which in the case of the department of Antioquia communicate to the government organization in charge of this type of event. This organism is named the Administrative Department of the System for Disaster Prevention, Attention and Recovery (DAPARD, in Spanish), which works with the Colombian Red Cross (CRC), to deliver humanitarian aid in less than 24 h to the affected population. “Proximity to the poorest and most isolated communities and the ability to form rapid alliances placed nonprofits on the front line of the emergency with an effective response” (Rivas, 2018, p. 39). DAPARD administratively depends on the UNGRD (National Unit for Disaster Risk Management, in Spanish), the organization that controls this type of regional organizations. Nevertheless, after the initial effects of the emergency, these organizations no longer interact with the affected community, which implies in some cases a detriment to living conditions.

Table 2 shows the experiences in disasters documented in the scientific literature in recent years and the participation, especially the role of involucrate actors post-disaster. These lessons learned will be necessary information to build the proposal for humanitarian social logistics. A type of event recently registered in the literature is considered for the table construction.

Regarding the information collected, two things can be elucidated, first, the sense of solidarity of volunteers and people around the community, second, that government agencies can be efficient if they require it, but if they are absent, society stigmatizes them.

The subject of disaster risk management, namely, is a control task with many actors, factors and scales. “Recent calls emphasize the need to proactively engage in disaster risk reduction, as well as to establish new partnerships between private and public sector entities in order to decrease current and future risks”

Table 2 Disasters and role of stakeholders

Place and date	Disaster type	Role of stakeholders
Spain February 14– August 04, 1888	Snowstorms	Despite the emergency situation lived by the inhabitants of the towns of the middle and high mountains, the reaction of the authorities can be considered late and insufficient; most of the efforts focused on the reconnection of the Asturian territory with the outside of the province, contributions derived from charity, widely the monetary aid provided by the government and the local authorities (Garcia, 2019)
Italy February 15, 2010	Landslide	Lack of information and poor involvement of the local community in the actions and measures taken by local policymakers; no information of the civil protection plan, political divisions in the community and lack of social cohesion; feeling of abandonment by the central and local institutions (Antronico et al., 2020)
Chile February 27, 2010	Tsunami	Resilience capacities, including organization, local knowledge, social networks, cooperation, trust and participation, were crucial to cope with the disaster in Talcahuano; despite the destruction, community actions revealed not only the power of people to deal with natural disasters but also the inherent resilience capacity existing in communities (Moreno, 2018)
India-Pakistan March 03, 2014	Floods	The overwhelming majority of people appear to have been rescued by local volunteers, suggesting that the role of the Indian military was modest, the state administration was revealed to be incompetent in preparing or responding effectively to the crisis, and the disaster created a brief moment in which established relationships, hierarchies, rivalries and patterns of life were temporarily suspended, shaken and disturbed (Venugopal & Yasir, 2017)
Chile April 22, 2015	Volcanic eruption	The experience of recent disasters in the country shows that after the first months of the tragedy, the actions and interventions by civil society, through non-governmental organizations, universities and volunteer organizations, among others, disappear; the economic, material and human resource aid decreases; and government actions are primarily focused on reconstructing infrastructure and housing (Espinoza et al., 2019)
Fiji February 20, 2016	Cyclone	Countless fundraising events were organized using social media to help raise funds and collect items that would be useful to affected Fijians; these trends mark an interesting interplay of public engagement, perception and communication in disaster relief efforts (Finau et al., 2018) That the NGO became unintentional journalists as they filled a gap in international reporting by putting Pacific voices at the centre, in contrast to traditional reporting of international media organizations (Spyksma, 2017)
Mexico November 19, 2017	Earthquake	The earthquake divided two in Mexico; one of them, the government, laggard and inoperative, another, the citizen, soon showed his solidarity; solidarity is a human pillar, not ordered, born (Viveros & Kraus, 2018)

Source: Authors' elaboration

(Hochrainer-Stigler & Lorant, 2018, p. 24). “It is, therefore, substantial to obtain comprehensive policies and plans that reduce the vulnerabilities that are generated especially in the early stages of a reconstruction process such as recovery” (Inzulza & Diaz, 2016, p. 126).

In consequence, it is proposed that an administration of long-term post-disaster be performed by the private sector, especially a sector of solidarity.

5 Methodology

The methodology of this research work is retrospective quantitative with a descriptive scope. For the study, a secondary source of information is used, which is composed of the database of DAPARD. This database contains 618 events and allows the collection of accurate data on the number of disasters, affected population and material damages that occurred in the area under study; the research describes the resilient activities carried out by the community to counteract the consequences caused by the adverse event that happened. Interviews with leaders of cooperatives in the geographical area of study found in the work of Restrepo and Guarin (2017) were used as additional information for the theoretical reference. For the construction of the HSL design, the authors considered the methodological guide for the elaboration of the municipal response strategy developed by UNGRD (2013a) and the model of solidarity collaboration networks for local development proposed by the German confederation of cooperatives (DGRV, 2018).

The scope will be defined by natural disasters, because those originated by man, mainly armed conflict, have a protocol that is executed by military forces and state control entities. The geographical area to study will be the sub-region of eastern Antioquia, which is made up of 23 municipalities and currently, according to have 707 events (see illustration 1) occurred since 1980 with 64,967 people affected and

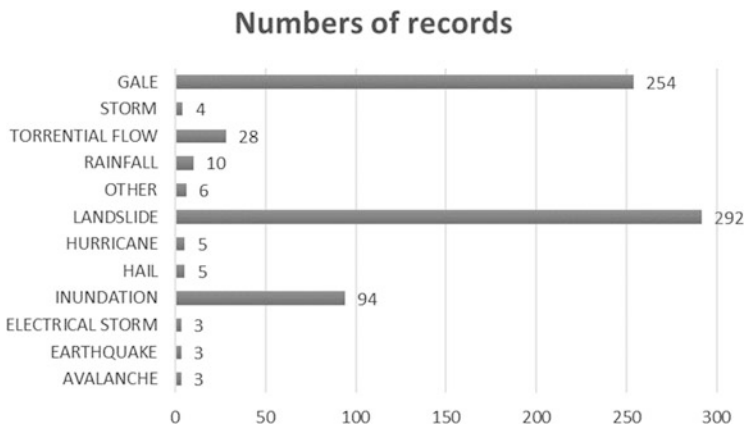


Illustration 1 Number and type of records between 1980 and 2019

7448 victims. This information is supported by the DesInventar® online tool. DesInventar® is a conceptual and methodological tool for the construction of databases of losses, damages or effects caused by emergencies or disasters (RED, 2009).

Information on the disasters that occurred and the actions that the communities carried out to mitigate the negative impact of the event will be compiled. In addition to the DesInventar® tool, information will be collected from newspapers on the actions taken by the different communities in post-disaster time. Due to a considerable number of events to analyse, and since the main objective of this investigation is to know what happened to the affected community, the analysis is limited to 36 records (see Table 3) distributed in 13 events, considering the following criteria: (a) more than 100 people affected, (b) more than 50 houses affected and (c) a minimum of one house destroyed. To clarify, the records obey the frequency in which the events occurred in the same year. “Event is defined as the natural phenomenon or not, that once triggered, produces adverse effects on human lives, health, and the economic and social infrastructure of a community” (Polanco & Bedoya, 2005, p. 48).

Information on how the different stakeholders were present in the post-disaster phase will be collected, from the point of view of resources and accompaniment to the affected community. Considering the actions carried out, the information collected will proceed with the design of policies that involve the Fourth Sector, government agencies and NGOs to implement sustainable proposals in the affected communities. UNGRD in association with DAPARD and local governments since 2011 have been designing strategies to prevent the negative effects of different disasters. These policies are known as municipal disaster risk management plans, and each community should contemplate on the recommendations outlined there to minimize the impact of these events. The information contained in these plans was considered for the development of this investigation.

For the events that occurred before 2008, no news related to the disaster was found, much less the actions taken by the different stakeholders. This is due to the lack of the digitization of events or the recording of events by the printed press and local governments in the different technological platforms (database, Internet, intranet, etc.) until 2008 in Colombia. If there is any material related to the events studied in the research, these should be found in the different files of the local entities linked to the government. At the time of this research, access to this type of data is impossible because of the COVID-19 pandemic.

6 Results and Discussions

Several findings were obtained within the investigation carried out through secondary information sources, which gave rise to actions for the benefit of the affected community and others in government decisions translated into prevention plans that should be adopted in the different municipalities affected by the different disasters.

Table 3 Events to analyse

Type of event	Year	Municipality	Records	Deaths	Affected	Homes affected	Evacuees	Victims	Homes destroyed
Inundation	2005	Marinilla	1	0	784	184	20	0	4
Inundation	2008	Rionegro	2	0	2400	600	0	225	2
Inundation	2011	Granada	1	0	1495	89	0	755	62
Inundation	2011	Rionegro	3	0	4965	741	0	0	2
Landslide	2005	San Carlos	1	1	450	71	0	0	12
Landslide	2011	Argelia	1	1	455	91	0	45	9
Gale	2009	San Francisco	7	0	615	117	0	0	4
Gale	2010	Guame	1	0	500	100	0	0	4
Gale	2011	La Unión	1	0	935	187	0	0	4
Gale	2011	San Francisco	4	0	1280	399	0	725	2
Gale	2012	Nariño	3	0	552	149	0	0	3
Gale	2012	San Francisco	4	0	279	72	0	0	2
Gale	2013	Nariño	7	0	1045	155	0	0	3
Summary			36	2	15,755	2955	20	1750	113

Source: Adapted from DesInventar®

Table 4 Municipal plans and strategies

Municipality	Strategies and plans
San Francisco	Shelters and rental subsidies provided by the Colombia Humanitaria program and largely by the Municipality have been required, given the deterioration or permanent threat of some homes associated with these phenomena; impossibility of the municipality to feed, house and rehabilitate all of the affected people; measures to compensate the economic loss through insurance mechanisms or other types (UNGRD, 2015b)
La Unión	Within its municipal disaster risk management plan, gales are not considered for its analysis or mitigation of its consequences. There is no evidence in the literature of what was done by the different stakeholders in the post-disaster stage
San Carlos	Relocation of families at high risk due to mass movements, torrential floods, flooding, falling blocks and gales, construction of works to reduce the threat of mass movements (UNGRD, 2015a)
Granada	Projects have been managed to clean the flowing, training has been carried out for the community on the proper management of solid waste; it is recommended to update the environmental management plan and guarantee campaigns for the existing infrastructure in the municipality (UNGRD, 2013b)
Nariño	The municipal disaster risk management plan has not been fully designed; therefore, the measures to be taken in the event of catastrophic events do not appear within this document. As for the actions taken by the different stakeholders in the post-disaster pass, each one is limited to doing what corresponds to them. DAPARD director informed that since the bridge is a tertiary road, it corresponds to the municipal authorities to make the technical visit and the pertinent works to communicate again to the affected population (El Mundo, 2013)
Argelia	The possibilities of intervening in the threat area include the review and rethinking of the drainage system for both rainwater and wastewater in such a way as to divert the water and avoid saturation and destabilization of the soil; this intervention could be complemented with a reforestation program; the population is considering the relocation of resident families and the restriction of crops (UNGRD, 2017a)
Guarne	The municipal disaster risk management plan strategy identifies all high-risk areas and locations but does not propose a plan to avoid minimizing the consequences of a possible event
Marinilla	Although the municipal administration has tried to attend to the needs of the community involved in this calamity, more work needs to be done on prevention, relocation of families that have required it and linking other actors present in the municipality such as the banks (Cotrafa, Banco de Bogotá, Bancolombia), the church, the courts and the police to get involved with the emergency brigades (UNGRD, 2017b)
Rionegro	Bancoldex and Banco Agrario will provide resources to the merchants affected by winter in this region, in order to renew their loans so that they will not default or to help them with loans that allow them to have working capital; National Government will contribute 4 billion pesos for the execution of works that make it possible to eliminate the floods that occur during winter (Reliefweb, 2008)
Sub-region	Since 2010, the IDEAM (Institute of Hydrology, Meteorology and Environmental Studies, in Spanish) generates daily the maps and the forecast bulletin of the threat caused by landslides triggered by rains (IDEAM, n.d.) A document in collaboration with the World Bank for the construction of public policies is designed considering the analysis of risk management at the country

(continued)

Table 4 (continued)

Municipality	Strategies and plans
	<p>level. Antioquia reports the highest number of loss of life due to landslides (1712) and floods (200) (World Bank, 2012)</p> <p>A study carried out and financed by various international NGOs in eastern Antioquia designed a scheme for economic growth through sustainable development, including its methodology and application. Considering that an increase in the frequency and intensity of the manifestation of said phenomena is expected, and it is possible to assume that the impacts will be even greater than those known if adaptation measures are not identified, with which the response capacity is increased in the different dimensions of the territory (Zapata et al., 2017). The factor of natural disasters is considered as a threat to the execution of the plan</p> <p>The response, according to municipalities and the environmental authority, is in the activation of prevention mechanisms and the launch of infrastructure works that will counteract the fury of the waters (El Colombiano, 2017)</p>

Source: Authors' elaboration

Table 4 shows the strategies and plans taken by the different municipalities after the catastrophes that occurred within their territory, including what the aid agencies have developed to deal with the disaster, and the policies designed and some implemented by the government sector. At the end of the table, the plans designed by different stakeholders that benefit all the municipalities that are in the sub-region of eastern Antioquia are described.

With the information obtained from various secondary sources in 9 of the 23 municipalities that have been most affected by the different natural phenomena, the following are concluded:

1. The municipality that has received the most aid is the one in which shift president has residence and is also a strategic geographic point for the region's economy. The department's international airport is in Rionegro, and the existing large companies benefit from the duty-free zone.
2. "Economic growth in eastern Antioquia has been influenced by the creation and settlement of solidarity economy organizations" (Restrepo & Guarín, 2017, p. 199). For this, the strategies adopted by the municipality of Marinilla try to involve the cooperative sector (Cotrafa) in the prevention phase. "In the northern regions, in the east and northeast of Antioquia, configured a group of cooperatives that have been the main point for the development of their localities" (Zabala et al., 2017), which shows that the cooperative sector can be the leader of the post-disaster phase in the affected communities.
3. All municipalities have a disaster risk management plan, which in some cases does not analyse the type of risks that have occurred in the community. It is imperative to follow up on the prevention strategies agreed upon in these plans, whether the different proposals have been implemented, and frequency. Likewise, it is proposed to update on the different plans, since there are other factors (such as climate change and the use of land for agricultural, industrial and infrastructure purposes), which can cause disasters with a greater degree of

destruction, generating consequences for a population which has grown rapidly in urban centres

4. When determining sufficient resources for those affected in the municipality of Rionegro, it is expected by logic that an equitable distribution of aid to the less favoured municipalities will also be made. According to UNGRD, the National Fund for Disaster Risk Management was created for the purposes of public interest and social assistance with the purpose of finding the needs that arise in situations of disaster or calamity. But there is no evidence that this resource has been distributed proportionally in the municipalities with the fewest resources. San Francisco (49.9%), Algeria (38.97%), Cocorná (36.23%) and San Rafael (35.1%) are among the municipalities with the highest poverty rates (Marulanda & Martinez, 2018, p. 368).
5. Agencies in charge of evaluating damages, census of the affected population and delivery of humanitarian aid (DAPARD, CRC) are effective in the different operations and activities in any of the intervened communities. Nevertheless, there is no clarity in the way those affected are reintegrated to productively them into society, because researchers did not obtain information about this in most of the events analysed in this investigation. State participation in community processes is limited as well as the same activity by other processes (Velez, 2018). It is possible that the private sector through its different foundations in some way helps the community affected by this type of events, replacing the government's duty in these cases. Neither there is a policy in the country or in the geographical area of study that defines what benefits the banking or private sector would have by effectively intervening in resilience activities in the different populations affected by natural events. Therefore, the Fourth Sector must attend to this call, given its coverage in the study region and its social and solidarity philosophy with the community.

The execution of the policy that is analysed in this research considering the information collected includes the general guidelines that the different stakeholders should carry out to guarantee the return of the community to the social dynamics of the municipality or region. As a discussion and recommendation, this proposal will be presented at the government to be included in the public policies of solidarity economy, considering, in addition, the Sustainable Development Goals (SDGs) that are being applied in the study area. In municipalities like Granada, the government has given up part of its fiscal obligations to these entities, [because] they are concerned with providing the community with better welfare and meeting needs (Garcia, 2016). With the support of the cooperative sector, a significant contribution is expected to allow the generation of SCN in the communities that are affected by this type of phenomena.

7 Conclusions and Remarks (HSL Design)

In the different regional plans, an attempt is made to integrate the cooperative sector as a participant in specific activities such as its social function it can carry out in the different municipalities. For example, different projects for the region are derived within the green growth and climate compatible development plan for eastern Antioquia. In the project on strengthening production, marketing, and local consumption, producer cooperatives would be one of the main actors to accomplish the various activities proposed by this plan. The rural associations of the territory would be leading several projects: preparation of drinking water supply systems and wastewater disposal in a changing climate scenario, efficient intersectoral use of water resources, comprehensive use of solid waste and green growth agreements with agricultural sectors.

The cooperative sector and the social and solidarity economy has been approached “as a collective action project [...] aimed at counteracting the socially negative tendencies of the existing system with the prospect - current or potential - of building an alternative economic system” (Coraggio, 2011, p. 380). This type of company “is established to solve the problem posed by the environment and that individually they cannot solve” (Cueto et al., 2018, p. 68). Based on these postulates, this sector can contribute to the design and implementation of policies that help minimize the negative impact that a disaster causes in a community or region. This social sense is an indispensable condition for reaching a consensus among the different stakeholders when designing post-disaster policies. To achieve this goal, it is necessary that this fusion be carried out with a hybrid orientation. Understood as solidarity-oriented practices carried out by organizations and actors of different kinds. From this point of view, the State (e.g. through taxes) and capitalist companies (e.g. through Corporate Social Responsibility) can create a solidarity economy (Guerra, 2012).

The cooperative sector in the study sub-region is made up of the Solidarity Foundation of Eastern Antioquia (FUSOAN in Spanish). At the time of writing this article, it has eight cooperatives in the region associated with a presence in each of the 23 municipalities. According to FUSOAN, its social objective is to serve as an articulating instrument between associated entities and public and private entities for the execution of projects, programs and services that contribute to institutional strengthening, seeking the integral development of the territory and the communities that constitute it (, n.d.). For the policies to be defined with the different stakeholders, the Fourth Sector will be defined as FUSOAN, for the execution of the activities that the associations and cooperatives can develop and execute in the proposed activities.

The action plan to be proposed integrates four main actors, the government, the disaster response agencies (DAPARD, CRC), FUSOAN and the community. The post-disaster phase is divided into three stages: response, rehabilitation and development. Response includes rescue operations, delivery of aid and conditioning of temporary shelter to affected households if necessary. Rehabilitation encompasses all activities aimed at creating networks and delivering monetary aid to affected

people. Development involves all the activities for the consolidation of the SCN and to evaluate its performance considering the sustainable economic benefit of those who make it up. In Table 5, by means of a flow diagram scheme, the different activities and those responsible for each one will be explained. The time factor is not included because it varies according to the magnitude of the disaster in terms of the number of damages and the size of the devastated territory.

The application of HSL in each of its stages and activities has the main objective of helping and accompanying the affected community during and after the occurrence of the disaster. Taking this principle into account, the Fourth Sector within its mission as an organization must be working together with the different aid agencies in the post-disaster phase. These organizations, already, have their protocol defined to help the affected population; therefore, the cooperative sector would not be involved in these operational activities. While the above operations are carried out, the fourth sector would be managing the financial resources with the different entities (government, insurers, banks in case of donations), avoiding the delay in their delivery. For the different families to restart their social and economic activities.

The procedure presented is general and will serve as the basis for the specific activities that would be achieved according to the magnitude of the event. It depends on the number of people affected, the conditions of the infrastructure once the disaster has occurred, the type of disaster and the number of associations that want to become part of the network by consensus. Regardless of the number of members, FUSOAN will execute the activities that the HSL proposes for the entire community.

It is known that prevention, in most of the cases, is the best strategy to avoid some catastrophes; that is why, within the community activities promoted by the Fourth Sector, talks or seminars will be held together with the leaders of the affected communities in other different spaces. These talks would be associated with the learning obtained from the activities that were developed in the post-disaster stage including how to handle the possible causes that originated the events. This event would be like a case study with the lessons learned so that other communities can take advantage of this type of knowledge for the benefit of their inhabitants. These knowledge communication activities can be performed in conjunction with the different relief agencies and the government sector.

After the response stage in the community, the participation of the cooperative sector is essential to generate security and tranquillity from an economic and psychosocial point of view. It is normal for the population to panic due to the serious moment they faced. Psychological support is important, and especially in each activity of the cooperative, this support is essential to generate that trust, which will be strengthened through the actions that the cooperative executes within the HSL plan. In this rehabilitation stage, each event that FUSOAN promotes will generate trust in the community for the sector. That trust will serve as a seed to generate the network among the different members who want to be part of it. That trust will be remunerated for the benefit of FUSOAN, because the brand of the cooperative will be within the top mind of the beneficiary population, and this serves as good publicity for the sector.

Table 5 Stages of HSL

Stage	Activities and description	Responsible stakeholder
Response	Event notification. Different stakeholders are notified of the occurrence of the event indicating type, date and location	Government, community
	Damage assessment. Representatives of relief agencies are sent to the area to carry out a census of people and material property damaged. With the information collected, humanitarian aid and other resources (machinery, water plants, medicines, etc.) necessary for the immediate attention of the community can be delivered	CRC, DAPARD, government, community
	Aid distribution and delivery. Means and modes of transport are managed to deliver humanitarian aid and different resources to the affected population. Damage to infrastructure and the amount of resources are considered. Donation days are held to collect supplies in case the humanitarian aid warehouses do not have the necessary capacity	CRC, DAPARD, government
	Search and rescue of people and removal of debris. The different relief agencies are tasked with finding missing persons, and if there is damage to the infrastructure, they are responsible for cleaning and removing material that is damaged or cannot be recovered. Information from the community is important because they have first-hand information about the people who were at the affected zone	CRC, DAPARD, government, community
	Damage assessment. Once all the protocols have been carried out to serve the affected population, the damage caused to the local economy is evaluated: crops, businesses, services and infrastructure. The census is carried out in quantity, value and transactions in kind and money. It includes materials, supplies, technological resources, services and consumer goods, among others	FUSOAN, government, community
	Rehabilitation	Fundraising. With the emergency fund that the government has in its coffers destined for this type of events, the insurance some businesses, plus donations if necessary, the fair distribution of money will be made to each of those affected. Instead of the monetary resource being managed by the bank, it should be left in the hands of the existing cooperatives in the affected area. The money will be distributed to each affected person in accordance with the type of insurance that he has previously contracted, and according to the damage caused by the disaster, the money will be made available to the different people and owners of an establishment with economic returns
Territorial intervention. Once the adaptation of the community in their old or new homes has been		FUSOAN, community

(continued)

Table 5 (continued)

Stage	Activities and description	Responsible stakeholder
	<p>managed, a survey is carried out on the owners of the different establishments, characterizing the reason for being and diagnosing their current state. The owner is convinced of the importance of establishing contacts with similar or different companies. The network integrates with stakeholders, and planning work begins. This process can take between 1 and 2 years, for the generation of trust and commitment on the part of the interested</p>	
	<p>Construction of the network. In accordance with the different business models of the companies associated with the network, small associations are formed that need common resources or inputs for their operating procedures. In addition, links can be formed depending on the type of business that the members of the network have; they can be suppliers or clients of another collaborator. Considering the various relationships that form between participants, the network is intertwined until each is linked in some way to one or more partners. The definition of an agreement between the parties remains, generating a beneficial economic relationship for all members</p>	FUSOAN, community
Development	<p>Network establishment. Once the different relationships of the participants have been agreed, the network's operating agreements are established. Good governance policies are constructed, and different activities and procedures are regulated, both operational and administrative. It focuses on the type of economic sector to which the network would belong, and this depends on the characteristics of the different organizations. Being a network, the idea is that the profits are distributed among all the members, and the surpluses are reinvested in the operation and improvement of the network. All the surplus is distributed among the participating organizations (Beltran, 2019, p. 104).</p>	FUSOAN, community
	<p>Operation and sustainability. When starting work as a network, it is necessary to control and evaluate each of the activities that it incurs. Key performance indicators will be designed to measure the behaviour of the different processes. With this you can make improvements and obtain more productive and efficient processes. Constant management is important to actively maintain the network and each of the organizations that are found, which is why it is possible to generate links with other networks and add other participants that can improve its operation.</p>	Community, government

Source: Authors' elaboration

The cooperative sector will only be the observer of the conditions and conformation of the network. It will go along with each of the organizations to develop the relationships and will supervise the operation of the conditions between the different members. It will develop the different workshops where each of the members will diagnose their own business and how it would contribute positively within the network to be formed. It will also monitor that each of the protocols that will be developed are within the legality of the tax measures that govern the country. Once the different operations of the network have begun, FUSOAN and the government entities will be monitoring the different activities and relationships of the network so that it and its members comply with the government codes for which this society was formed. The government territorial control agencies will be responsible for monitoring the operation of the network in its good practices and in the conduct of its commercial activities.

The network would be made up, in addition to the formally constituted companies, by the various social enterprises. These ventures have the main function of involving the trained and experienced human resource who is unemployed at that moment. "Rural and neighborhood social enterprises are the opportunity that arises from work and community factors, thus enabling the generation or improvement of income — or the specific satisfaction of a need" (Cueto et al., 2018, p. 56). The inclusion of all ethnic, gender and sociocultural groups is important for promoting equity in the work network. This would be one of the principles by which this intervention of the Fourth Sector (stakeholders) would be governed, thereby ensuring that the availability of resources and opportunities is equitable for each of those affected. The companies that make up the Fourth Sector are characterized by being "financially self-sustaining as well as independent of the institutions of the social economy and beyond the social responsibility of companies" (Vives, 2012). These characteristics represent an advantage when managing and executing the necessary resources to make the affected community socially productive.

FUSOAN will take advantage of the experiences obtained as management models for the formation of other networks, regardless of whether they start from the HSL philosophy. Concerning the formation of networks, the knowledge of the different universities existing in the region can be used to support the organizational diagnosis of the different associations. The different schools of administration would be participants in this process, and there would be an additional benefit for both the universities and FUSOAN.

It is necessary that public policies consider the Fourth Sector in support of the different operations that the state cannot cover significantly due to a lack of resources and logistics for its attention. By being represented by the Fourth Sector, the government would improve the image they have with the community. Within the solidarity economy organizations, the operation of the HSL would be debated, the duty of the researchers is to publicize this procedure to work on the improvement of this proposal and it can become a reality for the benefit of the possible affected communities.

The success of the execution of the different stages of the HSL depends on the synchronization of the various stakeholders. The speed and efficiency of its actions

will be able to account for the benefits to the community and, additionally, the good name of the entities and in the cooperatives, affecting their growth in the number of associates.

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Nonprofit Organizations of the Fourth Sector That Promote Education Social Solidarity Economy in the Fourth Industrial Revolution of Medellin, Colombia



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Abstract Medellin's social solidarity enterprises are leveraging education to face the fourth industrial revolution from the fourth sector (economic profitability and a commitment to the environment and society), concerning improving society from relevance and compliance variables. At the same time, linked to the strategic line, one of the Ten-Year Social and Solidarity Economy Plan for Medellin 2016 to 2025, called education and training in solidarity culture, proposes new challenges by incorporating the fourth industrial revolution. The objective is to explain the conditions of relevance and compliance of teaching the social solidarity economy to promote the fourth industrial revolution in the fourth sector to obtain financial benefits to invest in social benefits. The methodology implemented was a nine-question questionnaire with a Likert scale (1–6) to 36 managers of the solidarity sector that promotes social education in the fourth sector in the city of Medellin. We found that 75% of the managers expressed considering that the cooperatives contribute with money or material to promote the study and 83.3% consider appropriating the contribution to learning the studies of the managers of the solidarity organizations were classified as carrying out activities dedicated to education, training, and cooperative information, while 93.4% stated that they supported education and cultural activities in the communities. In conclusion, cooperatives have relevance toward solidarity education from the fourth industrial revolution that helps to apply and improve the fourth sector, but its implementation fails because there is no conscience of it.

Keywords Fourth sector · Fourth revolution · Solidarity economy · Cooperatives

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1 Introduction

Latin America promotes new enterprises driven to pass from an economic profit to a social benefit. These varieties of entities have different denominations: cooperatives, B-corps forms, corporations, cooperatives, social and sustainable enterprises, civic enterprises, etc. Also, it incorporates numerous arrangements: circular economy, social entrepreneurship, fair trade, human-centered business, and banking with values. All of these types have the same goals: become self-sustaining and deliver a positive environmental (nature) and social impact (education). The educational institutions would be key to create consciences for new for-benefit professionals by offering suitable agendas and accreditation backgrounds, so the cooperatives in its philosophy gather to reach a social impact in its community. Teaching would be a major influence for future generations to apply a relevance of purpose-driven economy that promotes the fourth sector to create and guaranty a growth to expand markets and new customers, business, and investment opportunities in a clean environment.

Today's economic system and organizational models are outdated because they are not interested to help in social causes or to protect the environment. Also, the three traditional sectors seek economic income, but they don't integrate a social and environmental mission. In response, society creates different organizations to promote well-being: blended finance, sustainability, circular economy, venture philanthropy, impact investing, inclusive business, corporate social responsibility, conscious capitalism, cause marketing, social enterprise, and social auditing. On the other hand, the Sustainable Development Goals (SDGs) was adapted in 2015, a call to clean the world and to help social companies create conscience of the importance of social and environmental protocols. Consequently, a fourth sector proposed to intercept the three traditional sectors (Rubio-Mozos et al., 2019) to become a new way to create companies with a better social and environmental philosophy. In synthesis, what the "for-benefit" companies have in common is to advance in a societal benefit and generate significant portions of their income to benefit causes. All these can be shown as a new formula: social benefit + incomes + environment protection = fourth sector philosophy.

The purpose of the article is to explain the conditions of relevance and compliance of teaching the social solidarity economy to promote the fourth industrial revolution in the fourth sector to obtain financial benefits to invest in social benefits. The strategic Line one is name Education and Training in Solidarity Culture of the Ten-Year Plan for the Social and Solidarity Economy in Medellin, from its proposed approach to compliance from 2016 to 2025. Currently, there is a period of transition that has marked strong contrasts in terms of social participation, since more than the creation of new technology and new knowledge is its social appropriation seen from the fourth industrial revolution in the fourth sector. This is not only for private companies; this concept provides the opportunity for public administration and social participation and solidarity and appropriate concepts such as social innovation (Ávila & Campos, 2018) and public participation 2.0, where social leaders and

citizens can play an active process in building their territories, but base on education. These arguments allow us to ask: how can education influence and drive the response of fourth sector organizations to opportunities for significant benefits for all stakeholders of the fourth industrial revolution?

Educational institutions contribute to the training of the workforce required to strengthen the knowledge of the fourth economic sector. Besides, the government's plans to improve social education must be involved. Therefore, we must work together to create synergy to help the fourth sector raise awareness. In other words, the fourth sector will develop by promoting collaboration and education on environmental, social, and economic issues.

The fourth sector is now being incorporated into various universities, cooperatives, and groups of organizations. This helps the region improve skills and research to advance the quality of life. We have to let ourselves be influenced by cooperatives, which are trying to teach a new way of being an entrepreneur. Besides, cooperatives are beginnings to think of caring for people as a social investment, without forgetting the economic factor. This has the consequence of contributing to the visibility of a social worker in which the interested parties (education) contribute to more collaborative and real approaches.

The social and solidarity economy in Medellín is governed by Agreement 041 of 2011; however, the city has been influenced by this approach since the nineteenth and twentieth centuries. The social and solidarity economy has promoted business development from the sector of cooperatives, mutually, corporations, associations, employee funds, pre-cooperatives, and foundations. Also, Medellín has a prospect of implementing the Ten-Year Plan for Social and Solidarity Economy for 2016–2025, which, from a strategic approach to the development plan called “A home for life,” and from line three “Competitiveness for Economic Development and Equity,” provides the gear to promote solidarity in the modern community.

The emerging fourth sector contributes to be looking for a better world based on long-term education. A generation of collective consciousness begins in the first years of primary education. That is, the way of teaching must be changed so that the thinking of the new industry is changed. The fourth sector helps combine financial income, nature, education, and the social environment to achieve a balance of collective well-being.

The fourth sector involves the way the social activity is organized, which configures the opportunity to live in peace. This is achieved with adequate systematic education on social knowledge that takes precedence over economic knowledge. Therefore, the conflict in Colombia, for more than 50 years, offers an opportunity to generate peace from the orange economy, which contributes to a strategy to indirectly promote the economy of the fourth sector. Currently, in Colombia, there are 3812 entities in the fourth sector, with 77,697 employees. (See Table 1.)

In Colombia, during 2016, to face the development of the new fourth sector, a fiscal reform was carried out to contribute to the improvement of the economic and productive development of the country, so as not to depend exclusively on oil. Also, the devaluation of the currency generated a rethinking of the country's situation, which forced control of public spending and increased consumption taxes. The drop

Table 1 Participants in the fourth sector entities

Number of fourth sector entities	Employees (direct)	% of national employment	GDP contribution absolute terms (millions) 2017	% of gross value added
3812	77,697	0.34%	20,046,047 COP 5179,14 USD	2.16%

Source: International organization serving Ibero-America (2019)

in the price of oil raw materials modified macroeconomic policies that averaged to 4.8% from 2009 to 2014, but during 2018, GDP growth was at 2.7% (International Organization at the Service of Ibero-America, 2019, p. 4). “Facing the current macro and micro-economic situation in Colombia, the Fourth Sector should introduce a series of structural policies, namely: (1). A cognitive policy for development within the National Development Plan. (2). An adequate fiscal policy that recognizes their contribution to the country socio-economic development. (3). A series of consolidation policies, developed in cooperation with public and private stakeholders at the local, regional and national levels” (International organization serving Ibero-America, 2019, p. 6).

The emerging sector in the economy is currently called the fourth sector. It is formed by organizations that contribute to economic profitability and an environmental and social commitment (Abhishek, 2020; Howells, 2020; Bercovici & Bercovici, 2019; Avidar, 2017; Morgan, 2019). In other words, the fourth sector is also called “for-benefit” or hybrid organizations because it manages to adequately combine financial benefits for investors in social benefits (Park et al., 2019). However, this thinking is not new because there has been a debate for several years to achieve a change in environmental and ecosystem deterioration; in addition to defending human rights, the fourth sector is trying to pay it back.

The 22 presidents of Latin American countries highlighted at the meeting of Agenda 2030 the urgent inclusion of support for companies that provide a positive impact on society and sustainable development (SEGIB, 2018), and the best way is through a systematic education of these issues.

This chapter consists of eight sections. The first section is an explanation of the social and solidarity economy. The second section deals with the social and solidarity economy in Medellín. The third section is a discussion on public policies in Medellín that contribute to the education of the fourth sector. The fourth section is about the fourth revolution and the social and solidarity economy. The fifth section is the methodology used in this research. The sixth section contains the results of the research, while the seventh part presents the discussion, and the eighth part is the conclusions, and finally the references.

2 Social and Solidarity Economy

Labrador (1998) explains that the social economy can be configured since the 1830s, where they participated with a socialist partner philosophy. However, Barea (1991) expresses in simple terms that it is called the third sector, also known as “alternative economy, general interest economy, the labor economy, and popular economy” (Labrador et al., 2017).

Besides, it is highlighted that the social economy has a characteristic of voluntary activities (Bastidas, 2015), without leaving aside the aspects of profitability, efficiency, and productivity (Gaviria, 2015). In turn, during the year 2015, the United Nations creates the United Nations Inter-Agency Working Group on the Social and Solidarity Economy (GTINUESS), in which begins a denomination of Social and Solidarity Economy (ESS). In other words, it moves from a social economy approach to one that already involves solidarity. This also gives it the characteristic of being plural and an integrated economy based on solidarity. The social and solidarity economy has had different names and characteristics, including social prospective (Utting, 2015), in which it focuses on social protection and equality and in a collective, equitable and democratic manner with active citizen participation, beyond the maximization of financial benefits. So, to understand better the new situation, we explain the bases or capitalist economy, social economy, and fourth economy.

2.1 *The Capitalist Economy*

The capitalist economy is that which ponders its growth in the theory of free enterprise as its strength. It sustains the productive means as a foundation for the generation of individual or group profits. The fact that private investment is encouraged in a preponderant manner in the effort based on the spirit of profit, free competition in the market, and the theory of supply and demand that seeks the equilibrium of the market in the medium and long term. Capitalism as an almost global economy has the belief that capital and its performance is a sufficient incentive for the development of organizations.

The capitalist economy is located within the economic sectors of greater income. Besides, it foments the private investment within which the companies are structured in the theory of the maximization of the utilities. The capitalist economy promotes the freedom of learning, development, growth, association, and obtaining wealth at the level of the great masses. Likewise is in which the individual prevails over the collective. The freedom over the regulation of the state, provides the distribution of social benefits in a few way. Its principles are free competition, the importance of the price or market system, principle of private property, freedom of enterprise and

choice, the production of goods and services based on respect for private property, capitalist culture on the factors of production, and the exploitation of labor.

The capitalist system has replaced the feudal mode of production of past epochs. It's constituting a social organization divided into two preponderant classes, whose interests are opposed. On one hand, there are the capitalists, owners of the factors of production. On the other hand, there are the proletarians, lacking property and productive factors, so that, faced with the threat of hunger, they are forced to constantly sell their labor power to the capitalists.

If a comparison is made with the epoch of feudalism, the capitalist mode of production, the factors of production are more progressive. It has raised to a higher level the development of the productive forces of society. It has significantly increased the productivity of social labor.

In the capitalist economy, the distribution of the factors of production has an antagonistic character since such factors are almost entirely owned by the capitalist private property and serve as an instrument of exploitation of the workers. In the process of distributing national income, the capitalists appropriate the greater part of it. Their distribution actively influences the growth of production and with it the maximization of its profits. Under capitalism, the distribution of the factors of production has an antagonistic character since such factors are almost entirely in private capitalist ownership and serve as an instrument for the return of the capitalist's investment.

The consumption of the capitalist economy is to exceed the greatest monetary profit it can make. For which it can only be achieved by seeking the satisfaction of solvent needs, that is, those for which it can pay, taking into account their satisfaction not in their order of need but their order of profitability. The producers present their products in the market where the consumers express their desires to fulfill those achieving higher levels of utility.

2.1.1 Social or Solidarity Economy

The solidarity economy is a process that is in continuous transformation in many countries worldwide. It is made up of a group of agents that are organizing themselves in the form of associations, foundations, and mutual and nonprofit cooperatives, in which the general interest takes precedence over the individual. The social economy starts from an economy that does not belong to the public or private sector or the capitalist economy.

The social economy is aimed at the application of public expenditure, that is, in the investment made by a few for the sector as donations and incentives to obtain tax benefits. The fact that the state obtains certain budget items to distribute them to the sector within certain social areas. Its principles are self-management; the supremacy of service; the integration of solidarity, cooperation, and democracy as a way of life and human coexistence; the supremacy of labor over capital; the associated work; and social property.

Production is the developed activity that generates an economic factor and that contributes added value by the creation and supply of goods and services. That is to say, it consists of the supply of products or services and, besides time, the attainment of value; even though the social production, the society participates directly, in the activities of national production itself, so that they are very involved the so-called national production companies are decisively involved in the labor force and are essential for the generation of added value.

The social economy in this scenario is used as a synonym for the third sector, the popular or solidarity economy. However, differences apply between these ideas and even between what each theory thinks when it refers to it. This debate also arises when it comes to defining who and what projects fall into each category. To reach a general conclusion, three views on the social economy will be indicated, and then the general position on the subject will be set out. The first view is that the social economy is a third sector. A sphere that cannot be captured in either the private or the public sphere, where civil society organizations are located.

It is divided in a planned way among the branches of the local economy. The global social economy constitutes the starting point and material basis of the extended socialist reproduction, whose character, proportion, and rhythm it determines. The part of the global product that is restored first and foremost is that which concerns the factors of production consumed in the preceding cycle. The part that remains forms the net product of society, its national income.

The socialist consumption of the distinctions that each person has is not based on the material conditions of each individual, but the spiritual conditions, capacities, and competencies of human beings. In this consumption pattern, each employee has the right to the best quality of life together with the rest of the workers. Also, to have the same conditions, nonetheless, the levels of equality are not the same because unfortunately, it does not happen in the same way due to their cultural or human situations. The personal realization or the unique aptitudes of each human being in his productive expression will determine the contribution that each individual can offer in front of the rest of the workers in the search for a better quality of life for him and his family.

2.1.2 The Fourth Sector

During the last decade, a change in the management of economic systems and organizational models has been identified. That is, during the nineteenth century, natural resources were considered unlimited, there was no climate change identified, and human rights were not studied and publicized as they are today. Therefore, this perception of limitlessness forced overflowing capitalism in which there were prosperities and quality of life based on economic income. However, the long-term negative effects were social and environmental destruction. The Sustainable Development Goals (SDG), promoted by the United Nations, aim to achieve a better quality of life by integrating social and environmental goals (Rubio-Mozos et al., 2020) in equivalent ways within the economic factor. The SDG include 17 general

objectives that are focused on protecting the environment in the future (Rubio-Mozos et al., 2020a). However, some studies show little commitment to achieving them because there is an economic interest in environmental and social issues.

However, to achieve compliance with the SDG by 2030, a greater commitment is required from the various public and private sectors to exercise reforms that contribute to corporate social responsibility (Wilburn & Wilburn, 2014). In other words, a reform that contributes to an economic, social, and environmental production that exposes the way to protect the planet and ensure integral prosperity. The idea of SDG can be fulfilled if a business and public education transformation is established to set up a better status quo. This is achieved by establishing new organizational models and social movement norms that leverage a social vision. The social movements that are collaborating to develop a fourth sector linked to equitable social welfare are responsible capitalism, civic community financing, and social engagement, inclusive business, circular and shared economy, fair trade, innovation, corporate philanthropy, social impact investment, natural capitalism, and combined financing (Cooke et al., 2019).

The process of thinking differently, economic management has allowed creating new hybrid organizations and business models. New companies focus on economic profitability, but with social and environmental investments. These organizations are of the following types: corporations, cooperatives, social and sustainable enterprises, civic enterprises, etc. In other words, the new public and private organizations aimed at the same objective, economic income, nonetheless with social and environmental investment. Nonprofit organizations help structure and shape human values to contribute to a healthy and prosperous community, that is, organizations that teach healthy living which includes clean air, water, food and shelter, equitable sharing of wealth and resources, and an opportunity for physical, mental, spiritual, and community integration. Besides, it fosters a real understanding of the conditions of the diversity of life and the ecological systems that support it.

Today, social, business, government, and nonprofit organizations have a common goal: to contribute to environmental and social care, a fourth sector that involves the other three, but in an equivalent combination. The fourth sector promotes the development of pure knowledge and the intellectual conditions that contribute to the configuration of information management from technology.

The following are examples of hybrid organizational models that have emerged in recent years: Chaordic organizations, civic and municipal enterprises, community development financial institutions, cross-sector, associations, faith-based enterprises, nonprofit enterprises, sustainable enterprises, community wealth organizations, social enterprises, mixed value organizations, and social economy enterprises. These types of organizations provide an opportunity to establish new strategies with social and environmental objectives but are linked to the business conditions of the companies.

In summary, social and solidarity economy contributes to improving the quality of life for the people, and capitalism focuses on the generation of money without considering humans. In other words, social and solidarity economy is based on collaborative work and capitalism as a generator of the destruction of exhaustible

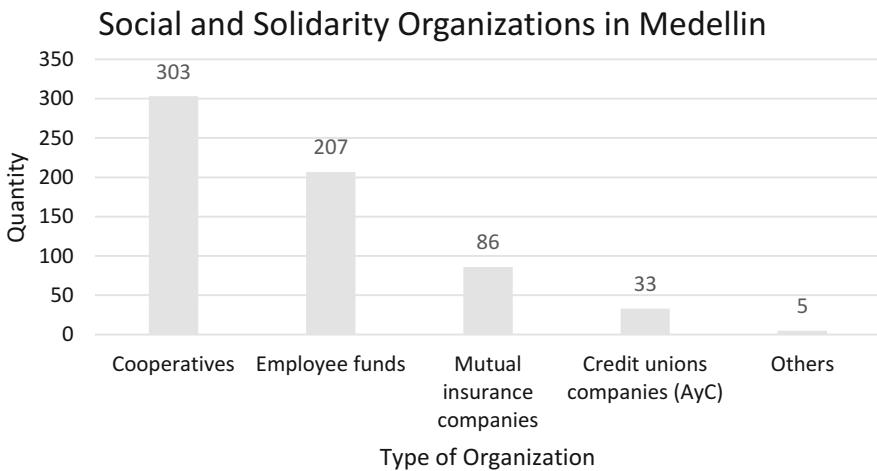
resources. Social and solidarity economy in the city of Medellín (Colombia) is explained below.

3 Social and Solidarity Economy in Medellín

The ten year plan of the city of Medellín (Colombia) explains that the social and solidarity economy which focuses on nonprofit enterprises that produce goods and services in “the association can satisfy the needs of its members and the community” (Gaviria, 2015). Likewise, the Republic of Colombia is governed by Law 454 of 1998, which establishes how the organizations of the social and solidarity economy sector function.

In the city of Medellín (Antioquia), 634 organizations were detected with a focus on the social and solidarity economy, distributed among cooperatives, employee funds, mutual insurance companies, credit unions companies (A y C), and others (see Graph 1). Cooperative organizations are divided into nine large multi-active categories without a savings section, worker cooperatives, integral cooperatives without a savings section, representative organizations, specialized cooperatives without savings, contributions and credit section, specialized auxiliary institutions, economic and pre-cooperative organizations.

A cooperative is described as a nonprofit, associative type of enterprise to efficiently produce or distribute goods and services to meet the needs of members and the community (Solidarity Organizations, 2017). The funds of Employees are described as organizations belonging to the solidarity economy sector, private, nonprofit, which are constituted by dependent workers, associates, or public servants



Graph 1 Types of social and solidarity organization in Medellín. Source: Own elaboration from the data of the Supersolidaria of Colombia, 2019

and offer services to their members (Solidarity Organizations, 2017). Mutual insurance companies are identified as private, nonprofit organizations that are formed by individuals seeking to promote mutual aid between members to meet the needs by providing services that improve the quality of life (Solidarity Organizations, 2017). Credit and saving cooperatives are specialized cooperative organizations whose main function is financial activities for their members (Solidarity Organizations, 2017). Others whose economic activity is education or consumption are governed by the same parameters as cooperatives (Solidarity Organizations, 2017). In summary, social and solidarity economy in Medellín is made up of 634 organizations, which is equivalent to 7% of the total number of organizations registered in the Colombia Superintendence social y solidary with a cutoff date of 2019.

4 Public Policy in Medellín

The concept of public policy is defined by the Dictionary of the Spanish Language (RAE, 2020) as “From lat. *politicus*, and this of the gr. *πολιτικός politikós*; the form f., from gr. *πολιτική politiké*”; refers to matters of doctrine and political activity; while the word public comes from the Latin *publicus*, that is to say, “belonging or relating to the whole village.”

The public politic conceived as the sphere of government of human societies; the policy (politics), as the activity of the organization and struggle for the control of power. And finally, politics (policy) is also defined as a designation of the purposes and programs of public authorities (Roth, 2002).

The public policy can be defined as government actions toward a certain action in the population (Anderson et al., 1995) to give you a solution (Iarke E. Cochran et al., 2005) to a certain problem (Dunbning, 2002), to achieve a goal or process defined by the State (Citado & Salisbury, 1995). Also, public policy can be seen as focusing on characteristics of social collaboration or inhibiting conflict (Guerrero, 1999) and subjective (Hogwood & Gunn, 1984) from a set of interrelated, nevertheless objective decisions (Jenkins et al., 1995). The public policy can be understood as the decision-making the action of a representation of people from the state to achieve solutions to a social, military, economic, fiscal, and governance problem. Furthermore, it has a characteristic exclusive to government and its execution, but it does not imply the participation of multiple actors (Peterson, 2003), but then again yes, it is a collective choice (González, 1998).

For the city of Medellín (Antioquia, Colombia), public policies are determined by the Council, which debates the interests of the civilian population to provide a satisfactory solution for the majority, that is to say, it is governed by the regulations of the Colombian Constitution of 1991. However, Medellín has begun to implement public policies about focusing on the fourth revolution.

5 The Fourth Revolution and the Social and Solidarity Economy

Schwab (2016) exposes that the fourth industrial revolution is the way to expose and produce new scientific knowledge “as has happened with the creation of the steam engine during the First Industrial Revolution, electricity and mass production during the second industrial revolution, and information and communication technologies for the automation of manufacturing production during the third industrial revolution” (Malavera et al., 2019). The fourth revolution is related to the social and solidarity economy by incorporating the human being as an entity that contributes to solutions and opportunities to adapt to change (de Amorim et al., 2019). At the same time, Presta (2018) exposes that the economy with an emphasis on the fourth revolution extends to a mutation in the forms of government of the labor force (p. 159). In other words, society today must focus on better understanding the human being as a person and not as an element in the process of production, but as the integration of different thoughts that contribute to capitalist society; in other words, education must appropriate the teaching of social values and economic values under equal conditions. According to Calle and Isaza (2019), trust is an essential value to promote solidarity with human dignity with a specific objective of uniting values and knowledge toward a common goal of cooperation.

It is also the way to make a “greater decentralization of production, distribution, exchange, and consumption in today’s capitalism” (Presta, 2019). Production is not only the maximization of limited resources; nevertheless, it is necessary to incorporate the union of diverse people to achieve in a common good the efficiency of its dynamic capacity, that is, it is the combination of a scarce resource to increase its useful life; nonetheless, it requires a commitment of the people, that is, a solitary entity to take advantage of that resource. However, there must be an ethical content to the economy to promote in some way an interdisciplinary contribution (Resico, 2004). In other words, the fourth industrial revolution promotes the implementation of the Internet of things as an element to deepen the studies of basic and secondary as a tool to take advantage of the resource without damaging the environment which contributes to the assimilation of learning quickly and continuously. That is to say, it generates awareness to replicate with society about environmental, social, and economic factors and to start a direct intervention because there is discernment about its negative factors, as established in commitments 12, 13, and 14 of the ODS. (Rubio-Mozos et al., 2020a). Avidar (2017) explains that the social organizations that contribute to the fourth sector are based on achieving an organization of social, environmental, and economic benefits and commitments. The organization is developed based on an equitable distribution of property rights, a relationship between social purpose and responsibility. In turn, the benefit of sharing information on social impacts (Vuori et al., 2019) and of co-creating learning on shared values.

Likewise, fair compensation is required in which both receive economic however socially developed proportions. Besides, the organization looks after the economic

interests, but with the continuous development of social and environmental performance. It also contributes to the transparency of communicating adequately the social, environmental, and financial management. At the same time, they must watch over the assets that help the organization’s productivity but with the right conditions for people and their environment.

So analyzing the fourth revolution, fourth sector, and social and solidarity economy base on the education process done from the cooperatives, we define the hypothesis:

Ho: There is no difference between compliance and relevance of education to the fourth revolution in the fourth sector of the solidarity organizations base on education.

Hi: There is a difference between compliance and relevance of education to the fourth revolution in the fourth sector of the solidarity organizations base on education.

In summary, the fourth revolution contributes to improving the integration of the social and solidarity economy by generating an awareness of business sustainability management (environmental, social, and economic).

6 Methodology

The methodology is based on the quantitative paradigm with the semi-structured survey technique and analysis with non-parametric statistics. The limitation is given from 2016 to 2018 in the fulfillment of the six strategies: formal education with an emphasis on social and solidarity economy and innovation, education for work and human development, training for solidarity development, research for the development of social and solidarity economy, processes of promotion of solidarity culture, promotion of good practices, and processes of innovation in the sector of social and solidarity economy. Its application was by e-mail from the Supersolidaria database addressed to 400 managers of cooperatives in the city of Medellin. However, 9 percent participated, that is, 36 managers. The viability analysis of the survey was carried out by three international experts on the subject, who proposed adjustments to the language and syntax and sent it through a Google form. The variables were measured from two points of view, fulfillment and relevance. We used a Likert scale (disagree 1 up to agree 6).

The reliability analysis of the questionnaire was a Cronbach’s alpha of 0.917, and from the compliance approach, it was 0.810, and relevance was detected at 0.810 (see Table 2. Cronbach’s alpha).

Table 2 Cronbach’s alpha

Cronbach’s alpha	0.917	Compliance	0.810
		Relevance	0.817

Source: Own elaboration

Table 3 Types of organizations participating in the research

Type of organization	Frequency	Percentage
Cooperative	20	55.6
Foundation	7	18.4
Association	4	11.1
Corporation	4	11.1
Workers' cooperative	1	2.8
Total	36	100

Sources: Own elaboration

Table 4 Sector of cooperatives

Type of organization	Frequency	Percentage
Finance	11	30.6
Medicine	6	16.7
Education	3	8.3
Agricultural	2	5.6
Mutual	2	5.6
Syndicate	2	5.6
Textile	2	5.6
Food enterprises	1	2.8
Environmental	1	2.8
Sports	1	2.8
Gender	1	2.8
Mining	1	2.8
Chemicals	1	2.8
Taxis	1	2.8
Workers	1	2.8
Total	36	100

Sources: Own elaboration

The 36 managers who were sent the questionnaire participated in the following composition: 55.6% work at cooperatives, but only 30.6% were financial cooperatives. The foundations and associations that participate were 18.4% and corporations with 11.1% respectively and workers' cooperatives with 2.8% (see Table 3).

Besides, the analysis showed that the cooperatives with the greatest participation in the project are from the financial social object (30.6), followed by the medical sector (16.7%), education (8.3%), and agricultural, mutual, union, and textile sectors (5.6%). (See Table 4.) The education is the pillar of training new leaders who carry society from a human offer nonetheless with environmental interests, but with an economic-social contribution.

The major sector that responded to the survey was financial cooperatives.

7 Results

At the moment, the relevance is centered in the ideal image that contributes an opportunity, adjustment, and convenience of a thing, which is detected that the fomentation of attendance has a standard deviation of 0.786, freedom with 0.841, promotion to the education 0.815, and about other organizations (1.017); with the community, it is valued in 0.967. See Table 5 on standard deviation.

The fulfillment of education in innovating to think since the fourth industrial revolution is detected from the promotion of assistance has a standard deviation of 0.785, freedom with the 0.833, education approach 0.815, and the relationship with the community is located at 0.979. The main findings are focused on education to generate social and environmental objectives that contribute to developing organizational strategies that help economic, social, and environmental impacts fairly and equitably.

The variable of promotion is an element to support assistance toward education; 75% consider that the cooperatives contribute with money or material to promote study and training, while 25% consider it partially necessary. The fourth sector combines the efforts of financial wealth generation, social objectives, and environmental management. Besides, the fourth sector provides the benefit of teaching greater shared responsibility and active involvement of people in the organization. Moreover, from the variable freedom for the fulfillment of the object of the organization concerning education, it is detected that 83.3% consider appropriating the contribution to learning the studies (Ollis et al., 2018), but 5,6% were partially in disagreement with the investment of the resources of the organization in this type of link see Table 6.

According to the table, freedom of compliance is detected at 94.4% consider agreeing to support innovation from the perspective of giving opportunities to implement innovation in education to promote the reality of achieving new projects to integrate coordination and synchronization of implementing supply chains consistent with customer conditions. That is, cooperatives have in their policies to

Table 5 Standard deviation

Item	S
Promoting_assistance_relevance	0.786
Promotion_assistance_compliance	0.785
Relevance_Freedom	0.841
Freedom_Fulfillment	0.833
Education_relevance	0.815
Education_Fulfillment	0.815
Other_organizations_relevance	1017
Other_organizations_compliance	1009
Community_relevance	0.967
Community_Fulfillment	0.979

Sources: Own elaboration

Table 6 Freedom of enforcement

Scale	Frequency	Percentage	Cumulative percentage
Disagreeing	2	5.6	5.6
All right	4	11.1	16.7
Partially agreed	17	47.2	63.9
Agree	13	36.1	100
Total	36	100	

Sources: Own elaboration

Table 7 Compliance education

Scale	Frequency	Percentage	Cumulative percentage
Disagreeing	2	5.6	5.6
All right	2	5.6	11.1
Partially agreed	16	44.4	55.6
Agree	16	44.4	100
Total	36	100	

Sources: Own elaboration

Table 8 Compliance organizations

Scale	Frequency	Percentage	Cumulative percentage
Partially disagree	1	2.8	2.8
Disagreeing	2	5.6	8.3
All right	3	8.3	16.7
Partially agreed	13	36.1	52.8
Agree	17	47.2	100
Total	36	100	

Sources: Own elaboration

support the development of the Internet of things, but they try to promote the reality of how to apply it.

The private sector is focused on shaping a fourth sector that promotes the development of a coherent mission towards the social, environmental, and economic to strengthen the organizational heritage. This is achieved by involving social education in entrepreneurship for economic development. This will be reflected in the future in organizations with social and environmental thinking (Table 7).

The variable of the reality of the organizations, it has a form to fulfill the objective of the cooperatives the 11.1% considers not to be able to give fulfillment him to impel education towards the fourth industrial revolution because the reality of them supports, but the mechanisms of their implementation are not detected. Collective and individual education enhances the responsibility of the future by balancing for truly transformative and lasting change (Table 8).

However, from the reality of compliance as seen by the various organizations external to the cooperatives, it was found that 36.1% partially agree with the media

Table 9 Compliance from a community focus

Scale	Frequency	Percentage	Cumulative percentage
Partially disagree	1	2.8	2.8
All right	9	25	27.8
Partially agreed	10	27.8	55.6
Agree	16	44.4	100
Total	36	100	

Sources: Own elaboration

in teaching cooperative; however, it is stated that external companies consider it important to teach, but do not clearly define the means or tools to manage money among young people (Table 9).

From the fulfillment of the community, 72.2% consider to be in agreement in the teaching of the cooperative toward the youth, indicating that the community considers that the solidary system is adapted to relate the youth toward the commitment to help the others, without receiving monetary elements by the management, nonetheless an emotional element.

The fourth sector leverages organizations to embrace change toward social and environmental management when they are flexible and open by not focusing solely on the economy. Furthermore, as there is a balance of responsibilities in a progressive way and with an equal partnership, it would contribute to improving the quality of life if it is involved from basic education (Table 10).

For-benefit enterprises will require legal, accounting, strategic, marketing, technology, and other types of support, from professionals properly trained in the emerging, laws, standards, practices, protocols, procedures, technologies, and goals of fourth sector entities (Table 11).

The promotion of assistance in $0.077 > 0.050$ therefore the null hypothesis is accepted, there is no difference. The approach of freedom to learn in the fourth revolution $0.002 < 0.050$, which indicates that there is a difference in the moment of freedom to learn concerning relevance. Besides, education as the axis for generating knowledge, it is detected that $0.00 < 0.050$; therefore, there is a difference between compliance with the cooperative norm and the relevance of teaching the model. Also, the support of other organizations in the teaching of cooperative since the fourth revolution is detected as $0.022 < 0.050$, indicating that there is a difference between teachings from other organizations about the relevance of cooperatives.

8 Discussion and/or Remarks and/or Conclusions

The fourth industrial revolution is a challenge to social integrity since it is considered a trend toward industrialization when it should focus on the human being to create open learning environments. It is starting to see the human inside the machines to teach how to live together and learn from them (Roy, 2017). However, society is

Table 10 Opinions requirement for relevance and compliance in cooperatives education

Item inquired	Disagree	Partially disagree	Disagreeing	All right	Partially agreed	Agree	Net
Promoting_assistance_relevance	0	0	0	8	13	15	36
Promotion_assistance_compliance	0	0	0	9	14	13	36
Relevance_Freedom	0	0	2	5	17	12	36
Freedom_Fulfillment	0	0	2	4	17	13	36
Education_relevance	0	0	2	2	16	16	36
Education_Fulfillment	0	0	2	2	16	16	36
Other_organizations_relevance	0	1	2	3	12	18	36
Other_organizations_compliance	0	1	2	3	13	17	36
Community_relevance	0	1	0	9	11	15	36
Community_Fulfillment	0	1	0	9	10	16	36
Summation	0	4	12	54	139	151	360

Sources: Own elaboration

Table 11 Test statistics^{a,b}

	Promotion_assistance_ compliance Freedom_compliance	Promotion_assistance_ compliance Freedom_compliance	Promotion_assistance_ compliance Freedom_compliance	Promotion_assistance_ compliance Freedom_compliance	Promotion_assistance_ compliance Freedom_compliance
Chi-Square	6836	14,856	35,000	11,761	9601
Gl	3	3	3	3	3
Asymptotic sig.	0,077	0,002	0,000	0,008	0,022

^aTest of Kruskal Wallis^bGrouping variable: Relevant education

Source: Own elaboration

thinking about a future that will leverage the reality of a better approach and new alternatives (Abhishek, 2020). In other words, society must commit itself to emphasize the teaching of solidarity when adverse phenomena occur in daily life and affect the way of living. Therefore, the fourth industrial revolution interprets the events of the past to apply them to the future from the present; that is, the future is configured from the present (Abhishek, 2020).

From another point of view, consumerism is heading toward the development of the fourth industrial revolution by studying the client from a social marketing perspective. The study of purchasing habits and how to acquire goods or services that meet the needs (Howells, 2020). It involves the reality of people in a new development of goods that improve in making living, to compensate for the stay with the family. Also, it promotes the integration of living in natural environments developing the capacity to think about a certain future with less risk. This is how the civil rights of human beings are attacked by robotics and the Internet industry of things (Soh & Connolly, 2020). That is to say, it configures the opportunity to learn from the machines to make the human being a member of solidarity.

At a certain point, 3D printing technology drives the human being in the search for the perfection of the race, which begins with learning to live with others and with the collaboration of your neighbors and friends. In other words, the technology aims to teach better, but it dehumanizes the creator of the machine. The industry depends on the machine to improve the production or service processes (Steenhuis et al., 2020). The other feature is the reality of the way of marketing the researched and developed by the machine to see that it is a human being who programs to obtain the product; however, there is some disruption in the process of leveraging the distribution of products through the Internet of things (Koh et al., 2019). However, 94.6% of those surveyed consider education as a means to learn to live with machines and their uses. Besides, 41.7% of those surveyed said they fully agreed with the relevance to the reality of the organization by teaching with technology and being supportive when required.

The skills for the success of a professional are based on learning how to use the diverse brains (Venter et al., 2019) and rely on assimilating solidarity as a key piece of having diverse perspectives of a problem. Since education is a driver of abstract knowledge and shapes reality from the subjectivity of the individual, it provides the opportunity to learn from solidarity concerning the environment of the same nature in which it is developed, therefore, “should be made by some actors of green work to cope with the changes in the labor market due to the Fourth Industrial Revolution” (Bercovici & Bercovici, 2019). In other words, the environmental reality can be destroyed by not considering educating the human being concerning the effects of his doing, that is, the young person learns to live with nature if he understands nature itself. 41.2% of those surveyed expressed that they fully agree with partnering with other entities to learn to live in a community and develop collaborative projects together. Thus, the social aspect prevails over the individual aspect, which promotes local development by offering multiple services (Confecoop, 2008).

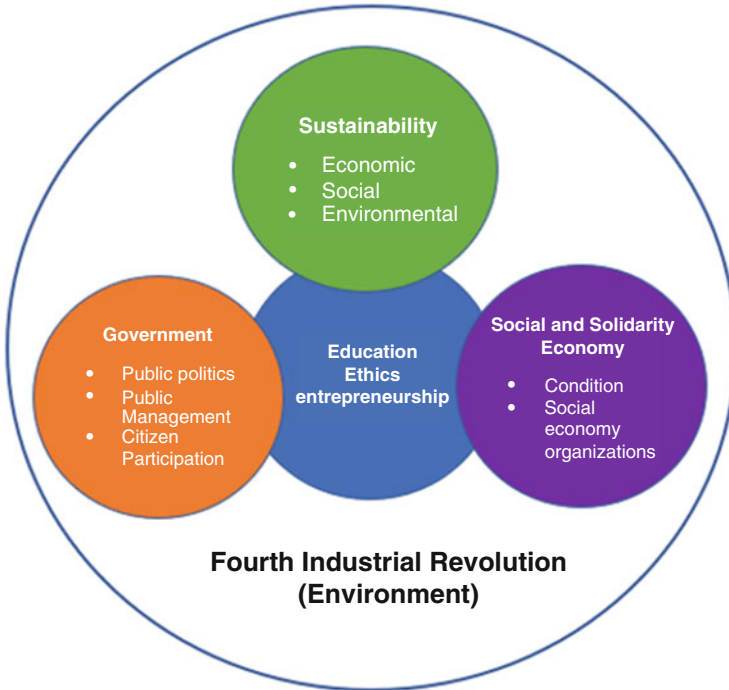
It is the opportunity to learn to be supportive by responsibly integrating technology into the being so that it learns to do. Entrepreneur 1 expressed “it is a daily

doing” which contributes to solidarity not only for a few moments, but it is the configuration of a daily doing. At the same time, entrepreneur 2 said “focuses on... and its people.” In other words, solidarity organizations rely on people without leaving aside technology; nevertheless, if technology displaces human beings, there is no longer any reason to exist as humans. In other words, the fourth industrial revolution is different from the previous industrial revolutions (McCredie et al., 2019) because they focus on reducing income inequality and ensuring that even the lowest common denominator is provided; thus, it is not only the resource as such, but the opportunity to learn from other human beings.

Also, the industry in Medellin relies 80% on microenterprises, which receive a good amount of employment. In other words, small businesses are leveraged on the human being to produce. That is why, as the manager 3 said, “The dissemination and promotion of cooperative values and culture is not only done through citizen participation.” In other words, the citizen collaborates with his or her peers to increase finances, but with the hope that this will be repaid in their welfare and the future of the organization. Likewise, manager 4 stated that solidarity is given by “emphasizing and communicating” the importance of solidarity participation.

The fourth revolution industry “is changing the concepts of quality management and social responsibility” (Park et al., 2019) from the reality of the companies of Medellin, contribute to developing the quality thought in the effects of the environment and social on the economic thing. Thus, in Colombia, 48 companies register their reports and management of business sustainability (GRI). Manager 5 stated that “Various activities are offered” to teach how to live with nature, the human relationship, and the machine, the latter as support to speed up the process and in theory to be with the family longer.

Even so, companies contribute to education because they know that the future of business is focused on controlling “capitalism as a tool for ‘denying the prospect of good jobs’ to reduce the positioning of workers and the social responsibility of employment in the future” (Morgan, 2019).



Source: own elaboration

The three E’s (education, ethics, and entrepreneurship) is the connector between sustainability, government, and the social and solidarity economy and in turn connects with the triple helix (business, state, and university).

Solidarity is a corporate value that drives the reality of assimilating machines as support to assimilate knowledge at the time of the requirement. In other words, organizations support companies to educate young people to respect society, nature, and the financial approach. However, the financial over the social (41.2%) still prevails, and there is a lot of agreement in achieving assistance to fulfill the purposes of the organization. However, it is not yet prepared to assimilate the complexity of the fourth industrial revolution in which the Internet of things prevails over the human being (Nankervis et al., 2020). In other words, organizations participate in creating solidarity participation projects, but even with a low commitment to the use of technology.

9 Conclusions

As a matter of public policy, it is recommended that the chair of Solidarity Culture be established in basic and secondary education institutions. The solidarity culture is an integral development of the human being toward society, taking into account ethics, values that lead to citizen participation to improve in itself, to achieve a more inclusive society.

The social and solidarity economy in Medellin has been strengthened as a means to reach the population focused on reducing the economic gap. In other words, the fourth industrial revolution is an opportunity to link the social and solidarity economy through the Internet of things, which allows greater access to information and decisions both managerial and individual. The satisfaction survey of education for children and young people between 5 and 17 years was detected to be at 79% during 2017, decreasing the next year to 71% and rebounding 8 points during 2018. The managers expressed that the 20% support for education toward a culture of social economy and solidarity continues.

The fourth sector is a promoter of a new vision of education that should be undertaken by the organizations of the cooperative movement since it involves social and environmental thought, but driven by the economy. The fourth sector integrates education as a pillar for generating future social and environmental sustainability. By involving research from education in the cooperatives, it contributes to a better understanding of the fourth sector. The curricula of the universities must incorporate the importance of business sustainability management from the fourth sector. The fourth sector is an opportunity to build a new economic model for the benefit of all.

The education is an essential element in generating acceptance of the concepts of the fourth industrial revolution and the fourth sector. Likewise, it is the opportunity to configure a public development plan that contributes to the change of mentality on the influence of the economy and social and environmental in the management of the organizations. Education is the best way to teach how to take care of the environment, be socially responsible and generate wealth in the organization.

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Social Innovation, Fourth Sector and the Commodification of the Welfare State: The Portuguese Experience



J. André Guerreiro and Hugo Pinto

Abstract This chapter presents theoretical aspects of social innovation, focusing on its conceptual development and exploring the novelties emerging from the consolidation of a fourth sector in the economy. The text provides a brief analysis of the history of the Portuguese social sector, highlighting particularities of its evolution and of how the transition between political regimes affected the social sector and the State. Considering the influence of the European integration process, the participation in the Eurozone and the single currency rules as well as the 2008 global crisis, the analysis suggests that a process of commodification of the Portuguese Welfare State and a growth of the social sector are occurring. Social innovation and the fourth sector play a role in this transformation.

Keywords Social innovation · Fourth sector · Social sector · Welfare state · Commodification

1 Introduction

Social innovation has become a rather popular subject over the last decade and a half, having moved from the fringes of academic debates and business magazines to the spotlight of political discourses, public policies, financing programmes and transnational institutions' agendas (McGowan et al., 2017; Howaldt et al., 2019), and this is more so the case of the European Union (Jenson & Harrisson, 2013).

The 2008 crisis largely contributed to this rise in prominence, due to the subsequent adoption of austerity measures which resulted in public spending cuts and an overall reduction of welfare and providence services (Berzin et al., 2014).

Very much like it has happened since the oil crisis of 1973, the tried answer to the cyclical crisis of capitalism has been to reduce public spending in social services and

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rely on private and third sector alternatives to come forth and fulfil the void left where public services once operated (Habermas, 1986).

While these crises have been responsible for the re-emergence of the social sector and social economy from the 1970s onwards, the neoliberal turn in the public sector greatly relied on the very same social sector to take upon itself the replacement of the State in what some have called “caring liberalism” (Moulaert et al., 2017).

Although the social sector has been praised and widely recognized as responsible for assisting the most vulnerable social groups, there is also a not-so-visible aspect in this assistance: neoliberal capitalism supporters call for less public spending, arguing that the market and third sector can and should offer alternatives to welfare services while pointing, at the same time, to the social sector responses as evidence for their argument—an argument that exists solely because the nation states reduced their public spending in previous moments of crisis, thus forcing the social sector to step in and replace the State in many circumstances (Massey & Johnston-Miller, 2016).

More than a teleological argument, this rationale has been behind the growth of social innovation. The need for social innovation is closely related to the shortcomings of the Welfare States, and the solutions created by employment social innovation further justify the tendency of public spending reduction and flexibilization of social policies, which shift responsibility away from the State to the social sector (Grisolia & Ferragina, 2015; Moulaert & MacCallum, 2019).

Over the last decade, social innovation became a much popular concept both inside and outside academia, with public institutions and policy-makers developing a keen interest in the subject. Realizing its potential as well as its weaknesses, the European Union has invested considerably in cross-country research funding for social innovation initiatives in both Horizon 2020 and the Seventh Framework Programme, reflecting the EU stance affirmed in 2011 that social innovation was the priority approach to deal with policy issues and the social sector (Massey & Johnston-Miller, 2016).

Recently, there have been discussions about the emergence of a fourth sector that would intersect the public and private sector but with social goals in mind, rather than economic profit for the benefit of its shareholders or private owners. As it happened with other recent social sector innovations, this one can also be seen as stemming from the failure of the Welfare State to fulfil its role and the market stepping up to provide alternatives (Escobar & Gutiérrez, 2011).

This chapter explores how this fourth sector rose, how the transformations the social sector suffered since the 1970s have led to a social innovation paradigm and how that paradigm is simultaneously the cause and consequence of the commodification of welfare services. Using the 2008 crisis example, the text explores the Portuguese case to understand how the social sector was affected and what impact the crisis had on the social policies that govern this sector.

Our goal is not to judge social innovation or the social sector for their role in this process, but rather place them in a larger process of change that began in the early 1970s and has been evolving since then: the crisis of the Welfare State and the re-emergence of the social sector and the social economy to fill the void left by the

changing role of the State, which is ever more reliant on the social and private sectors to provide services once assured by public sector.

Section 2 addresses the theoretical aspects of social innovation, focusing on its history and development more than on practical and empirical aspects. Section 3 explores the fourth sector and its novelty compared to the third sector. It will also discuss the third sector and the social sector in general, as to provide the underlying understandings that will be used in the following sections. Then, Sect. 4 goes deeper into the history of the Portuguese social sector, highlighting some particularities of its evolution and focusing on the transition from a democratic republic to a conservative dictatorship and then to a democracy once more.

Section 5 continues where Sect. 4 ended and documents the major transformations of the Portuguese social sector experienced in the democratic period, with emphasis put on the European integration process and the economic ramifications that the EU membership had on the country, as well as in the 2008 financial and economic crisis. Section 6 closes the argument of how social innovation arose in the awake of the crisis and how it became a staple of public policy and social sector financing programmes. This section stresses the thesis that social innovation grew as a result of the process of commodification of the Portuguese Welfare State and how that growth justifies further cutbacks on public services, followed by Sect. 6 which presents the general conclusions of the chapter.

2 What Is Social Innovation?

Social innovation has its roots in the Industrial Revolution and the transformations societies and individuals underwent as a result. During this period, many organizations were formed to address the social issues faced by the population, while other organizations that had existed for centuries reinvented themselves for the very same reason. Several modern associations, foundations, mutual societies, unions and cooperatives date back to this period and were often formed as means to support workers, while philanthropy was behind many initiatives that addressed the social issues of the time (Moulaert & Ailenei, 2005). In this sense, social innovation and the emergence of the modern social sector are closely tied to the Welfare State, since many pioneer notions behind providence and social assistance were themselves social innovations (Mulgan, 2006).

The term social innovation dates back to the late nineteenth and early twentieth century, having been used by such authors as Auguste Comte (1869 [1840]), Gabriel Tarde (2000 [1899]), Thorstein Veblen (2007 [1899]) or Du Bois (1903). The usage of the term was descriptive and not conceptual, since it was never further defined nor expanded upon, something that would continue to happen in the following decades until social innovation began to surface once more during the post-WWII period, often employed in the context of social policies and social action (McGowan et al., 2017).

From the 1980s onwards, this would begin to gradually change, with some authors exploring what social innovation was, with social policy, planning and institutional processes being some of the fields in which the term was more commonly employed (André & Abreu, 2006). It was also around this time that the debates on the subject of social vs. technical or business innovations arose as a subject of interest, becoming a recurring discussion for the years to come (Heden & King, 1984).

In the 1990s, social innovation became more common. Ayob et al. (2016) found that there was little consensus around what social innovation was during this time, spanning subjects such as new social relations, the outcome of citizen and social movements and the socio-political change that emerged from civil society, amongst others less frequently discussed. The debate between social and technological innovation also escalated, with authors arguing about the key differences between both concepts and how the first could be understood in a context that separated it from the latter (Bestuzhev-Lada, 1991).

It is also at this point that authors began to call for more research on social innovation as well as new methods, theories and definitions created for that purpose, to equip social innovation with the adequate tools to tackle global issues (Cooperrider & Pasmore, 1991; Dierkes, 2001). These appeals seemed to have been successful to some extent, given that it was around the late 1990s that social innovation became a popular subject in academia, and in the mid-2000s, the concept gained popularity inside and outside academic forums, eventually making its way to transnational institutions and governments worldwide.

It was during this period that definitions and understandings of social innovation began to multiply. While the potential of social innovation as a field of research became clear, many tried to outline a framework for doing social innovation research while, at the same time, still trying conceptualize it. Thus, social innovation became understood and described in a great many ways, being quite a polysemic term—something that holds true to this day and that has been singled out as one of the reasons why social innovation has struggled to define itself and form a coherent paradigm or a theoretical body (Moulaert & MacCallum, 2019).

Social innovation grew and became a difficult concept to define, being often contested for its flexible nature and lack of clarity, every so often twisted and moulded into whatever was required in any particular investigation (Moulaert et al., 2013). Some authors have related this elasticity, lack of orthodoxy or doctrinal rigidity precisely to the pace at which social innovation grew, since each of these characteristics encourages a wide variety of users to adopt it without much debate about what it is and where it came from (c.f. Sinclair & Baglioni, 2014).

This very same particularity of social innovation, however, has also motivated other authors to criticize how the concept was quickly becoming devoid of meaning and attributed acritically to phenomena that are sometimes barely explained or bounded to any sort of framework or set of parameters—which ultimately has

contributed to social innovation going from a notorious polysemic tendency to become what Gallie (1956) has labelled a contested concept¹.

The main issue with the concept of social innovation lies with the word “social”, which was paired with innovation to distinguish a specific type of innovations from the rest. Regrettably, the “social” in social innovation is often used to justify anything, and as a result, nothing close to a consensus has been reached on the definition of the concept itself, with authors more often than not defining the concept to fit whatever research they intend to carry on (Ayob et al., 2016).

The word “social” is usually employed in an ambiguous manner, referring to social aspects, social impact and consequences, social processes and relations or referring specifically to individuals (Cajaiba-Santana, 2014), not unlike how social innovation itself had been used during the twentieth century, i.e. without ever being defined and solely for its descriptive value. The intent was for the word “social” to ground the notion and differentiate it from other forms of innovation, something hard to accomplish from the get-go since innovation has been appropriated by the technological and economic fields since the 1930s, even if it originally referred to social rather than technical or mechanical innovations (Moulaert & MacCallum, 2019).

For these reasons, it is often difficult to define social innovation in a manner that retains all elements that differentiate it from other forms of innovation while also being helpful for research purposes and allowing for some degree of specificity. For clarification purposes, we provide such a definition, if only to offer the readers an idea of what a formal definition of the concept can resemble. Social innovation can be described as an idea that deliberately attempts to better satisfy explicit or latent social needs and problems, resulting in new or improved capabilities and in the transformation of social and power relations, aiming at social change and at the establishment of new social practices that positively affect the lives of individuals.

The popularity of social innovation in the last decade and a half is attributed to the effects of the 2008 crisis and the way countries chose to employ austerity measures in order to reduce growing public debt, thus negatively affecting the funding of welfare and providence services (Garrido & Pereira, 2018). The social sector, much like it did in previous crisis, rose to meet the new social issues that preyed upon the most vulnerable social groups, filling the void left by once public-funded services.

Since then, social innovation featured in many of the solutions adopted. Given the severity of the 2008 financial crisis and the ensuing sovereign debt crisis, the challenges were much greater this time, and making use of decades of social research, the social sector offered more innovative solutions to the social problems at hand. Public institutions, acknowledging their success and realizing the potential of social innovation, soon went out of their way to make it a vital part of social policy, with EU institutions actively endorsing it (Massey & Johnston-Miller, 2016).

¹C.f. Ayob et al. (2016) for more information on how social innovation can be considered a contested concept.

3 The Emerging Fourth Sector: Old Wine in New Bottles?

The twenty-first century brought with it an increase in overall social complexity. Social phenomena have always been complex in nature, but the acceleration of the “historical tempo”, the growth of interdependency between nations and the clash of cultures and beliefs are at an all-time high (Escobar & Gutiérrez, 2011). This complexity has largely contributed to solutions and alternatives to be predicated on social innovation, even if the same can be said for other approaches.

We could just as well argue that the growing popularity of post-disciplinary approaches to the study and research of social and natural phenomena also exemplify that the usual solutions and formulas have been proven inadequate and stress the need for new tools and approaches to handle current problems (Guerreiro, 2016). Another example of this is the emergence of interdisciplinary research, given how it has been popular in fringe fields of science and often employed when addressing current issues, such as ecological problems, migrations and new forms of mobilities, racial and ethnic tensions, new technologies and the challenges they create as well as recent social transformations or the role and action of current nation states (Berma & Sulehan, 2004; Porter et al., 2007; Cronin, 2008).

The emergence of what has been called the “fourth sector” has much in common with social innovation and shares some of the same driving factors: the increase of complex, resilient social problems that for decades have defied the usual solutions and therefore require new alternatives in order to be solved, as well as the increasing difficulties of the States in supporting welfare and social services.

The fourth sector is a loosely applied term that refers to different things: from post-tertiary education (Benseman et al., 1996) to the voluntary sector (Williams, 2010) or a new economic sector that is different from the public, private and not-for-profit sectors (Sabeti, 2011). It has also been used to designate for-benefit organizations that combine market-based approaches of the private sector with the social and environmental aims of the public and non-profit sectors. We are solely interested with the last usage of the term, which is the one that concerns this chapter.

A simple description of what the fourth sector is would state that it juxtaposes elements from the public, private and not-for-profit sectors while, at the same time, being different from all of them (Rubio-Mozos et al., 2019). Fourth sector organizations try to combine the best of both worlds: they are private for-profit enterprises, thus having greater independence and freedom of movement than other older legal forms that operate in the social sector, but, at the same time, they use their profits for the benefit of society as a whole, rather than for the gain of their private owners, which also means that they are not as dependent (if at all) on the public sector or on financing lines to offer their services (Sabeti, 2011).

This would position fourth sector organizations somewhat closer to not-for-profit organizations, but with the advantage of being self-sufficient and having more flexibility as a result, since some of the organizations that work in the social sector can have their activities restricted by their legal forms, which determine the

programmes and lines of financing they are eligible for or what kind of services they can offer (Pinto et al., 2020).

It should be noted that the idea of combining the social purposes of charities, associations or not-for-profits with profit-oriented business methods is far from new in the third sector, especially in Europe—hence why the fourth sector designation is frequently criticized for being a North-American classification for something that existed decades before in other parts of the world and was nonetheless coined without considering these examples (Alexander, 2010). This can be understood by the North-American definitions of the third sector stemming from the outputs of the Johns Hopkins project (Salamon & Anheir, 1995), a research project that delved into not-for-profit organizations and excluded cooperatives and mutual associations, something less common in European research, and that explains why the meaning of third sector in North-American literature differs substantially from its European counterpart (Evers & Laville, 2004).

What, then, distinguishes the fourth sector from the third sector in Europe and elsewhere, and why should we even bother using this designation at all? Given that the fourth sector was named so to distinguish itself from the public, private and third sectors, we would do well to briefly expand upon the third sector, even if only to address the criticisms of those who favour this designation over the fourth sector.

One of the strongest arguments that support the fourth sector as a concept is that it has a precise definition, at least when it comes to the understanding we are discussing in this chapter and in this book in general. Since its earliest usages, the fourth sector has been used to refer to private organizations that combine the goals and principles of social sector organizations with private management and methods of enterprises, thus allocating their profits for social goals rather than for personal gain or personal profit (Rubio-Mozos et al., 2019).

The third sector, on the other hand, suffers from being extremely difficult to define. While the organizations that it encompasses are well documented, the term itself has a history of being treated as a generic container for organizations that are neither public nor private (Garrido & Pereira, 2018)—hence why the European literature often includes the organizations that are commonly identified as being part of the emerging fourth sector.

The third sector term was coined by Amitai Etzioni (1973) and was used to refer to a sector that was neither public nor private but that existed between the two. The author did not elaborate on the definition, but did provide some insights on what he understood to be the defining characteristics of this sector, namely, its potential as an alternative to the public/private ideological debate, therefore constituting a development alternative that could match the two classic sectors in terms of importance. The third sector, according to Etzioni, would be composed by new organizations motivated by their desire to provide services in areas where the private sector could not attain profit, taking the form of non-profit corporations, foundations or associations in order to accomplish this goal.

Etzioni further expands on which concrete services would constitute this novel third sector by referencing specific programmes, such as student loans, the postal service, healthcare insurance, universities and hospitals. While provision of such

services has grown to be either public or private, there is a third sector overlap in some cases, even if the predictions of the author weren't entirely accurate and very much based on the example of the United States, as many of these services have been successfully offered by public or private institutions in many countries for years, with variable degrees of success.

Nevertheless, the third sector term had already attained some popularity in the 1980s, when sociologists often employed it to refer to practices and organizations that did not follow the capitalist work model. Having been studied for over four decades now, much has been learned about the organizations that compose the third sector, but, contrary to what one could expect, its definition not only did not become clearer, but it actually lost precision over the years, as more legal forms and new trends in social sector organizations appeared and were considered part of the third sector as well (Garrido & Pereira, 2018).

Further adding to the problem, the term third sector is used interchangeably with many designations, such as nongovernmental sector, voluntary and community sector, non-profit sector, charitable and philanthropic sector, solidarity sector, social economy, civil society and social entrepreneurship sector (Osborne, 2008). Other understandings put emphasis on criteria such as the source of income, the uses of surpluses, the beneficiaries of the organizations, the tax laws that govern them, the values they uphold, their internal governance or whether their members are volunteers or professionals (Enjolras et al., 2018).

Indeed, we might as well ask what is *not* considered part of the third sector, given that anything that is not clearly public or private seems to be labelled as such by default, without any further thought. While such carelessness can be expected in everyday life and informal contexts, many researchers have criticized this tendency over the years, having had, nonetheless, little success in promoting a clearer and methodical use of third sector as a concept for specific organizations, instead of a generic label (Garrido & Pereira, 2018). Moreover, it should be noted that organizations that work in the social sector often identify themselves as third sector organizations, further adding confusion to the term and its usage (Estivill, 2017).

For these reasons, differentiating the fourth and third sector can create some problems. Some same types of organizations can feature in both designations, as several definitions would suggest, which raises the question of how useful can the notion of fourth sector be compared to the third sector if it also incurs in one of its fundamental issues. Conceptually, there are differences between both, such as the legal forms that are part of each category and the fact that the fourth sector has a clearer definition. But, even so, one also needs to consider to what extent will the scientific or academic definitions of fourth sector fare better than those of the third sector, i.e. is the term fourth sector destined to be used as a category for organizations that do not fit the other sectors? Only time will tell, but such might very well be the fate of all scientific concepts, especially when they are so relevant to everyday life and appealing to policy-makers.

Worthy of note is also the usage of social economy as a more popular and established designation that often includes the organizations that constitute the fourth sector. In fact, social economy is the most widely used of the aforementioned

terms, even if some authors do stress that social economy has an economic rationale that is not always relatable with some of the type of organizations that are labelled as part of the third sector (Garrido & Pereira, 2018).

We will avoid going into the subject of social economy, as an attempt to make a case for the originalities and differences of the three terms would warrant an entire chapter (and perhaps even more). For now, it suffices to say that as a concept, there are several reasons why social economy has been favoured over the third sector, especially in more formal and grounded applications such as policy-making, official reports and scientific research. Social economy has a longer historical background with a large body of works dedicated to it, even if the understanding of what social economy means changed over time. Third sector, being a term that emerged following the economic crisis of the 1970s and the rise of neoliberal policies, has a somewhat stricter meaning, even if few use it conceptually and prefer a more generic, categorical usage of third sector as default category for neither public nor private organizations.

Just as relevant for the understanding of the fourth sector is the question of how it has been developed. As stated above, the notion of private organizations adopting the goals of the social sector is not entirely new, but the fourth sector term was only recently employed to describe it. Unfortunately, more research on the subject is still needed for us to provide a solid answer to this question, but two aspects seem to be clear at this time. The first is that the idea behind fourth sector organizations is another answer to the need of the social sector to provide solutions to the dwindling role of the State in the provision of welfare and social services to the population, making it very much a social innovation in itself. The second aspect is that this concept is in line with the caring liberalism discourses supported by neoliberal capitalism, arguing for the withdrawal of the State from the provision of social welfare and pressing for private and market solutions instead.

While fourth sector organizations do not uphold the same principles defended by neoliberal discourses, they are an alternative to the public sector, as they are private organizations and thus can be just as well used as a tool to achieve the same end, i.e. to diminish the role of the State and replace it with market alternatives. With this in mind, we expect the fourth sector to continue the trend started with social entrepreneurship years ago, specifically that of the private sector being called to assist the exhausted public services and doing it so while public and transnational institutions endorse it enthusiastically, just as it happened with the third sector, social innovation, social entrepreneurship and other novel solutions that have come forth in the wake of crises that resulted in reduced public funding for welfare and social services.

4 The Portuguese Social Sector: An Historical Overview

The history of the social sector in Portugal reflects much of the history of the country itself, which was founded in 1143. Christianity played a major role in the foundation of the Portuguese territory, mostly in the form of the religious orders that participated

in the crusades and then settled in the conquered lands, helping to further expand it south. The Portuguese social sector was therefore highly influenced by the Christian principle of philanthropy from its infancy, which explains the origin of some of the oldest social organizations of the country that date back to as far as the twelfth century, such as children's hospitals, hostels, *mercearias*, *gafarias*, etc. On the other hand, the country's mercantile vocation explains the early importance of the professional associations, crafts corporations and brotherhoods, with the Crown being responsible for promoting mutual and merchants' associations (Franco, 2005; Garrido & Pereira, 2018).

As the Roman Catholic Church grew in dimension and power, so grew its weight in the social sector, culminating with mercy houses being founded in the late fifteenth century and playing a major part in the provision of health and social services to the most vulnerable (and often not that vulnerable) fringes of the population in the centuries to come (Garrido & Pereira, 2018). Worthy of note as well was the growth of other religious charities from the fifteenth century onwards, namely, the Franciscans and the Dominicans, as religious orders that provided for the peasant population, orphans and widows, who became more common with the maritime ventures and colonization of other continents in the next centuries (Franco, 2005).

The status quo of the social sector remained fundamentally the same in the following centuries, until the Industrial Revolution shook the social and power relations of Portugal, very much like it did in other European countries. As attitudes towards religion became less favourable, their organizations fell out of favour. On the other hand, worker associations, unions, cooperatives and other professional associations grew in importance as workers' movements became increasingly popular with the spread of industrialization (Garrido & Pereira, 2018).

Portugal struggled with political and financial instability during the Constitutional Monarchy period (between 1820 and 1910), and this uncertainty greatly contributed to the lacklustre development of social policies in the country during the nineteenth century. At that time, the social sector mostly comprised beneficence, culture, recreational and professional associations, as well as the traditional church organizations that provided and looked after some groups in particular: poor, homeless, ill, orphans, etc. (Garrido & Pereira, 2018). The transition from the nineteenth to the twentieth century also saw civil society organizations sought for leisure, cultural and professional reasons slowly emerge in both urban and rural settings, as religion and religious organizations maintained their traditional vocation of providing assistance to the most vulnerable fringes of the population.

When the Republic was instated in 1910, despite great political turmoil and very frequent government changes, the country tried to follow the example of other European nations and enact welfare legislation. While the social conditions of the country were fragile, something further aggravated by the first World War, it should be noted that such policies were not directly aimed at the most vulnerable population, but rather as means to integrate the middle class and quell social and political unrest amongst workers' movements, not unlike what happened in other European countries (Ferreira et al., 2016).

The church organizations resisted the anticlerical wave of the republican spirit, but not without having to adapt themselves. The new regime forced the Catholic Church to redistribute its wealth to mercy houses and other entities, a fact that contributed to their growth and social relevance, especially within traditionally vulnerable social groups. This helps us understand why these organizations in particular were seen in a better light by the republican regime than the church itself and why they not only survived during this period, but remained popular, particularly with the rural and peripheric territories (Garrido & Pereira, 2018).

In 1926, a military dictatorship replaced the Republic, marking the beginning of the 48-year conservative dictatorship that ruled Portugal. Ideologically close to fascist movements, the so-called New State denied freedom of association, repressed much of the social sector and outlawed worker movements and associations that were not under the direct control of the State. Cooperatives, associations and mutual associations in particular were replaced by compulsory workers' organizations, in the direct or indirect control of the State, under the pretence of quelling class conflicts.

The New State favoured assistentialist policies and promoted organizations like People Houses or Fisherman Houses, which worked with the poor, ill and disabled. Mercy houses and church organizations also received public recognition by the New State and were amongst the few organizations of the social sector that actually grew in number between 1926 and 1974 (from 259 to 306). Mutual associations greatly diminished (from 558 to 115), as corporative compulsive organizations took their place under the direct control of the regime. The number of cooperatives is more difficult to discuss, since it greatly decreased in the first years (from 336 in 1926 to 137 in 1930), followed by 19 years without any data, only to return in greater numbers in 1950 and nearly duplicate until 1974 (from 489 to 950). This was mostly due to the democratic traditions of the cooperatives which resulted in most of them being outlawed, only for a new kind of cooperatives, based on the corporative fascist principles, to rise in their place in the following decades (Garrido & Pereira, 2018).

With the democratic revolution of 1974, the freedom of association returned and the cooperative and associative movements flourished, taking advantage of the freedoms that democracy offered them to address the dire social situation that Portugal faced, as it stood as a comparatively poor and underdeveloped country (Ferreira, 2019). With the democratic Constitution of 1976, Portugal recognized a Cooperative and Social sector, which coexisted along with the Public and Private sectors, therefore becoming one of the first countries to formally recognize a third sector (Ferreira, 2015).

It is no coincidence that a third sector was recognized in the Constitution, given how civil society organizations, associations and social movements became so important in the months following the democratic revolution, working closely with the spread-thin public institutions in order to address the many social problems that the country had to deal with. The Portuguese Welfare State began shaping itself in this climate and the Constitution, fundamentally marked by nearly five decades of dictatorship, attempted to offer support and recognition to civic and social movements.

The Portuguese Constitution of 1976 assures universal education and healthcare for all citizens, as well as other social rights on less universal bases, such as social security, unemployment protection, poverty assistance, inequality reduction laws or housing policies. In practice, and taking into consideration what was inscribed in relation to the third sector, this meant that the Portuguese Constitution allowed for shared responsibilities in the provision of welfare and social services between the central State, local governments and municipalities, and the third sector, something that would become more frequent in the decades to come (Ferreira et al., 2016).

In spite of this, the weight of the social sector in the provision of social services varied greatly according to the social context and the governments that followed, as well as to the kind of service in question². If at times the provision of such services was mostly offered by public organizations, at others, especially during crisis, third sector organizations intervened more—a tendency that holds true to this day (Garrido & Pereira, 2018), and that the Constitution itself promotes by valuing the existence of private social care organizations, an element less common in social-democratic Welfare States and more common in conservative social protection visions of the role of the State (Ferreira et al., 2016).

Nonetheless, the mere fact that the Constitution acknowledges a Cooperative and Solidary sector allowed social sector organizations to develop and for specific legislation to be drafted, assuring a degree of protection and recognition to the sector. On the other hand, the lack of a clear definition of what constitutes such organizations proved to be an issue, especially with some legal forms having access to benefits and financing lines that others do not, even if they provide similar services and operate in the same sector, thus creating a scenario in which non-profit organizations compete with each other (Pinto et al., 2020).

This issue remains true in present days, even with the establishment of the Framework Law on the Social Economy in 2013. Nonetheless, Portugal is the second country in Europe to pass such law, intended to provide limited and general objectives on the matter that will then be expanded upon by concrete legislation and decrees (Meira, 2013). While the framework law attempted to define social economy organizations and delimitate their legal forms, in order to provide legal support for specific legislation that concerned the sector to be draft, the results are still far from ideal.

5 Recent Transformations of the Portuguese Social Sector

Portugal's democracy has been marked by financial struggles and dwindling economic growth since its inception. While the country's GDP grew at an average of 6.45% between 1961 and 1973, that growth would consistently slow down after the

²Mandatory education, for example, was always covered by the State. Some kinds of healthcare services, on the other hand, are often provided by the third sector or private organizations, based on program contracts and other instruments that seek alternative funding sources (c.f. Escoval et al., 2016).

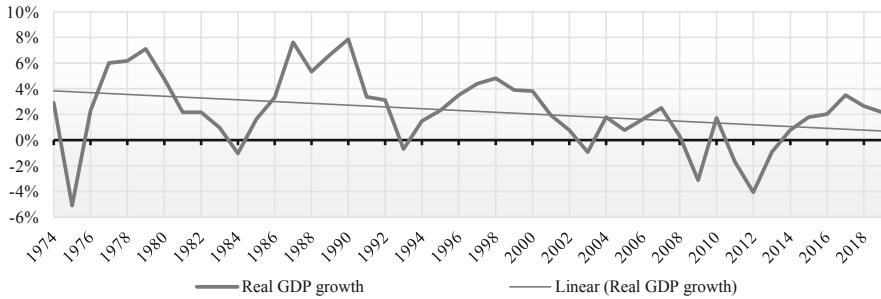


Fig. 1 Portuguese real GDP growth between 1974 and 2019 (%). Source: National Statistics Institute, PORDATA

democratic revolution of 1974, as Fig. 1 shows. Not only that, but Portugal requested the financial assistance of the International Monetary Fund (IMF) twice in the early days of the democracy, in 1977 and 1983 (Zorrinho, 2018).

Portugal signed the EU (at the time named EEC) membership request in 1977 and began receiving extraordinary pre-adhesion funds in 1981 in order to strengthen its economy and infrastructures and prepare the country for the Single European Market, something that could likely deal a shock to an economy used to nearly half a century of economic protectionism and reliance on its own colonial market (Pinto, 2011).

Being one of the poorest member states upon adhering to the EU in 1986, Portugal used these funds to close the gap it had with the other EU countries in terms of basic infrastructures, such as hospitals, schools, universities and highways, as well as to develop a series of social measures intended on mitigating the considerable social problems that the country faced, such as poor health services coverage in most of the territory, high illiteracy rates and largely unqualified workforce, high unemployment and worrying levels of poverty (Pinto & Guerreiro, 2016).

Great efforts were also made to provide protection against poverty, with a considerable degree of unemployment protection as well, in an attempt to reduce inequalities and the overall levels of poverty of the country. And while these efforts were successful in bringing positive results, they were always undermined by the fragile financial circumstances of Portugal. This was particularly notorious in the field of social providence that even at this time represented heavy costs for a financially vulnerable State (Ferreira et al., 2016).

At this point, it is of relevance for our discussion of the subject at hand to present some factors that are part of the historical dimension of the Portuguese case study. Despite registering a level of economic growth greater than most European countries during the 1960s and early 1970s, Portugal had extremely high levels of poverty. The dictatorial regime made the condition of poverty one of its ideological pillars, not only accepting it as a natural condition of life but even going as far as to praise it publicly, labelling it as “honourable” and admiring the Portuguese people’s lack of

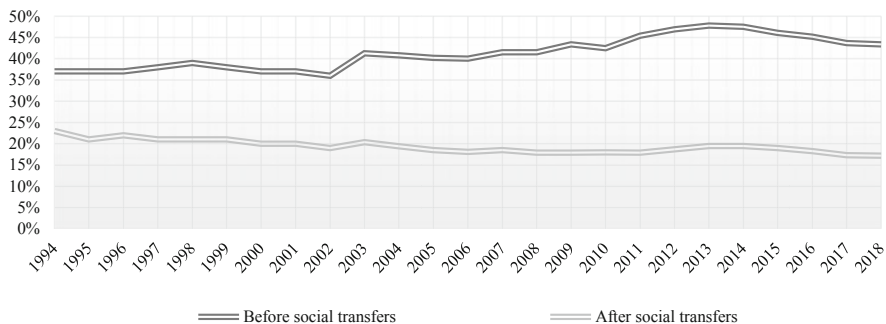


Fig. 2 Population at risk of poverty, before and after social transfers (%). Source: National Statistics Institute, PORDATA

“sickly ambitions (Rosas, 2001)—hence why even to this day it remains one of the most pressing social problems of the country, with the State allocating considerable resources to fight it, as demonstrated in Fig. 2.

The normalization of poverty in Portugal during the dictatorship can also be understood through the contributions of the neoclassical economic theory, studied by several generations of Portuguese economists, who then led the governance of the country in terms of economic and social development. As Silva (1982) argues, according to neoclassical economic theory, inequality was an unavoidable by-product of economic growth and something that would eventually correct itself, not warranting great concern.

Unfortunately, there is no reliable statistical data about the numbers of poverty in Portugal during the dictatorship, with the first quality scientific studies on poverty conducted in the country dating to the early 1980s and using the limited information available (Costa, 2008). During the dictatorship, the social sciences in Portugal were still in their infancy, and concerns for social issues were often neglected by researchers and politicians alike (BIT, 2003), who favoured sheer economic growth over the improvement of social conditions beyond the absolute minimum, something in line with the assistentialist character of the social sector during this period, given that other forms of organizations were seldom allowed (Garrido & Pereira, 2018).

This status quo was not passively accepted by a conformist population, but rather the result of resignation before the repressive character of the State and its ideology, enforced by censorship and the brutal political police, linked to hundreds of dead, missing and murdered citizens, even if the country did not have death penalty (c.f. Soares, 2017). The extremely low levels of literacy of the population also greatly contributed to this outcome, allowing the regime to exploit and manipulate the public opinion and to rely on its assistentialist social policies to garner the favour of the people (Mónica, 1977).

As Fig. 3 shows, until 1974, the great majority of the population did not pursue studies beyond primary education, being encouraged to work and assist their families instead. Higher levels of education had even lower attendance rates, especially

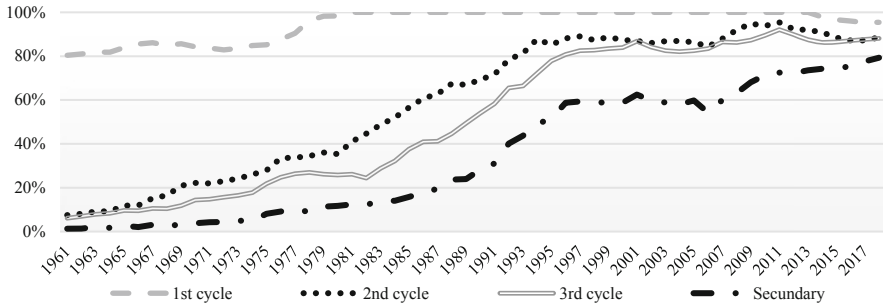


Fig. 3 Portuguese compulsory education actual schooling rates (The near 5-point drop between 2014 and 2018 in the first cycle schooling rate is a new phenomenon that is still not fully understood. Official sources admit that nearly 20000 children aged 6 have not enrolled in primary school, mostly due to lack of vacancies in large urban centres. The migratory outcome fluxes also contributed to this pattern, both with the new wave of Portuguese emigration registered between 2012 and 2016 and the temporary agricultural workers that have children born in Portugal, but move to other countries) (%). Source: National Statistics Institute (Metadata: The percentage relationship between the number of students enrolled in a particular study cycle, who are the normal age for that study cycle and the resident population for the same age groups. First cycle 6–9 years old; second cycle 10–11 years old; lower secondary education 12–14 years old; third cycle 15–17 years old; tertiary education 18–22 years old) PORDATA

higher education. The national censuses have shown that only 0.9% of the population had a university degree in 1960 and 1970, a value that would grow to 2.4% in 1981, 4% in 1991, 8.4% in 2001 and 14.8% in 2011. While Portugal is slowly catching up to the OECD average of 32%, these values demonstrate how far behind the country was and how far it has come.

Some authors have also used Weber’s thesis to argue that the catholic *ethos* contributed to the social conformism of the country, a noteworthy consideration, given that the Catholic Church was one of the social and ideological pillars of the dictatorship (c.f. Mosca, 2007) and responsible for many social and charitable organizations that mitigated the social consequences of the extremely high levels of poverty.

While the country exhibited impressive improvements across all social indicators and metrics between 1974 and 1999, the Euro would have profound impacts on the Portuguese economy. According to Fig. 1, the GDP growth would begin to slow down year to year starting in 1999, thus culminating in a small recession in 2003 (−0.3%), the first since 1993. The economy would rebound in the following years, but never come close to reach the growth values of the previous decades. This anaemic growth has been attributed to the Euro and to the inadequate preparation of the Portuguese economy for the shared currency—a decision that the country was perhaps too eager to make in the wake of the success that the EU membership had been so far (Aguiar-Conraria et al., 2012).

Even before the 2008 crisis, the Portuguese economic and financial situation was becoming a source of concern for economists, when considering Portugal’s near economic stagnation (Fig. 1), rapidly growing public debt (Fig. 4) and lack of

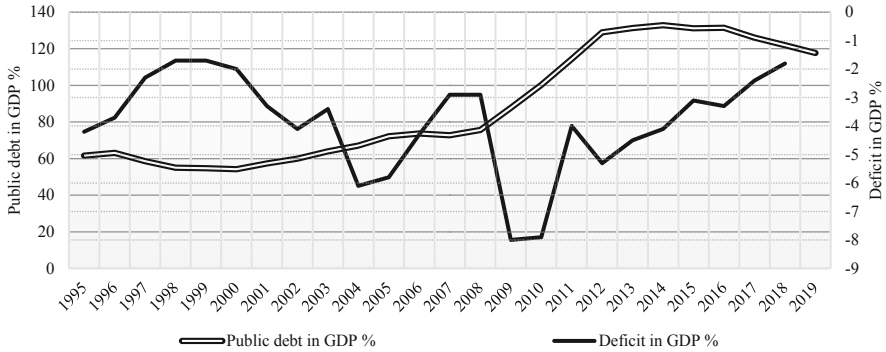


Fig. 4 Public deficit and public debt (in GDP %). Source: National Statistics Institute, Directorate-General for Budget, PORDATA

productivity, which were only offset by increasing deficits, especially until 2005, when measures were taken to bring the deficit under control (Blanchard, 2007).

The single currency has received a great deal of attention following the 2008 crisis. Despite all of its advantages, it left the peripheral countries with fragile economies more vulnerable to economic shocks and without financial regulatory powers over capitals, credit creation and exchange-rate policies. The loss of such instruments to supranational EU institutions without EU-wide budgetary, industrial, fiscal or social policies created a scenario in which the EU had severe discrepancies within its own territory, aggravating the existing inequalities across countries (OSCA, 2013).

Portugal registered some improvements regarding the social conditions of the population in the first decade of the new millennium, but the population at risk of poverty before social transfers actually grew during this period, going from 38% in 1999 to 41.5% in 2008 (Fig. 2), in no small due to the common currency. On the other hand, the population at risk of poverty after social transfers went from 21 to 17.9% during the same period, showing that while the economic condition of the population worsened, the State became more important in reducing poverty—hence the growing public debt, as seen in Fig. 4.

These numbers illustrate that the population remained very dependent on the State and its social policies, something that was already known and pointed out during this period (Figueiras et al., 2010) but that, due to the 2008 crisis, could not be consistently addressed at the time.

As noted in Fig. 5, in 2013, at the peak of the crisis, the country was spending 27.6% of its GDP in social protection, a value far above the 20.4% spent in 1999, upon the adoption of the common currency. Even if this value was inflated by the crisis, it had been steep well before it, with a value of 23.4% in 2008, which raised to 25.8% and remained like that in 2009, 2010 and 2011, when the worst of the crisis hit Portugal, in 2012–2013 (Fig. 5).

As depicted in Fig. 1, Portugal experienced a 3.1% recession in 2009, rebounding to 1.7% growth the next year but then plummeting to 3 straight years of negative growth: 1.7% in 2011, 4.1% in 2012 and 0.9% in 2013. 2012 saw the worse

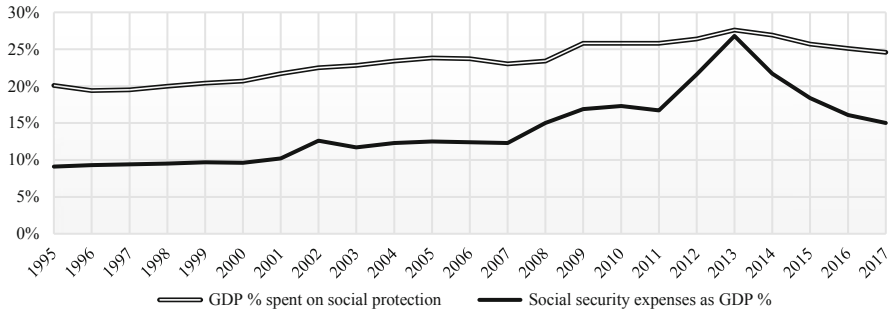


Fig. 5 Social protection and social security expenses (in GDP %). Source: National Statistics Institute, PORDATA

recession the country had experienced since the 5.1% in 1975, during the ongoing revolutionary process (PREC) that followed the April Revolution of 1974 and the fall of the dictatorship. The dire economic situation and struggling financial sector of the country prompted the government to ask for a €78 billion bail-out from the IMF, the European Central Bank and the European Commission, often referred to as *troika*, since the State was on the verge of being unable to repay or refinance its debt.

The 3-year bail-out programme contemplated several measures intended to promote the economic and financial sustainability of the country, as the deficit had grown from 2.9% in 2008 to 8% in 2009 (Fig. 4). This growth was the result of measures taken as part of the EU Recovery Plan for Growth and Jobs, which consisted in an attempt to reduce the effects of the crisis on the most vulnerable population, stimulate investment and promote employment, even at the cost of increased public spending (Hespanha & Portugal, 2015).

From 2010 onwards, however, a change occurred within EU institutions. The need to bring the public debt under control was one of the main objectives of the *troika* agreement. In practice, this translated into intricate austerity measures that saw the gradual reduction of public spending on welfare, as well as on education, health and public transportation systems (Ferreira, 2015; OSCA, 2013), as can be seen in Fig. 6. This marked a change from providing aid to the population directly affected by the crisis to focusing almost exclusively on reducing the deficit at the cost of public services and social assistance measures (Hespanha & Portugal, 2015).

Even after the end of the bail-out programme in 2014, the goal to further reduce the budget deficit was achieved by cutting on the provision of basic services, social expenditure and public administration budgets. While much could be said about the impact these cuts had on the education, transportation and national health services (c.f. Serapioni & Hespanha, 2019), that is not our prime focus, but rather to demonstrate that austerity was the end goal of the Portuguese governance and social policies since 2010/2011 and that this, in turn, was behind the development of a series of new approaches in the social sector, with social innovation being one of these approaches, promoted and embraced out of necessity and relied upon since then as a mean to develop the social sector in alternative and complement to State services.

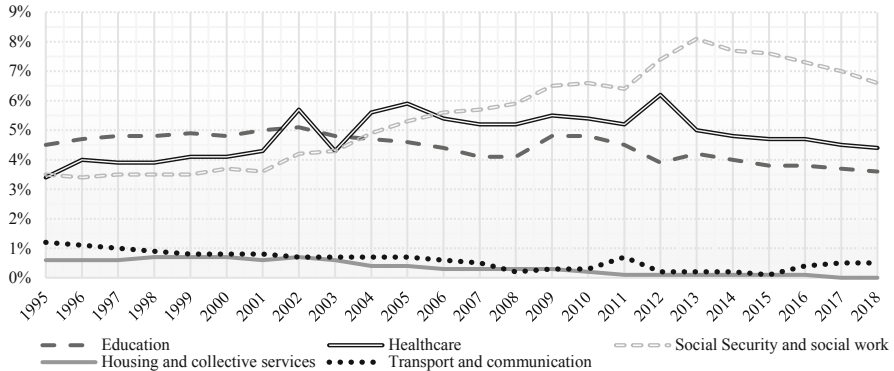


Fig. 6 State expenditure by area (in GDP %). Source: Directorate-General for Budget, PORDATA

This is visible on the discourse of the centre-right coalition government elected in 2011 that not only committed itself to the austerity measures imposed by the bail-out memorandum but even argued that Portugal should go “beyond troika” in the persecution of structural reforms, especially in regard to the public sector and labour laws, in an attempt to gain credibility with European and transnational institutions (Moury & Standing, 2017).

The 2008 crisis particularly affected the employment and social protection areas while leading to growing inequalities and the withdrawal of the State from social protection (Fig. 6). This created favourable conditions for the social sector to replace the State in the provision of such services, given the fragilization—sometimes deliberate—of social welfare, providence and social services, which contributed to the increase of social organizations based on assistentialist principles, capable of meeting the needs of many who found themselves without support in the wake of the 2008 crisis (Garrido & Pereira, 2018).

At the same time that the organizations operating in the social sector became more important, they found themselves struggling to deal with the effects of the crisis. As Ferreira (2015) sums up, from mid-2011 onwards, with the austerity measures adopted by the new centre-right coalition government, third sector organizations suffered greatly from the rising property and consumption taxes, rent increases, lower income and higher unemployment of their own members, beneficiaries or users. These issues were aggravated in the following years as a consequence of further public spending cutbacks and the increased demand these organizations faced, adding even more pressure to their already overspread resources.

6 Commodification of the Social Sector

Welfare States of Bismarckian influence had drawn criticism for their inability to adopt reforms or implement structural changes in order to deal with the welfare crisis of the late 1970s and 1980s. Some authors even went as far as to argue that crises

were necessary to force change upon the frozen tradition of these Welfare States (Palier & Martin, 2008). Whether one subscribes such argument or not, several European and supranational institutions used this context to push for structural reforms that in some cases had the result of further aggravating the recession and the social problems caused by these crises (Amaral & Lopes, 2016).

It was at this time that social innovation became a recurring term in Portugal and, as in many other cases, presented itself as a means to find alternatives or entirely new solutions to a context of crisis (Vieira et al., 2017). While there were many examples of social innovations created and applied in Portugal before (c.f. André & Abreu, 2006), the crisis context became a catalyst for social innovation, which went from being a practice that emerged in the social economy and social sector organizations to address specific situations to a method used for public policy design, highly promoted by both European and transnational institutions (c.f. Massey & Johnston-Miller, 2016).

Confronted with the limited public funds available due to the austerity measures employed, the Portuguese governments have, since then, made of social innovation a policy instrument intended to provide solutions and alternatives for underfunded sectors. On the other hand, social innovation also allowed the State to experiment novel solutions at smaller scales and learn from such experiences how to transfer costs and responsibility to the private or third (and recently, fourth) sector, seeking to further liberalize the Welfare State and the provision of social services (Almeida & Santos, 2019).

Social innovation was brought into the spotlight in 2014 when the government created a public initiative named Portugal Social Innovation, to promote and finance social innovation and social entrepreneurship projects in Portugal, by making use of European funds. This initiative was one of the first of its kind in Europe and has, since then, been used to great extent to promote social innovation and social entrepreneurship in the country at several levels, having played a pivotal role in the emerging Portuguese fourth sector (Almeida & Santos, 2019).

Nowadays, social innovation has become a staple of social sector initiatives to deal with new or persistent problems, as most public funding for such initiatives is contingent on whether they have a social innovation dimension or not. EU funds are even more adamant about this particular aspect, as they make social innovation one of the prerequisites to access financing lines like Horizon 2020 or the Seventh Framework Programme (Ayob et al., 2016). Social sector organizations have thus been encouraged to develop projects that seek to address issues by promoting cooperation between local social sector organizations, local and regional institutions and private entities, in order to see their projects approved and financed.

This particular aspect is rather interesting as it shows that even if the State and European institutions are willing to finance social sector initiatives, they require them to have a social innovation dimension, thus demonstrating how the process of social innovation has been able to lead to better and more sustainable approaches, which not only improve the situation of those who directly benefit from it but also transform social and power relations, contributing to social change (Mulgan, 2012; Cajaiba-Santana, 2014).

As for the fourth sector in Portugal, although new, it also benefited from the Portugal Social Innovation initiative over the last few years. It already counts 2286 entities with 27,480 employees (8% of the country's workforce), which contributes 0.55% to the national GDP, even if the country does not have a legal status for benefit companies (CGC, 2019). These values highlight why Portugal is considered one of the countries most committed to social innovation, with studies focusing on its ecosystem and the positive synergies between public, private and social organizations that work in the field.

Although these results are positive, they also show how much the country relies on private and social sector organizations to suppress the shortcomings of the State and answer the needs of the population that was once supported by public organizations (Almeida & Albuquerque, 2020). This can surely be looked at from several points of view, and one might even go as far as to point out the Portuguese case as an example of civil society and private and social sectors working together for the greater good in the aftermath of the crisis, but the underlying cause is not as positive, even if some of the results are.

While most Welfare States in Western Europe stem from the post-WWII period, it was only in the mid-1970s that Portugal started to create its own welfare system, at a period that marked the beginning of the crisis of the Welfare States. Since then, State investment on welfare fluctuated as frequently as the fragile economic situation of the country required, with periods of overall improvements followed by periods of cutbacks on public spending (Hespanha & Portugal, 2015).

This trend has been attributed to the neoliberal influence in public governance that firstly appeared in the 1970s, with the adoption of the Euro in 1999 and the 2008 crisis being two other turning points that marked the Europeanization of Portuguese social policies. The State, how it addressed social problems and answered the needs of the population, profoundly changed after the 2011 bail-out, and, even to this day, the public sector continues to struggle with very limited resources, while the social sector is encouraged to step in to share or assume the costs, whether through initiatives like Portugal Social Innovation, service contracts with third sector or private organizations or philanthropy and assistentialism (Garrido & Pereira, 2018).

As Fig. 6 shows, since 2012/2013, the Portuguese State has greatly reduced the resources allocated to welfare services and social protection in general, causing a considerable impact on the already vulnerable population during the peak of the crisis (OSCA, 2013). While the economic condition of the country improved after the conclusion of the bail-out programme in 2014, the austerity design of social policies was maintained, even with a centre-left government in power since 2015, supported by the Portuguese Communist Party and the Left Bloc.

As some authors noted, Portuguese social protection policies went through a process of Europeanization since the mid-1970s (Ferreira et al., 2016). This process allowed for the incorporation of the innovative solutions in vogue at the time in the EU which, after the crisis, meant the implementation of alternatives to the State-provided welfare services. The social sector stepped in and assumed a considerable share of the social services that were previously provided by public organizations (Garrido & Pereira, 2018). Nevertheless, the responsibility was not solely transferred

Table 1 Social Economy Satellite Account

Indicators	2010	2013	2016
Gross value added (GVA) of the SE sector, compared to the national GVA	2.8%	2.8%	3.0%
Total jobs	4.7%	5.2%	5.3%
Remunerated jobs	5.5%	6.0%	6.1%
Total remuneration	4.6%	5.2%	5.3%
Full-time average remuneration, compared to the national average	83.4%	86.4%	86.3%

Source: National Statistics Institute

from the State to the social sector, as the tendency to privatize public services was exacerbated, also affecting areas such as education, healthcare and transports in particular (OSCA, 2013; Ferreira, 2015).

While social innovation was the possible solution to deal with the social issues stemming from the crisis, the over-reliance on the social sector and on the new legal forms that originated or became popular at this time (social entrepreneurship, fourth sector, etc.) raises several questions: although the State supports many of the social innovation initiatives, there is, in fact, a transfer of responsibility from the State to these organizations that gives it leeway to cut funding at any time and adds flexibility to the way support is given (Almeida & Albuquerque, 2020).

In practice, this means that the social sector has become more important in the provision of social services, as shown by the evolution of the Social Economy Satellite Account, a tri-annual report released by the National Statistics Institute about the performance and profile of the Social Economy sector in Portugal (INE, 2013, 2016, 2019). Table 1 shows just how much the sector has grown in the last decade, especially during the early years of the 2008 crisis, when cutbacks to social expenses were performed and the social economy sector found itself forced to address the growing social issues stemming from the crisis (Table 1).

These numbers also serve to illustrate how the social sector reacted to the social crisis Portugal faced during the economic crisis, as Garrido and Pereira (2018: 343) sum:

The growing inequalities, the rising unemployment and the new withdrawal of the social functions of the State created favourable conditions to the action of the organizations that constitute what is called as the solidarity sector of the Social Economy (. . .) The effects of the crisis, the emergency of the situation that was created and the mediatization of the public policies intended on wakening some of the public provision of goods and social services brought an increase in the number of organizations that can be included in the concept of Social Economy, especially of the assistentialist kind.

If anything, the performance of the social economy over the last decade supports the argument for social innovation and the social sector to be viable alternatives to public social services. Moreover, as the EU institutions and financing lines require social innovation to be a component of initiatives and projects, one can only expect it to become more common in the years to come.

7 Conclusion

Social innovation, the fourth sector, social entrepreneurship and the new processes, solutions, legal forms and approaches have become staples of today's social economy. Reducing these aspects to their role in the transfer of social responsibility and welfare services from the state to the social sector would be a rather cynical exercise, as this is merely one of the relationships that have risen from this growth over the last few years.

While the commodification of the Welfare State and social services is an issue that this chapter sought to explore by discussing the relationship between the rise of social innovation and the fourth sector, and the neoliberalization or the commodification of the social sector, there are arguments in favour of the increased weight of the social sector when compared to the State, with the demographic transformations occurring in most European countries being the most pressing (EC, 2018).

The importance of promoting sustainability is evident, offering alternatives to the more radical capitalist currents that focus solely on capital and see both people and resources as means to achieve profit. Indeed, the ideological underpinnings of these new social sector approaches are quite notorious for the emphasis they put on being alternatives to the hegemonic neoliberal capitalist thought, focusing instead on seeking to improve the quality of life and the wellbeing of populations and territories while promoting inclusive and sustainable practices on both social and environmental levels (Asenova & Damianova, 2019).

Regardless, the causes are not irrelevant, and amidst all the enthusiasm for social innovation, the fourth sector as well as the novel social sector and social economy approaches that emerged during the last decades are the product of a larger process. Such things are not harmless, and there is a downside to the growth of social sector alternatives and the withdrawal of the Welfare State, as the two are directly related and have deep ramifications—both positive and negative.

The social innovation paradigm of public policies has risen from the crisis of the Welfare State and the need to rethink welfare services in a time when the State has dwindling funding while, at the same time, allowing for more cutbacks and withdrawal from the provision of welfare by creating alternatives to the public services and shifting responsibility to third and fourth sector organizations (Ferreira, 2015; Hespanha & Portugal, 2015).

With global financialization, social innovation as a policy artefact is at risk of being dominated by tools, such as social impact bonds, that treat social relations as mere contextual factors for the market-based institutions, seen as dominant for shaping society (Polanyi, 1944 [2018]). Directly related with this limited economic rationale is the redefinition of citizens and public service users as “customers”. In the majority of areas connected with social innovation, this is an error, as welfare services' users do not regard themselves as “customers”, even if they are being pushed to act as such through quasi-market mechanisms (Sinclair et al., 2019).

In 2020, one of such consequences, stemming from the COVID-19 pandemic, was evident in many countries and in Portugal as well, namely, the impacts of the

cuts in the National Health Service. If in 2012 the public spending on health services represented 6.2% of the GDP, that value has fallen to 4.5% in 2019³. Even before the pandemic, the waiting times for surgeries and speciality consults were already longer than they had been since waiting times began being recorded, and the quality of the services provided deteriorated as well due to budget cuts, with health professionals greatly suffering from the lack of resources and hospitals being undermanned (Nunes & Ferreira, 2018).

The pandemic put the sector under great strain, and the already nearly collapsing hospitals required emergency measures and funding to deal with the situation. This showed just how badly the area had been neglected and how easily it could crumble under added pressure in a short time span, given its low resources and overworked professionals (Antunes et al., 2020).

At the same time, the pandemic also proved to be a fertile ground for social innovation to come forth. Many private enterprises put on a showmanship of social responsibility by helping the community in a series of manners. From donating protection and medical equipment to assisting local social sector organizations in helping the affected population, several new ways to address these issues were rapidly pieced together, especially during confinement (He & Harris, 2020).

All manners of organizations, from the social sector to public institutions or private enterprises, soon began collaborating in helping those more severely affected by the crisis that came in the wake of the COVID-19 pandemic. As the unemployment numbers rise and several economic sectors collapse, the recession prediction for Portugal so far is 7.6%, the worse in almost a century (INE, 2021). Early estimates also point to a 6.6% contraction in the Eurozone for 2020, as well as 7.8% unemployment rate.

It is by no means exaggeration to say that troubling times lie ahead and that much will fall upon the social sector to once again step up to the challenge and help those in need, as it is happening right now. While many social sector organizations have been dealing with the consequences of the pandemic for months now, the second wave of the pandemic just began, and the numbers are already dire, with additional restrictions being employed to contain the spread of the virus and with the possibility of another lockdown and mandatory confinement looming in the shadows. The dimension of the problem will require different approaches, and we will see how public institutions and the private and social sectors will cooperate in providing help for those in need.

While the future is always in motion and difficult to predict—more so than ever before, we dare say—what seems certain is that the social sector will face new challenges, and all the entities that operate in it, whether public, private or third (and fourth) sector organizations will experience troubling times like they have never seen before in our time. And how these events will affect the social sector will certainly be a research subject of great interest, as is everything that is happening at this time.

³Source: National Statistics Institute, PORDATA.

As for our chapter, one question of interest rises above all others: how will the commodification of the Welfare State be affected by these events? Will European countries go back on the reduction of public funding for welfare services and the social sector? Or will this crisis prompt even more cutbacks and thus result in a greater transfer of responsibility from the public to the social sector organizations? That we shall see.

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Part II
Best-Practices Case Studies Across the
World

A Case Study of a Socially Responsible Entrepreneurship: The Local Action Group POEDA



José Luis Vázquez-Burguete, María Purificación García-Miguélez, Ana Lanero-Carrizo, and María Isabel Sánchez-Hernández

Abstract In this chapter, POEDA is presented as a good example of entrepreneurship in the fourth sector. POEDA is a non-profit Local Action Group aiming at the endogenous and sustainable development of the southern territory of the Province of León (Spain) where it is located. To encourage the presence of committed productive activities and economically viable, environmentally sustainable and socially responsible entrepreneurship in the area, POEDA promotes the territorial quality brand *Reino de León Calidad Rural* (León Kingdom, Rural Quality) as a collective reference for the development of a quality of life beyond the regulated quality and in a new way of solidary behaviour that privileges the quality of links between citizens, territories, all kind of goods and services, producers and consumers. It is related, therefore, to a development with a human dimension, respectful of social values and cultural resources, and understanding the territory as a dynamic, sustainable balance between the environment and human activities in a harmonious and favourable way for the wellbeing of people.

Keywords Social innovation · Local Action Group · Local development · Social values · Economically viable entrepreneurship · Environmentally sustainable entrepreneurship · Socially responsible entrepreneurship

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1 Introduction

The fourth sector is a novel phenomenon. The World Economic Forum developed the Fourth Sector Development Initiative to conceptualize and to foster this new sector. This initiative is “a collaboration of public, private, and philanthropic institutions committed to accelerating sustainable, inclusive development by catalysing trillions of dollars of fourth-sector growth globally by 2030” (World Economic Forum, 2017: 1). Although the boundaries of the fourth sector are not clear, Rask et al. (2020) have observed three different strands in the fourth-sector literature. The first focuses the attention on the notion of one-to-one aid. The second strand centres on self-organizing civic activism. The third strand focuses on hybrid organizations such as Community Development Corporations (CDCs). In general terms, CDCs are non-profit, community-based organizations focused on revitalizing low-income areas. In Europe, a Local Action Group (LAG) is a non-profit association, made up of representatives of the local community (such as business associations and municipalities of the territory managed by the LAG), that manages LEADER projects in European rural areas (European Commission, 2016).

The objective of sustainable rural development requires decisions taken by the entire local community living in the territory. LAGs have this purpose, to coordinate the decision of individual agents and manage European funds allowing rural development (Menconi et al., 2018).

In this chapter, we develop the case study of an emblematic LAG in Spain. Other authors have analysed before the role of LAGs in different countries such as Italy (Osti, 2000), Czech Republic (Boukalova et al., 2016) and also Spain (Esteban et al., 2010; Vázquez et al., 2011; Martínez Arroyo et al., 2015). In these pages, after this introduction, we present place marketing as the theoretical background supporting the projects launched by the LAG POEDA for rural development. Later, the case study is explained showing the improvements detected in the area after the intervention of this LAG in the area. Some reflexions are offered to conclude the chapter.

2 Theoretical Background

Place marketing can be defined as “the set of marketing practices and tools specifically aimed at spreading knowledge on a certain locality, region or territory, its peculiarities and its activities in order to facilitate socioeconomic and cultural development” (Alves & Vázquez, 2013: 120). The increasing competition between territories and regions led to spreading the experiences under this specific branch of the marketing discipline which were developed in the USA in the 1970s to Europe in the 1980s (Flipo & Texier, 1992) and other countries all around the world.

Moreover, place marketing is also conceived more and more up to date as a strategic approach (Ashworth & Voogd, 1994; Kotler et al., 1999; Cudny, 2019) in order to better position the image of places and to increase their differentiation and

recognition (Proulx & Tremblay, 2006), this way helping local authorities, business and non-profit organizations actively involved in the design and achievement of shared territorial development goals (Rainisto, 2003; Hospers, 2004; Vázquez et al., 2008) while meeting the needs of the different stakeholders (Kotler et al., 2002) and promoting direct investments (Pasquinelli & Vuignier, 2020) or the achievement of sustainable purposes (Florek & Gazda, 2021).

In recent times, place marketing has evolved to determine and promote the real sell of places (Moilanen & Rainisto, 2009), and place brand identity has emerged as a major research topic in a real number of studies in the field (Acharya & Rahman, 2016). In this same sense, and accordingly to stakeholders' demands, elements as preservation, conservation (Campos and Carrera, 2007), Corporate Social Responsibility (CSR) or Quality of Life (QoL) (Alves & Vázquez, 2013) have had to be added to the equation to build green (Bondarenko et al., 2018) and sustainable quality territorial brands, both in case of cities (Medeiros, 2019), small towns or rural areas (Uvarova & Vitola, 2019).

However, and, namely, in the case of CSR and QoL, the real situation is that, in a general sense, even nowadays, very few issues have mandatory legal support, while most actions and practices are carried out on a voluntary basis. This is a fact, even when the most recent interactive approaches to CSR and QoL suggest their conceptualization as an additional attribute or even a product or offer by the different organizations, consisting of an expected responsibility (conceived as a reasonable threshold of the different stakeholders' expectations, including and going beyond the basic responsibility (i.e. the mandatory economic-legal minimum), together with an increased and a potential responsibility which exceeds such expectations and determines the perceptions, preferences and/or purchase options of the different collectives¹. This is a reality to be taken into account in the development of brands and images that—as in the case of any company or organization—make territories more and more differentiated and competitive (Moilanen & Rainisto, 2009; Fetscherin, 2010; Sousa et al., 2017; Sousa & Vasconcelos, 2018).

On the above basis, this case study is a good example of social entrepreneurship in the fourth sector. The case study focuses on a situation in which, after ascertaining the lack of CSR planning and actions in the productive system in a concrete territory, a greater awareness and CSR actions by the different entities are suggested as objectives to be achieved through the development of a campaign/initiative of mutual benefit and the design of the corresponding system of rewards. Such an initiative can be classified as an induction strategy, as it is developed on the premises of a neutral or positive attitude towards a desirable social behaviour which is not carried out in practice (Seth & Frazier, 1982; Santesmases, 2012), and it is reinforced by the development of a territorial brand under a voluntary normative approach, which becomes mandatory for the adhered entities.

¹This terminology is based in the levels of the product concept as suggested by Levitt (1980) or Kotler (1997). For a further development see, e.g., Vázquez et al. (2014) when referring to the concept of Integral Corporate Social Action (ICSA, or ASCI, accordingly to the Spanish acronym).

3 Case Study: POEDA

3.1 *What Was Done: An Introduction on the Territorial Context*

Páramo-Órbigo-Esla Associate Development (POEDA) is a non-profit Local Action Group established in 2002 under the frame of the PRODERCAL Program aiming to serve as a nucleus of union, convergence and representation for all public and private entities, social agents and individuals working and/or being interested in the endogenous and sustained development of the concerned geographical area, consisting of 2035 km² in 53 rural councils of the regions Páramo, Órbigo and Esla in the Southern Territory of the Province of León, in Spain.

It is necessary to clarify that POEDA is the name, accordingly to the Spanish acronym for Páramo-Órbigo-Esla Desarrollo Asociado. Further and updated information on the Local Action Group can be retrieved from the official site (POEDA, 2021).

In addition, the Spanish national PRODER I (Operational Program for the Development and Economic Diversification of Rural Areas in Objective 1 Regions) was firstly approved by the European Commission in 1996 for the initial period 1995–1999 and later on renewed as PRODER II. Its goals mostly match with those of the EU LEADER Initiative (LEADER I 1991–94, LEADER II 1994–99 and LEADER+ since 2000 on), namely, PRODERCAL (Rural Development Program of the Region of Castile and León), a program for the development and economic diversification in rural areas co-financed by the European Union and funded under the frame of the EAGGF (European Agricultural Guidance and Guarantee Fund) and ERDF (European Regional Development Fund) initiatives, together with the Regional Government of Castile and León, and the national Ministry of Agriculture, Fisheries, Food and Environment. As all other PRODER regional programs, it is embedded within the more general initiative devoted to boost regional endogenous and sustainable development in Castile and León (LEADERCAL).

At this purpose, POEDA encourages the diversification of the local economies, the containment of rural exodus and the containment of depopulation by improving the income and quality of life of the inhabitants while ensuring the conservation of natural spaces and resources.

Additionally, POEDA develops activities under the frame of different own or cooperative projects:

- The Rural-Urban Project, a consortium of Local Action Groups aimed to exchange experiences and good practices and the formulation of new proposals in the relationships between rural and peri-urban areas in a “Laboratory of Territorial Cohesion”
- The TRINO Project (Rural Tourism of Interior and Ornithology), developed by 14 Local Action Groups under the initiatives LEADER and PRODER to promote the environmentally friendly birdwatching tourism in the area

Table 1 Projects managed by POEDA

Cooperative project	Site
Rural-urban	http://www.poeda.org/portfolio-view/proyecto-rural-urbano/
TRINO	http://www.birdwatchingspain.com/
Troglodytic heritage	http://www.troglos.eu/
Rural quality brand	http://www.calidadterritorial.com
Rural León	http://www.leonrural.es/
Kingdom of León rural quality	http://www.reinodeleon.eu/
POEDA 21 sustainable territory	http://www.poeda21.com/

Source: Own elaboration

- The Troglodytic Heritage Project, a cooperative initiative by different Local Action Groups worldwide to promote knowledge on and sustainable exploitation of existing troglodytic structures or heritage, including, e.g. caves and cellars dug into the rock for wine production purposes
- The Rural Quality Brand, a new strategical approach to rural development by different EU territories, aiming to increase the value of the territory as a whole (considering it as a product itself), including its different products (goods and services), through a system that controls the quality of the processes and that is projected abroad through a series of goods and services conveniently differentiated and linked to the territory
- The Rural León: Territory of Quality Project, an own initiative linked to the implementation of the Rural Quality Brand in the POEDA area
- The territorial quality brand Reino de León Calidad Rural (Kingdom of León Rural Quality), conceived as a specific distinction to recognize not only the quality of goods and services but specifically the commitment of companies and entities to the territory and social principles
- POEDA 21 Sustainable Territory, as an own initiative acting as an umbrella frame for all POEDA initiatives to promote sustainability since 2004 accordingly to the Agenda 21 principles and aiming a more viable, sustainable and competitive rural environment in all senses as well as promoting the preservation of the environment, climate change awareness and energy-saving consciousness by training and sensitizing the population, companies, administrations and all agents acting in the POEDA territory

Additional information of these projects is explained in different sites that are compiled in Table 1.

3.2 The Development of a Rural Quality Brand

When assessing the results of the Rural Quality Brand project, and once a lack of CSR planning and actions was perceived, the above-mentioned territorial quality brand Reino de León Calidad Rural (Kingdom of León Rural Quality) was promoted

as the distinctive award or hallmark that recognizes the quality and CSR commitment of products, businesses and entities in tourism, agri-food, catering, crafts, events and parties and services to the population, museums and cultural centres of the POEDA territory.

Companies, entities and organizations can apply to the territorial quality brand, once they have proved their commitment to improve the quality of their products, the representativeness of their activities in the territory, the generation of added value and the commitment to the territory and social principles. In other words, the core goal of the initiative is to promote economically viable, environmentally sustainable and socially responsible productive activities (namely, entrepreneurship) in the area.

The principles and values of the brand are based on territorial quality and sustainable development by promoting a QoL model beyond the regulated minimums for quality issues and standards under a new way of solidary behaviour that privileges the quality of links between citizens, territories, all kind of goods and services, producers and consumers.

According to its Operating Regulations, Kingdom of León Rural Quality encompasses those committed entities in the POEDA territory as a sign of geographical identity and distinctive quality, being defined as a strategy of internal and external promotion and differentiation based on parameters of quality and social responsibility. On the one hand, it is devoted to strengthening the identity of the territory and contributes to the development and economic valorization under an internal image that guarantees:

1. An offer of quality goods and services
2. The economic viability of involved entities
3. Real social responsibility practices towards inhabitants
4. Environmental sustainability in the territory

On the other hand, Kingdom of León Rural Quality is a responsible brand, because it is used by entities which are committed to CSR principles and evaluated fourfold:

- Commitment to social quality: respecting and practicing equal opportunities between men and women, promoting the participation of workers in companies and their continuous training, seeking the reconciliation of work and family life and cooperating with other companies in the territory to generate the maximum added value that offers return to the own territory
- Commitment to work quality: considering the economic quality as directly related to good managerial practices, use of local resources, responsible marketing actions, linkage between innovation and tradition as well as engagement in local development
- Environmental quality concern: saving water, energy and raw materials, as well as implementing adequate good waste management practices, not contaminating, making a responsible purchase to local suppliers and integrating productive activities into the environment

Table 2 Categories of entities in the quality brand: conditions, benefits and rights

Adhered entity	Associated entity	Certified entity
<ul style="list-style-type: none"> • Payment of annual fee • Use of identifying sticker • Promotion and advertising in diverse campaigns by the brand with basic-quality formats and just listing the entity 	<ul style="list-style-type: none"> • Payment of annual fee • Use of identifying plaque • Promotion and advertising in diverse campaigns by the brand with medium-quality formats including identifying data and picture and sharing presence with other entities • Use of the brand logo • Participation in concrete training and promotion activities by the brand 	<ul style="list-style-type: none"> • Payment of annual fee • Use of identifying plaque • Promotion and advertising in diverse campaigns by the brand with high-quality formats including all relevant data and picture gallery in an exclusive (non-shared) basis • Use of the brand logo • Participation in all training and promotion activities by the brand

Source: Own elaboration based on the Brand Kingdom of León Rural Quality Operating Regulations (provided by the Brand Commission)

- Commitment to the value of territory and heritage: related to a development with a human dimension, respectful of cultural resources and understanding the territory as a dynamic, sustainable balance between the environment and human activities in a harmonious and favourable way for the wellbeing of inhabitants

When referring to those entities involved in the quality brand, three categories are considered, with different conditions and rights (Table 2):

- Adhered entities: those entities wanting to support the brand without implying an involvement in continuous improvement processes
- Associated entities: those entities aiming an active and dynamic collaboration with the brand
- Certified entities: those entities fully involved in the brand and aiming the final goal of achieving the Certificate of Excellence in CSR and Quality after succeeding the required certification process, which are expected and committed to follow concrete standards and control values to be met and periodically audited

When applying to the quality Brand, a Common and CSR Minimum Protocol implements the principles, criteria and practices of the certification process (see Fig. 1), aiming to (1) check the compliance of legal requirements in the organization; (2) ensure compliance with the requirements and thus achieve effectiveness of the system implemented in the organization; (3) analyse the compliance of other required CSR requisites; and (4) provide the applicant with the opportunity to improve its management system and encourage the continuous improvement.

One of the core reference documents in the certification process is the Brand Kingdom of León Rural Quality Operating CSR Chart, which highlights that organizations, as society members, should behave as good “corporate citizens” and equally perform in economic, environmental and social terms. Namely, the application of CSR is the main criterion chosen by the Brand Management and Control Committee (Brand Commission), in addition to other specific requirements, to

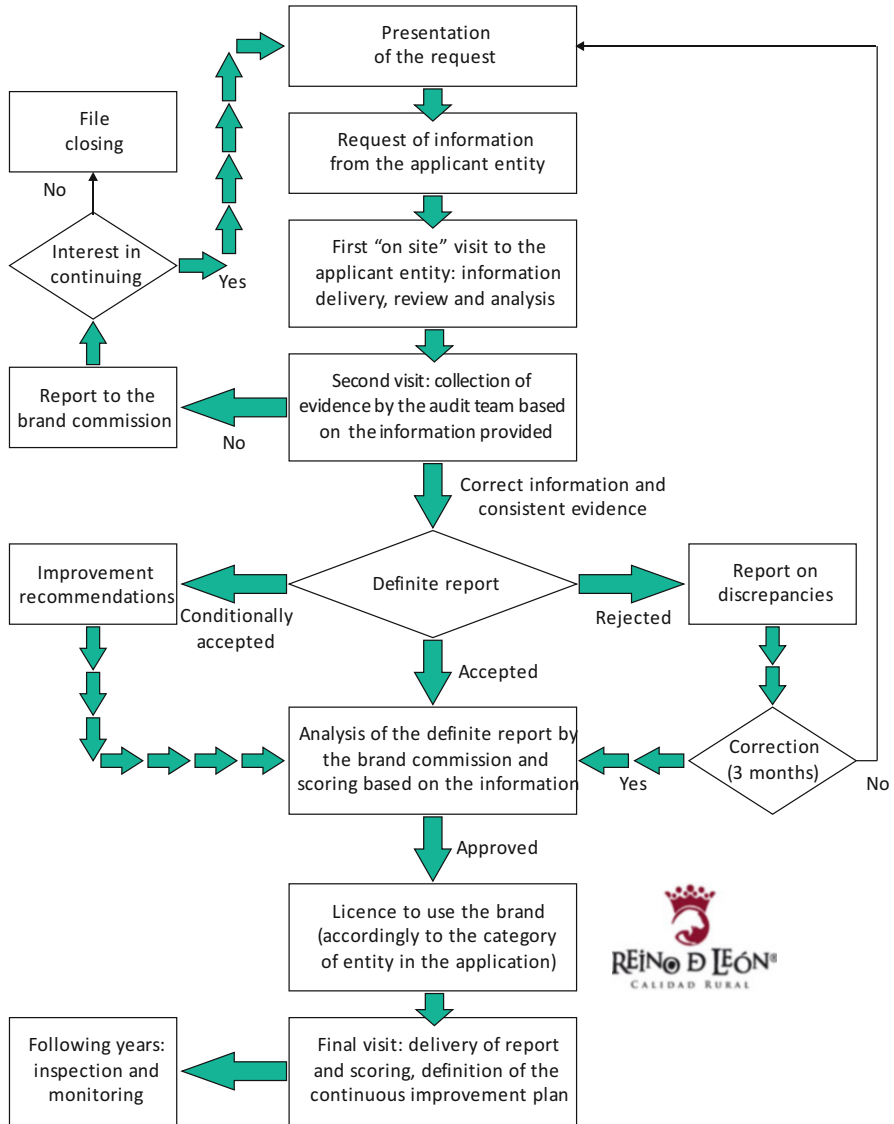


Fig. 1 Sequence of steps for the certification to use the brand Kingdom of León Rural Quality. Source: Own elaboration based on the Brand Kingdom of León Rural Quality Common and CSR Minimum Protocol—provided by the Brand Commission

evaluate such issues in organizations applying to get and maintain the right to use the quality brand.

A battery of 64 indicators related to CSR and management issues is used in the evaluation process. Such indicators are included in different categories (Table 3): Category A, implantation of CSR and consciousness/knowledge of stakeholders

Table 3 CSR and management criteria in the evaluation process when applying to the quality brand

	Valued issue	Scoring points
A	<ul style="list-style-type: none"> • Identification of stakeholders in the organization • Mechanism for evaluation of the organization by stakeholders 	No (0)/yes (1) No (0)/yes (1)
B	<ul style="list-style-type: none"> • Certified quality management system • Certified environmental management system 	No (0)/yes (1) No (0)/yes (1)
C	<ul style="list-style-type: none"> • Evolution of staff in terms of gender equity • Indefinite contracts in staff • Use of learning/training contracts • Equality in payment policies (medium male wages/medium female wages) • Percentage of disabled people in staff • Percentage of local inhabitants in staff • Professional career plan • Remuneration policy plan 	<40% (0)/≥40% (1) <20% (0)/≥20% (1) No (0)/yes (1) Dif > 3 (0)/1.5 ≤ Dif ≤ 3 (1/ Dif < 1.5 (2) No (0)/yes (1) <20% (0)/20–50% (1)/≥50% (2) No (0)/yes (1) No (0)/yes (1)
	<ul style="list-style-type: none"> • Possibility of reduced days • Flexible schedules of accordingly to school hours • Possibility of telecommuting • Own nursery school or agreement with nurseries in the area • Service check (economic benefit linked to service) 	No (0)/yes (1) No (0)/yes (1) No (0)/yes (1) No (0)/yes (1) No (0)/yes (1)
D	<ul style="list-style-type: none"> • Internal communication systems • Motivation actions • Staff participation in decision making processes • Publicity and transparency of selection processes • Leisure and free time activities for workers • Personnel satisfaction 	No (0)/yes (1) No (0)/yes (1) No (0)/yes (1) No (0)/yes (1) No (0)/yes (1) No (0)/yes (1)/+improv. Prog. (2)
E	<ul style="list-style-type: none"> • Evolution (increase of absolute figures) • Communication ways and procedures with clients • Information, transparency and confidentiality • Location of customers in the territory 	≤25% (0)/25–50% (1)/≥50% (2) No (0)/yes (1)/+effective (2) No (0)/yes (2) No (0)/<50% (1)/≥50% (2)
F	<ul style="list-style-type: none"> • Suppliers comply with current regulations • Signed collaboration agreements with suppliers • Fulfilment of commitments acquired with suppliers • Periodical evaluation of suppliers • Location of suppliers in the territory • Suppliers using the rural quality brand 	No (0)/yes (1) No (0)/some (1)/All (2) No (0)/≥50% (1)/All (2) No (0)/yes (1) No (0)/<50% (1)/≥50% (2) No (0)/≥1 (2)
G	<ul style="list-style-type: none"> • Environmental policy and impact evaluation • Annual water consumption monitoring • Minimization of water consumption procedures • Use of renewable energies • Measurement of annual energy consumption • Energy-efficiency measures • Measurement of waste generation per product unit • Minimization of generated hazardous waste • Paper and cardboard waste recycling 	No (0)/one (1)/both (2) No (0)/yes (1) No (0)/yes (1)/+eval. (2) No (0)/yes (1) No (0)/yes (1) No (0)/yes (1)/+eval. (2) No (0)/yes (1) No (0)/yes (1)/+eval. (2) No (0)/yes (1)

(continued)

Table 3 (continued)

	Valued issue	Scoring points
	<ul style="list-style-type: none"> • Glass waste recycling • Plastic waste recycling • Organic matter waste management • Discharge minimization • CO₂ measurement • Minimization of atmospheric emissions • Minimization of soil impact • Environmental awareness actions with workers • Participation in environmental projects outside the organization • Green procurement policy • Location of the organization • Landscape integration 	No (0)/yes (1) No (0)/yes (1) No (0)/yes (1) No (0)/yes (1)/+eval. (2) No (0)/yes (1) No (0)/yes (1)/+eval. (2) No (0)/yes (1)/+eval. (2) No (0)/yes (1) No (0)/yes (1) No (0)/yes (1)/+eval. (2) inappr. (0)/approp. (1) No (0)/yes (1)
H	<ul style="list-style-type: none"> • Belonging/collaboration with development associations • Collaboration with companies or NGOs in the territory • Participation in social projects in the territory • Participation in international cooperation projects 	No (0)/≥1 (1)/+local (2) No (0)/yes (1) No (0)/1 (1)/≥1 (2) No (0)/yes (1)
I	<ul style="list-style-type: none"> • Strategic plan in the organization • Budgetary planning • Commercial relationships with companies in the territory • CSR investment related to benefits • R+D+i projects • Use of management software 	No (0)/yes (1)/+eval. (2) No (0)/yes (1) No (0)/own sector (1)/diverse sectors (2) No (0)/yes (2) No (0)/ext. (1)/own (2) No (0)/yes (1)
Total scoring		0–90 points

Source: Own elaboration based on the Brand Kingdom of León Rural Quality CSR Chart (provided by the Brand Commission)

(2 criteria); Category B, implantation of management systems (2 criteria); Category C, workers: employment and equality (8 criteria) and conciliation (5 criteria); Category D, additional measures in human resource management (6 criteria); Category E, customers (4 criteria); Category F, suppliers (6 criteria); Category G, environment (21 criteria); Category H, society (4 criteria); and Category I, strategy (6 criteria).

3.3 Achieved Results

The implementation of the brand Kingdom of León Rural Quality as a distinctive award or hallmark recognizing quality and CSR commitment has resulted in the certification of a number of companies and organizations operating in different activity sectors. According to the figures provided by the Brand Commission, the certified activities include agri-food products (26.32%), restoration (21.05%), rural accommodation (15.79%), commerce and service (10.53%), museums and cultural

Table 4 Situation before/after the implementation of the Brand Kingdom of León Rural Quality initiative

Before	After
<ul style="list-style-type: none"> • Ignorance about CSR concepts and issues • Lack of stakeholder analysis • Poor control on customer number/evolution • Poor supplier evaluation • Poor awareness of environment and the surrounding territory • Scarce collaboration with organizations and companies in the territory • None of the companies had thought of making a CSR strategic plan • Scarce investment in CSR 	<ul style="list-style-type: none"> • Knowledge about CSR concepts and issues • Development of stakeholder analysis • Control on customer number/evolution • Supplier evaluation • Environmentally responsible companies, with a greater control of consumption and waste management • Increasing collaboration with organizations and companies in the territory • Development of CSR strategic plans, specifically in concrete companies and productive sectors • Companies are making investments in CSR

Source: Testimonies by Brand Commission members and representatives of certified entities

centres (10.53%), hotels (5.26%), handicraft good and services (5.26%) and cultural and historical events (5.26%).

Additionally, there have been significant changes in the overall situation in the POEDA territory, specifically in terms of CSR awareness and consciousness. Table 4 includes a summary on these changes based on testimonies from the Brand Commission and certified entities.

4 A Brief Reflection on Future Prospects

The role of LAGs in promoting rural development across Europe is evident. Moreover, it is expected to be even more relevant in the near future, as it is involved in the achievement of the United Nation's Sustainable Development Goals. This set of 17 objectives are a call to action by all countries. In the case of rich and middle-income ones, the sustainable development of the rural areas becomes a core element to assure issues as education, health, social protection and job opportunities to all population while tackling climate change and environmental protection (United Nations, 2015). Even more, as stated by the United Nations itself, the goals provide a critical framework for COVID-19 recovery.

In Europe, the European Network for Rural Development (ENRD) serves as a hub for exchange of information on how Rural Development policy, programmes, projects and other initiatives are working in practice and how they can be improved to achieve more. It was established in 2008 by the European Commission, Directorate-General for Agriculture and Rural Development (DG AGRI), and it is governed by formal structures, the European Rural Networks' [Assembly](#) and [Steering Group](#), bringing together a range of rural development stakeholder groups providing strategic direction, guidance and coordination (ENRD, 2008), thus

becoming the key structure that brings together all the stakeholders aiming to achieve improved rural development results in the EU (ENRD, 2016). The network serves as a hub for the sharing of information about how rural development policy, programmes, projects and other initiatives are working in practice and how they can be improved to achieve more.

Specifically, the ENRD supports the effective implementation of EU Member States' rural development programmes (RDs) by generating and sharing knowledge, as well as through facilitating information exchange and cooperation across rural Europe. These activities are facilitated by two support units: the ENRD Contact Point and the European Evaluation Helpdesk for Rural Development (ENRD, 2008).

“Greening the Rural Economy” is one of the broad themes of the ENRD, which directly links to two of the EU Rural Development policy priorities, namely, Priority 4 (restoring, preserving and enhancing ecosystems related to agriculture and forestry) and Priority 5 (promoting resource efficiency and supporting the shift towards a low-carbon and climate-resilient economy in agriculture, food and forestry sectors). At this purpose, it focuses on the following sub-themes: European Green Deal and rural areas, bio-economy and climate action in rural areas, transition to the green economy, resource efficiency and water and soil management (ENRD, 2014).

ENRD members include National Rural Networks (NRNs), managing authorities of Member States, representatives of LAGs and rural development organizations at the European level. Thus, as LAGs are members not only of the ENRD but also of the respective NRNs—the *Red Rural Nacional* in the case of Spain (RRN, 2021)—they are called to play a fundamental role in the achievement of the sustainable objectives in Europe.

5 Final Remarks

Regarding the case under study, the chapter shows POEDA as a non-profit LAG aiming the endogenous and sustainable development of the southern territory of the Province of León in Spain. The case study presented shows how this social entrepreneurial activity promotes a territorial quality brand, as a collective reference for the development of QoL beyond the regulated quality and a new way of solidary behaviour that privileges the quality of links between citizens, territories, all kinds of goods and services, producers and consumers.

This Local Action Group, as an example of entrepreneurship in the fourth sector, promotes rural development with a human dimension, respects social values and cultural resources and understands the territory as a dynamic, sustainable balance between the environment and human activities in a harmonious and favourable way for the wellbeing of the people.

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Case Study: How Medellín Is Creating a Hub for Impact Start-ups



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Abstract Medellín City, in Colombia, is seeking to create an innovative and more inclusive future, since the end of the violent era of the 1980–1990s. A combination of public, private, and community resources seems to make it possible, through entrepreneurship with positive impacts.

The forced renovation of the city was done through a clear intent of complete social integration, despite the large inequalities and a culture of violence and illegality. The public sector allowed resources to large infrastructure, thanks to decentralization politics. This benefited the private sector, first the large companies as main suppliers and then the small organizations, integrated in the supply chain or by entrepreneurial programs.

On the other hand, the higher education sector and the nonprofits were fundamental to form the new generations, increase relationships between actors, and push for real inclusion of all the Medellín sectors. This mainly resulted in an extremely dynamic creative sector and a real preoccupation of all citizens for improving poor-neighborhoods welfare, materialized in local non-for-profit organizations with positive social impact. As a result, Medellín also showed effective communication toward foreigners, which established nonprofit or business activities within the city.

Collected data and interviews from relevant actors of the Medellín ecosystem showed the more relevant connections between stakeholders, which are making possible the raise of a regional hub for the fourth sector. This hub has Latin American classical biases, which make it relevant to be replicable inside the region, but also could be inspiration for other developing parts of the planet.

Keywords Fourth sector · Medellín · Colombia · City transformation · Local ecosystem · Public intervention · Triple helix

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1 Introduction

Over the past three decades, Medellín has undergone a remarkable transition. After being the city with the highest homicide rate in the world (Doyle, 2016), and a scene of constant violent episodes, the city has become a reference of urbanism, innovation, social transformation, and impact enterprises (Ferrari et al., 2018).

The last two decades of the twentieth century were characterized by the presence of powerful criminal organizations dedicated to drug trafficking, among others. Moreover, a constant flow of people who arrived in the city from the countryside led to the emergence of large irregular settlements, with a lack of urban planning and a marked absence of institutions, contributing to global citizen insecurity. These social and cultural phenomena converged to the growth of gangs of hitmen, the indiscriminate use of firearms, and increased participation in illicit activities as a survival option for certain sectors of the population.

Simultaneously, at the end of the twentieth century, the city went through a period of economic stagnation, due to the decline of its industrial sectors (especially in the textile sector), which was reflected in a weakening of employment rates and a marked increase in labor informality (LaboUR, 2018). According to Galvis (2014), “Although during a good part of the 20th century Medellín was a clear example of urban success, towards the end of the century there were factors that led the city to lose the dynamism that had characterized it. (...) In particular, Medellín’s industry was excessively specialized in textile production, so the city did not worry about developing new industrial sectors as it advanced in the process of industrialization by substitution” (p. 229). This caused Medellín’s low competitiveness in front of Asian’s imports, which led to a generalized crisis in the city.

It was under these conditions that Medellín assumed the challenge of reinventing itself socially and economically, ad portas of a new millennium. For this, the city had to work simultaneously on two fronts: on one hand, improving the life’s quality of marginalized sectors, successfully integrating itself through interventions in public transportation, education, and urbanism and, on the other hand, concentrating its efforts on transforming the city’s economy toward one of services, knowledge, and innovation.

Businesses from the fourth sector appeared as a new and necessary alternative to the needs of the city and progressively developed as an ecosystem. In order to be long-lasting, this ecosystem needs special investments, support by key actors in the city, and the interactions between them through partnerships and programs.

In this sense, this chapter proposes the identification and analysis of Medellín’s strategies that have allowed the formation, development, and empowerment of the fourth sector. The guidelines proposed by the traditional four main actors (public sector, private sector, universities, and nonprofit organizations) were evaluated in light of their effectiveness for the needs of these businesses.

After the identification of these actors and fundamental milestones, the existing literature was complemented with interviews of local actors. Finally, the relevance of

these actions on the development and consolidation of the fourth sector ecosystem is discussed.

2 Public Sector and the Fourth Sector

The public sector has traditionally the role of policy maker, of global administration, of public services (health, education, etc.), and of participation in the economy through public companies and investments. In this section, it will mainly be represented by the national and local governments.

It appears that progressive interventions of the public sector in Medellín, enabled by decentralization in the 1980–1990s (direct elections of Majors in 1988, new national Constitution in 1991), were the driving force of the radical changes in the city in the last decades. Those regeneration policies are often summarized as “social urbanism” (Bahl, 2012).

The violence in Medellín was a result of complex interests and influences of actors located within and outside of the city: drug cartels, left-ist insurgencies, right-wing paramilitaries, other local “bandas” delinquent groups, the community “milicias” arisen from neighbor’s need for security, and the state. They basically all fight for control over territories (Moncada, 2016).

Reforms to facilitate the participation of alternative political forces (outside the traditional two-party system of Colombian Liberals and Conservatives) led to the rise of more local figures. They came from engineering and economics, with very little political experience and bias. In the early 1990s, the key factor was the decision to prioritarily direct the economic and social investments into the poorest neighborhoods, mainly throw new infrastructure, with more or less success mainly because of strong clientelism.

In 2003 was elected as Medellín mayor a political independent named Sergio Fajardo, an academic that had been supported by both the local economic forces (the large companies clustered as the GEA – Grupo Empresarial Antioqueño) and the organized civil society. He proposed participatory governance and strong transparency and started an era of close collaboration between political, civil, and economic sectors in developing the city.

The investment per capita was higher in the poorest socioeconomic city districts than in the wealthiest, mainly in education, health, and housing. Moncada (2016) calculated that nearly 86 percent of municipal expenditures between 2004 and 2013 went to social investment. The so-called Integrated Urban Projects (PUI) included public transportation (metro, cable car), libraries, entrepreneurship hubs, and high-tech facilities. The local population was engaged to vote in participatory budgeting since 2004, and the financial resources from the of Empresas Públicas de Medellín (EPM) ensured a minimum yearly income.

For the generation and strengthening of the fourth sector, the main strategy of the municipality has been the promulgation of Agreement 074 of 2017 (Concejo de Medellín, 2017), in which the public policy of economic development for Medellín

is established, as a complemented to Agreement 41 of 2011 for the development of social and solidarity economy (Concejo de Medellín, 2011).

The permanent transparency allowed to increase municipal taxes, unify in violence reduction, and mobilize resources for common new projects, as the creation of the Investment and Cooperation Agency (ACI) looking to foster foreign capitals (increased $10\times$ between 2002 and 2009).

The public investment also directly benefited the local firms involved in construction, engineering, consulting, financing, etc. As the textile sector was in deep crisis, the municipality could bet for new economic sectors (health, tourism, information technologies), supporting the opening of incubators and tech centers, as we will discuss later.

The last brick of socioeconomic renewal in the city was to inform the inhabitants about the revitalizing processes and motivate them to be part of it. Using the two local forces of entrepreneurship and creativity (Landry, 2000), usually applied in the informal sectors, they promoted and made visible all cultural and technological activities (Zamudio & Barar, 2013).

All this positive communication was enhanced by a strong work to attract international actors, mainly in two pillars: first, international conferences and meetings, as the “Ciudades creativas Conference” (2012) or World Urban Forum in 2014, and, second, globalized companies, as the iconic implantation of computer-maker Hewlett-Packard within the Ruta N tech center. The presence of these international actors validated and made visible the regeneration.

In short, it appears that the political power, mainly since 2003, decided to strongly invest in socioeconomic development focusing in the most violent and poorest districts of the city. Thanks to a strong and long-term involvement of civil society and corporations into the municipality decisions, it was possible to tackle violence and generate robust economic growth, in a positive feedback loop, for the municipality finances and the wellness of Medellín citizens.

3 Education Sector and the Fourth Sector

In recent decades, it has been seen, not only in Colombia but throughout Latin America, a growing number of young people entering into higher education. The region is moving forward with the aim of including those population's sectors that are most excluded. Higher education institutions (IES) have an added task to the simple fact of training for a profession: to impact on an economic development that includes the transformations and needs of today's society (López Segrera, 2008).

Through its substantive functions, the university has linked its work to society, beginning in a timid way, at first, with the function of programs and social projections. For the 1990s, the needs and context marked the advance to promote the work between the academy, the productive sector, and the governments, this last one as a mediator. That would allow the development of joint activities oriented to innovation, research, and local development. The need to take the educational

processes to a more functional structure for the productive process integrated the services of teaching and research (Briones et al., 2018). The university began its relationship with private enterprise through the exercise of professional practices, social services, development of entrepreneurial training, and conducting joint research projects to respond to specific problems and needs of the company. On the other hand, it performed advice and consultancy, exercised in technology transfer, among others, bringing together the interaction of their mission processes with the requirements of the business context.

The academy has become an indispensable component in the development of ecosystems, in which the university is not only a generator of knowledge but at the same time must be mixed with the context, with the plans, programs, and projects of the state, and with the company as one of the actors responsible for executing actions for productivity. These three actors must strengthen a harmonic relationship so that each one develops its functions in a relevant way through cooperation (Guerrero, 2009).

The economic study for Colombia presented in May 2017 by the Organization for Economic Cooperation and Development (OECD, 2017) states that efforts to increase the efficiency and effectiveness of innovation need to continue improving the channels of knowledge dissemination. It emphasizes the importance of increasing collaboration between the private sector and education and research institutes, as well as bringing together businesses and scientific research institutions for the development of new technologies. According to OECD, especially for Medellín and its region, both public and private university education is connected to stakeholders through the “Comité de Universidad Empresa Estado (CUEE)” developing quality projects and policies in higher education, equity, technology, and innovation, taking into account the economic environment and the needs of society.

The CUEE emerged as an initiative of the University of Antioquia in 2001 as a “Strategic Alliance for Development,” finally consolidating and formalizing its constitution in 2003 linking different academic, economic, and political sectors in the region. In 2009, at the request of the Ministry of Education, the experience was transferred to more than ten departments in the country, without obtaining the expected results. Of these, only the department of Santander is currently active and has been operating at a slower pace than Medellín.

For Medellín, the CUEE’s mission is to generate spaces for dialogue and agreement, promoting entrepreneurship, innovation, and association for the economic and social progress of the territory. Eleven higher education institutions of influence in the region, twenty-one companies, seven technological development centers, the National Association of Industrialists-ANDI, the Colombian Association of Micro, Small, and Medium Enterprises-ACOPI and the Family Compensation Fund Comfenalco-Antioquia, and the Ministries of Education of Antioquia and Medellín, among other institutions, participate in this committee.

The triad that makes up the CUEE brings together actions and projects that seek to avoid the extensive bureaucratic procedures to access resources from international and national entities aimed at leveraging social and sustainable development through innovation and research. They created a corporation for the commercialization of

universities' technologies, called Tecnova, and an entrepreneurship park, called Parque E, incubator of technology-based companies. The aim is to generate technology-based spin-offs and start-ups of royalty payments for the transfer of scientific knowledge at local and regional level, providing competitive advantages and recognition.

The interaction of these important sectors of society has increased in Colombia, and specifically for Medellín, the cooperation of this group of actors allowing the emergence of new organizations located in the fourth sector, such is the case of Ruta N (2009), a mixed entity (public-private) of social and nonprofit, which promotes the work of this triad in addition to promoting it through projects and funds for innovation processes and technological development of high social impact.

The CUEE committee has been a relevant actor in the design and execution of the long-term strategy of the city project, which has facilitated, regardless of the political opinions of the moment's ruler.

4 Nonprofit, Society, and the Fourth Sector

Since antiquity, humans have interacted in the midst of different social groups with similar interests, conditions, and needs, such as fertile land and a place to settle, to which were added circumstantial elements, such as conditions of wealth, slavery, types of families, and societies. This led to multiple forms of private and state associations, ranging from the Gens and the loss of common property to the new civilized society and the emergence of the state as a common political organization with its own territory and government, according to the research of the anthropologist Lewis H. Morgan, referred to by Engels (trad. en 2017).

These forms of organization, predominantly private, with clear purposes of private profit, have built and responded to the model of the traditional economy over time. However, in ancient Greece, between 830 BC and 431 BC, there were already social organizations that carried out works for the well-being and quality of life of the community, without involving the practice of charity toward the needy. This situation contrasts with the experience in ancient Rome from 465 BC to 492 AD and is highlighted by the conquest of Judea (63 BC), where the tithe was known to be directed at the poor (OrderTercer Sector Información a la Orden, s.f.).

One of the characteristics that may identify the nonprofit organizations (NPOs), and especially those committed to the philosophy of the "fourth sector," is their desire to transform the world, beyond generating an impact on a particular social sector or locality. In the vast majority of cases, this has been the reason for its creation and the motivational axis to develop activities in such diverse and inherent themes of life, dignity, nature conservation, and human rights, among other aspects (DIAN, 2020). We cannot neglect motivations that respond to associative forms of communities that find, in some of the forms of the legal figure of the NPOs, an opportunity to access benefits that can range from special tax regimes to economies of scale, through knowledge management in common productive activities, the

transformation of territories, the economic development of households, improvement of living conditions and quality of life, as well as the overall welfare of people.

In order for an organization to be recognized as an NPO, it must be authorized by the national government, through its office of industry and commerce or whoever is acting as such in each country. One of its main characteristics is that at the end of its financial years, the surpluses resulting from the development of the social object during the period, called profits in other types of organizations, do not enter into distribution among the associates, but are reinvested to facilitate the fulfillment of the objectives, which lead to the benefit of specific groups of the community where it acts and other needy actors of society (Cámara de Comercio de Bogotá, 2014). In this way, the capital generated is transferred to society, with criteria of transparency, and the citizen participation as an anti-corruption and tax evasion tool guarantee.

As a response to the phenomenon of corruption within the public sphere, the society joined in an NPO, whether under any of its figures such as associations, corporations, mutual associations, cooperatives, foundations, nongovernmental organizations (NGOs), it can generate a response to crises due to deficiencies in social assistance, and as a strategy to face situations of economic and social exclusion (Noya & Nativel, 2003). With the aim of addressing specific needs in different areas of the city, different forms of social organizations were generated. In particular, the figure of the cooperative emerged and strengthened through financial cooperatives, among which are Financial Cooperatives JFK, CONFIAR, CFA, COTRAFA, and COOFINEP, with savings and credit services that made viable the implementation of enterprises and the generation of small and medium enterprises (SMEs), which eventually boosted employment within the city.

Similarly, other social organizations with a cultural focus have influenced the neighborhoods' transformation on the outskirts of the city, becoming an alternative for young people, developing other possibilities that impact their life project, distancing them from the influence of the culture of drug trafficking which pervaded these hillside places. Among these organizations, the "Corporación Picacho con Futuro" and the "Corporación Social Alcázares" stand out, which developed their activities mainly in the northwestern sector of the city. Others, such as the "Asociación Scout de Colombia," with more than 100 groups distributed in the different neighborhoods and schools throughout the city, generated a space for the formation of values and life skills in children and young people.

A high number of the NPOs managed to generate positive impacts on the transformation of society by articulating themselves to the proposal of the "Fundación Amor por Medellín" (1980), strengthening ancestral values through campaigns that promoted a sense of belonging and identity with the city. The proposal that these organizations managed to articulate in an integral manner in projects focused on art and culture, by boosting the development of theater, dance, and music in the city, in some cases with the support of big companies, as is the case of the "Ballet Folclórico de Antioquia," and in others, from self-management such as the "Corporación Balcón de los Artistas" which has allowed children and young people from the Manrique neighborhood to perform the Salsa and Tango genres at an international level, from a free and inclusive training.

Other organizations that have helped the social transformation of Medellín are “Barrio Comparsa,” the “Pequeño Teatro,” the “Teatro Matacandelas,” and the “Águila Descalza,” among others. To a large extent, this was possible because the municipal administration generated, in addition to physical spaces, city events that integrated all these proposals that had as a common purpose the positive transformation of the city.

5 For-Profit Companies and the Fourth Sector

“After decades marked by the industrial crisis and the violence, Medellín has found a way to become once again one of the most representative examples of urban success in Colombia... Medellín decided to focus its development on the generation of knowledge leveraged on innovation, as a strategy to generate wealth” (Galvis, 2014, p. 237). The city has managed a constant exchange between academia, state, and private enterprise to meet this objective, also taking advantage of its public companies to create and partially finance an environment where companies dedicated to the fourth sector can grow.

One of the main sources of economic development, employment generation, and well-being for populations lies in private sector investment. The enterprise as an institution works as a union of pieces that pursue a common objective; in this sense, the organization becomes a dynamic agent in the development of the city. It regenerates new areas of influence and powers a city to become a place of reference, with an attractive and dynamic environment that offers to the local and visitors a modern and differentiated offer of leisure, culture, trade, and business.

In the case of Medellín, there is a growing trend in the participation of the private sector, as shown in the Public Registry of Commerce with 102.569 companies registered in December 2018, with total assets of COP\$ 510 billion (USD137 billion), for a population of 4 million inhabitants. The density business in the city is 43 companies per thousand inhabitants, and it’s growing at a 10% pace every year. A broad and diversified business base with the capacity to increase and expand the services offered becomes a fundamental aspect for the regions, as this component is directly related to the generation of value and the promotion of productive linkages that contribute to overall development.

Among the strategies that have allowed the rise of Medellín as a center of innovation and technology are the creation of economic clusters (as the Information and Communication Technology cluster), the development of tech center Ruta N, and a strong commitment to higher education, complemented by the development of programs to expand the interest of the general population in knowledge of technology, such as Medellín Digital and Medellín Ciudad Inteligente.

Similarly, Medellín is the city in Colombia that dedicates the highest percentage of its Gross Domestic Product (GDP) to Research and Development (R&D) activities. According to the Colombian Science and Technology Observatory (OCyT), Medellín invests 2.14% of its GDP in R&D (El Tiempo, 2018). This is important if

one considers that in the city, the private sector's share of investment in innovation is close to 50% of the total according, which shows that it has been successful in attracting capitals and companies that carry out research and development, in part thanks to strategies such as Ruta N, the Science, Technology, and Innovation Plan of Medellín 2011–2021, and the Economic Clusters strategy. All aim to boost strategic sectors for the city's economy, one of these clusters being the information and communication technologies (ICT) cluster, now called the digital business cluster.

One of Medellín's greatest commitments is to be recognized for the provision of services that require a high degree of specialization and knowledge. In this sense, the information and communication technologies (ICT) cluster plays a fundamental role. This cluster allows for the further development of other strategic sectors, such as energy and health. Precisely, the integration of these conglomerates allows the provision of sophisticated services, such as smart service outsourcing, smart city and creative transmedia. (Galvis, 2014, p. 219)

These joint strategies between companies and the local government have managed to place Medellín as the Colombian city with the highest rate of labor formality according to the national statistician DANE (2018). However, the effects of flourishing ICT in the city, as well as the boom in innovation, are not limited to good results in terms of employment and formality. Medellín has made a sustained effort from the public sector to apply new technologies to the solution of social problems, but there are also constantly emerging private enterprises that seek to respond to the city's problems. In other words, the city is benefiting from fourth sector companies, not only in terms of employment but also in the possibilities that technologies bring for the development of the city.

Among the uses of technologies to address problems are the Intelligent Mobility System, the Early Warning System, the Noise Monitoring Network, the Air Quality Network, and the Integrated Metropolitan Emergency and Security System, citizen-oriented initiatives that, through technology, respond efficiently to security, mobility, and environmental problems (Amar, 2016) (Peres et al, 2013).

The Landing program of Ruta N, for example, consists of advising and facilitating the arrival of foreign companies whose activities are related to those of the clusters in Medellín, thus favoring the entry of more innovative companies to the city. In 2020, the program is hosting 115 companies. The operation of Ruta N is possible thanks to the fact that according to "Agreement 370 of 2011, at least 7% of the ordinary surplus of Empresas Públicas de Medellín (EPM) company must be allocated to the Science, Technology, and Innovation Plan of Medellín 2011–2021, and Ruta N will be in charge of managing these resources" (Galvis, 2014, p. 250).

Likewise, within Ruta N's Landing program, one can find companies from the fourth sector whose innovations and/or services serve to improve or address social problems. According to the information available in Ruta N's portal, we can list two examples:

- Jaguar: this company, part of Ruta N's Landing program, is dedicated to creating innovative strategies for cities, as well as tactical urban planning. It also promotes events and programs for sustainable mobility in the city.

- *Educativ*: is a company dedicated to offering technological solutions to educational institutions, improving the efficiency of their processes, both administrative, academic, and social, so that they can reduce dropout rates from the institutions.

Likewise, there are companies like *Instiglio* in the *Landing* program that are more dedicated to financing innovative social projects. This is a sample of how an ecosystem of companies has been created that provide solutions to various problems of the city and shows the importance that the fourth sector of the economy has had in the transformation of Medellín.

This is possible thanks to the generation of public-private alliances in the city, as expresses by Gutierrez (2018):

Here it is important to clarify that these alliances have not been made through contracts or agreements, but through trust between the different participants. The fact that companies, academia and the government work closely has made it possible to give continuity to the transformation exercise, since the private sector has acted as supervisor, ensuring that the strategies continue independently of the mayor in office. It is not in vain that *Ruta N* has remained and has been strengthened during the last three governments. (p. 2)

In conclusion, the transformation of Medellín, which went from being the city with the highest homicide rate in the world in the 1990s and a declining industrial center to a center of innovation, development, and companies in the ICT sector, has been possible thanks to a decisive commitment by the local government to attract these companies and to create the conditions for them to prosper while the city benefits from them. Additionally, the city is characterized by maintaining the private sector as a permanent ally in its reinvention process.

6 Methodology

This study was carried out from a qualitative approach, using micro-ethnographic design as a type of investigation, taking into account that it analyzed perceptions about a particular theme and reality (Fernández Collado et al., 2014), in this case the fourth sector. This was conducted from the perspective of groups of citizens belonging to specific sectors such as small and medium enterprises, the industrial private sector, institutions of higher education, the public sector, and nongovernmental organizations.

In addition to the review of existing literature, interviews were conducted to the following managers who have been involved in the city's transformation in the last decades and could give a clear view and opinion about the fourth sector: S. D. R. (Leader in local NGO), F. R. (Entrepreneur services to impact projects), P. S. (University professor and researcher), A. Z. (Leader in Environmental service's company), C. M. Z. (University professor and researcher), and Vicer S. (Program coordinator, Academic leader).

The semi-structured interview technique was used to collect the information, in which a series of questions were designed to go deeper and to reflect, initially, the state of the city of Medellín in the past decades and its influence on the participation of the different sectors for the consolidation of the city as an innovative city today. Likewise, the relevance of cooperation and the definition of ecosystems for linking civil society, the private sector, and the public sector, which gave rise to the strengthening of the fourth sector in the city of Medellín, were investigated.

The interview script is available here for download:

www.empresando.co/wp-content/uploads/2020/09/Script_general_entrevista_Medellin-4th-sector_2020.pdf

The information provided by the various actors was codified and categorized and then contrasted with the theory, to generate the analyses and results obtained in relation to the development of the fourth sector in the city of Medellín.

This study took as a reference the ethical norms that govern in Colombia for the investigation in humans considered in resolution No. 008430.

7 Results

The joint analyses of theoretical findings and the perceptions from the interviewees revealed two major factors for the arisen of the fourth sector: a list a key strategies used in the different sectors and a chronology of implementation.

7.1 Analysis of Key Strategies Enabling the Rise of the Fourth Sector

Table 1 presents the main strategies identified for the development and empowerment of the fourth sector in Medellín city.

In the relational analysis, coherence is found between the strategy of city public policies, which are also perceived by the interviewees as one of the main strategic actions for the development of the fourth sector. It requires a high level of economic investment to guarantee its execution and permanence over time.

Economic investment is targeted to the development of programs that promote the strengthening and growth of Science, Technology, and Innovation (STI). However, the interviewees perceive the development and investment in infrastructure and the strengthening of local identity and symbolism to be more relevant, which may be more the result of the strategy than the strategy itself.

For its part, the education sector focuses its strategy on building trust within relationships, strengthening the link with the State and private companies. It consolidated the CUEE multilateral committee as the catalyst for a strategy that allows

Table 1 Analysis of key strategies (from theoretical references and results of the interviews)

Type of actor	Key strategy	
	From the actor	Perception of interviewees
Public	Public policy for social and solidarity economy (2011) Medellín Science, Technology, and Innovation Plan (2011–2021) Public Policy for Economic Development (2017) Programs: – Ruta N – Medellín digital – Medellín smart city	Investment in infrastructure (integrated transportation system) Local identity and symbolism Reduction of inequalities through public social policies
Education	State, Business, University Committee-CUEE (2003) Linking academical functions with the rest of the society	Training of young talents in specific development areas of the city (clusters)
For-profit	Investment in Innovation as a generator of wealth Economic clusters Strong investment in innovation and development (approximately 50% of the city's GDP)	Active investment, driver of economic resurgence Creation of SMEs to tackle city problems
Nonprofit	Investment in social assistance to face situations of economic and social exclusion Financial cooperatives enable small enterprises (SMEs) and job creation Alternatives for youth with cultural, education, and moral training programs Identity and city self-promoting programs for the social transformation of the territories	Social assistance in places where public management did not reach influence of the Catholic Church in a resilient process Recovery of local confidence and power Creation of small nonprofits to tackle problems in the city

strengthening research as a tool for business innovation and social appropriation of knowledge, while the interviewees perceive only a part of it as a strategy.

In the case of private companies, the main strategy is the high investment in innovation. At the beginning, it was stemming from the influence of drug trafficking in the development of the construction and automotive industries, then due to the need to stay in the market. The companies invested in innovation and development at the level of almost matching local public investment. A situation that coincides with the perception of the interviewees, in which this investment is recognized as the impetus for economic resurgence and the creation of small enterprises that are positively linked to large corporations.

In the case of the nonprofit organizations, there is a coincidence in the documentary source and the interviews regarding the development of the fourth sector, through the strategy of providing social assistance to unprotected areas, by the State action allocating its surpluses for this. This is complemented by the action of the Catholic Church, which was not included within the nonprofits group, but is recognized by the interviewees as a key actor in social resilience.

Another nonprofit strategy can be identified with cultural, educational, and moral training programs, which becomes a key element for the recovery of citizen trust and local power. It also has been stimulated with the creation of small organizations working as channels of local and international cooperation resources for the development of territories.

Although Table 1 presents the strategies associated with the actors that propose them, it is important to highlight that in all cases, the articulation of the other actors to the different initiatives has been achieved, turning this synergy into a clear competitive advantage of the city.

These strategies were articulated in a precise chronology that all actors pointed out as a sequential and coherent deployment, starting from a very difficult situation within the city.

7.2 Years 1980–1990: A Very Difficult Situation

The era of violence in the years 1980–1990, mainly due to the open conflict between Medellín’s cartel and the national government, was a very difficult time for all sectors, including entrepreneurship and social organizations. The reasons for this situation are external to the fourth sector and to the scope of this chapter.

However, we can point out that during those decades, the money was still circulating in large amounts due to industrial activities and narco incomes the large companies were operating, and associations for social care were active in areas where the government was not attending, which will constitute a significant background for later processes.

7.3 Resilience and Progressive Reconstruction: Time for Large Actors

Interviewed actors indicated that two main factors drove the resilience of Medellín economic and social issue and established the basement for the rise of the fourth sector: (1) local investment in common infrastructure and (2) creation of local symbols. They appear to be related as (2) is the resulting visualization of culminating (1).

Local investment was, for example, the Metro of Medellín and the electric stairway, both large structures that help communications between different parts of the city, fostering business connections and integration of poor neighborhoods. The local companies were benefited with this public money, which in turn was mainly spent within the city area (in worker’s salaries and social actions). The private sector was mentioned by all actors as the driving force of economic resurgence in the late 1990s to the early 2000s.

The Catholic Church appears to be an influencing force that motivated the resilience and energies and supported the new initiatives. This moment is also when many Colombians living outside the country decided to come back to their hometown, bringing back knowledge and other point of views, which is important for the future development of the fourth sector.

What most of the interviewed pointed out is a wish from local people to regain local power and self-confidence, in opposition to the centralism of capital city Bogotá. This sentiment was a strong impulse to locally gather the different stakeholders: public and private sectors and the civil society.

7.4 The Era of Small Structures and Active Entrepreneurship

After a period of investment in large structures, which direct beneficiaries appear to be large “traditional” companies, the local ecosystem used its energy to create small structures, for- and nonprofit, to continue tackling Medellín’s issues. This moment seems to be the real birthday of the fourth sector in the city.

Two components were mentioned as key factors for this movement: (1) incorporation of new technologies and (2) awareness of social and environmental impacts. Indeed, the IT (Information Technology) revolution worldwide enabled more connection between local and international actors and the generation of new solutions for local problems that could become a business case.

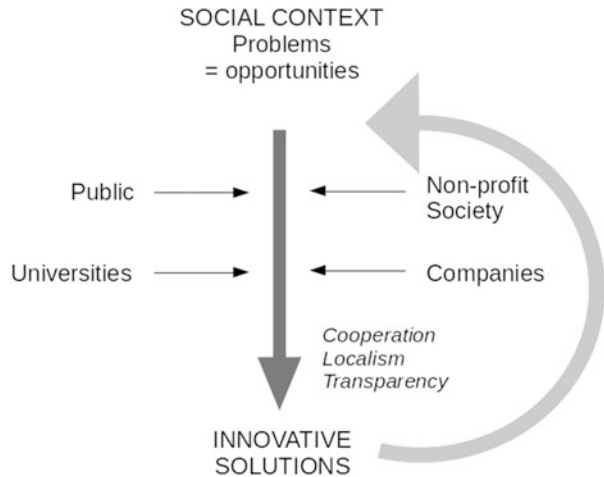
At the same time, the global awareness of negative impacts of human activities created a need within the young generations for different solutions, to “repair” the last decades. If the two main forces, the large companies and the public sector, appear to be important during this era, the collaboration between actors, in a triple helix, or probably in a multiple helix, appears to be the successful factor for the development of this fourth sector. Incubators (Creame), innovation centers (Ruta N), University-Government-Enterprises CUEE meetings, associations for promotion of entrepreneurship and local economy, etc. were the driving forces of this regeneration.

If we consider that the main challenge for start-ups is not to be generated but to survive (less than 20% after 5 years worldwide), thus it appears that this network of support could help new initiatives to endure over time (Fig. 1).

7.5 The Future of the Fourth Sector in Medellín

The future of the fourth sector appears to be a growth and a strengthening, according to the daily actors. In analysis and interviews, it was not possible to find a person that recommended a shift in how the fourth sector is working in Medellín, which is a good indication that the dynamic is going straight and will continue growing in the following years.

Fig. 1 A schematic representation of the historical process ongoing for innovative solutions through the fourth sector



As the main challenges during the maturation of this small ecosystem, most actors point out that reducing inequalities is a complex but necessary task. They also indicate that the education of talented young people is critical, in addition to increasing the actual collaborations between actors. Other factors to be tackled appear to be bureaucracy, persistence of initiatives when local government is changing, stabilization of financial resources (including at a more global level the value of the Colombian peso), attracting more foreign companies, and caring more about global sustainability in each step of the process.

7.6 Complementarity and Collaboration as Driving Forces for Local Ecosystems

The inputs from known literature and the analyses from local actors enable to draw a scheme of driving forces in the fourth sector ecosystem of Medellin (Fig. 2). This figure shows that a variety of actors are active in the rise of the fourth sector, and that structures where collaboration is organized is the preferred way to interact.

8 Discussion and Conclusions

8.1 Main Actors in the Fourth Sector

The actors of the fourth sector are not conceived in isolation from the actors of the other sectors, not only as part of the dynamic exercise of economic, productive, and social interaction but also from the genesis of this sector. In some cases, the actors,

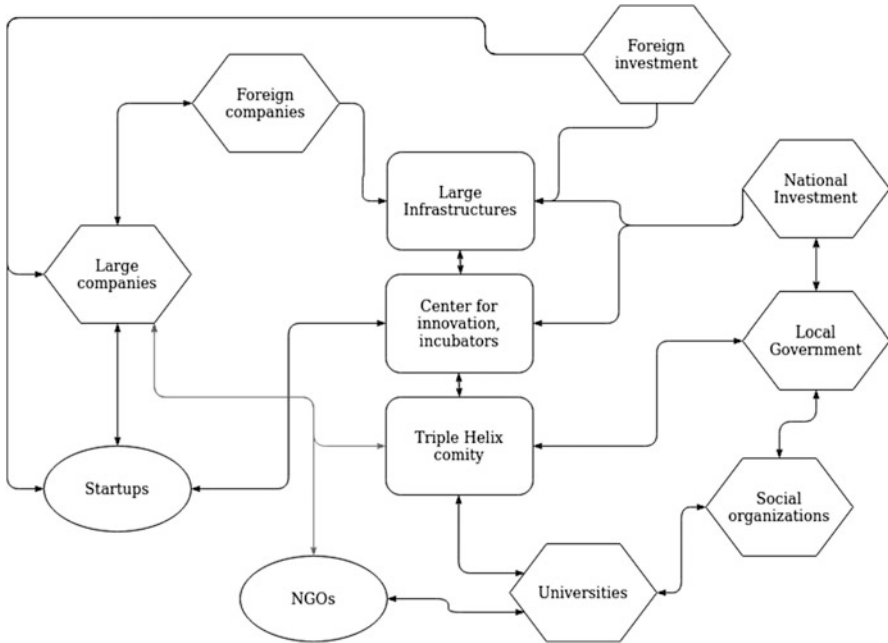


Fig.2 A diagram of main actors for the fourth sector ecosystem. Fourth sector actors (circles), main hubs (rectangles), and other actors (hexagons) are shown with their major connections

product of interaction exercises between the triple helix model or perhaps multi-helix as mentioned above, are needed in a reciprocal manner, to be able to attend in a sustainable manner and within the framework of the legal regulations in force, the solutions that the territories require for their development and transformation. In some cases, the legal figure is an impediment to be able to link to initiatives and projects of the fourth sector, leading to the large company to constitute a legal figure in the framework of nonprofit entities to perform more easily and effectively their social responsibility.

Likewise, State entities, by their very nature, require the existence of organizations, which, within their function, allow the government to contract the operation of projects and interventions to communities and specific populations for the execution, thus complying each actor with their respective function, the government manages and administers, organizations, private, and mixed, among others, to operate and generate resources that make their financial existence viable. Otherwise, it occurs from the gestation of companies in the fourth sector, from the large company, which generally host the figure of foundation, which guarantees the income necessary for its operation and support.

On the other hand, in the case of Medellin, the start-ups arise mainly from initiatives supported by innovation and entrepreneurship centers, with the linkage of private enterprise and the support of foreign investment, which aims to extend the life cycle above the national average. Likewise, as with NPOs, these are articulated

in the ecosystem of the fourth sector, especially in supporting the state and private enterprise with solutions in the provision of services.

Even though the long-term strategic planning carried out in Medellín projects the path to be followed by the elected governors in each administrative period, allowing them to develop their own government program, there is political will and openness to direct the actions toward the city's strategic references and guidelines, linking the different actors, among them the organizations of the fourth sector, and recognizing the inter-institutional synergic exercise as a key factor for the development and transformation of the city.

For the success of the CUEE in Medellín, the commitment of the higher education in carrying out research projects relevant to the context of the city and its international vision, as well as programs and social actions with high impact on the less favored communities, which allows a more efficient articulation with the enterprises and the state, is of great importance.

One of the positive aspects in the execution of the strategy of transformation of the city has been the formalization of specialized organizations for the execution of specific actions according to the different groups of interest, as the case of Ruta N for innovation, Tecnova for the commercialization of technology in the universities, and Parque E as an incubator of start-ups, among other organizations also belonging to the fourth sector that have been key in the operation of the projects.

The integration of different public policies strengthens the fourth sector to the extent that these policies are linked to its actions and projects, as operators to companies in this sector.

8.2 *Relations Between Actors*

The nature of the fourth sector's ecosystem in Medellín responds in a way that is adjusted to the characteristics of interaction of a system, in the measure that, although there is a principal orientation on the part of each actor, in a specific way, toward some of the axes, the interrelationship between these demands nodal connections proper to a network with clear, defined purposes and that respond to local policy guidelines and interests of private enterprise, social organizations, and institutions of higher education.

This is standardized and legitimate in the Territorial Ordering Plan (POT) which is the instrument that governs public investment and civil and social works. In the case of Medellín, the execution of this POT has been carried out in the last decades in a constant, sequential, and prospective way, with respect to the vision of the city that it has. All of the above has allowed and facilitated the development of the different actors of the fourth sector, which shows a very positive panorama with respect to the development of the same, recognizing these organizations as necessary and fundamental in the materialization for the social, economic, and sustainable transformation of the territory.

The organizations belonging to the fourth sector have had a great influence on Medellín's success, linked to traditional elements that are typical of the ancestral

characteristics of its inhabitants, in which the cultural legacy stands out. These include an entrepreneurial spirit, a vocation for service, a capacity for resilience, and the drive and tenacity learned in a trans-generational manner; they provide the conditions that facilitate the different components that converge in the design and execution of the successful strategy that Medellín has developed for its transformation.

It is okay to foster relationships of trust between the university and the company; although both institutions have dealt with different aspects from a missionary perspective, legal nature, and object of constitution, these must finally be found in the development of social responsibility actions, in the generation and transfer of knowledge between both parties, which requires them to weave a transparent, fluid, serious, and responsible relationship, such as the one that has been built between the university and the businesses in Medellín.

A convergence is identified, in a complementary way, in the entrepreneurial training process, in which each actor contributes from its expertise and speciality, nourishing in a significant way the different stages of the entrepreneurial process, some from training and support in the ideation, incubation, and generation of prototypes, accelerators, and financing, with specific support from the private company and economic benefits from the State and support and accompaniment from the fourth sector.

8.3 Limitations and Challenges for the Fourth Sector

The main limitations for the formation and preservation of organizations in the fourth sector are mainly due to bureaucratic aspects, difficulty in accessing specialized capital funds, difficulty in accessing different geographical areas, and mostly the low participation of the different business sectors in environmental and social needs.

As a result, there is stagnation in the consolidation of fourth sector companies, little allocation of enterprises resources to social aspects, low worker training, lack of tax incentives for this type of company, difficulty in maintaining the first few years, and low market participation. Despite the projections, there is low interest in financing, difficulty in offering services, and little remuneration because there is an imaginary where sustainable services are not considered so important.

In addition, there are difficulties in changing the mentality and making it understood that fourth sector companies are profitable and fundamental to the changes in the market. Lack of technical and business training is reflected in vulnerabilities to the multiple demands of the market, little internationalization, and low competitiveness.

One of the characteristics that identify SMEs is their fear of visualizing their business in a global manner, referring to the operation, identifying, for example, that few SMEs export, because they have organizational, financial, and technical limitations. This is coupled with ignorance of the markets in other countries, agreements, laws, and restrictions to export products, limiting their growth, lagging behind the

local market, as if that were not enough is added the lack of logistics management regarding distribution channels and additional to the limitation of low production volumes that can offer and little variety of products.

Seen from a concept from the environment faced by fourth sector start-ups, the challenges are to build trust for stakeholders, from banks, customers, public institutions, and other actors. This confidence building requires a wear and tear on time and productivity but will provide greater chances of survival. Another major constraint is the limited opportunity to cluster or work with companies to generate leverage. The development of the sector must be articulated with other organizations in the economy in order to think about developing processes, lines of work, and alliances. How can we add more together?

There is little adaptation to the global context in the institutions which is reflected in more closed and strict bureaucratic systems that can interfere in the generation of lasting processes as they are exposed to the political changes of the country. There is little market management of currency fluctuations, and the economy stagnates when faced with currency changes, since there is no internationalization, which generates low competitiveness in the global market, thus failing to take advantage of the benefits that globalization can bring. In every market, attracting international companies teaches good practices, develops cross learning, helps to reduce inequality gaps, and produces more opportunities for all.

To conclude, one of the greatest challenges presented by the ecosystem of fourth sector companies in Medellín is to sustain the synergies that have arisen to date, seeking to ensure that they are maintained over time and that they sustain or increase their level of investment and development without depending on political decisions, with physical spaces for innovation and interaction all actors, with constant processes of improvement.

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The Behobia/San Sebastián Race: Running Past the Boundaries of Sport



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Abstract The “Club Deportivo Fortuna Kirol Elkarteá” (“Club Deportivo” and “Kirol Elkarteá” means Sports Club in Spanish and Basque, the two co-official languages in the region where is geographically located.) Sports Club is an organisation that works to promote a wide range of different sports, to encourage competitive and recreational sport at the grassroots level and to organise events open to the public. The best-known popular event is the Behobia/San Sebastián 20 km race that each year brings together more than 30,000 runners on the second Sunday in November. As the organisation clearly has a social mission, its ability to make an impact is mainly conditioned by the results of the commercial activity generated by the race. This is a clear case in which we can see just how fluid the boundary is that separates the traditional non-profit sector and the private one, and as a result, it is necessary to talk about a fourth sector, which is also known as the “For-benefit organisation” sphere. This case is also particularly interesting as in the fourth sector explicit references to sports associations, sports clubs or sports organisations in general are practically non-existent, when the economic and social impact that sport and the practice of physical exercise has is undeniable. The methodology used is the single case study approach, and reports, internal studies, web pages, archives of presentations, audiovisual archives, visits to the organisation, attendance at presentations of events and press conferences and interviews with the management team have been made use of as sources of evidence. The analysis of this case makes it possible to conclude that the sports association studied here can be classified as a “For-benefit organisation”. “Best practices” in the use of relevant business management tools for organisations in the fourth sector devoted to sport and in other fields can also be obtained from its development as an organisation. Its strategic thinking, market orientation and public-private collaboration form a triangle that has raised an organisation that started out as being local and amateur to the level of a competitive “For-benefit organisation” that can stand out as an international source of inspiration.

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1 Introduction

The emergence of the concept of “The Fourth Sector” has made it possible to go beyond the “For-profit/Non-profit” debate and has highlighted the importance of the reality of “For-benefit organisations”. According to the Fourth Sector Network (2009), organisations form vital elements in any society and are the result of what individuals have gradually designed over time. They are also a mirror of the moment in which they are created, as they reflect the norms, values, priorities and context in which they are created. However, it is also true that organisations evolve in accordance with the needs that emerge in society. As a result, organisations classified as forming part of the primary sector, that is, the private sector, have begun to take significant steps along the continuum regarding the maximisation of benefits, from focusing on maximising economic-financial benefits to maximising social benefits. In the same vein, public sector and non-profit organisations are gradually shifting on the continuum with regard to obtaining financial income from charity or subsidies towards obtaining income by exchanging market value. These trends have been characterised as movements of organisations that converge towards a new playing field and emerging movements that create new hybrid organisations that transcend the traditional classification into private, public or non-profit sectors. This results in fourth-sector organisations that are basically characterised by having a social commitment inherent to their very essence and by certain business methods that lead them to develop gainful activities that are in keeping with their more social aims.

The literature referring to the fourth sector is expanding, showing the interest that the subject arouses. An example is the next publication by López-Cózar-Navarro and Priede-Bergamini (2021) already available on the web or recent publications by Rask et al. (2020), David (2020), Rubio (2019) or Blanco (2019). Regardless, the literature on the fourth sector ~~As the literature on the fourth sector~~ is still in its very early stages (Sabeti, 2017), it is also a fact that explicit references to sports associations, sports clubs or sports organisations in general are practically non-existent. Nevertheless, many activities based on sport and the practice of physical exercise deserve to be considered not only on account of their social impact but also because of their economic impact. There are a great many references that could be mentioned regarding this dual impact, but the United Nations Sport for Development and Peace report, published by UNICEF (2003), superbly develops the idea of the transformative power of sport. It maintains that sport is intrinsically participative and inclusive; enables the acquisition of skills such as discipline, trust or leadership; and teaches basic principles such as tolerance, cooperation and respect. However, sport is also about individual and community health, voluntary work, education, social integration and economic development. All this makes it especially intriguing to analyse in depth how a local amateur sports organisation has been able to progress and evolve

from the non-profit sector towards the “For-benefit organisation” sector by applying business practices but not abandoning its social commitment. The purpose of this document is, therefore, to study in depth a relatively complex phenomenon such as that of an organisation moving to the fourth sector in its real context and to illustrate good practices. To this end, the document is structured as follows: a brief exposition of the methodology used, a detailed description of the case and the identification of good practices detected in the case study.

2 Methodology

The selected research methodology is the case study approach, in particular, the single case study. As the aim of this research is to analyse in depth a complex business or organisational phenomenon in its real context in order to illustrate good organisational practice, the case study is set up as an appropriate valid alternative (Villarreal Larrinaga & Landeta Rodríguez, 2010). The key authors in this research field have been Yin (1989) and Eisenhardt (1989), who have led the way and disseminated its use in the scientific-academic sphere. These researchers advocate the use of this methodology when, for example, the aim is to explain complex causal relations, to describe the real context in which an intervention occurs or to assess the results of this intervention.

This research opts for the path suggested by Eisenhardt (1989), in the sense of approaching the phenomenon without any pre-established theories or hypotheses, as what is precisely intended is to develop an explanation of the phenomenon that has been observed. A single case has also been selected based on theoretical, non-statistical sampling on considering that the case is relevant and significant, as well as providing an excellent learning opportunity (Galve & Ortega, 2000; Alajoutsijärvi et al., 2001; Galperin & Lituchy, 1999; Min & Melachinoudis, 1999; Kumar & Arora, 1999; Karlsen et al., 2003; Martínez Carazo, 2003; Boyett & Curie, 2004; Rialp et al., 2005).

As for sources of evidence, documentary evidence (internal studies and reports, web pages, archives of presentations and audiovisual archives), direct observation (visits to the organisation, presentations of the organised events, press conferences) and interviews (with the management team) have been used.

3 Fortuna Sports Club and Behobia/San Sebastián

The following lines recount in detail the history of the Fortuna Sports Club and describe in depth the various issues related to the most important event as far as commercial activity is concerned, the Behobia/San Sebastián race. The data on participation, assessments by runners, the social impact on the health of those taking part, the social inclusion of the disabled, the challenge of gender equality and the

commitment to environmental sustainability and solidarity, along with the data regarding the economic impact produced in the region, give us a better idea of the case that will be analysed in the following section.

The Fortuna Sports Club was founded on the 24th of April 1911 in the city of San Sebastián/Donostia (Basque Country, Spain). It is, therefore, a hundred-year-old organisation that currently has a thousand members. Its longevity is an unusual feature in sporting associations or clubs that aim to promote grassroots sport. During all these years, numerous sports have been promoted, but cycling, football, mountaineering, athletics, swimming, motorcycling, chess, canoeing, rugby, Basque pelota, climbing, volleyball, fencing, rowing, basketball or table tennis stands out. Some of these disciplines have disappeared, others survive, and others have emerged in response to the social context and market demand. At the moment, the sports disciplines that it promotes are mountaineering, swimming, volleyball, climbing, fencing, canoeing, rowing, chess, table tennis, water polo, athletics and stand up paddle (SUP).

Throughout all these years, the Club has also organised a significant number of sporting events such as the Spanish Cycling Championship, European Championship of Athletics in veterans, Basque pelota tournaments, diving or athletics competitions. At the present time, the following sporting events stand out: The Inter-school Climbing Meet, Amstel Radler San Sebastián Paddle Tour, Pio Baroja Boulder Championship, Donostia-Hondarribia Talaia Bidea mountain race, Mertxe Uzal Memorial fencing tournament, Mountain Trek, La Concha Veterans Regatta, Getaria-Donostia canoeing race, the Paseo Nuevo swimming race, Salome Campos-Bermeo swimming race, The Gabon Kontxapuzon water-polo Xmas dip, The Urumea swimming race and the Behobia/San Sebastián fun run. It is precisely the latter event, a 20 km fun run that around 30,000 athletes take part in each year (see Table 1), that has required the Fortuna Sports Club to make a special effort and commitment. The first race took place in 1919, and altogether 55 races have been held to date. The interruptions in holding the event have been due to numerous incidents such as the military conflicts that the region has gone through or the economic and social context.

Originally, the Club was founded with the goal of promoting sport, and it understands this in its broadest sense, not only as an activity to be enjoyed but also as one for self-improvement and social integration as well. Apart from its multi-sport nature, it is characterised by encouraging grassroots amateur sport and leaving aside more professional sport.

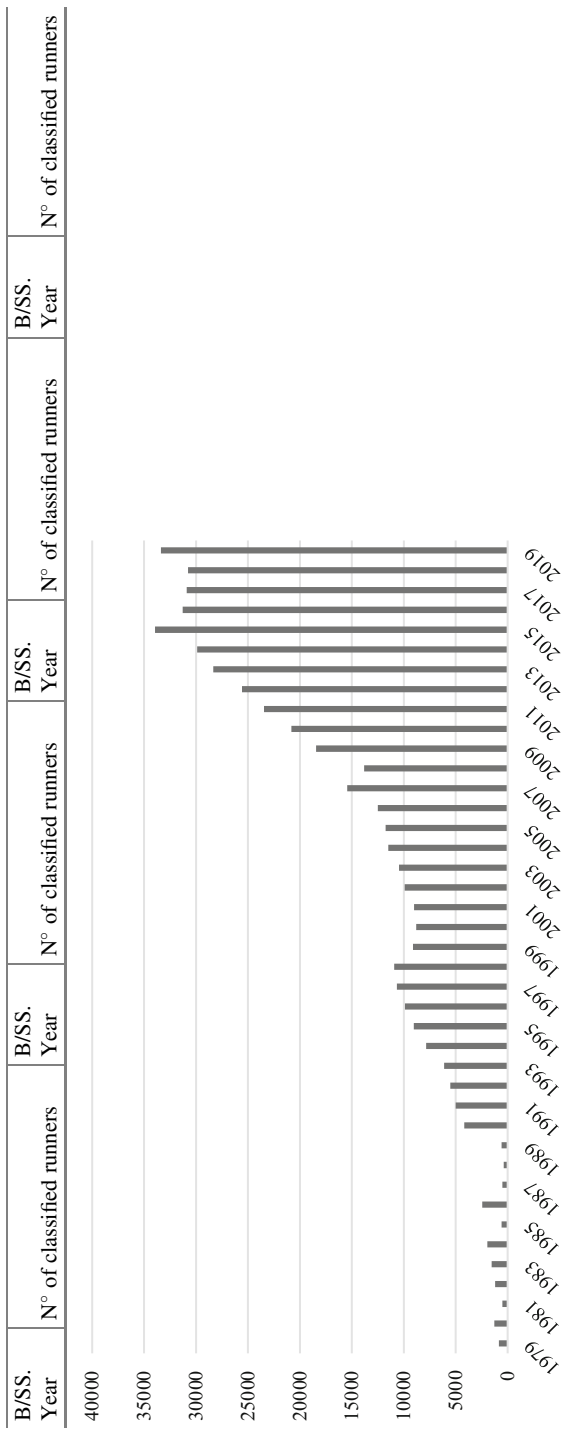
Throughout the history of the Club, various events have been held that have generally been well received by the public, and it has also suffered the ravages of political and economic circumstances like the Spanish Civil War or the economic crises that Spain has gone through. However, there is one moment that has especially left its mark on the association's calendar, and this is in 1979, when two veteran members of the Club suggested to management that they should revive a race that had undergone some significant ups and downs in history. In fact, this was the Behobia/San Sebastián fun run that in that year had been held on no more than fourteen occasions and which in this restored version managed to bring together an

Table 1 How the number of registrations has evolved in the Behobia/San Sebastián race by year

B/SS. Year	N° of classified runners	B/SS. Year	N° of classified runners	B/SS. Year	N° of classified runners	B/SS. Year	N° of classified runners
1979	831	1990	4187	2000	8801	2010	20,809
1980	1291	1991	5002	2001	9020	2011	23,453
1981	516	1992	5520	2002	9925	2012	25,581
1982	1204	1993	6113	2003	10,464	2013	28,342
1983	1548	1994	7852	2004	11,502	2014	29,892
1984	1954	1995	9028	2005	11,750	2015	33,948
1985	573	1996	9885	2006	12,509	2016	31,276
1986	2457	1997	10,659	2007	15,439	2017	30,912
1987	503	1998	10,934	2008	13,824	2018	30,775
1988	375	1999	9101	2009	18,444	2019	33,379
1989	589						

(continued)

Table 1 (continued)



unexpected number of participants. Nearly a thousand athletes dared to take part and cover the tough 20 km route that links the village of Behobia to the city of Donostia/San Sebastián. A total of 831 runners reached the finishing line. Since then, the race has never stopped growing.

Table 1 shows how the number of participants in the Behobia/San Sebastián race has evolved in its more modern phase that practically covers the last 40 years. If the 1980s were characterised by a slow increase in the number of participants and the 1990s by more pronounced growth with a peak of 10,000 runners, the change of millennium meant that it entered a phase of explosive growth. In 2013, it went beyond the limit of 25,000 participants which led the organisers to aim to quantify the economic impact that the race was having on the region by following rigorous professional criteria.

Another key moment for the association was in 1996 when the Donostia/San Sebastián City Council showed the confidence it had in the Club by granting it the right to run the Pio Baroja Municipal Sports Centre and in 2005 the Zuhazti Municipal Sports Centre. These facilities form part of an extensive network of municipal sports centres which, except for these two centres, are publically run. Managing these two sports centres opened up the possibility for the Club of including the sports practised in these installations in the sports programme offered by the City Council in its annual campaigns and in its summer activities. Later on, in 2011, the Fortuna Sports Club was granted a new concession on La Concha beach that focuses on water sports, especially canoeing and SUP.

It is worth stressing that the Club has received two especially important public awards in the city such as being granted the Citizens Medal of Merit in 2003 and on the 20th of January 2012 the Golden Drum, the highest award that the city presents each year to the individual or entities for their work promoting the image of the city as well as for their professional merits. The 20th of January is the city's patron saint day and is the most important and significant day in the city's calendar for historical reasons.

The thousand members, dozen sports sections and many more sporting events, in particular, the Behobia/San Sebastián race, led the Club in 2014 to launch a strategic reflection process together with an external consultancy company. This resulted in the overview defined in the following terms: "To be recognised by society in Guipuzcoa as the benchmark club in promoting grass-roots federated sport and leisure as a basic factor in individual development regardless of age and gender, through: (1) its sections, the management of facilities, the organisation of events and the development of collaborative projects with organisations and entities; (2) the launching of new lines of services that focus on meeting the aims of the Club; and (3) the workers, partners, volunteers and users as the cornerstone of the Club". The reflection process also highlighted the desire to continue with the activities that the club was now carrying out; to develop new lines of services that could boost sports services in the educational sphere, especially minority sports; to develop sports activities in new segments such as tourists visiting the city; and to work on improving and enhancing internal communication, voluntary work, collaboration between other entities and the organisation and external communication. The

reflection process expressly showed that the management of the facilities ought to make profitability a goal and requirement that should always serve the Club's social purpose. Furthermore, events should also always aim to make a profit, in line with the Club's social goals. All of this was accompanied by an organisation chart with a Board of Directors that delegates responsibility for managing the sections, activities, facilities and events to different people. In turn, a coordinator is appointed for each of these working areas, and cross-cutting processes such as marketing, communication, economic-financial affairs and people management are defined, with a coordinator in charge of each process. As Fernando Ibarreta, member of the Fortuna management team, indicates, "strategic reflection transformed a pyramid and vertical organization into a transversal and horizontal organization". Finally, to end up this description, we present the last major figures available for Fortuna Sports Club.

Fortuna Sports Club in figures, year 2019

Total turnover: 4,650,000€
Facility management business volume (Pio -Zuhaizti-playa): 2,500,000€
Behobia/san Sebastian race: 1,400,000€
Other events: 100,000€
Partners, grants, sponsors, others: 650,000€
Number of employees: 85
Personnel cost: 2,055,000€
Behobia/SS production cost: 1,200,000€
Cost of the sports sections: 300,000€
Sports Club surplus: 200,000€
100% of the surplus destined for Club investments

Having described the Fortuna Sports Club, let's now take a detailed look at the Behobia/San Sebastián race, the event which gave rise to the strategic reflection process at the Club. On the second Sunday in November each year, the city of Donostia/San Sebastián, which has slightly less than 190,000 inhabitants, is transformed to host around 30,000 runners and the people accompanying them. On this day, the Behobia/San Sebastián is held, the 20 km race with a 192-metre elevation gain that starts in the neighborhood of Behobia (village of Irun) and ends in the city of Donostia/San Sebastián. The runners, divided into different starting groups according to the certified time in the race in previous years or in previous half-marathons, start out in an orderly fashion. The first group will set off at 10:00 and the last one at 11:40. Before this, athletes on hand-bikes and roller skates will have started the race. The runners will have up to eight refreshment areas available with water and sports drinks, as well as solid food. Along the route, there will be five medical aid stations which are rounded off by another one at the start and at the finishing line. The organisers will have enabled access to the race in public transport in coordination with different public transport companies as well as a cloakroom for dropping off belongings at the starting line which can be picked up at the finishing line. Together with the official race t-shirt, athletes will also be given the bib with a chip for timekeeping, and those who cross the finishing line will be presented with a commemorative medal, before they can recover from the effort they have made at the

Table 2 Overall satisfaction with the Behobia/San Sebastián race

	B/SS. Year 2019 (N = 8337)		B/SS. Year 2018 (N = 7693)		B/SS. Year 2017 (N = 7269)		B/SS. Year 2016 (N = 4393)	
	X	SD	X	SD	X	SD	X	SD
Overall, my level of satisfaction with the race is	8.73	1.11	8.47	1.24	8.53	1.14	8.48	1.17
Overall, my level of satisfaction with the ratio between the price paid to register and the services received in the race is	7.66	1.77	7.26	1.95	7.12	1.96	6.97	2.05
How likely is it that you would recommend the race to a friend?	9.18	1.28	8.92	1.45	8.92	1.43	8.79	1.49

numerous stands set up with food and drinks and get changed and have a shower in different sports centres fitted out at various points in the city.

There have been many changes since the race was first held on the 30th of March 1919 with a total of 36 participants, but there are some things that are still the same: the tough route that the race follows and the “roar” of the crowd as each runner passes by, an enthusiastic public that turns the event into a unique experience that makes the people that enjoy it want to repeat it and recommend taking part in the race to their friends and family.

This is reflected in the latest satisfaction survey that the organisers conduct among all the participants which, among other questions, asks about their level of satisfaction with the race or whether they would recommend it. In Table 2 can be seen that on a rating scale from 0 to 10, with 10 being the highest level of satisfaction, the runners show an overall level of satisfaction of 8.73 in the latest race, which is the highest score in the last 4 years that it has been held. Furthermore, when they are asked about their level of satisfaction with the ratio between the price paid to register (45€ in the latest race) and the services provided in the race, a favourable score shows that is the highest in the last four of the race. Finally, after consulting the runners about the likelihood of them recommending the race to a friend, the score reaches a value of 9.18, which is also the highest in the last 4 years of the race.

The organisers obtain further useful information for the effective and efficient management of the race with more questions in the annual satisfaction survey that is sent out within just 5 days of taking part in the event. It is worth, for example, stressing that running the Behobia/San Sebastián is a really important challenge for the runners. On a scale of importance from 0 to 10, they rate it with 8.04 in the latest year of the race (Table 3).

The satisfaction survey also shows that the atmosphere, tradition, organisation and the route followed by the race are questions that are considered to be really important by the runners (see Table 4).

Without going into other questions in detail, it can also be noted that runners rate the information about the race provided by the organisers with a very high score and are very pleased with the route, the registration process, the handing out of bib

Table 3 How important is the challenge of running the Behobia/San Sebastián for you?

	B/SS. Year 2019	B/SS. Year 2018	B/SS. Year 2017	B/SS. Year 2016
<i>N</i>	8337	7693	7269	4393
Mean	8.04	7.95	7.90	7.82
Standard deviation	1.66	1.60	1.56	1.59

Table 4 Importance of various questions regarding the race

	B/SS. Year 2019 (<i>N</i> = 8337)		B/SS. Year 2018 (<i>N</i> = 7693)		B/SS. Year 2017 (<i>N</i> = 7269)		B/SS. Year 2016 (<i>N</i> = 4393)	
	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation
The atmosphere of the race	9.62	0.83	9.59	0.83	9.54	0.92	9.52	0.88
The tradition of the race	9.03	1.34	8.80	1.46	8.75	1.51	8.63	1.55
The organisation of the race	8.92	1.37	8.65	1.50	8.67	1.42	8.60	1.39
The attraction of the route	8.07	1.80	7.97	1.77	8.00	1.73	7.98	1.71
What it costs me financially	6.11	2.40	6.05	2.47	5.96	2.54	5.92	2.61

numbers, the design of the medal and t-shirt, the organisation of the starting groups, the participant services, the quality of the refreshment areas, musical entertainment points, the cloakroom service, the access services to the starting line, the services at the start of the race, the charity bibs and the sustainability measures adopted by the organisers.

The race event is reinforced by numerous services aimed at runners that are described in the following lines.

The Race Fair (previously called the Runner's Fair) opens its doors at 12:00 on Friday and provides a precursor of what the race on Sunday will be. At the Fair, runners who have not picked up their bib number beforehand at one of the points set up for this will be able to do so comfortably without long queues. Together with the bib, they will receive the race bag with the race t-shirt, magazine, instructions on how to get to the starting line and a gift from the sponsors. They will also be able to visit different stands run by sports brands that delight the runners who are already looking forward to taking part in the race on Sunday. Table 5 includes the number of visitors and exhibitors in different years that the race has been held.

The organisers don't forget about really young runners, and the Saturday will be devoted to them by holding the Behobia Txiki (Behobia Children). Children up to

Table 5 Attendance of visitors and exhibitors at the Race Fair

	B/SS. Year 2018	B/SS. Year 2017	B/SS. Year 2016	B/SS. Year 2015
Attendees	28,465	25,369	27,626	27,436
Number of stands	34	–	41	40
Marquees	–	–	14	11
Modular stands	–	–	42	40

Source: Fortuna (2019)

the age of 13, organised in age groups, will have the chance to take part in the numerous short-distance races in the athletics stadium in the city. All the money raised through sales of children's bibs goes to one of the top-rated international children's organisations, UNICEF.

The Behobia Txiki makes way for the Behobia Gazte (Behobia Youth) on the same day as the senior event. This was set up with the aim of making the race more accessible for youngsters between 14 and 18 years of age and providing them with the opportunity to enjoy the experience of taking part in the race at a distance in accordance with their age. The organisers have noted, with certain concern, that Millennial generation runners are not signing up for the senior race to the same degree as previous generations like Generation X or the Baby Boomers and that these two generations are gradually getting older, so the profile of those taking part in the race is starting to undergo a certain degree of aging.

After the Behobia Gazte, this Sunday the senior event will begin, a race where the organisers display their resolute commitment to health. On top of the aforementioned medical aid stations, there are also the blood-sugar stands for people with diabetes. Up to four stands are set up along the route where anyone with diabetes will be able to measure their glucose levels and specialised personnel will provide glycemic control supplements if these were necessary. Another outstanding new feature is the "smart" bib initiative. A QR code on the front of the bib is linked to the runner's standard identification on the back which the runner will be able to activate to access an app to provide their personal details in an emergency situation. If necessary, the medical services will be able to rapidly access important details regarding the runner to ensure more effective intervention. On the web page, the runners also have a stroke signs and symptoms questionnaire designed by the Behobia/San Sebastián Medical Advisory Committee. The Committee made up of two Rehabilitation physicians, an intensive care physician and a clinical epidemiologist from the Basque Government health network and a sports doctor from the Government of Navarre designed a tool with the aim of establishing a fast and simple frontline prevention measure to detect which athletes are at risk of suffering a heart attack or sudden death during exercise. According to the organisers, approximately 75% of the participants complete the self-assessment questionnaire. Runners also have the BSS SAFE app available, which calculates a recommended pace according to the runner's target time depending on the ambient temperature, humidity and wind forecast for the day of

the race. The organisers, concerned about the effect of the heat on the race, provide a wide range of information to help the runners to review their time goals for the race.

In this chapter on health, the research carried out by the Club together with Deusto University and the University Hospital in Donostia deserves special mention. In 2014, the organisers wanted to know the impact that the race had on the lifestyle of the people taking part in it. According to the World Health Organization (WHO), a sedentary lifestyle is the fourth leading risk factor in mortality worldwide and is responsible for between 21% and 25% of cases of breast and colon cancer and 27% of cases of diabetes and linked to 30% of cases of ischemic heart disease. The numerous studies that have been carried out suggest that exercise is a key aspect in preventing cardiovascular diseases or endocrine disorders. As for the research, they started out from the hypothesis that the Behobia/San Sebastián race plays a significant role in encouraging the population to take up running, in particular, and sport, in general. They tried to find an answer to the general question: Does the lifestyle of people who decide to take part in the Behobia/San Sebastián race change? And in particular, does their lifestyle change as far as matters like engaging in physical activity in general, diet, alcohol consumption and smoking or their sleeping habits are concerned? To what extent is the lifestyle of those who take part in the race different from the population as a whole?

The results showed that among participants in the race, their self-perceived health improves and that runners take better care of their diet and reduce alcohol consumption and smoking and keep regular sleeping hours. Let's take a more detailed look at some significant data in the research.

- Asked about the improvement they noted in their health after taking the decision to take part in the race, almost 50% claim that it has improved quite a lot or very much. Furthermore, a statistical hypothesis was tested to check whether the average improvement in their direct perception of their health was significant or not. The results concluded that, in actual fact, among runners, the direct perception of their health had improved after taking the decision to take part in the race and did so in a statistically significant way.
- They were also asked whether they were more or less pleased with their weight after deciding to take part in the Behobia/San Sebastián race. In this case, almost 40% stated that they were rather or much more pleased, and only a marginal percentage said that they were rather or much more unhappy. The average body mass index (BMI) of the survey respondents was in the range considered to be normal (between 18.5 and 25), at 23.57. What is more, taking part in the race had meant that many runners had a healthier weight.
- According to this study, a considerable percentage of survey respondents had improved their diet since they had taken the decision to take part in the Behobia/San Sebastián race. In particular, slightly more than half of the survey respondents said that the challenge of running the Behobia/San Sebastián race had had a significant or quite significant influence on improving their diet. As for its influence on smoking, slightly more than 17% confessed that the race had had a significant or quite significant influence on cutting down on smoking. In the case

of alcohol consumption, for slightly more than 20% of survey respondents taking part in the race, it had had a significant or quite significant influence on reducing their consumption. That is, the data showed that taking part in the race had meant that some runners had changed their lifestyle, which has become healthier on taking the decision to take part in the race.

With all that, it can be said that the race has become an important event in a fun runner's personal calendar as well as a driving force for sustainable change in the increasingly healthier lifestyle of thousands of runners. However, the research also concludes that the Behobia/San Sebastián race is a good investment in public health for the area.

The commitment to health is not the only one that the Club has made. The inclusion of the disabled is another important aspect. Getting the disabled to sign up for the hand-bike race or the participation of blind people together with volunteer runners who serve as guides in the race definitely provides yet another illustration of how the Club manages to meet its social purpose through a commercial activity. Table 6 shows how the number of disabled people who have signed up for the race has evolved.

Health and the inclusion of disabled athletes are accompanied by another commitment, which is parity between male and female runners. Gender equality is a strategic commitment that the organisation has made for the next few years. Changing the name of the Race Fair (previously known as the Runner's Fair) is just a minor detail in a strategic course of action. In 2018 the organisation launched an initiative to achieve parity between men and women, the 50/50/25 programme, that is, 50% women, 50% men, by 2025. This is a programme that launches strategies based on equality that, above and beyond the figure of 50/50, aims to carry out measures to raise awareness that encourage the social change needed to ensure that this goal can become a reality. The organisation has begun a strategic reflection process, and they are working on various matters linked to sport and gender. Within this framework, the organisation has included female pacesetters or hares¹, a responsibility that a dozen women have taken on who together with another 17 men are responsible for setting different paces for the race. And although there is still a long way to go to achieve parity as far as participation is concerned, the number of women signing up for the Behobia/San Sebastián race is constantly increasing as can be seen in Table 7.

As part of this same course of action, in the 54th race, Kathrine Switzer, a symbol of the struggle for equality for women in sport, was invited by Deusto University to take part in various events. Switzer was the first woman to run a marathon as a numbered entrant. She did so in the Boston marathon in 1967 at a time when this distance was run exclusively by men. Her presence in the city had a significant social and media impact, which helped to promote the idea of gender parity in the Behobia/San Sebastián race.

¹“Hares” have the role of setting a fixed pace during part of or throughout the entire race, so that any participants who so desire can follow them and be helped to achieve a finishing time.

Table 6 Disabled people in the Behobia/San Sebastián race

	Wheelchairs	Hand-bike	Visual impairment	Walking impairment	Brain damage	Roller-skaters with impairment	Deaf people	Total
2006	18	2	10	5	3	0	–	38
2007	16	2	14	2	2	0	–	36
2008	15	5	14	3	4	0	–	41
2009	27	3	36	13	2	0	–	81
2010	12	6	27	2	0	0	–	47
2011	9	8	29	0	0	0	–	46
2012	7	16	19	0	0	0	–	42
2013	4	16	20	0	0	0	–	40
2014	4	17	16	2	2	2	–	43
2015	3	20	11	0	1	2	–	37
2016	11	27	17	6	1	1	–	63
2017	10	34	23	6	1	1	–	75
2018	11	37	32	5	1	1	–	87
2019	9	29	26	4	0	1	10	79

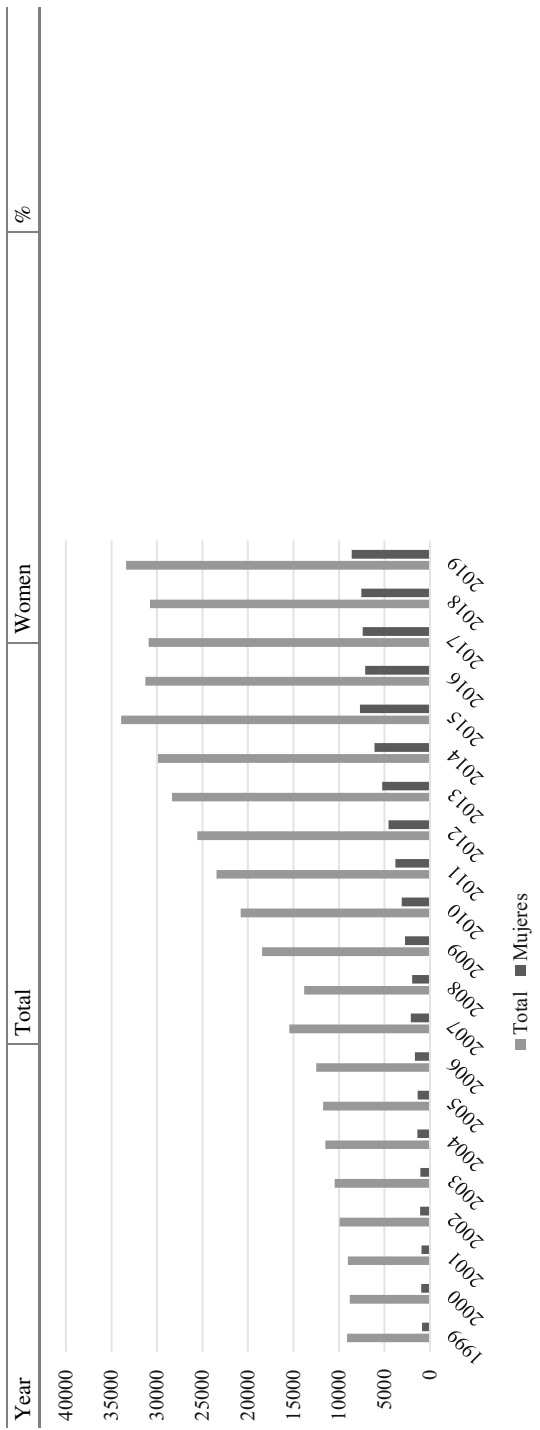
Source: Fortuna (2019)

Table 7 Number of women signed up for the Behobia/San Sebastián race

Year	Total	Women	%
1999	9101	859	9.44%
2000	8801	969	11.01%
2001	9020	928	10.29%
2002	9925	1078	10.86%
2003	10,464	1050	10.03%
2004	11,502	1378	11.98%
2005	11,750	1357	11.55%
2006	12,509	1663	13.29%
2007	15,439	2116	13.71%
2008	13,824	1962	14.19%
2009	18,444	2743	14.87%
2010	20,809	3116	14.97%
2011	23,453	3795	16.18%
2012	25,581	4557	17.81%
2013	28,342	5248	18.52%
2014	29,892	6092	20.38%
2015	33,948	7703	22.69%
2016	31,276	7111	22.74%
2017	30,912	7384	23.89%
2018	30,775	7534	24.48%
2019	33,379	8604	25.78%

(continued)

Table 7 (continued)



Source: Fortuna (2019)

The organisation also continues to show a serious commitment to environmental sustainability. Since 2002, in collaboration with different local public service, the waste produced at the refreshment stands is separated at source to be selectively collected and then recycled. In 2009, the organisation opted to change the refreshments system by switching from plastic bottles to paper cups, which significantly reduced the volume of plastic waste that is produced. In the same year, in collaboration with local public services, they began to collect the abandoned clothes that runners use on the starting line to keep warm. Later on, in 2014 and 2015, the Club carried out an environmental diagnosis of the race in order to find out what the impact of this was and, consequently, to work on reducing it. As a result of this work, a report was published that is available on the race's web page. Later on, in 2016, the organisation took another step forward on becoming the first open-air sports event in the region to receive the Erronka Garbia certificate issued by IHOBE, which is the Public Company attached to the Basque Government Department for the Environment, Territorial Planning and Housing which supports the Basque Government in developing its environmental policy and in spreading the culture of environmental sustainability in the Basque Autonomous Community. The Environmental Impact Statement for the event is also available on its web page.

The spirit of solidarity that characterises the race should also be pointed out. In the latest Behobia/San Sebastián race, the runners who so desired had the option of choosing from among a total of 17 different charity projects. Participants can register by purchasing a Charity Bib which consists of paying a supplement of seven euros when they buy the bib and allocating this money to one of the selected social projects. The organisation donates an extra Euro for each runner registered through the Charity Bib programme. The projects in 2019 include international ones like UNHCR, Vicente Ferrer or the Red Cross and others that are based locally.

Bibs can only be purchased using intuitive web forms for runners, just like the APP for the race itself which enables the runner to access all relevant contents. That is, the organisation has not neglected digital technology and has adapted its entire organisation to meet the requirements of a digital society. In this sense, its presence on the different social networks is also striking with 13,918 friends on Facebook, 11,994 friends on Twitter or 14,552 followers on Instagram.

All these commitments, the health of participants, the social inclusion of people with disabilities, the search for gender parity and the commitment to environmental sustainability or solidarity, have not ignored one of the determining factors in the aforementioned strategic reflection process, that is, that each project must be profitable and always be in line with the social purpose of the Club. In this sense, they wanted to stress two relevant activities that the organisation has carried out: measuring the economic impact and establishing the brand value of the race.

In 2013, the Club got in touch with Deusto University in order to establish the economic impact that the race had in the province. To do this, it signed a partnership with the University and a research team from its business school, the Deusto Business School, which was responsible for leading the measuring work. The researchers used methods that are standard in this kind of work, which involved

Table 8 Summary of the economic effect of the Behobia/San Sebastián race, 2013

	Expenditure by participants	Expenditure by Fortuna Sports Club	Expenditure by sponsors	Total
GDP: Direct + indirect effects	13,017,163	1,196,988	646,802	14,860,953
Direct effect: Direct expenditure	7,728,466	677,657	350,191	8,756,314
Indirect effect: Additional GDP generation	5,288,697	519,331	296,611	6,104,639
Jobs sustained	104 jobs	11 jobs	7 jobs	122 jobs
Revenue collection	738,423	74,137	41,393	853,953
Personal income tax	365,481	38,352	5931	409,764
VAT	269,163	26,431	20,367	315,960
Corporate tax	103,780	9354	15,096	128,230

Source: Deusto Business School (2014)

finding out the direct cost linked to organising and staging the race, the generation of GDP, the jobs created and the tax returns associated with it.

Table 8 provides a summary of the economic impact of the race in 2013 in the Province of Gipuzkoa, which forms the territorial scope of the study. The figures speak for themselves: the GDP generated by organising and staging the race amounted to nearly 15 million euros. That is, for each euro spent, 0.69 additional Euros were generated, or in other words, the multiplier effect of the race amounted to 1.69. Furthermore, organising the race made it possible to maintain 122 jobs and produced more than 850,000 euros in tax revenue.

The study showed the economic footprint that organising a race with these characteristics is able to generate in an area. However, apart from this impact, in 2016, the organisation also aimed to determine the value of the Behobia/San Sebastián brand. As part of the partnership with the University, an interdisciplinary team of experts made up of an auditor, another who was a mathematician and another in marketing prepared a technical report in which they estimated and assessed the expected results of the Behobia/San Sebastián race in the next 10 years. To do this, the team started out by analysing expected income from the participation of runners and other revenue (i.e. sponsorships and the like) and a probabilistic estimate of the costs that may be incurred. In short, they used business methods to establish the value of a brand associated with a sports and social club.

4 Results

In the previous section, the case of the Fortuna Sports Club with its most important sports event, the Behobia/San Sebastián race, can be read about in detail and about how it provides a great deal of food for thought about an organisation that operates on the border between traditional sectors. Let's analyse the aforementioned case to

establish whether this is a fourth-sector organisation and, if this is so, to identify good practices that could be useful and inspiring for other organisations. To do this, we will follow the guidelines in the report published by Fourth Sector Network (2009).

4.1 Social Commitment

A fourth-section organisation, which is also defined as a “For-Benefit Organization”, must have a social purpose, and this commitment must be integrated in its organisational structure. In the description of this case, we show how the Fortuna Sports Club has formally made its social commitment an integral part of its vision. The organisation was founded with the aim of promoting sport, and it understood this in its broadest sense, not just as an activity to be enjoyed but also as one for self-improvement and social integration as well. Together with its multi-sport nature, grassroots and amateur sports have been its leitmotiv right from the start. “Fortuna Sports Club’s mission has not changed since its foundation, what has changed is its vision”, states Fernando Ibarreta, member of the Fortuna management team. However, this was formalised in 2014, when they renewed their commitment in their strategic reflection process, and the social purpose was enshrined in the formulation of their vision of the club. Let’s not forget that this vision was clearly set out in the following terms: “To be recognised by society in Guipuzcoa as the benchmark club in promoting grass-roots federated sport and leisure as a basic factor in individual development regardless of age and gender, through: (1) its sections, the management of facilities, the organisation of events and the development of collaborative projects with organisations and entities; (2) the launching of new lines of services that focus on meeting the aims of the Club; and (3) the workers, partners, volunteers and users as the cornerstone of the Club”.

4.2 Business Methods

A second feature of a “For-Benefit Organisation” is the use of business methods, so that the organisation could carry out commercial activities in line with its social purpose. In describing this case, we can identify various elements which clearly show the use of business methods in managing the Club and various events, and these can be summed up in three aspects: strategic thinking, market orientation and public-private collaboration.

4.2.1 Strategic Thinking

Sanchis Palacio and Campos Climent (2007) claim that organisations, especially those that form part of the social economy or cooperatives, can improve their management capacity by making use of strategic analysis tools. In this respect, the strategic reflection process that the Club began in 2014, which formally specifies its social commitment, together with the search to make projects profitable and the definition of an organisational chart adapted to meet the needs of the Club at any time, can be considered to be primary clear evidence of the use of business methods. In short, it shows the strategic attitude of the organisation, which is open to change and adaptation, as well as to thinking ahead. The incorporation of sustainable environmental measures, the inclusion of the disabled, the commitment to healthy sports practice or its decisive commitment to parity are, quite clearly, proof of this attitude.

4.2.2 Market Orientation

The social marketing approach that the organisation has followed is another matter that is worth stressing, especially with regard to the event described here in detail, the Behobia/San Sebastián race. Kotler and Armstrong (2008) add a third player in business-market relations, society, so that they state that the marketing strategy must take customers' wishes, business profitability and social wellbeing into account. As a result, this approach goes beyond the focus on the customer, which in the case being studied here would be the runner. In the description of the case, the special attention paid to runners is quite clear. The services provided for runners before, during and after the race are numerous, appropriate and generous. The standardised practice of measuring runners' satisfaction enables the organisation to continually assess all these services and adapt them to meet any new needs and demands that runners may have. The continuous incorporation of technological and digital advances could be seen as part of this context of continuous adaptation and anticipation. The commercial profitability of the project is also confirmed in the economic impact accounts as well as, in part, in the study to establish brand value. And finally, the social impact that it causes remains to be observed. The economic impact study carried out by Deusto Business School (2014) shows that, apart from the economic impact of the race, the event also leaves a significant mark in the area in the form of direct expenditure, tax revenue and the jobs that it creates. All this can be considered in terms of the social wellbeing that is created in the area. There is no doubt that the race also encourages healthy lifestyles. This is made quite clear in the health impact study (Mujika-Alberdi, García-Arrizabalaga & Gibaja-Martíns, 2018). The report shows how taking part in the race influences changes in the runners' lifestyles in matters linked to practicing sport, nutrition, smoking and alcohol consumption. The participation of the disabled (Fortuna, 2019), the 50/50/25 gender equality programme or

the commitment to the environment can also be considered to be inputs that contribute to social wellbeing.

4.2.3 Public-Private Collaboration

And finally, the partnerships with universities and their research teams; the collaboration and coordination with the local and regional public administration and health authorities; the work in collaboration with international, national and local NGOs; the coordination with the media; the collaboration of sports brand sponsors, food and distribution sectors and financial institutions; and the involvement of society in general are good examples of the valuable relations that the organisation is building up.

5 Conclusions

Today, with its twelve grassroots sports sections, a great many other popular sports events, more than 100 sports activities aimed at physical exercise for the general public, three sports centres and an event like the Behobia/San Sebastián race which is able to bring together almost as many runners as a Major Marathon, the Fortuna Sports Club is a case of an organisation that has shifted from the non-profit sphere to the sector consisting of “For-benefit organisations” with advanced business practices but without abandoning its social commitment.

This is a non-profit organisation devoted to promoting a variety of sports, encouraging competitive and recreational grassroots sport and organising events open to the general public, with a star event like the 20 km Behobia/San Sebastián race which is able to bring together more than 30,000 runners each year on the second Sunday in November, which has today become a relevant case that enables us to carry out an in-depth study of the evolution of a sports organisation that has shifted from the non-profit sphere to the sector consisting of “For-benefit organisations”.

The study shows just how fluid the boundary is that separates the traditional non-profit sector and the private one, and the fact that this is a sports association means that the case is particularly interesting, as explicit references to sports associations, sports clubs or sports organisations in general are practically non-existent, when the economic and social impact that sport and the practice of physical exercise has is undeniable.

By making use of reports, internal studies, web pages, archives of presentations, audiovisual archives, visits to the organisation, attendance at presentations of events and press conferences and interviews with the management team as sources of evidence in the single case study, it can be concluded that the sports association studied here can be classified as a “For-benefit organization” and that “best practices” in the use of relevant business management tools for organisations in the

fourth sector devoted to sport and in other fields can also be obtained from its development as an organisation. Its strategic thinking, market orientation and public-private collaboration form a triangle that has raised an organisation that started out as being local and amateur to the level of a competitive international “For-benefit organization” that provides a source of inspiration.

Future research is pending to verify that similar organisations, dedicated to promoting sports or other activities, are making the same transition to the fourth sector applying the triangle formed by strategic thinking, market orientation and public-private collaboration. Likewise, it would be necessary to explore those regulatory, legislative or fiscal frameworks that support this transition. In this sense, the works of Rubio (2019), Rask et al. (2020) or López-Cózar-Navarro and Priede-Bergamini (2021) can be inspiring. Finally, it is worth asking the role that leadership plays in the transformation and consolidation of these organisations that, in turn, are called to the global transformation of society.

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The Project Partnership for Local Development: The Fourth Sector and Hybrid Initiatives



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Abstract This chapter is devoted to showcasing the results of a project called Partnership for local development in the Czech Republic. This was one of the first initiatives to informally create a space for developing the fourth sector on the local level. We found out— that the increasing role in the fourth sector activities is played by the public institutions and local residents rather than local private companies based on the results of the project in Brno, the Czech Republic. We see an emergence of hybrid organisations and initiatives which are created by multiple institutions and key stakeholders in the city of Brno. Effective cooperation and communication between three key stakeholders—local residents, public institutions and private companies—are key to the acceleration of the fourth sector activities further.

Keywords Fourth sector · Hybrid initiatives · Partnership for local development · Social purpose · Business method

1 Introduction

Brno is the second-largest city in the Czech Republic with a population of nearly 370,000 people. It is considered a major hub and intersection for international travellers from Poland, Austria or Slovakia. The second important player in our chapter is Masaryk University, which plays a significant role in the fourth sector representing the public sector and connecting with private companies with social targets. Masaryk University was established in Brno more than 100 years ago in 1919. Masaryk University is the second largest in the Czech Republic, and it has 9 faculties and 1400 fields of study and their combinations, making them the one of the most significant public players in the South Moravian Region (Hesková, 2015).

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This chapter is devoted to local development of the fourth sector, especially to its bottleneck that may arise as poor communication and cooperation among important stakeholders and how it can be done properly with few examples. The authors focus on the role and importance of mainly three key stakeholder groups: (1) public administration, (2) private companies and (3) local public.

From a methodological point of view, the representative research of Brno citizens older than 18 years was conducted by the International Institute of Marketing, Communications and Entrepreneurship (IIMCE). The main objective was to find out which company citizens of Brno considered as the most important for the further development of their city and most beneficial to local societies. This has dramatic implications for the fourth sector in the Czech Republic as it is rapidly growing in post-communist countries. There is a new mindset of emerging entrepreneurs born in the 1980s and 1990s. This new mindset is shaping the way we look at the enterprise. More and more organisations and new entrepreneurs are seeking ways to do good and make money at the same time (Fourth Sector Group, 2020). Collection of the majority of data used in this chapter took place on 15–28 March 2013, through personal structured interviews done by a professional agency on behalf of the IIMCE. Interviews also included few open questions where the respondents could explain in greater depth their opinions of certain companies or fourth sector activities in their neighbourhood. Our sample consisted of 434 structured answers from residents of Brno. Respondents were chosen by quota procedure and selected equally based on these specific socio-demographic characteristics:

1. *Gender*
2. *Highest educational degree*
3. *Age*
4. *Neighbourhood*

The research sample was considered as being representative of all the inhabitants of Brno over 18 years, with equal sample between neighbourhoods, gender, age and education of interviewed residents.

2 Fourth Sector Brief Literature Review

For a long period of time, the society was divided into three basic sectors—public, private and non-profit. Currently, there is a rise of proponents which argue that we have to include a fourth sector to clearly distinguish and define the society. So, we can say that society can be structurally divided into four distinct sectors (Smith et al., 2006). This is often considered to be mainly driven by avoiding to use the third sector (non-profit) as a residual category where all actors which cannot be defined as public or private are lumped together (Corry, 2010).

Traditionally, the public sector was considered to be the first sector consisting of all government services available to the public. The private sector is considered by the second sector consisting of privately run business (for profit). The non-profit

sector is the third sector occupied by all entities which their primary purpose is not to profit and often exist on donations or support from the two previous sectors. Lastly, as this book is talking about issues of the fourth sector and social marketing benefiting local communities, we assume that the reader has at least basic knowledge of the fourth sector. Those who do not, we certainly consider this definition as one of the foundational for this chapter: “Fourth sector is a product of the hybridisations of public, private and non-profit sector organisations” (Sinuany-Stern & Sherman, 2014). The definitions of sectors constantly change, and in reality, the boundaries are not clear (Brandesen et al., 2005), and this will be the main issue which we will try to combat when assessing the companies in the project for partnership. A good example of such mixed companies is “public” British universities. The universities which get funding from the state are defined as public, although they are independent bodies (in contrast with Europe or the USA) and get partly funded by charging tuition fees to students. Private universities are also charging tuition fees, but these are their sole income source (no state funding per student).

There are primarily two main attributes identified in such organisations to be considered the fourth sector (Sabeti, 2009):

1. *Social purpose*—refers to a core commitment to social purpose embedded in its organisational structure
2. *Business method*—refers to any lawful business activity that is consistent with its social purpose and stakeholder responsibilities

As Sabeti points out, these two primary characteristics lead us to identify the most fourth sector companies and differentiate them from the third sector which is mainly occupied by NGOs and non-profit organisations (see also Alessandrini, 2010). Good examples of such organisations are blended value organisations, sustainable enterprises and social enterprises.

In order to put everything in perspective, there are three streams of thought on the fourth sector. The definition and characteristics explained above were referring to the first stream of thought, which was lastly developed as organisations started to blend its function to serve the widest variety of stakeholders.

Gidron (2017) further analyses the hybridity of fourth sector organisations which includes aspects ranging from *the form* (i.e. business models blending profit-making with non-profit mission orientation) to *the substance* that has to do with the content and the organisational processes of the social enterprise’s activity: the modes of personnel management, the outcomes of such entities creating social and business value simultaneously and the methods for measuring those outcomes.

The second stream of thought in the fourth sector literature is centred around the notion of a one-to-one aid. This is explained in Williams (2008) who suggests that many people help other citizens on a one-to-one basis as individuals which is referred to as an informal volunteering rather than through voluntarily groups or non-profit organisations. From our point of view, this makes a lot of sense as the individual can see the instant change and get the first-hand gratification of his or her actions.

The third mainstream in the fourth sector literature is driven by self-organising civic activities. Bose et al.'s (2006) definition of this stream of thought characterised the fourth sector such as a form of social practices in everyday life, which are not and should not be controlled by anyone but the community. This definition is a very profound and many authors on the fourth sector consider so called community, do-it-yourself or self-organising approach as the key characterisation and a driver of the fourth sector. This is often linked back to the hybrid organisation as they are predominantly underpinned by a new and growing demographic of individuals who place a higher value on healthy living, environmental and social justice, ecological sustainability in the products and services they purchase, the companies in which they invest, the politicians and policies they support, the companies for which they work and, ultimately, the lifestyles they lead (Haigh & Hoffman, 2012).

Mäenpää and Faehnle (2017) are big proponents of this third stream, and they define the fourth sector as urban civic activism which is an area of civil society that, with its quick, lightly organised, proactive and activity-centred nature, is structured outside of the third sector or the field of non-governmental organisations. This understanding of the fourth sector can be highlighted by heavy utilisation of the Internet and social media which leads to activities such as hacktivism, peer-to-peer trade or local movements. One of the key companies which enable this activity is Facebook with their two main platforms—Facebook and Instagram. This helps people to coordinate themselves and help to achieve the good cause they are usually aiming to. The use of social media can also lead to opposite what the fourth sector is aiming and we can see the increase in the cyberbullying in the past 10 years which affect usually the youngest and most vulnerable generation. But the aim of this chapter is a discussion on the fourth sector and the good it can do in local communities.

The use of these three streams can be for some very confusing and contradictory, especially as each of these three streams has its own so-called “definition” and specific points of emphasis, but Rask et al. (2019) have attempted to formulate a coherent definition based on acknowledging the above three streams and conclude that the fourth sector is an emerging field, composed of actors and actor groups whose foundational logic is not in the representation of established interests but rather (and more importantly) in the idea of social cooperation through hybrid organisations. This definition will be important in the next chapters as we will look at private and public companies and their activities in the fourth sector through their employees, initiatives and cooperation to improve social conditions and local environmental well-being.

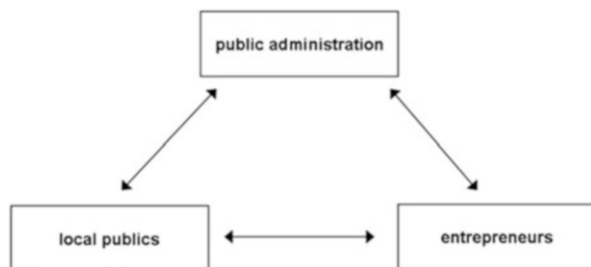
3 Project Partnership for Local Development and the Fourth Sector

The idea of local development issues arose out of specific experiences and results obtained in the previous international project “Communicating Town” in the late nineties in the Czech Republic (for more, see Foret & Foretová, 2001; Foret & Foretová, 2006; and Alves & Vázquez, 2013).

This project was innovative at the time as in post-communist countries no one paid attention to local developmental issues and the fourth sector. One of its general conclusions describes local development as a partnership and more profoundly effective communication among three main participants—the local publics (citizens/inhabitants, civic initiatives, politicians, journalists), the entrepreneurs and the public administration (Fig. 1).

There are plenty of conflicts which arise from different goals and beliefs of these stakeholders. Predominantly, the relationship between the locals and entrepreneurs (companies) is problematic and can lead to issues which are difficult to resolve and manage. This was especially true in the first 15 years after the communism, i.e. 1989 until 2005, where the primary goal for the majority of new entrepreneurs was quick profit and no regards towards local people or the environment. With a new generation of entrepreneurs emerging since 2005, more and more of them tried to do the business in a certain, sustainable way in order to benefit local communities where they live and build a long-lasting relationship with locals and the government. The issue of having a good neighbouring relation has proven important for prosperous local business, and it is especially true for business in smaller cities or regional towns. The main difference between the locals and entrepreneurs is that the first group thinks about pleasant life with values such as nature, quietness and cleanness of local environment but the second group thinks first of all about their economic goals such as revenue maximisation and business growth. Therefore, the public administration has an important role as a mediator and to solve these conflicts in the most effective way with solutions accepted by both parties. However, with the growth of the fourth sector, the importance of public administration will start to diminish over time. This could lead to better allocation of free resources and shift the focus to key and fundamental decisions for directing the major issues of the local agenda.

Fig. 1 Partnership and communication for local development



The current project “Partnership for local development” is based and builds on the results of the project Communicating Town mentioned above, especially on experiences that local development is dependent on the partnership, cooperation and communication of three main stakeholders as shown on the fig. 1 —local government (public administration), local community and entrepreneurs (including local associations such as Chamber of Commerce and others).

4 Results from the Research

Table 1 shows main answers to the question: “What firm or organisation is considered by you (respondents) as the most important for further development of the city of Brno?”. From the table, it can be found that the most frequently reported was Veletrhy Brno, a.s. (Fairs Brno). The second place was for Dopravní podnik města Brna, a.s. (Transport Company in Brno, DPMB). Then we had half answers for the company Zetor and the IBM Czech Republic which took the third and fourth place, respectively. Then we had a public institution such as Masaryk University in Brno and private company Starobrna Brewery, which is part of the Heineken Czech Republic, who took the fifth and sixth place, respectively. These were the major answers with other less frequently mentioned companies (under 4%), and we included them in a category named “Others”.

The results showed an unusually rare consensus of respondents, and there were minimal differences in responses according to socio-demographic characteristics such as gender, age, education and neighbourhood. This conclusion was also confirmed by the statistical calculations of Pearson’s coefficient of contingency, which was lower than 0.1 in all four cases.

Further analysis showed that the main advantage of Veletrhy Brno considered by people is a contribution to the image and presentation of the city of Brno (32%). Fair events attract hundreds of thousands of domestic and foreign visitors, so they are also beneficial for local tourism (26%). Veletrhy Brno is also important for locals

Table 1 Frequency distributions of answers to the question of which company is the most important for further development of Brno in the year 2013

The most important companies/institutions in Brno	Absolute Frequency	Relative Frequency (%)
Veletrhy Brno/BVV	69	16
DPMB	59	14
Zetor	34	8
IBM	32	7
Masaryk University	22	5
Starobrna Brewery	18	4
Others (less than 15 votes)	200	46
Total	434	100%

as they contribute to plenty of non-profit activities. One of the activities where they significantly reduce the fee for participants, organisers and new students is the organisation of the university fair in Brno which is happening every year. This helps students from half of the Republic, i.e. this area covers around 4–5 million people, to make the best decision for their future careers. It brings plenty of young people into the city over 4 days, which in turn helps the local community to improve and increase their turnover for goods and services. The most important part is that they are doing it for a small charge.

The main contribution of *Dopravní podnik města Brna (DPMB)* to the local environment was seen in the development of infrastructure, accessibility and transport as agreed 93% of its supporters. Every year, they do a week of car-free mobility where all adults with a driving licence can ride a tram, bus or local train for free. It helps the environment in the short term but usually converts a few percent of active car users to start using public transportation regularly. This in turn slightly reduces the smog, traffic jams and car noise in a specific area with the highest concentration of incoming traffic from outside of the city. They also support pensioners and low-income families with offering benefits and free rides depending on their status and application.

Most preferably represented contribution by the Zetor is a range of job opportunities (71%). Respondents pointed in particular to the fact that this company is one of the largest job providers in Brno. Another advantage was seen in the competitiveness of its products (12%). Similarly, IBM has been seen as the most cherished job provider (56%). The second most frequently cited answer was a benefit for the image and representation of the city of Brno (16%). Respondents also pointed to the fact that this company has very modern, perspective take on the local projects and focuses on the employment of future leaders in their respective fields.

Furthermore, IBM and Zetor regularly do such activities which are supplementing and adding to the fourth sector such as offering free classes to online coding, working closely with Masaryk University on certain issues regarding IT and supply chains (in the case of Zetor). This showcases some cooperation between public institutions, locals and private companies which help students to become future experts in their chosen areas of interest. They do it for free and locals can get the first-hand experience. This consequently helps to Brno becoming a major hub for IT start-ups and companies within the region. For example, online travel agency and fare comparison site called Kivi.com was founded in Brno and became a global success providing a fare aggregator, metasearch engine and booking for airline tickets and ground transportation.

The main asset of *Masaryk University* is the development in the field of education (82% of respondents). Respondents regard the university as one of the most important and best universities in the Czech Republic due to the fact that it provides both quality education to students and facilities for top scientists who are successfully involved in research in various fields. This contributes to the image and representation of the city of Brno. Masaryk University combines the function of education and fourth sector “company” with grace as it is a home for the most students in the city. They tend to organise activities for locals to improve small-scale issues. For

example, during this Covid-19 epidemic, plenty of students were organised by the university to help and track the contacts of people in order to track the potential spread of the disease in the first wave of this pandemic. Other students organised themselves into groups led by Masaryk University staff and helped local seniors, disabled people and those with immunodeficiency to get supplies of food and essentials so they did not have to go out and expose themselves to the virus which could have a fatal consequence for these groups of people. This was the best example of the fourth sector which is defined as helping each other on the small scale outside of third sector organisations.

In order to have a balanced view of the fourth sector, we have to also assess the possible secondary negative effects of the biggest and most valuable players in the local market according to the interviews. The most negative impact of Veletrhy Brno mentioned by a significant majority of respondents was a large number of visitors and consequently the traffic jams around the area surrounding Veletrhy Brno. This problem is clearly associated with the aforementioned influx of a large number of visitors during trade fairs, often causing traffic jams and columns that complicate the situation for the residents in the city. However, this negative effect usually tend to last for a short period during the fairs and locals who live in the area tend to work in the company (Veletrhy Brno) organising these fairs, so they have adapted quite well.

The negative impact of DPMB on the local economy was the price increase in the fares without substantial increase in higher-quality transportation for the locals. This can be traced back to benefits and offers for local communities where the paying customers subsidise the price of tickets for less well-off individuals. This is a partly involuntary activity in the fourth sector by paying majority, but it has a positive impact on the minority which needs it the most.

The negative impact of Zetor on local environment was tracked back to what they do as a company and that is the construction of tractors. Heavy machinery and energy expenditure are very high, having a negative impact on environmental pollution. This leads to a lower quality of life for people in the neighbourhood to the factory. However, Zetor is compensating for this with various activities for locals and their involvement in fourth sector activities.

IBM is negatively perceived because of an influx of foreigners and thus the associated loss of jobs for local residents. However, this negative impact is due to the nature of IBM and their need for the best workers they can attract to the offices, even from abroad. This has nothing to do with their involvement in the activities within the fourth sector, so we will not go deeper into this. Usually, from the past, the citizens of Brno often associated the influx of foreigners with negative services surrounding it such as the rise in crime, prostitution and alcoholism.

Similarly, to IBM, the main negative perception of Masaryk University was contributed to the reported influx of foreigners and foreign students (students from other towns of the Czech Republic). This comes from the natural state of being a very good university and attracting top talents from around the globe. This perception can be easily outweighed by the activities of academics and students for the locals and the development of the fourth sector in the city of Brno.

Table 2 Percentage distributions of answers to the question of which company is the most important for further development of Brno between the years 2013 and 2016

The most important firms in Brno	2013 (%)	2014 (%)	2015 (%)	2016 (%)
Velethry Brno/BVV	16	16	15	14
DPMB	14	17	14	19
Masaryk University	5	5	9	9
Zetor	8	6	7	8
IBM	7	5	6	6

What we saw as a growing trend is that the majority of people asked in the survey did not like outsiders (people who weren't born in the region), even from other parts of the Czech Republic but on the other hand supported those companies which offered jobs and were heavily investing in fourth sector activities, organising events, helps, peer-to-peer activities or fundraisings for individuals in need.

If we look again at Table 1, it is clear how little citizens of Brno realise that the decisive role of engineering and manufacturing companies such as Zetor is rapidly deteriorating within the fourth sector's activities. In the case of Velethry Brno, it has become obvious that the idea of Brno as “the fair city” or “town of fairs” is slowly becoming a thing of the past as it is their contribution to the fourth sector. Published annual reports show that between the years 1997 and 2011, the number of employees declined by half—from 763 in 1997 to 357 in 2011. A similar impact was on the gross turnover which fell from around 80 mil. euro to 40 mil. euro in just 15 years. The impact on supported activities was very negative, and we are certain that the most people mentioned BVV just from their memories when they were a big proponent of local activities to improve conditions in the city. Lastly, the impact on the companies attending was significant—in 1999 nearly 14,000 companies from 63 countries attended the fair, whereas in 2011 it was only 7300 companies from 50 countries.

Similarly, Zetor is one of the largest employers in Brno which is rather out of the realm of memories. Currently, it employs less than 900 people from a few thousand just 20 years ago.

In contrast, IBM and Masaryk University represent the current and future direction of the city into areas of new technologies, education, science and research. They are big proponents of giving back to society and together with local government, residents and other companies operating in the same area of business create movements to help accelerate the development of the region and improve the living conditions for locals. During the Covid-19 pandemic, IBM, among other IT companies, is helping to set up online education for primary, secondary and tertiary schools and universities, free of charge as a giving back to the society. This was driven by employees at IBM, and it was supported by their managers, so it became an activity sponsored by them.

Furthermore, the marketing research regarding the importance of the companies/institutions in the city of Brno was repeated the similar way by the IIMCE in next years of 2014, 2015 and 2016. The detailed changes, in Table 2, of the top five

“firms” gave us some interesting results which in the closer analysis are not that surprising.

There are three main findings which are crucial for understanding the development of the fourth sector in the Brno area:

1. First and probably the most important trend from the data is the increased perceived value of Masaryk University (almost doubled in 4 years) and a 5% increase in perceived value of DPMB which confirm of what we talked above. The importance of public institutions in the fourth sector is increasing, especially when it is done correctly and with management techniques from the private sector. This is due to more and more people from private moving to public in order to improve the processes in the public sector and efficiently develop local initiatives which will enhance local living and working experience.
2. Private companies, with the exception of BVV (which saw a slight decrease), remained stable and without any significant changes in the perceived value to the local surrounding. This can be driven primarily by the mindset of questioned people as private companies are still often seen as profit maximisers in post-communist countries such as the Czech Republic.
3. Lastly, Masaryk University image was dramatically improved through campaigns and goodwill done in local communities which improved their perceived value among local residents. Moreover, plenty of initiatives were marketed in local and social media, bringing more attention to the Masaryk University for their efforts in the local community.

5 Conclusions

In conclusion, we can see that the fourth sector is developing in all three streams within the city of Brno. The majority of people start helping on the individual basis directly to their friends and neighbours, and this leads to small positive changes and instant gratification.

This leads to self-organising movements among co-workers and neighbours when the like-minded people get together, work together in institutions and companies and create positive change through their free time capacities.

Lastly, what we can see as an important cornerstone of a significant local change via the fourth sector are hybrid organisations which are a mix of private, public and NGOs getting together creating initiatives which impact the most people out of three streams of thought of the fourth sector. These hybrid organisations in Brno are not strictly speaking by the definition one altruistically oriented entity which has also adopted pragmatic, efficient and business-like modes of operation that are often classified under the mantle of neoliberalism, new managerialism and third-way ideologies, and in so doing, they have become increasingly blended in their functions and organisational forms (McNeill & Silseth, 2015). When we talk about the hybrid organisation in this chapter, we focus on the companies that are getting together and launch initiatives, which are mainly guaranteed by their employees

who are often the creative carriers of those ideas (similar to the definition by Rask et al. (2019)). However, there is a question arising where employer-employee relationships, especially inside social businesses, can exploit weak populations by keeping remuneration levels for their work very low (Avidar, 2017). As it goes in many private organisations, these fourth sector initiatives are not paid and done usually after work or with limited allocation of actual work hours. These issues will have to be resolved as the fourth sector has its challenges and it is far from perfect. What is important for the local community in the case of organising and sponsorship of popular events has to do with contributing to development of certain knowledge about the city and its fame areas, as well as to certain important activities within corporate social responsibility (Foret et al., 2018).

This chapter focused more on the positive impact of the major stakeholder players in terms of private companies or public institutions on the initiatives related to the fourth sector in Brno. Hybrid organisations are mainly built on the assertion that neither traditional for-profit nor non-profit models adequately address the social and environmental problems we currently face (Haigh & Hoffman, 2012). That is the reason why we see so many spin-offs being created from Masaryk University so they can support the new idea which would not be possible to fully develop within the structure of a publicly funded university. The aim of the project “Partnership for local development” is to assist local public administration. The whole principle of the methodological procedure is based on sequence, consistency and constant repetition of two basic activities:

1. Monitoring a specific situation in the area—the views of citizens
2. The design and implementation of measures to improve the situation

The results of both activities are always properly communicated to all parties—the government, the locals and private companies. To do this, the aforementioned tools of marketing communication, especially public relations, are used. The next step would have to devote a specific local business entity, which is predominantly focusing on the fourth sector. Such an example can be used in the next chapters where there is a possibility to dig deeper and evaluate each of the three thought streams within the fourth sector on specific examples and initiatives. I would like to end this chapter with an idea that the fourth sector activity does not result in a formalised institution but will result in an adaptive actor or organisation that constantly seeks new responses to the changing conditions of the context.

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Social Innovative Approaches on Health Care: Evidence from Home Hospitalization in Portugal—the Elvas Study



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Abstract In Portugal, the health-care system crisis has given rise to a heated debate about the State's role in ensuring health-care access and has raised the emergence of innovative measures. Home hospitalization is one modality of assistance that ensures the health care provider with differentiation, complexity, and intensity of hospital level, for a limited period, depending on the expression of patients will and gains in emotional comfort. *Home hospitalization* changes the State's role as sponsor, regulator and provisor of goods and services that materialize in Portugal, the universal right to free health care. Thus, with *in-home hospitalization*, the State shares responsibilities in health care with civil society, and she begins to retake responsibilities that State had relieved her from, in the past. The purpose of this chapter is to analyse and understand how *hospitalization at home* can become an innovative tool in health policies and how it can transform State's role while main provider of health care in Portugal, especially for those in need, and how it can also transform civil society's role in preventing social risk. Providing health care exclusively through public institutions is politically and economically tough; the experience of *home hospitalization* in Elva's municipality and the data that our research collected seem to demonstrate that *home hospitalization* can be a civil society rebuilder and can be a relief to State's efforts and it can reinforce the importance of balancing the State, market and civil society triangle.

Keywords Innovation · Hospitalization · Health care · In-home · Tool · Patients

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1 Introduction

What is meant by hospitalization at home? This, it means to care about the people at own home or with relatives in their homes but more, more than to search for more quality of the patients' life, this type of care is a form to manage the health resources by a more adequate form, reducing the waiting times and the run to the urgencies. This type of hospitalization, namely the security and the therapeutic efficiency of people hospitalized at home, check for pharmacotherapeutic critical incidents during the care transition, and evaluate the integrated dispenser added value (Brito et al., 2016).

This study also concluded that the integration of the health professional, from a collaborating organization of this hospitalization type, in a home care team, allows to detect and rectify omissions and wrong doses, medical duplications, protecting the patient against risks exposure, and valorized their relation with the identification of the drugs and collecting them reinforcing the prescriptions.

The hospitalization at home has the virtue to link the health-care units with clinical teaching and research (Delerue & Correia, 2018) who permits satisfaction to patients and their relatives. Therefore, the future looks promising with the increase in hospitalization at home, more diversification in pathologies treatment and optimizing the care and the security (Tosatto et al., 2019).

Recent literature has returned numerous pieces of evidence of home hospitalization advantages, namely in this pandemic situation that we cross at this moment (Azevedo, 2020). Leef et al. (2005), demonstrated that this type of hospitalization was available and very effective on the intention to relieve the State from charges creating commons with health care and with better recuperation levels. According to 69% of respondents in the study mentioned above, in confrontation with choose options, they choose the home treatment, at the expense of treatment in a hospital setting, the treatment cost per user decreased in the home context from 7480 dollars to 5081 dollars, and the recovery from home treatment time was an average of 3.2 days instead of treatment in a hospital that has an average of 4.9 days, that is, the treatment period is faster at home than in the hospital. Likewise, an investigation (Cryer, 2012) corroborated the premise that home treatment had, in the same quality as the provided services, lower costs and greater gains in budget effectiveness.

In another experience, but older, too also insisted in that kind of effectiveness profits on allocated resources management (Caplan et al., 2012) and in civil society empowerment, when resuming the role from which the Welfare state had relieved her (Jacobs et al., 2007). Despite the existence of literature that corroborates the initial assumptions that hospital treatment can be a tool to rationalize resources, namely as a good risk predictor (Shang et al., 2020) that increases the quality of health services provided and reduces exposure to hospital infections, and there are still few experiences based on real scenarios (Hernández et al., 2018) that may be able to demonstrate the innovative character of this measure at the level of the relationship with civil society.

By mobilizing a multitude of interviewing actors, patients and health personnel, in providing health care and when crossing the borders of the hospital context, the Santa Lúzia Hospital, in Elvas, takes on particular relevance insofar as it exposes the gains that home hospitalization can bring to civil society's relationship with the State. The Hospital de Santa Lúzia in Elvas, integrated in the Portuguese Public Health System, which guarantees the free and universal health care provided, and as in other European realities, faces a test of suitability due to increased average life expectancy, from the progressive population ageing and, consequently, the increase in the prevalence of chronic pathologies, the increased need for medical assistance, as in primary health care as at the hospital level.

2 Theoretical Framework

The *home hospitalization* (HH) concept has been globally discussed in Leef works and, generically, defined as a linked procedures group to the hospitalization of acute patients at home with medical health-care necessities, in which hospital stay is essential. This presupposes an informed patient choice, access eligibility, an established diagnosis and the access warranty to same provided services quality levels, in-hospital context (Leff et al., 2005, 2006, 2008).

The ageing of the population and the increase in average life expectancy today present, generally, a health-care challenge to the public and, particularly, to the hospital (Tudela & Mòdol, 2015). The strategies definition that aims to increase responsiveness to hospital care, is urgent and fundamental for the entire health coverage of the population (Schade & Brehm, 2010).

Home care configures the transition from care, from the hospital environment to the patient's home, incorporating, according to the National Transitions of Care Coalition (2008), a people's group like family, informal caregivers, nurses, social assistants, physiotherapists, doctors and another clinical staff. Therefore, many professionals can recognize their roles in developing and changing work experiences and finding sources of help to fulfil their tasks. (Rakovski & Price-Glynn, 2012).

The health-care transitions from the hospital environment to home permit better health needs identification, optimizing the communication between different health professionals, users, societies and families. Evidence points to the lack of communication between health professionals about care transitions, which is responsible for 80% of serious critical incidents. So, this lack of communication also associates an inefficient inpatient health care, inefficient monitorization and, consequently, higher health expenses (Johnson, et al., 2015; Aarts et al., 2015).

The home hospitalization seems like an answer to different hospital constraints, namely communicational aspects, high costs of user's internment with chronic disease and, consequently, a systematic delay on surgery times. From the user's point of view, HH represents their home comfort, the proximity with family and friends and the free choice of schedules to develop diary activities, competing for acceptance and satisfaction of this care typology (Shepperd & Iliffe, 2005).

Economic aspects related to home hospitalization do not cease to cause any controversy. Some studies show no cost reduction (Hernandez, 2003), while others show a reduction associated with shorter days of hospitalization (Coast et al., 1998). Another advantage associated with this organization of care refers to the care humanization, expressed in the lower mortality rate, reduced hospital infection rates and decreased readmissions (Quinn, 2004). The Home Hospitalization (H.H.) implementation is only possible if there is the patient consent, and his/her family, and in the presence of dependence on the daily performance activities of daily living it is necessary a caregiver (Saúde, 2018).

All these changes, in care terms, family organization and work, will cause great turbulence in the relations and sustainability of the social system (Fortinsky et al., 1999).

The home hospitalization unit (HHU) from North Alentejo Local Health Unit (NALHU), headquartered at Elvas Santa Lúzia Hospital (ESLH), begins the activity on 20 September 2019; this unit works from 8 h to 16 h every day, with a support network line, in the prevention and physical presence regime, having own vehicle to travel to patients' home, with regular medical visitations. The HHU activity covers patients from all areas of influence covered by the ESLH as the following counties:

This unit is composed of a multidisciplinary team with medicals, nurses, social assistants, chemists, technical assistants and a hospital CEO. It works in conjunction with Primary Health Care (PHC) looking for high quality clinical solutions for patients and their families. The objectives of the HHU (Home Hospitalization Unit) are to bring the hospital closer to people, developing outpatient medical and health education activities, to the family members health, individuals and the community in general, promoting the patient's functional recovery and family autonomy, encouraging its active participation in the provision of care, avoiding rejection and abandonment.

That is the first Alentejo home hospitalization unit, one of the few national patient care units in the surgical field and the only one in the country exclusively for traumatological patients. It has five beds serving 615 km² under geographic criteria, user acceptance, health conditions (physical, psychological and social, and clinical evaluation—transient and stable acute situation, based on a partnership with a PISS (public institutions of social solidarity) and the PASSRNI (Portuguese Association of Support and Senior Rehabilitation of Neurological Intervention) in the physiotherapy area and with an external private partner (Coração Delta).

This type of hospitalization is not like a fashion, neither from hospital services dimension (that is a small service from a small hospital), neither from assisted specialities in general, but only orthopaedic speciality. This is a team work for those who believe and work in this health paradigm, full of challenges and obstacles, such like roses because, in addition to beauty and fragrance, we have thorns and spines either. Above all, this type of work is an asset for its users, the patients, and for the collaborators, medical and nursing staff who feel, day by day, eye to eye, among themselves, when they work at the Hospital Home Support.

The ESLH-HHU began the activity on 20 September 2019, depending directly on the Clinical Direction, and interrupted the activity on 23 March of this year, motivated by COVID-19 pandemic. The project service returned in March of 2021.

3 Methodology

This is a descriptive, quantitative and qualitative research approach, which objective is to verify the HH in the decrease of hospitalization days, in a way to be possible extrapolate to other medical specialities. Therefore, there must be a way to measure the specific objectives: analysing if the caregiver's organization, families, hospital and PISS permit peoples rehabilitation, and rehospitalizations analysis and verification.

In the interaction with the fourth sector, the home hospitalization only is possible as an answer, from an organized society, to warrant the patient support at home. In this study, we verify the presence of a new emergent sector, the fourth sector, constituted, in this case, by caregivers and social solidarity institutions. We found that the partnerships created in the community, in order to constitute an emerging response to a niche in the labour market, the multidisciplinary teams, thus guaranteeing a differentiated service.

3.1 Sample

ESLH-HHU 60 home assisted users.

3.2 Hypothesis

In view of the detected problems by the ESLH, we found the following issues:

- Difficulties in hospital beds management
- High delay in orthopaedics' hospitalization
- Physiatry and National Integrated Care Network (PNICN) accessibility difficulties
- The increased waiting list in hip and knee surgeries
- Motivated team existence to join the project

3.3 *Instruments*

- Braden Scale—a tool that was developed in 1987 by Barbara Braden and Nancy Bergstrom. The purpose of the scale is to help health professionals, especially nurses, assess a patient’s risk of developing pressure ulcers.
- Morse Fall Scale (MFS) is a rapid and simple method of assessing a patient’s likelihood of falling. It is “quick and easy to use”, and many case studies estimated that it took less than 3 min to rate a patient.
- The modified Rankin Scale (MRS) is a commonly used scale for measuring the degree of disability or dependence in the daily activities of people who have suffered a stroke or other causes of neurological disability. It has become the most widely used clinical outcome measure for stroke clinical trials.
- SPSS application.
- Excel application.

4 Procedures

We started the internal and external training of professionals in a home care reference unit (Garcia da Orta Hospital) and carried out, internally, project dissemination actions (NALHU professionals and services) and externally (health, and social partners, and the public in general). After that, we verified the medical functional coordinator of medical impairment. So, the project did not boot perfectly, because there are no perfect starters. It was necessary to start without the perfect conditions having been met, because, in our view, there are never perfect conditions.

We analysed the clinical admitted patient’s data between September 2019 and March 2020 using hospital admission and discharged scales (Braden and Morse Scales and modified Rankin Scale) with a resource to SPSS and Excel applications. We did a social analysis of the population characterization (sex, age, gender, functional state), average hospitalization delay, main and secondary diagnosis, patient’s provenience, personal history and outpatient therapy, complications during hospitalization, returns and evolution, destination at discharge date (Tables 1 and 2).

5 Results, Discussion and Approaches

After the first 100 days of the HHU-NALHU activities, we considered, according to the quantitative data obtained, an extremely positive balance with 32 assisted users, all transferred from orthopaedics services:

- TKP (total knee prosthesis)—20 patients
- TJP (total joint prosthesis)—7 patients
- Trauma—5 patients

- An occupancy rate of 87%
- Left by bed patients—5,6 days
- HHU average delay of 14 days
- Project level user's acceptance—100%
- Several visitations made by doctors, nurses, physiotherapists and social workers—460 visitations
- Travelled kilometres—4383
- Average memory reduction in the orthopaedics service from 13,6 to 10,8 days
- HHU lower delay of 5 days
- HHU highest delay of 17 days
- Inpatient earnings—108 days (+/- 1 daily bed)

All the sample elements were attended at home for 6 months.

In fact, we saw an improvement in the management of hospital beds due to the reduction in delays in care, as well as faster outputs, so the high delay in orthopaedics' hospitalization come down, to lower levels than could not range before. Thus, this has led to an improvement in access to PNICN information and increased response speed on the part of it and, consequently, an improvement in hospital communications in this area. On the other hand, the increase in surgeries has reduced

Table 1 HHU analysis

Home hospitalization unit	Value
Stoking	5
Left patients	28
Treated patients	32
Days of hospitalization (period under analysis)	444
Days of hospitalization (left patients)	391
Average delay HHU	14.0
Average delay HHU—THP (total hip prosthesis)	14.0
Average delay HHU—TKP (total knee prosthesis)	14.3
Occupancy rate	87.1%
Left patients for the vacancy	5.6

Source: Author's elaboration

Table 2 HHU analysis

Average orthotic delay (AOD)—ESLH	Value
AOD—THP—January to September	9.7
AOD—THP—October to December	11.1
AOD—TKP—January to September	11.6
AOD—TKP—October to December	10.3
AOD—THP (integrated into HHU)—October to December	10.9
AOD—THP (not integrated into HHU)—October to December	11.4
AOD—TKP (integrated into HHU)—October to December	9.1
AOD—TKP (not integrated into HHU)—October to December	11.8

Source: Author's elaboration

waiting lists. Finally, due to the recognition and appreciation of the orthopaedic hospital team, the HHU team was motivated and reinforced its own work, as well as the work of the family caregiver. Thus, according to other relevant indicators, in the obtained qualitative data, we find the following:

- Infection rates and transference to orthopaedics hospitalization—zero
- The positive physical and psychological patients recovery rates were evidenced during the application of treatments at home
- Users and caregiver's satisfaction high degree
- The decreased waiting list for surgery, with increased bed turnover and hospitalization
- Innovation with the new care model and expansion of professional skills and professional satisfaction of nurses of the orthopaedics service
- Health education with the community, an adaptation of households to new health realities (physical barriers and technical aid advice) and informal caregivers' training

During the activity, we detected the following other advantages:

- A closer and stronger connection to the community (combating the isolation of providers especially in rural parishes)
- Establishing partnerships with public institutions of social solidarity (PISS) with social proposals (institutionalized users)
- Vacancies provided by the national network of integrated continuous care integrated (NICN) with hospitalization, and strengthening the continuity of reinforcements, and continuity strengthening of care activities with ESLH psychiatry service, in a dynamic articulation process, and the integration of caregivers in the continuity of care

6 Conclusions and Future Trends

We verified, in this study, there were no situations of readmission translating the option of a winning strategy for HH winner strategy (Verian, 2013). The service provided contributed to users, and their caregivers, satisfaction facilitating the recuperating process (Brazil, 1998). The HH (home hospitalization) allows greater autonomy in daily routine activities compared to traditional hospital health care (Cheng, 2009) and, in this study, it was found an effective and efficient rehabilitation of the patients admitted at home (Mas, 2016).

In home hospitalization, the daily attendance of a clinical team was always present following (Wilson, 2005). In patients with orthopaedic pathology, the focus of our study, on reallocation in hospitalization, contributed to the hospital stay reduction and, of course, to costs reduction and other associated charges (Llfeld, 2007). Although home hospitalization has positive aspects, that become in a costs economy, on care transfer, to another kind of people that not only the health team

and satisfied patients but several studies also do not corroborate the results from Elva's studies, namely those that confirm there's no difference on patients satisfaction from HH rehabilitation or hospital relocation (Mahomed, 2008).

We conclude that the changes produced, both at the family level and at the health work level, that cause high turbulence in the relationships and sustainability of the social system. Thus, in this context, home care combined with the fourth sector arises, in a first analysis's an emergency bank and represents a redress solution. We consider that home hospitalization is welcome in the family, as a society answer who pretends to be participative, collaborative and active, in different economy faces, new forms of work organization are configured here, that can answer to this new reality.

We propose that in the future we can reach the target of 120 users per year, reduce the average delay in HHU and cover the partnerships in 100% with Elva's council social PISS (institutionalized users). Thus, we also propose by contagion effect, extend the project to other HHU-ESLH services and expand the inclusion criteria and establish the internal audit programme. Other trends we also intend to extend the project to other neighboring municipalities as Campo Maior Council, forming teams for that.

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Havířov: “The City of Green” and Its Fourth Sector Sustainability Activities. One Case Study from the Czech Republic



Adam Pawliczek, Jakub Chlopečký, Olga Oberreiterová, and Ladislav Moravec

Abstract The proposed chapter deals with the fourth sector (4S) infrastructure based on the case study of the city of Havířov (the Czech Republic), its central heating company (HTS—Havířovská teplárenská) as well as with its non-profit endowment fund “Heat on the palm” (TND—Nadační fond Teplo na dlani), their activities and style of operation. The chapter touches on the scientific branches of the 4S, Corporate Social Responsibility (CSR) and strategic management.

The main goal and purpose of the chapter are to characterize the 4S ecosystem and its dynamic equilibrium with the city of Havířov, which represents that kind of municipality-based activities in the Czech Republic.

The case study is methodologically supported by a theoretical introduction into basic concepts and definitions, review of relevant scientific literature, analytical and synthetic approach to the open and reserved information sources, interviews with representatives incorporated into the factual content of the text, SWOT analysis, strategic proposals and graphical outputs form the methodology of the chapter.

The descriptive case study results of the 4S ecosystem are structured as follows: basic characteristics and historical background of the city Havířov, localization, twin

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cities' population, social sphere, municipal and non-profit organizations and enterprises, sustainable enterprising, labour market, schools, national minorities, safety, crime and drug prevention, sport, cultural events, volunteering and awarding, associations, cooperatives, churches, smart city, digitization, infrastructure, bike sharing, gender policy, COVID-19 measures and SWOT analysis. The 4S and CSR activities of HTS and TND are characterized as well.

The main results show a well-established and robust ecosystem of the 4S of the city of Havířov based on its municipal and private sector cooperation struggling to track the sustainable goals in all spheres of citizen life. Being aware of the dynamic development, further strategic goals highlighting economy, workforce, security, management, education, culture and leisure, healthcare and social sphere, transport and infrastructure are suggested by the municipal strategic plan. In conclusion, the authors suggest further improvements regarding small water cycle, public–private partnership (PPP) and community self-sustainability projects.

Keywords The fourth sector · CSR · Strategy · Sustainability · Havířov · Central heating · Endowment fund

Abbreviations

4S	Fourth sector
a.s.	Joint stock company
CEVYKO	Centre for Municipal Waste Recovery
ČEZ	Czech Power Company
CSR	Corporate social responsibility
CZSO	Czech Statistical Office
GCSE	General Certificate of Secondary Education
HTS	Havířov Central Heating Company
IRS	Integrated rescue system
MKDS	City camera surveillance system
MMH	Municipality of the City of Havířov
NGO	Non-government organisation
o.p.s.	Public service company
PPP	Public–private partnership
R&D	Research and development
RMH	Council of SMH
s.r.o.	Limited liability company
SME	Small-medium enterprise
SMH	Statutory City Havířov
TND	Heat on the palm
TS	Technical services
z.s.	Registered association

1 Introduction

The research problem is to discover, disclose and present practical elements of the fourth sector (4S), CSR, and other sustainability activities of the city Havřífov to readers as a case study and the object of possible comparison and inspiration for scholars and representatives from cities with different, albeit comparable geographical and historical conditions. No such study concerning Czech cities has been presented in the scientific literature before, regarding the fact that the Czech Republic is a post-socialist country, and many city structures are still influenced by that historical period.

The chapter solves which former and current activities, closely connected to the chapter objectives, have been realized, if they are sufficient, and how they can be extended or improved in the future strategy. The paper builds on the theory that the 4S activities continuously improve the quality of citizens' life.

Mission and concerns: The proposed chapter is based on the case study of the city Havřífov located in the Czech Republic (Silesian region) and its 4S ecosystem and activities. The central heating company (HTS—Havřífovská teplárenská) as well as a non-profit endowment fund “Heat on the palm” (Nadační fond Teplo na dlani), their CSR approach and style of operation are analyzed in the chapter. However, the more complex system of citizen-focused long-term oriented operations and adjustments is introduced.

The main goal of the chapter is to characterize the 4S ecosystem and its dynamic equilibrium within the city of Havřífov, which represents that kind of municipality-based activities in the Czech Republic.

The partial goals of the chapter address both description and explanation of the different 4S issues on the background of Havřífov 4S ecosystem in analytical or proposal position:

1. Analyses

- (a) Entrepreneurial case studies and paradigmatic examples.
- (b) Civic/municipal enterprises, cross-sectional partnerships.
- (c) Hybrid organizational configurations, social enterprises.
- (d) Microfinance, venture philanthropy, sustainable business.
- (e) Community interest companies, cooperatives, common good corporations.
- (f) Kinds of governance issues and options emerging along the 4S.
- (g) Urban activism, social movements, smart cities and structural changes.
- (h) One-to-one aid, volunteering, community participation, social cooperation, networking.
- (i) Gender equality, female leadership and the 4S's focus on women.
- (j) Entrepreneurial ecosystems and regional development.
- (k) Innovation, technology and digital economy in the 4S.

2. Proposals

- (a) Future and strategies.
- (b) Marketing and strategy.
- (c) Entrepreneurship opportunities and new business models in the 4S.
- (d) Social innovation and strategies in the 4S.

The chapter, illustrating practical activities and the interconnection of the 4S integrally built into the city life and its private or public institutions, fits into the general book structure as follows.

The chapter provides practical case-oriented information about interventions of the public governance (Havířov) as well as both private (central heating company) and non-profit organizations (“Heat on the palm”).

This chapter describes how entrepreneurial ventures serve people who want to express and realize themselves (preschool children, seniors, teenagers, people with disabilities, talented pupils etc.) and take part in societal processes of change (whole life education and crime prevention is addressed as well). New, non-traditional sectors and approaches are searched and created to support activities. The chapter characterizes the trends in entrepreneurship in the 4S and describes the specific ecosystems of the city of Havířov fostering new enterprises. It also characterizes the most common and innovative approaches (business models), successful experiences, and paradigmatic examples (good practices). The chapter is intended to cover the main causes and effects as well (driving forces, social changes, technological changes, strategic business practices, innovation and institutional behaviour intended to preserve the social and environmental harmony and sustainable development).

Innovative study, analysis and reports on the current business models and their development including the sustainable entrepreneurship phenomenon, social innovations, city/commercial marketing and strategy, urban activism and development, social movements and local/regional governance issues as well as further characteristics of the 4S initiatives are addressed. Approaches to the evaluation of effectiveness of the CSR activities also form a challenge.

1.1 Methodology

The presented qualitative research can be categorized as a Descriptive (Illustrative) Case Study based mainly on secondary and observational data and it is used to describe the phenomenon of the fourth sector and its attributes in the real-life context of the city Havířov on the informational presupposition of professional experience and literature (Baxter & Jack, 2010). Conceptual framework tree and city entities’ 4S collaboration networks are characterized in Figs. 2 resp. 1.

For construction reasons, the following methodological concepts were utilized:

- Descriptive case study based on realistic grounds
- Introduction into basic concepts and definitions

- Theoretical research of relevant scientific literature
- Analytical and synthetical approaches to the open and reserved information sources
- Interviews with representatives (results incorporated into the factual content of the text)
- SWOT analysis
- Strategic proposals
- Graphical outputs

The chapter explains the clear link with the 4S while developing its content. The robust regional entrepreneurial ecosystems of the city Havřířov assuring its sustainable development are shown in Fig. 1. Figure 1 is used as the cross-sectional framework for construction of the case study. Each element of the ecosystem is explained or commented in the following text in relation to the analyzed and presented data and information.

This chapter serves for exploring and discussing the innovative approaches, studies, analysis and reports on the key issues and development of four sector entities, ecosystem developers and other stakeholders such as:

- City municipality, civil and municipal enterprises and PPP projects, sustainable enterprising, community development corporations and cooperatives, for-benefit enterprises, mission-driven businesses, sport and culture businesses, faith-based enterprises and social enterprises.
- Research and understanding, marketing and communication channels, assessment and reporting standards, technical assistance, ratings and certification, education and training, legal structures as well as regulation and financial markets.
- Business, philanthropy and safety, labour markets, media, academia, citizens and customers, non-profits as well as Non-Government Organisations (NGOs) and governments.

2 Theoretical Background

The research done in the Web of Science, namely for the concept of “fourth AND sector” (on 28. April 2020), brings a total of 1989 publications which are cited 26,683 times with the h-index 72. The number of citations has been permanently growing in the geometric progression since the year 1992. This bibliographic analysis highlights the relevance and importance of the topic.

The following subchapter brings the most substantial definitions regarding the content of the chapter, theoretical research of relevant scientific works, discussion obtained from the high-quality journals as well as other information sources concerning the structure and activities of the 4S.



Fig. 1 The cross-sectional collaboration network of the city Havřov. Source: Author's elaboration based on Sabeti et al. (2019)

2.1 Terms and Definitions, the Fourth Sector Activities

From our point of view, the 4S can be understood as a mutually interconnected cooperation between the profit creating market-based organizations and public and non-profit sectors that combine approaches of the private sector with the social and environmental issues aiming at rising of the so called for-benefit enterprises. An interconnection with the local government improves the relevancy of intended and realized CSR projects. New unusual activities and non-traditional sectors happen to occur (bike sharing etc.).

The concept of the fourth sector has been introduced, for example by the following authors: The purpose of the paper by Rubio-Mozos et al. was to fill the gap in the social sciences literature by conducting in-depth interviews with the Fourth 4S entrepreneurs, business leaders from the purpose-driven companies and academics, in order to approach and get their perspective on the role that 4S small

and medium-sized enterprises (SMEs) are being called to execute to advance towards 2030 (Rubio-Mozos et al., 2019). Antonio Vives concluded that the 4S should not be something special and should become the norm, that all companies accept the dual objective as a reason for being and not as mere aspiration. He also stated that the companies of the first, second and third sectors move towards the ideal of the company socially, totally, responsibly, and they aim at social progress (Vives, 2012).

Entrepreneurial Case Studies and Paradigmatic Examples

- Most often the business case study refers to the creation of a business plan or plan for the company itself or, alternatively, for a specific institution.
- A financial plan is a typical example. It includes the economic analyses of the company reports, SWOT analysis, Cash Flow analyses, PEST analyses and their analogues, use of the BCG matrix and analyses the relations between the company and its stakeholders (business partners, customers, employees). It can be used to analyze the share of social responsibility and all its pillars in the company (Majumdar & Reji, 2019).

Civic/Municipal Enterprises, Cross-Sectional Partnerships

- This includes NGOs, interest groups, trade associations and religious organizations.
- Cross-sectoral partnerships indicate a commitment between the private or non-profit organizations and those public institutions or, alternatively, those institutions where individuals from partner organizations distribute different resources and agree to work together on common goals (Eyal & Berkovich, 2019).

Hybrid Organizational Configurations, Social Enterprises

A **hybrid organizational** structure is used when the functional or divisional structure is not appropriate for the selected type of company. Its aim is to combine the good properties of the two structures mentioned above (Salavou & Manolopoulos, 2019).

A **social enterprise** fulfils the public benefit goal which is formulated in the founding documents of the organization. It arises and develops on the concept of the so-called triple benefit—economic, social and environmental. The amendment of these principles was approved by the TESSEA Expert Committee in 2011 (Doherty et al., 2014).

Figure 2 presents the original conceptual tree illustrating close connection of terms and definitions mentioned and explained in subchapter as “fruits of a tree” and their connection to the treetop—chapter’s objectives (to characterize the 4S ecosystem and its dynamic equilibrium of the city case study) and roots—the 4S base ground (cooperation between the profit creating market-based organizations, public and non-profit sectors focusing on different CSR and sustainability of profitable activities).

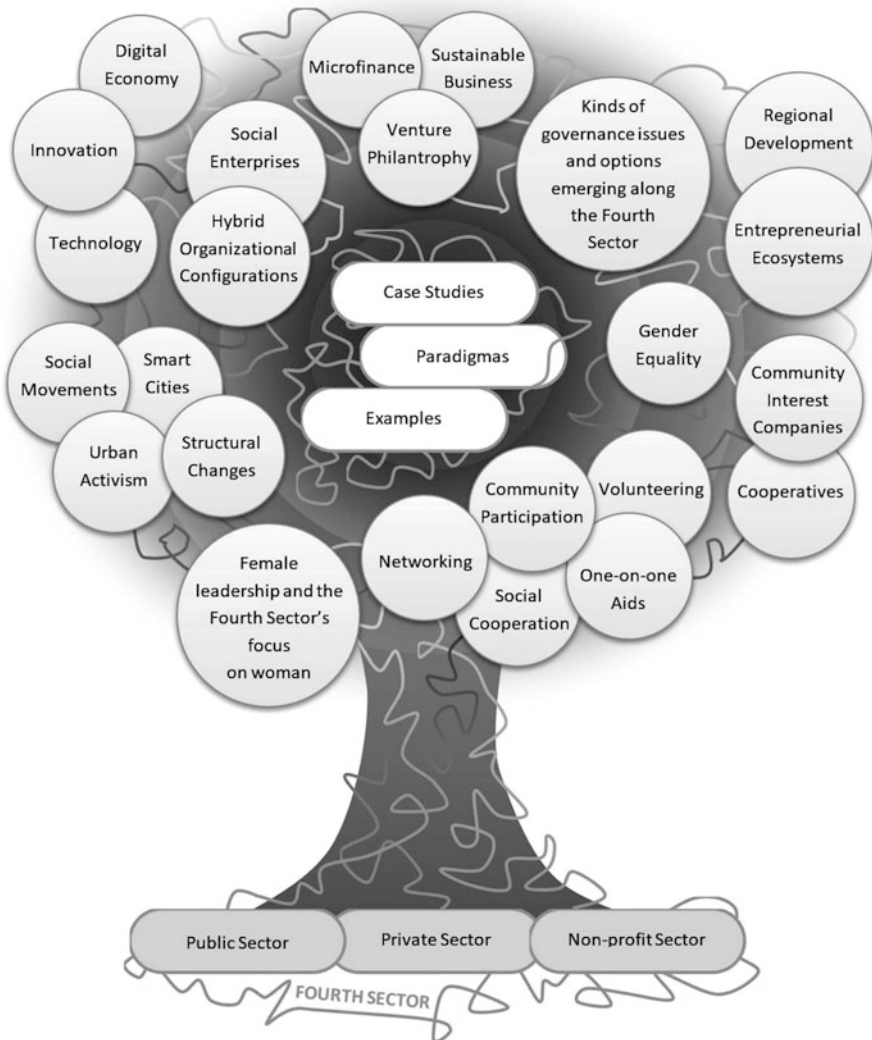


Fig. 2 The conceptual tree: terms and definitions—chapter objectives—the fourth sector

Microfinance, Venture Philanthropy, Sustainable Business

Microfinance in the form of micro-credit, micro-savings or micro-insurance is a specific type of financial service. It was primarily aimed at helping poorer people. The aim was to prove that even low-income people can repay the loan and thus support them in their later decision-making and reduce the risk of insolvency. Most of these transactions did not exceed \$ 100 (Morduch, 2000).

Venture Philanthropy combines the concepts and methods of business organizations aimed at helping with financial resources or providing the non-proprietary

support for building strong social organizations. Funds (state investments, subsidies) focus on poverty alleviation, support for education, healthcare or environmental protection. Venture philanthropy can be identified by three models creating traditional funds with a grant system; creating the non-profit organizations that are funded by volunteers who often work there and establishing partnerships where capital investors work closely with the recipients of funds (John, 2006).

Sustainable entrepreneurship addresses the issues of the labour market, diversity, education, use of natural resources, climate change and changing expectations of customers or the public. It is closely associated with CSR and brings competitive advantages in addressing the above issues (Bernardová et al., 2019). Three basic areas are known as the labour market, the circular economy and the sustainable communities. The first area includes preparedness for the demographic change, equal opportunities, flexibility of work, diversity and education. The second area includes innovation, cross-sector cooperation, sustainable production, consumption and circular economy. The last area focuses on corporate volunteering, corporate donorship, cross-sector partnerships, collaboration with cities or shared economy (Babajide et al., 2017).

Community Interest Companies, Cooperatives, Common Good Corporations

Community Interest Companies—A social interest society is a special form of non-profit charity that exists mainly for the benefit of the community or for the purpose of pursuing a social purpose, rather than generating profit for shareholders. It includes social and community enterprises, social firms, cooperatives and organizations operating at local, regional, national or international level.

Cooperatives are defined as autonomous associations of people who strive to achieve their own goals through other owned and democratically accepted businesses. This kind of “entrepreneurship” is important from the perspective of the social economy. Cooperative enterprises are more economically resilient and pursue social goals more, seeking investment in business profits back into their own communities (Meyer & Hudon, 2019).

Kinds of Governance Issues and Options Emerging Along the Fourth Sector

The Quaternary sector refers to the economic sector comprising the knowledge-based part of the economy, which includes the research and development (R&D) sector together with higher education. It is separated from the tertiary sector. The broader concept of the sector where all services are based on knowledge and information, i.e. education, the ICT sector or consultancy is also known. It is based on a high level of education and requires a highly qualified workforce. It is intended to link the private sector, which has a wealth of experience in managing resources, fostering innovation etc. with the public sector, which protects community interests by creating an area of opportunity within the legal framework. The public and social sectors jointly control both communication and distribution channels in case social assistance is needed. Their distinguishing features include social purpose, business method, inclusive property, stakeholder governance, fair compensation, reasonable returns on investment, social and environmental responsibility, transparency and protection of assets (Jacobsen & Fast, 2019).

Urban Activism, Social Movements, Smart Cities and Structural Changes

The social movement is generally determined as the extent of the activities of the participants in the motion. This depends on three main factors—the complaints of the population, the level of human and material resources of the participants and the organizations they associate with, and political opportunities.

In a liberal democratic society, citizens are expected to direct their demands through the choice of interest groups, political parties etc. **Urban activism** addresses claims that are not fully satisfied by local authorities. When these claims escalate to coordination between various social groups, supporters, sympathizers or even allies within state institutions, urban movements can emerge (Orum et al., 2020).

In general, **the social movement** theory seeks to explain why social mobilization is taking place. Contemporary social movements are involved in solving the issue of social or political conflict (historically, they have focused more on workers', anti-war problems, feminism and occasional rights). Different forms of riot are distinguished according to the length, goals, tactics or audience. Nowadays, the advent of social media has a great influence and driving force, which reduces costs and practical obstacles to broadening opinion or information to trigger up a collective action (Thomas et al., 2019).

Smart City initiatives use digital, communication and information technology to improve the quality of life in cities. They lead to sustainable urban development, the introduction of modern technologies in city management to improve the quality of life, reduce environmental burdens, streamline the use of existing resources or search for new ones, reduce energy consumption or streamline governance. The most significant application of this concept can be found in the area of introduction of modern information and communication technologies as well as in the field of energy or transport infrastructure. Other fields include water management or waste management (Burke Wood, 2017).

Structural change refers to a dramatic shift in the way a state, industry, market or industry operates, and it is usually triggered by significant economic development. The dynamics of the change is crucial. It can be also triggered by a global shift in capital and labour, technological developments and innovations, changes in the availability of resources or changes in the political environment (McMillan & Rodrik, 2011).

One-on-One Assistants, Volunteering, Community Participation, Social Cooperation, Networking

One-on-one assistants are most often associated with assistance in education. Employees working under this “concept” are mainly responsible for working with students who require a special form of attention and support that a teacher is not able to target specifically to a particular student in the classroom. Individual helpers establish and maintain close relationships with students. There are fields of study that educate future pedagogical staff so that they can help, e.g. autistic children and children with attention deficit disorder with learning, or integration into a team both at school and outside the classroom.

Volunteering is generally considered to be an altruistic activity where a group or an individual provides funds or services without claiming financial compensation. They aim to provide a social benefit to another person, group or community (Bowman, 2009).

Participation refers to engagement in discussions for faster, clearer and more accurate decisions. Participative decision-making increases the level of adequate decision-making power and can be observed in every area of human activity. This term refers to a style of management that requires a high level of worker participation in decision-making that affects their work. Sufficient information, as well as information “transparency”, is necessary for correct decision-making (Goodwin & Goodwin, 2004).

Networking means connecting people who can help us develop a particular activity. It can improve both career progression and employment in the company for more effective business. According to Anne Boe, this is a process of establishing personal and professional contacts between people in order to obtain information, advice, personal recommendations, support or energy. Michelle Tuller states that this is a process of maintaining and cultivating relationships, where information, support and advice are exchanged within the “network” to facilitate the success of everyone involved (Cattaneo et al., 2019).

Gender Equality

Equality between men and women means that women and men have the same value and should be treated equally, not that they are the same. Both women and men should be given equal opportunities to access resources—financial and natural, as well as equal access to employment opportunities. Furthermore, when equal opportunities in the family and society are ensured, gender stereotypes are eliminated. As far as the Czech Republic is concerned, it is the Czech Constitution and the Anti-Discrimination Act and other Czech standards that guarantee this equality (Connolly et al., 2019).

Female Leadership and the Fourth Sector’s Focus on Women

Leadership is not gender specific. It is a specific set of leadership qualities and skills that are specific to a particular person. However, there are some differences in the basic characteristics and qualities of leadership among men and women. Women tend to use the following leadership styles—transformational leadership style, task-focused style, work in collegial atmosphere, collaboration style, communication style or self-branding (Dhatt et al., 2017).

Entrepreneurial Ecosystems and Regional Development

The **Entrepreneurial ecosystem** has been tailored to refer to elements of the business environment that help a particular organization grow. Entrepreneurial ecosystems are closely related to innovation systems. The difference is that the conditions of Entrepreneurial ecosystems affect business people who create value, and innovation systems focus on the development of innovation. It is possible to borrow an idea from the innovation process and apply it to the Entrepreneurial ecosystem. The link between business and the word “ecosystem” is a reference to the

link to the natural ecosystem, where some elements can be described as relevant to the business value chain. This concept entails a broader scope where individual items supply productive business.

Regional development is understood as the complex of processes that take place within the region and concern positive changes in the given area. They include economic, environmental, and social impacts and examine extensive and intensive development. Regional development is not identical to regional growth since growth is defined by an increase in the total economic product of the region under review within a specified time frame. Regional development is mainly associated with an increase in regional disparities and polarized development (Kozel et al., 2018).

Innovation, Technology and Digital Economy in the Fourth Sector

Over the past 20 years, the boundaries between the private, public and non-profit sectors have become almost unrecognizable. This is mainly because pioneering organizations have begun to combine social and environmental goals with business. It is these hybrid corporations (cooperatives, social enterprises, civic associations etc.) that share a common goal of achieving financial success while minimizing negative externalities. It also seeks to bring strong environmental and social benefits. Through this endeavour, most organizations aim to sustainable development using new technologies (artificial intelligence, cloud computing, robotics, wireless technology, 3D printing). According to research conducted by Eric Von Hippel in the United Kingdom, consumers themselves need to be involved in innovative solutions (Malecki & Moriset, 2007).

Digital economy is based on digital technologies and therefore the Internet plays the biggest role. Social networking (Facebook, Twitter, LinkedIn, Instagram) is a necessity for many organizations and businesses, which brings many benefits (Haltiwanger & Jarmin, 2000).

2.2 Literature Review

Ruth Avidar's paper focuses on social enterprises, self-sustainable enterprises that address social goals. Public relations were defined in three organizational environments: the public or government sector, the private or business sector, and the social non-profit sector. Over the past few decades, the boundaries between the above-mentioned sectors have disappeared and new types of initiatives and organizations have been formed. These combine business approaches with environmental objectives. A study conducted on a representative sample of 202 respondents using the Diffusion Innovation (DOI) theory proclaimed the involvement in a successful dissemination process and showed how the DOI theory can enrich public relations theory and practice (Avidar, 2017).

Since the economic crisis and the crisis of legitimacy, the prevailing economic model based on the profit of private enterprises has emerged in the academic world and in the economic and political world. It uses such terms as social enterprises,

solidarity economy, collaborative economy, circular economy, the common good economy, the 4S, social innovation and social responsibility. In the thesis “The Social Economy Facing Emerging Economic Concepts: Social Innovation, Social Responsibility, Collaborative Economy, Social Enterprises and Solidarity Economy”, the above-mentioned concepts have been clarified and their differences, as well as common features in relation to the consolidated concept of social economy, were identified. The authors relied on a study for the European Economic and Social Committee carried out in 2017. The authors identified two conceptual waves in the areas of social economy/third sector between the scientific revolution and the period of normal science. The first wave appeared in the late 1970s and 1980s, along with the oil crisis. During this period, social economy and non-profit organizations appeared in the economy. The second wave occurred during the economic crisis and the legitimization of the prevailing economic model. The concept of social economy remains the main concept of non-profit organizations, and the paradigm refers to “the space between public and private for a profitable economy”. This connection has earned a broad scientific and political consensus (Chaves & Monzón, 2018).

Sabeti et al. (2019) analyzed the public and private sectors in more detail (unlike Chaves and Monzon). They reported that the boundaries between the public, private and social sectors have narrowed because of significant development in practices and new organizations that mix social and environmental missions with commercial practices. They examine the implications of the workforce for individual sectors and society as a whole. Emerging organizations grow out of blur sector boundaries they define the fourth sector. In their paper, they suggested a way to accelerate development by creating a new group of beneficial organizations along with the creation of a supportive ecosystem (Sabeti et al., 2019).

In Australia, the so-called Neighbourhood Houses are known to acquire and work with adult students. They are known as providers of the fourth sector of adult and community education (ACE). This concept has been known for 45 years. Since then, the Neighbourhood Houses have been functioning as educational and social inclusion institutions. The students’ experience with Neighbourhood Houses goes beyond formal adult education and includes reasons such as reducing social isolation, promoting friendships and new networks, increasing welfare, increasing income capacity and further learning to improve employment prospects (Ollis et al., 2018).

In Mongolia, the government launched the national Cashmere programme to increase its competitiveness. About 100 groups were involved to identify a common approach. Development partners, UN agencies and others have shown a consistent appetite for programmes to promote climate-resistant and socially responsible grassland management. Sustainable cashmere, which remains an elusive concept, can play a key role here. Some experts consider this concept to be a state that respects animal welfare, ecosystems and wildlife. Others emphasize the pure processing of cashmere wool. All opinions are equally important, but difficult to track in the long textile supply chain, which makes them expensive sustainable solutions. This is a process inspired by the model that Wilburn, Kathleen and Wilburn, Ralph proposed

in 2013 in the study of the double bottom line: Profit and social benefit (Okamoto, 2020).

The authors Chaves and Monzon also dealt with the economic issues, authors Turner et al. (2013), unlike their colleagues, write mainly about the need to develop the non-profit sector and criticize the public sector. Their paper reports that after the end of the Second World War there was an unprecedented effort to develop most world nations economically and socially. Developing countries, third world countries or the South have encouraged their citizens to pursue development and, to this day, they have formulated policies and designed programmes. Among these processes and factors that contribute to different levels of success, they have shown that the public sector has often worked poorly. There is a broad agreement among current development experts and academics that the nature and performance of public sector organizations are crucial elements in determining the success of the development.

Instead of the public sector, as was the case of the authors Chaves, Monzon, Turner, McCourt and Hulme, CGC (2019) are involved in non-profit businesses. They state in their paper that there is a new generation of non-profit-driven enterprises. These organizations appear in a wide range of forms (from holdings to the B-Corps) and fall into numerous movements (circular economy, social entrepreneurship, fair trade, human-centred business, mass banking, and many others). All these entities share the same goal: to use a market-oriented approach to self-sufficiency and bring positive social and environmental impact on a large scale. The study by Rubio et al. focuses on the current status of special-purpose enterprises in seven Ibero-American countries which together account for 87% of total EU GDP. These are the regions of Argentina, Brazil, Colombia, Chile, Mexico, Portugal, and Spain. Over 170,000 special-purpose enterprises can be found in the region, employing almost ten million employees per year. The differences between the countries were mainly seen in the different weight of the cooperatives, which still represent the biggest part of the fourth sector. In all seven countries, new organizational forms and businesses are still emerging to address the pressing challenges of poverty, climate change and inequality. The governments of the countries are aware of the need for these institutions and support the creation of, for example, alternative organizations that merge business activities with public benefit within the social economy (CGC, 2019).

A study by Shin et al. (2012) analysed the productivity of research by Saudi academics using a Triple Helix Model. In the analysis, they combined the domestic and international cooperation of three sectors—university, industry, and government—according to the Triple Spiral Model. The analysis showed that research cooperation in Saudi Arabia, as measured by the triple spiral, is an uncertainty (negative T value), while scientific productivity has increased dramatically since the late 2000s. Technological development was not based on scientific research but on patent references. In opposite to the study by Shin et al. (2012), authors pointed out various impacts of environmental cases from Finland are referred to in a study by Vuori et al. (2019). The authors focused their research on how to create a shared value for organizations operating in the public, private, third and fourth sectors.

Vives (2012) critically evaluated the traditional concept of a for-profit and non-profit organization. Recent interest in complementing the fourth sector has been based on the understanding that traditional forms of company characterization as “for-profit” and “non-profit” are very restrictive as to enable companies to act in an area that has evolved, with increasing concerns about the social and the need to sincerely address the growing social challenges that governments and civil society organizations are unable to address, either because of the lack of resources or because their instruments cannot attack a major problem (Vives, 2012).

Wilburn and Wilburn (2013) created a new business model that provides a structure for non-profit organizations that offer growth, for those at risk who want to be socially responsible, for individuals who want to invest in society with a commitment to social responsibility and sustainability businesses. The model is focused on both profit and social benefits. It is a so-called “benefit company” that has been ratified by lawmakers in 19 states and the District of Columbia.

Unlike the colleagues mentioned above, Williams (2003) deals with the social field in his studies. He critically reviews the third sector approach that encourages participation in foster groups in deprived neighbourhoods in the United Kingdom. Research has shown that for most of the interviewees in the field, the culture of engagement in the groups is “foreign” as opposed to the widely used individual support. It has been recommended to complement the third sector towards community participation by the accession of the fourth sector to further anchor and strengthen individual support. In 2004, Williams Colin followed up on a 2003 study and revised social issues. He reports that attempts to educate “self-help” in a community of deprived neighbourhoods in which they did research earlier tend to continue the path of the community group development. Government surveys of the United Beauty Society have shown how the third sector approach supports the form of a self-help community. This reflects a stronger culture of engagement in rich communities rather than poor ones. The paper shows that it is necessary to complement the existing third sector and its activities with a fourth sector that seeks informal forms of self-help in the community. It also outlined possible policy initiatives that could be used to implement this fourth sectoral approach (Williams, 2004).

3 Results

This subchapter presents the main results and describes the most important activities of the city of Havřířov and also Central heating company (HTS) and Heat on the palm (TND) endowment fund and characterises how the 4S is developed in these social systems. The data are presented using entrepreneurial case studies and paradigmatic examples and correspond to the collaboration network visible on the Fig. 1 as well as to 4S conceptual tree characterized by Fig. 2.

The main concerns are basic characteristics and historical background, localization, twin cities population, social sphere, municipal and non-profit organizations

and enterprises, sustainable enterprising, labour market, schools, national minorities, safety, crime and drug prevention, sport, cultural events, volunteering and awarding, associations, cooperatives, churches, smart city, digitization, infrastructure, bike sharing, gender policy, COVID-19 measures and SWOT analysis. The 4S and CSR activities of HTS and TND are characterized as well.

Strategic intentions of the city of Havířov are presented by 2028 at the end of the subchapter. They are divided into seven crucial areas (economy, workforce, security, management, education, culture and leisure time, healthcare and social sphere, transport and infrastructure). The subchapter is based on the open sources, internal municipal or corporate information and data, and consultations with representatives or top managers.

The main open sources used in the chapter were freely publicly available, especially Internet sources such as the website of the city of Havířov and relevant contributory organizations, public open database of the Czech Statistical Office, the register of companies, territorial analytical documents of the city and the City Vision 2020+ strategy.

The internal sources upon which the information base has been built are, for example the annual reports of HTS and the TND and internal materials of the City departments (Department of Municipal Services, Economic Department and Organizational Department), MMH.

In order to supplement the information and data base, it was also necessary to consult specialized experts, questioning about the technical and economic issues, but also in the social and managerial sphere of the entities involved. It is possible to name, for example the top managers of HTS such as Technical Deputy Ing. Ladislav Moravec, MBA (co-author of the chapter), Michaela Dvorská PR manager of the TND, members of the Administrative and Supervisory Board of the TND. Additional data were provided by experts on the economy and development of the MMH in the position of deputy mayors and heads of departments and divisions falling within the competencies to the top representatives of the City of Havířov.

3.1 *Havířov City*

The subchapter of the city of Havířov is structured as information obtained from the relevant studies such as the vision of the City of Havířov 2020+ and covers all important aspects of citizen life in the 4S ecosystem.

Havířov (the name means “miners’ city”) is a structurally afflicted city in the Moravian-Silesian region with around 72,000 citizens. It is the youngest city in the Czech Republic which was established in 1955. Formerly, the city was a community of miners and ironworkers. Nowadays, the black coal mines in the neighbourhood closed down and ironworks are also in recession. The city of Havířov is often nicknamed as “the City of Green” due to strong emphasis on floral decorations and greenery in the public areas of the city. The population of Havířov is growing

old and a noticeable Roma minority, often leading alternative and maladjusted lifestyle, lives there.



Young people often leave the city for Prague or elsewhere worldwide in the expectation of a better future. The subchapter contains more detailed description of the city of Havířov, its administration, city companies and socio-environmental activities in the context of the 4S.

Basic Characteristics

The city of Havířov was established on the southern edge of the Ostrava-Karviná industrial area. The main reason for its establishment was the need to secure flats for mine workers, ironworkers and smelters in the period of industrial development in the Ostrava region after World War II.

The core of Havířov is connected with the era of Czechoslovakia in the 1950s. This architecture is known in the world as traditionalism, in Germany as post-war modernism and in the Czech Republic it is also called socialist realism or Sorela. Within the Ostrava residential agglomeration, Havířov maintains its reputation as the city of high-quality housing and, in comparison with other cities in the region, clean environment and very good recreational facilities. The city itself is divided into 6 cadastral territories. The cadastral area of the city comprises of 3207.76 ha (<http://www.uir.cz>).

Almost 60% of the cadastral area of Havířov is non-agricultural land. Agricultural land then accounts for more than 40%. Arable land represents 24.2% of the territory, gardens make 10.2%. The proportion of orchards and permanent grassland is rather negligible (2.2% and 5.1%). The population density of the whole territory is 2277 inhabitants per km² (<https://www.czso.cz>).

Figure 3 shows the map of Havířov with its surroundings near the Polish border. Havířov is an integral part of Ostrava sprawl together with Karviná, Rychvald, Petřvald, Šenov, Vratimov, Paskov and other towns. A small localization map places the city into central European perspective—see below.

Foreign **twin cities** are cities that, despite their geographical distance, have come together to foster cultural ties and contacts between their inhabitants. They often (though not always) have similar demographic and other characteristics, sometimes a similar history. Such partnerships often lead to student exchange programmes as well as economic and cultural cooperation. The partner cities of Havířov are:

- Italy—Collegno
- United Kingdom—Harlow
- Poland—Jastrzębie-Zdroj
- Lithuania—Mažeikiai
- Croatia—Omiš
- Estonia—Paide
- Slovakia—Turčianské Teplice
- Slovenia—Zagorje ob Savi

Cooperation between cities takes place at the level of proposals for the development of infrastructure and culture, joint efforts to obtain EU subsidies, or the symbolic naming of one of the streets with the name of a partner city. Types of individual cooperation vary significantly and do not cover all the above-mentioned areas.

The Population of Havířov

According to the records of the inhabitants of the city of Havířov, 73,050 residents lived in the city in 2018. According to the Czech Statistical Office (CZSO) data, as of 31st December 2018, the city of Havířov is the 12th largest city in the Czech Republic (71,903 inhabitants).

It is evident that the decrease in population is mainly caused by the **negative migration balance** (i.e. the difference between the numbers of immigrants and emigrants to and from the city). However, the trend of the migration balance points to its gradual equalization. This is mainly due to the increase in the number of immigrants to the city, mainly since 2016 onwards. The development of population in the monitored years shows the trend of its rapid decrease (<https://vdb.czso.cz>).

Kinds of **governance issues in social sphere** emerging along the 4S (City Vision 2020+, analytical section).

- Housing problems (writing an application for an apartment, solving debt repayments, looking for alternative housing. . .)
- Debts (drafting an application for repayments, drafting a proposal to exclude a case from enforcement. . .)
- Unemployment (writing a CV, job search assistance. . .)
- Family and interpersonal relations (writing of petitions to courts, e.g. petition for a divorced spouse, settlement of a birth certificate. . .)
- Disability (providing information on entitlement to benefits. . .)
- Social security (providing information on pensions, sickness insurance benefits. . .)
- Social benefits (providing information on assistance in material need, state social support benefits, care allowance, assistance in writing appeals. . .)
- Social services (ways of assistance, types of social services, providers and availability of social services. . .) (<https://www.havirov-city.cz>).



Fig. 3 Localization map of the City of Havířov. Source: Author’s elaboration based on Mapy.cz and Google Maps

Social Services in Havířov (See Fig. 1)

There are 13 social service providers, which provide a wide range of social services in Havířov. The city offers its citizens housing in special purpose houses (DZU), which are intended for citizens with severe defects of the supporting and locomotive organs. The social services of the city of Havířov provide counselling services for seniors, families with children, persons at risk of addiction and others. Other services of this provider include, for example relief care.

Municipal organizations (see Fig. 1) of Statutory City Havířov (SMH) establish or participate in several contributory organizations and municipal business organizations. Below, there is a list of Havířov **contributory (non-profit) organizations including social enterprises**:

- Schools, school facilities.
- Senior Home Havířov—a contributory organization providing social services, established by the Statutory City of Havířov. The organization provides residential social services in continuous operation in two centres:
 - The Helios Centre, located in Havířov-Město, on Jaroslav Seifert Street No. 1530/14, provides two residential social services: a home for the elderly and a home with a special regime.

- The Luna Centre, located in Havřířov-Šumbark, on Lidická Street 1200/52c, provides a residential social service home for the elderly (<http://www.dshavirov.cz>).
- SANTÉ. The mission of the contributory organization SANTÉ—a centre of outpatient and residential social services is to provide quality social services to people with intellectual disabilities so that they can lead the most independent life (<https://www.sante-havirov.cz>).
- Administration of sports and recreational facilities in Havřířov—their aim is to make use of the sports grounds intended for the population of the city of all ages, especially children and youth. All public sports can be played for free. The vision is that as many children and young people as possible can spend their free time doing sports.
- Havřířov Municipal Cultural Centre is aimed at organizing cultural and city-wide events, courses, and leisure art activities (<https://www.mkshavirov.cz>).
- Municipal Library of Havřířov—an institution used primarily for making library units (i.e. any separately registered units, not just books) accessible to the public (<https://www.knih-havirov.cz>).
- Social Services of the City of Havřířov—This organization has a long-term experience in working with seniors, citizens at risk of social exclusion and dependents, and other families (<https://www.ssmh.cz>).

Table 1 lists the **civic/municipal enterprises** (companies), establishing **cross-sectional partnerships**, in which SMH has an **ownership interest**, their name, address, company ID and the percentage of the ownership interest.

Sustainable Business of Municipal Companies (See Fig. 1)

- Technické služby Havřířov (TS—technical services) meet the requirements for the quality management system according to ČSN EN ISO 9001:2016—provision of public services, in particular, cleaning of the city, treatment of public green areas, waste management, maintenance of lighting and SZZ, repair and maintenance of roads, and funeral and cemetery services. TS also meet the requirements for the environmental management system according to ČSN ISO 14001:2016—provision of public services, especially waste management (<https://www.tsh.cz>).
- Havřířovská teplárenská společnost (HTS—Havřířov Central Heating Company). Since 2003, it has been a holder of quality certificates according to ČSN EN ISO 9001 (QMS), ČSN EN ISO 14001 (EMS) and ČSN ISO 45001:2018 (OSH) standards. The obtained certificates are valid for the areas of “Production and distribution of thermal energy” and “Production and repairs of transfer stations”. Every year, HTS contributes to organizations and supports Havřířov residents in various areas. Considering the ever-increasing number of applicants for financial assistance, the company management decided to set up the Heat on the Palm Endowment Fund, whose mission is to achieve the public benefit. This is one of the steps taken by HTS (founder) to fulfil its commitment to the city of Havřířov as well as to be a socially responsible company towards individuals, families, communities, environment and the region in general (www.htsas.cz).

Table 1 Havířov’s municipal enterprises

Company name	ID	SMH equity (%)
Technical services Havířov, joint-stock company	25375601	100
Havířov central heating company	61974706	100
City real estate agency	64084744	100
Havířov Castle	25385534	100
ČSAD Havířov (public transport)	45192081	10.2
Depos Horní Suchá	47677287	7.54
Northern Moravian water supply and sewerage Ostrava	45193665	0.00026

Source: MMH internal materials

- CEVYKO (Centre for Municipal Waste Recovery). The aim of CEVYKO is to build a modern technological facility for the effective treatment of municipal waste in response to a change in the legislation of the Czech Republic in 2014. This facility will process separated (paper, plastic) as well as mixed and bulk (e.g. furniture) municipal waste (www.cevyko.cz).

Labour Market in Havířov (See Fig. 1)

The city of Havířov and the whole district of Karviná have long been ranked among the regions with the highest unemployment rate in the Czech Republic. To understand the links to the situation on the labour market, it is appropriate to characterize the educational structure of the population, which largely determines what investments can be made in the region, or what job positions can be created. According to data of the last Population and Housing Census in Havířov in 2011, there was a higher proportion of inhabitants whose highest educational attainment was primary or secondary without GCSE. On the contrary, inhabitants with higher educational attainment were less represented. In 2018, the unemployment stood at 7.28%; the unemployment has been decreasing since the year 2014.

The largest employer in Havířov is the Hospital (with the Havířov Health Center) which, according to the Amadeus database, has 750 employees. The second and the third ranked are a bakery company Semag, AWT Rekultivace, which is engaged in improving the condition of a landscape after mining-related interventions, and the transport company ČSAD Havířov.

Havířov Secondary Schools (See Fig. 1)

1. State

- Secondary School of Engineering, Havířov-Šumbark, Lidická 1a/600, allowance organization
- Gymnázium (high school), Havířov-Mesto, Komenskeho 2, allowance organization
- Secondary Technical School of Electrical Engineering, Havířov, allowance organization
- Gymnázium (high school), Havířov-Podlesí, allowance organization

- (e) Secondary Technical School of Civil Engineering, Havířov, allowance organization
- (f) Secondary school, Havířov-Prostřední Suchá, allowance organization

2. Private

- (a) Hotel School and Business Academy Havířov
- (b) DAKOL College and DAKOL Secondary School

The PRIGO University (see Fig. 1) settled in Havířov aspires to educate students within accredited study programmes (Economic Policy and Public Administration, Social Policy and Social Work) as well as foster and develop scientific and other creative activities in cooperation with domestic and foreign universities, research institutions, state administration and business and cultural sectors (<https://www.vs-prigo.cz/en/>).

National Minorities

Since 1st January 2004, the position of an advisor for national minorities has been set up at the Municipality of Havířov to deal with the rights of persons belonging to national minorities, monitor national minorities, cooperate with schools attended by children of national minorities etc. This advisor cooperates with the Regional Authority of the Moravian-Silesian Region—advisor for national minorities (Roma advisor).

Crime in the City of Havířov

A total of 4733 crimes with a total detection rate of 53.03% were detected on the territory of the Karviná Territorial Department in 2019. Compared to 2018, a decrease of 119 was recorded. The detection rate was slightly reduced by 1.48%. General and property criminal deeds, and thefts are the most frequent.

The City of Havířov has prepared a strategic document on the concept of crime prevention for the period of 2017–2020. The aim of the document is to help to coordinate and secure the crime prevention areas and to implement measures aimed at supporting these activities.

Crime Prevention Assistants

The Crime Prevention Program has been implemented in Havířov since 1996. The largest of its parts consists of social prevention projects, which are mostly focused on creating conditions for the use of free time of children and youth in Havířov and on the application of the Early Intervention System in Havířov (<https://www.havirov-city.cz>).

Commission on Drugs and Crime Prevention

The advisory body of the City Council of Havířov implements the recommendations and ensures the implementation of a unified concept of crime prevention and drug policy of the city. It deals with proposals for legislative changes, proposals to adopt measures based on acquired and evaluated information on the problems of drug use as well as addictions of all kinds in the city, and incentives to ensure coherence and cooperation of authorities and institutions in the application of crime prevention and drug policy within the city. It continuously monitors and submits to the Council of

SMH (RMH) their standpoints on the issue of implemented urban activities in the area of crime prevention (<https://www.havirov-city.cz>, City Vision 2020+).

Community interest companies and common good corporations and associations are active in sports, culture, spiritual life, **cooperative** activities as well as **volunteering**. These are examples of **urban activism** and peaceful **social movements**.

Sports in Havířov (See Fig. 1)

Havířov is one of the major sports centres in the region. The intention of the city of Havířov is to create and develop quality conditions for the pursuit of sports activities of all its citizens. Due to the long-term ageing process of the mining community, one of the basic pillars of the city’s sport policy should be to maintain the physical activities of the oldest groups of the population, which should be reflected in prevention of civilization diseases (<https://www.havirov-city.cz>, City Vision 2020+).

The expenditure on culture is a relatively stable part of the budget, which ranged from 62 to 71 million crowns in the monitored years. Each year, the highest share of total expenditures was represented by the item “Other activities in matters of culture, churches and the media” (City Vision 2020+).

City-Wide Cultural Events (See Fig. 1)

- Havířov festivities. The Havířov Festival is held annually and offers a rich music programme for the citizens of the city in the Slavia Sports Hall.
- Easter and Christmas city. The period before Easter and Christmas holidays is marked by many cultural events, held especially on the Republic Square, and includes a sales fair and reminders of traditional crafts and customs.
- Children’s Day. It is a traditional event with a rich programme for children.
- May celebrations include a programme for children and adults.
- Havířov in Flowers. Havířov in Flowers is a cultural event designed to celebrate summer. It is held in summer. The main component of the event is a parade of allegorical cars with floral decorations, a majorette show, marching music and dance ensembles, various cultural and sports activities as well as presentation of vintage cars. Throughout the day, various flower exhibitions, competitions and cultural events are held in the city.
- Little Festival in Summer is represented by a show of amateur bands from Havířov. The best band is selected, and the winner opens the Havířov festivities.
- Promenade concerts.
- Organ festival VOX ORGANI MKS Havířov.
- Miniteatro. It is a festival of small independent and professional touring theatres playing for children. The festival takes place every spring in the puppet hall of the Petr Bezruč House of Culture for a total of 9 days. In addition to theatre fairy tales, there is also an accompanying programme in the foyer of the theatre (<https://www.mkshavirov.cz>, City Vision 2020+).

Volunteering in the City

- ADRA. Volunteering in Havířov has deep roots. The Adventist Development and Relief Agency International is a humanitarian agency operated by the Seventh-day Adventist Church for the purpose of providing individual and community development and disaster relief. With a significant support of friends from the Frýdek Volunteer Center and thanks to their experience, an independent ADRA Havířov Volunteer Center was established in Havířov on 1st January 2013 (<https://www.adra.cz/>).
- The Salvation Army. The goal of the Salvation Army of the Czech Republic is to provide physical, social, moral and spiritual support to people of all ages on Christian principles (MMH internal materials).

Valuation Awards

- Award for city personalities. Traditional awards for prominent personalities in various categories.
- Awards for the city police officers. Traditional award for important personalities in the field of security.
- Award for city educators. Traditional awards for prominent personalities in the educational field (MMH internal materials).

Associations in Havířov (See Fig. 1)

- Sports Weightlifting Club Baník Havířov organizes sports events and weightlifting tournaments. The club also provides a steam and Finnish sauna.
- Musical Havířov produces amateur works from the fields of music, theatre and dance.
- The Sluníčko (Little Sun) Havířov Nursery and Family Center is a civic association.
- Support is provided for individual and group integration of children and youth with disabilities into mainstream schools. They also offer services, information, advice and leisure activities for parents and children.
- FLY TACKLE offers fishing trips to Norway.
- Social Services of the City of Havířov is a prevention centre leading to a healthy way of life.
- Civic association Poznání (Wisdom) Havířov provides assistance to children without parents, single-parent families, and seriously ill and maimed children from Asia.
- Club 3NYTY runs a low-threshold club for children and youth. They offer them books and magazines, computers, board games, table football etc. (<https://www.firmy.cz>).

Cooperatives (See Fig. 1)

Stavební bytové družstvo (Housing construction cooperative) Havířov is one of the largest housing cooperatives in the Czech Republic. It is a stabilized cooperative with years of experience and capacity, whose main mission is to acquire houses, flats, non-residential premises and family houses through joint activities and

common resources, to keep and maintain them as well as to manage one’s own and other people’s property (<https://www.firmy.cz>).

Churches in Havířov (See Fig. 1)

Churches play traditionally important role in the social life of citizens, although number of the Christians declines in the long run. Mostly evangelical church congregation is often characterized by an open community of people of different generations and nationalities, a family atmosphere in small living communities, combined with traditional piety and religiosity. Here follows the list of churches active in the city of Havířov:

- Těšín-Havířov Seniorate of the Silesian Evangelical Church.
- Parish Choir of the Silesian Evangelical Church of Augsburg Confession.
- The Apostolic Church.
- Church of the Brethren.
- Seventh-day Adventist Church Choir.
- Evangelical Community of Christians.
- Silesian Diaconia.
- Havířov Christian Choir.
- Roman Catholic parishes.
- Religious Society Jehovah’s Witnesses.
- The Salvation Army of the Czech Republic.

Smart City Havířov (See Fig. 1)

The Smart City concept is based on the use of modern technologies to ensure greater efficiency, cost reduction and environmental sustainability. Introducing of smart cities incorporates small or more significant **structural changes** as well as **innovation, technology development** and utilization and **digital economy** in the 4S.

Level of Digitization of the Office

The project entitled Digitization of the City Archive was implemented in the period of July 2011–July 2014. Its aim was to improve and streamline public administration through the use of information and communication technologies of the City of Havířov and to ensure faster and more reliable communication of the Office with citizens, business entities, other public administration entities and last but not least inside the office. The basis of the project was to create the technological infrastructure necessary for electronic data archiving, including automatic shredding based on set parameters and continuous replenishment of the archive. The project acquired scanners, hardware and software for document digitization, created a secure repository for digitized documents and to ensure their electronic circulation. The main benefit of the project implementation was the saving of time when working with archived digitized documents, where it is possible to obtain information in real time whether the relevant document is in the archive at the relevant MMH workplace (e.g. building office, spatial planning office, and environment). or not, and in selected cases, obtain an unverified copy of the document on site.

Use of Mobile Applications

Two mobile applications are currently being set up in Havířov to help streamline the city. The first one is the application Give Tip. This application allows residents of Havířov to alert SMH workers to unsatisfactory conditions, such as sidewalks, roads and urban greenery.

The second application that improves the functioning of the city through Smart Approaches in Havířov is Park in Havířov. Since 2018, this app has helped drivers to find out the availability of the parking lot by using chips located on the parking lots at the City Hall and Main Street (Source: City Vision 2020+).

Wi-Fi in Public Transport Buses Havířov

In accordance with the objective set in the “ICT Infrastructure” axis, the introduction of Wi-Fi into public transport means that in June 2019, the Wi-Fi network was launched in all means of public transport in Havířov.

Charging Stations for Electric Vehicles and Electromobility

In accordance with the objective “Infrastructure of charging stations for electric cars and electric bikes” of the Smarter Region strategy, these charging stations are gradually being installed in Havířov. In October 2019, the server evmapa.cz (a server gathering information about charging stations) registered three such stations in Havířov.

Smart Junctions

Havířov is going to introduce a system of smart and safe intersections. This could be particularly appreciated by the Integrated Rescue System and by bus drivers. The term smart intersection means that the traffic light has a built-in controller that gives priority to integrated rescue services. This means that when an ambulance comes out of the hospital, it sets the route to go and all intersections in the route switch to a mode opening the passage only to the ambulance and slowing down all other traffic. Another mode is that the public transport mode is in operation. The intersection will signal the driver to stay at the stop for two minutes and then the green light will come out. The aim is to improve the throughput of Havířov and to increase safety (MMH Internal Materials).

Orange Crossings

The Czech Power Company (ČEZ) Foundation has already supported three Orange Crossings in Havířov. Two unsatisfactory crossings on Studentská Street and one on Okrajová Street in Havířov were highlighted and thus increased the safety of children who are using these crossings most often. The illumination of the crossings was done by building streetlights extended to the roadway. In cooperation with ČEZ, Havířov is also preparing other projects, for example in the field of energy management (MMH internal materials).

Pedestrian Crossing Assistants

The city of Havířov has established regular “patrols” at pedestrian crossings near schools. These “patrols” help children cross the busy roads from 7:30 am to 8:00 am and thus increase their safety (MMH internal materials).

Bikesharing Havířov

In the first year of operation, 20 bicycle rental stations were set up. However, up to 50 locations have been identified, where the citizens of the city were also involved in the selected areas so that the sites could be effectively deployed. Citizens' involvement took place in a questionnaire where they could express their interest in this transport system and at the same time suggest places where they would like to place bicycle racks. Since last year the city has made available 80 low-entry bicycles with a basket for deferred items and a three-speed transfer. The city earmarked CZK 2,420,000 from its budget to cover costs in 2019 and 2020. The city management established due to social responsibility that renting a bicycle is for free during the first quarter of an hour. The cyclist then pays for the next rental period (MMH internal materials).

- Registered users: 4285
- Total borrowings in first 2 months: 15,302
- Total free borrowings (less than 15 min) in first 2 months: 13,296

Havířov Bypass

Havířov is one of the cities burdened with traffic. The Road and Motorway Directorate assumes that the construction of the bypass will begin in 2028 (MMH internal materials).

Gender Policy of the City (See Fig. 1)

The city Havířov did not have established a specific gender policy in urban companies and at MMH. The gender policy is derived from basic human rights protected by the constitution. Both women and men can participate in the selection procedures and applicable laws of the Czech Republic, decrees, principles, directives and orders are followed.

As examples of **one-to-one aid**, **volunteering**, **community participation**, **social cooperation** and **networking** can be presented activities connected with crisis in the spring season of the year 2020 connected with COVID-19 pandemic.

Crisis Measures for COVID-19 (Selection of the Successfully Applied Tools During the First Wave in Spring 2020)

- Informative leaflet for the city residents, which was delivered to all houses in the city (<https://www.havirov-city.cz>).
- As part of another measure to reduce the risk of spreading the COVID-19 disease in the city, the Municipality of Havířov extends assistance to seniors and persons in quarantine.
- As of March 20, Havířov closed all kindergartens it establishes. A total of 22 facilities. The reason for the closure is the low attendance of children.
- As of March 18, some intercity bus connections are restricted and tourist bus lines are cancelled.
- In connection with the emergency government measures and the declaration of an emergency against the spread of COVID-19, the shelter for dogs and pet animals

MAX is closed to the public until further notice. Exception to this measure is for dog owners who arranged a date to pick up their captured dog by telephone.

- In connection with the extraordinary government measures and the declaration of a state of emergency against the spread of the COVID-19 virus, the Technical Services premises are closed until further notice, communication only by e-mail or telephone. Garbage collection and cleaning of the city are without restrictions.
- From March 19 to March 31, public transport buses will run on weekdays as well as on Sundays and public holidays. Traveling on public transport will be possible only with covered mouth and nose from 19 March.
- In order to protect tenants of urban apartments from infection with the coronavirus SARS-CoV-2 on Friday, March 13, the city of Havířov decided to increase the requirements for disinfection of common areas in houses with a cleaning service contract. This measure applies to 18 houses and will apply from Monday 16 March 2020.
- Further COVID-19 citizen **urban activism, volunteer** and **one-to-one activities**:
 - 3D print of shields and distribution by private persons
 - Self-help sewing of protective veils
 - Self-help mixing of disinfection solutions

Havířov SWOT Analysis

Table 2 represents the SWOT analysis of the city of Havířov according to City Vision 2020+. Letters in brackets correspond to the priority axes (A1, A2. B. C, D, E, F) of strategy for the future (see Sect. 3.4).

3.2 Civic/Municipal Enterprise Central Heating Company

HTS (joint stock company) provides apartment buildings with heat. The heating company is based on hot water pipe transmission of heat generated by black coal-burning boilers. It was established in the year 1964 in complete different socio-economic and environmental situation of the socialist era. In the year 1995, HTS was transformed to its current status and is a fully market-based joint-stock company with its majority in the hands of the city. Although the economic, social and environmental conditions have completely changed, the company still struggles to fulfil its goals and seems to handle the changing conditions with sustainable competitiveness and ability to create profit. Addressing of CSR issues is already a clear necessity for a longer period of time for the sake of sustaining acceptable goodwill and awareness of the citizens. Since 2003, HTS has been a holder of quality certificates according to the standards ČSN EN ISO 9001 (Quality Management System), ČSN EN ISO 14001 (Environmental Management System) and ČSN ISO 45001 (Occupational Safety and Health). The main activities are focused on production and distribution of thermal energy and for the area production and repairs of transfer stations.



Figure 4 shows the organization and ownership of Central heating company (HTS) and Heat on the palm (TND) as an example of **hybrid organizational configurations**.

Description of Sustainable Goals in the CSR Context of the Fourth Sector

Social pillar—Quality and reliable heat supply of central heating and hot water preparation in the city of Havířov. Through the Heat on the palm (TND) endowment fund HTS serves public benefit objectives, in particular in the social, cultural, scientific, educational, sports, humanities and environmental fields. The area of fulfilment of these missions is within the city of Havířov and the adjacent micro-region.

Environmental pillar—The supply of thermal energy is realized so that the impacts on the environment are as small as possible, even if HTS, is a supplier of thermal energy from Veolia Energie ČR, a.s. This company “produces” thermal energy from primary sources. As part of load reduction, HTS, also supplies heat through nine local gas boilers with an installed capacity of 0.779 MW, which in 2018 meant 2511 GJ of thermal energy to the committee with the consumption of 72,801 m³ of natural gas. The company has no solid fuel boiler room.

Economic pillar—Achieving public benefit goals within the framework of financial support, foundation contribution or provision of things and services.

As a distributor of thermal energy from primary sources, in the future, HTS must respond to legislative changes in the field of thermal energy with a view to reducing the share of thermal energy conversion from coal combustion. A response to the rise of energy raw materials’ prices can be participation in the energy recovery system of municipal waste, e.g. through the CEVYKO project.

Progressive decentralization and diversification of resources of central heat supply by HTS, requires gradual installation of efficient cogeneration units in topologically suitable places, which also meets the environmental aspect of heating and the sustainability of high-quality thermal energy supplies for the citizens of the city.

HTS contributes to organizations and supports Havířov residents in various areas every year. In view of the ever-increasing number of applicants for financial assistance, the company management decided, with the support of the City of Havířov, to set up the Heat on the Palm Endowment Fund whose mission is to achieve public benefit. This is one of the steps taken by HTS (founder) fulfils its commitment to the city of Havířov, to be a socially responsible company towards individuals, family, communities, the environment and the region in general (www.htsas.cz).

Table 2 SWOT analysis of the city Havřov

Strong sides	Weaknesses
<ul style="list-style-type: none"> • Cheaper labour force than in Ostrava or Brno (A1) • Enough vacancies in schools and kindergartens (free kindergartens) (C) • Location of Havřov almost in the centre of the region, where all major cities are radially accessible, even by the operation of suburban transport (F) • Low crime rate and its decline in 3–4 years, increase in crime detection rate (A2) • High investments of the city in the area of security and public order (120 officers, equipment, mobile offices, camera system) (A2) • Excellent cooperation of the whole Integrated Rescue System (IRS) system, IRS cooperation with the municipality (A2) • Low indebtedness of the city (6.3%), balanced city management (B) • New website of the city, Town Hall letters and use of social networks (B) • Participatory budget of Havřov (citizens can directly influence part of the budget through direct proposals) (A1) • Environment and forests and dams around the city and the possibility of recreation (E) • Developed district heating, location of the district heating source outside the city and its ongoing greening (A1, F) • Developed and ecological public transport (CNG, electric buses) (F) • Two grammar schools and a developed network of secondary schools, 8 secondary schools with different fields (C) • A system of schools with tradition and stability (C) • A well-stocked city library with many branches (C, D) • Municipal cultural centre with a wide range of cultural and leisure programmes and events (D) • Two legal surfaces for spray painting (graffiti) (D) • Strongly developed network of social services (E) • Wide range of professional healthcare in the hospital and private healthcare sector (E) • Existence of a community planning process (D) • Sports tradition of the city (D) • Relationship of the sport environment with the city management and MMH representatives 	<ul style="list-style-type: none"> • Impossibility of expanding Havřov to include industrial zones for investors, surrounded by other municipalities (A1) • Lower purchasing power of the population (A1) • Lower and less interesting job offer for university-educated candidates (C) • High number of people receiving social benefits, high number of executions (A1) • One of the highest unemployment in the Czech Republic (A1) • Poor throughput of some streets and locations due to parking and a high number of cars (A1, F) • Missing electronic notice board (A1, B, E, F) • Reluctant and unwilling attitude of some officials of the Building Authority and the municipality and contributory organizations of the city to the solution of fundamental and strategic issues concerning energy, energy management and central heating of the city of Havřov (B) • As the only city in the district, Havřov has not yet signed a memorandum of cooperation with the Chamber of Commerce of the Karviná District (A1, B) • The imminent danger of U Skleníku street, a missing pavement, a very narrow and busy street (F) • Greenery prevents drivers from seeing at intersections (E, F) • Missing city bypass (F) • An obsolete part of infrastructure of school buildings (C) • High amount of outdoor school playgrounds in unsatisfactory condition (C, D) • Low support of regional schools and their students (C) • People's dissatisfaction with bike paths (B, D) • Ageing cultural infrastructure (D, F) • Lack of tourist attractions (A1, D) • Missing healthcare specialists or their time availability: dentists, psychologists, psychiatrists, pedo-psychiatrists, specialist doctors in general (E) • Lack of staff in the hospital (E) • Lack of skilled and quality workers in social services (A2) • Decreased interest in organized activities of

(continued)

Table 2 (continued)

Strong sides	Weaknesses
<p>(A1)</p> <ul style="list-style-type: none"> • Presence of a wide range of sports (D) 	<p>youth over 15 years of age (D)</p> <ul style="list-style-type: none"> • Unsatisfactory technical condition of some gyms and outdoor playgrounds of primary schools (C, D) • Unsatisfactory technical condition and character of inter-block courses not corresponding to the current demand and needs of the population (A1,C)
Opportunities	Threats
<ul style="list-style-type: none"> • Use of non-residential premises and offers to entrepreneurs, for example in IT (A1, B) • Attracting more educated residents following the point above (C) • Switch to LED pedestrian lighting and adding of lighting in unlit areas (A1, A2) • Better alignment of the lighting time in accordance with day or night time (A1, A2) • Further development of the CCTV system (its quality and scope) (A2) • The need for prudent management with regard to the future economic downturn (A1) • Close cooperation with the City of Ostrava (e.g. bike sharing) (B) • Revitalization of housing stock financed by subsidies and price adjustment of rent (A1, F) • Possibilities of ecological use of water areas after mining (Sušanské rybníky) (A1, F) • Reduction of air pollution by exchange of local furnaces within boiler subsidies (A1, E) • Building a parking house (A1, F) • Attracting a state university or its branch to Havřívov (C) • Optimization of the network of nursery, primary and secondary schools in Havřívov (C, E) • Increasing the offer of extracurricular activities for children (e.g. from endangered locations) (C, D) • Food festival in Havřívov, street art festival • Improve communication of events in the city (culture, sport), a single calendar of events in the city on the website and information centre (A1, B, D) • Comprehensive presentation of the city as a unique city, local attractions, short, animated video on the possibilities in Havřívov (little Havřívovák, offer by age) (A1, B, D) • Support of interdisciplinary cooperation (visits of a specialist, e.g. in a home for the elderly) (D) • Strengthening awareness of the field of social 	<ul style="list-style-type: none"> • Population outflow and ageing (A1, A2, B, C, E) • Air pollution rate above the Czech average (A1, F) • The economic slowdown and impact on the economy and economy of the city of Havřívov (A1, B, F) • High proportion of children in foster care, is there a good follow-up and services? Also, as a crime prevention (A2, D) • There is an increasing number of people who lose their right to housing because of bad morals and debts, for example on energy, they cannot be registered for housing (A2) • Misuse of social networks for often fictional negative information (A2, B) • An increase in unemployment in connection with the economic downturn (A1, B) • Absence of retraining and educational facilities (C) • Disconnecting properties from central heating (A1, B, E) • Worsening of living conditions (A2, C) • New construction and related insufficient connection of roads (Dolní Suchá, Dolní Datyně) (A1, A2) • A declining number of children and pupils in the future, due to possible threat to the offer of fields or schools (A1, C) • Growing parents' lack of interest in education (C) • An increase in the number of pupils at risk of school failure (A2, C) • Low willingness of citizens to participate in paid events (A1, D) • A decrease in young, high school and university-educated people (C) • Economic factors limiting the activity of inhabitants in their free time and purchasing power of citizens of the city (A1, B, D) • New social risks, labour flexibility, growing

(continued)

Table 2 (continued)

Opportunities	Threats
and healthcare services, explaining to whom residential services, education and schools are intended (C) <ul style="list-style-type: none"> • Promotion of compulsory schooling up to 18 years of age (C) • Potential for the development of in-line trails for the unorganized public (D, E) • Expanded use of school sports facilities during weekends (C, D) • Increasing population awareness by using the popularity of social networks to promote sports, sports clubs (A2, B) 	number of single-parent families (A1, D) <ul style="list-style-type: none"> • A growth of addictions in children, increase and decrease of age in psychopathological phenomena (A2) • Population ageing and increasing demands on social and health services (A1, B, E) • The ageing of the Havřov population (A1, A2, C, E,F) • Uneven development of population in individual parts of the city (A1, B) • Increasing city costs of social services related to lack of population movement (A2, B)

Source: Author's elaboration on the base of City Vision 2020+

Example of Women Management in HTS: Gender Equality, Female Leadership and the Fourth Sector's Focus on Women

In HTS, women are represented in company bodies such as the Board of Directors (three women out of six members). The company management is represented by women in the functions of a project manager and the head of the human resources department.

3.3 Non-profit Endowment Heat on the Palm

Non-profit endowment fund (Teplo na dlani—TND) is a **microfinance** and **venture philanthropy** fund created by HTS in the year 2017 for the reason of financing interesting and perspective CSR project improving the life of Havřov citizens. The mission and purpose of the Endowment Fund is primarily to support natural and legal persons, especially in the social, cultural, scientific, educational, sports, environmental and humanities areas in the city of Havřov and in the adjacent micro-region.



In 2017 (the year of establishment), the non-profit endowment fund provided: 16,350 CZK (approx. 650 EUR). The non-profit endowment fund provided:

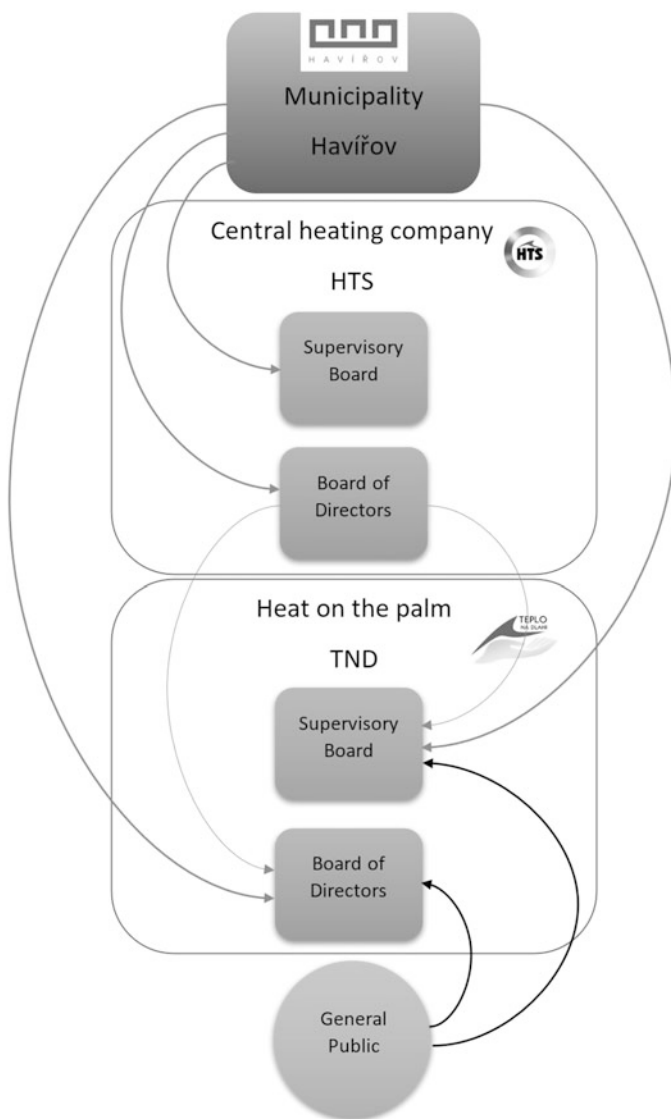


Fig. 4 Organization and ownership of HTS and TND. Source: Author’s elaboration based on www.htsas.cz and www.teplonadlani.cz

1,247,198 CZK (approx. 50,000 EUR) in the year 2018 and supported, e.g. following types of projects:

- St. Nicholas presents—Lego for kindergartens
- Excursions for kindergartens
- Easter trips for seniors
- Reconstruction of the floor in a gym
- Christmas gifts for children of the city
- Utility vehicle for the Center of ambulatory and social services
- Stay in a spa for people with disabilities
- Support for Christmas string concert of Elementary Art School
- Support for a beekeeping club

Activities in the year 2019 (total redistributed financial amount was 914,482 CZK (approx. 36,600 EUR)):

- Seminar Driving School for the 3rd Age (for seniors).
- Mascot of the Endowment Fund Heat on the Palm—competition for preschool children using Facebook.
- Support for high school talents.
- Magic Christmas 2019—gifts for selected children.
- Individual contributions (provided for sports facilities, kindergarten, autistic children facility).

Projects planned for the year 2020:

- Better life after cancer treatment
- Rehabilitation aids for seniors
- Supporting high school talents
- Development of children's talents

3.4 Strategy for the Future

By 2028, the city of Havřov formulated a **strategic** intent for developing a modern, SMART and well-kept city full of greenery, quality housing, good transport accessibility, cultural and sports facilities, providing a wide choice of services and good conditions for the lives of the inhabitants they generate.

1. Priority axis A1—Economy and attractiveness of business and workforce

- (a) Construction of CEVYKO, a.s. as a modern sorting facility for municipal waste processing, which will have a positive impact on the environment, fulfilled legislative requirements and favourable employment in the vicinity of Havřov.
- (b) Activity with Assental Land, s.r.o. in identifying and extending the site to business.
- (c) Establishment of a business incubator.

- (d) Intensification of cooperation with Polish parties, creation of a platform for cross-border firefighters (contacts of companies and sharing of information about companies).

2. Priority axis A2—Security in the city

- (a) Completion of lighting in the streets of Havřfov.
- (b) A system solution for car parking, openness of streets and boarding areas for IRS units.
- (c) Support for preventive projects.
- (d) Crime prevention in the Town Hall Letters.
- (e) Optimizing the operation of night businesses.
- (f) Centralization of MKDS (City Camera Surveillance System), including a possible connection of all cameras in the city territory.
- (g) Insertion of LED strips at signal transitions (green/red).

3. Area B—City management

- (a) Simplification of communication with citizens of the city from the viewpoint of public notices.
- (b) Linking the citizen’s portal to the city’s website.
- (c) Updating the city’s housing concept.
- (d) Close cooperation with the City of Ostrava (e.g. bike sharing or electric bikes).
- (e) Support for the development of electromobility and charging stations.
- (f) Revitalization of the housing stock financed from subsidies and price adjustments of rent.
- (g) The need for prudent management with a view to the future economic downturn.
- (h) Increasing the city’s budget revenue from legal entities.
- (i) Energy management (thermal insulation of obsolete buildings and others, e.g. implementation from grant programmes).

4. Area C—Education

- (a) Supporting teachers to work with talented pupils.
- (b) Involvement of pupils in voluntary projects aiming at the elderly.
- (c) Optimization of kindergartens, primary schools, school management using IT technologies and new approaches.
- (d) Strengthening parents’ participation in education (school-wide events, events for parents of children, involvement in a school friends club).

5. Area D—Culture and leisure

- (a) Strengthening the support of the city and activating civic commissions, entrepreneurs and personalities into cultural and social events, such as organizing the following types of events: Food Festival in Havřfov, street art festival.
- (b) Use of notice boards in the city to communicate events.

- (c) Use of the good places of the city of Havířov to raise the profile and attract visitors from Poland and Slovakia.
- (d) Building a gallery of personalities from Havířov.
- (e) Find opportunities and places to increase accommodation capacity for tourists.
- (f) Revitalization or reduction of unsuitable inter-block courses.
- (g) Construction of sports facilities in the station hall.

6. Area E—Healthcare, social services and innovation

- (a) Maintain the community planning process in the city and manage the social services network of the statutory city of Havířov.
- (b) Support for barrier-free housing (for seniors, people with disabilities).
- (c) Support for occasional carers (increasing the capacity of respite services, family support).
- (d) Establishment of sheltered workshops, support for job opportunities for people with disabilities, management of social enterprise (trade, mental cafe).

7. Area F—Transport and infrastructure

- (a) Project regulating telematics with the preference of public transport, IRS.
- (b) Static transport solutions throughout Havířov.
- (c) Support for the building of parking houses.
- (d) Implementation of Smart City principles in transport, selection of suitable Smart City monitoring tools.
- (e) Infrastructure to maximize waste recovery.

Marketing and strategy—The strategic goals are supported by the following marketing channels, which will be further developed and innovated.

- Townhall papers (Radniční listy) is the official monthly of the city of Havířov.
- Video Chronicle of the City of Havířov—official YouTube page about the city chronicle from the point of view of electronic media.
- Official photo gallery of the city.
- Official chronicle of the city of Havířov.
- The official Facebook page of the city Havířov—won 4th place in the regional round of this competition in the category of municipalities with more than 10,000 inhabitants. On behalf of the Karviná district, the Facebook page ranked first in 2020. The jury especially appreciated the communication with citizens on Facebook and the fact that the city responds to virtually all questions and suggestions from citizens. The jury evaluated the Facebook pages of the cities: the appearance of static elements, creativity of the content, originality, interaction with the public, quality and work with photos or videos, active use of all network functionalities.

4 Discussion and Conclusions

The City of Havřov has quite an advanced ecosystem of 4S entities realizing wide spectrum of 4S activities on the cross-section of private profit market-based approach and municipal services focused on sustainability, improvement of social life and CSR aspects.

As a typical for-benefit enterprises can be considered, e.g.:

- Mission-driven businesses (see Table 1)
- Social enterprises (Silesian Diaconia, ADRA)
- Sustainable businesses (HTS)
- Cooperatives (housing-construction)
- Benefit corporations (TND, TS)
- Faith-based enterprises (Catholic Parishes, The Salvation Army)

Although a lot of well-established mechanisms is working, and improvement strategies are suggested (see Sect. 3.4), there are still some innovation and new **business models in the 4S** that can be suggested.

Even though the Czech Republic is one of the most developed democratic countries, one can be very inspired by studies that have been conducted, for example by CGC (2019) in seven Ibero-American countries regarding cooperatives. Different types of cooperatives are very frequent there unlike in the Czech Republic, while the role of cooperatives is not so strong now as it used to be earlier. The strength of NGOs is now prevailing. An inspiration can be also the paper by Turner et al. (2013), who described the changes and development that took place after the Second World War. However, due to the different political regimes, this study can be compared to the condition of the public and private sectors in the Czech Republic after the velvet revolution in 1989. The growing problem is gradual opening of social scissors and degradation of natural environment, which is an exploitative principle and trend in capitalism. Therefore, dynamic development of the 4S can be an evolutionary answer. There is consent that traditional forms of company characterization as “for-profit” and “non-profit” are not sufficient anymore (Vives, 2012).

The authors remark some more new reflections. More emphasis could be put on the joint venture or **PPP (public-private partnership) projects** establishing new for-benefit enterprises, which could help raise much more synergy in development of the city. Till that time MMH has been rather reserved for that kind of project. Osei Kyei as well as Zou et al. identified and published the critical success factors for PPP focusing on relationship management and including a checklist, which could be possibly adopted for further decision-making (Osei Kyei, 2015; Zou, 2014).

Entrepreneurship opportunities applying these models can be, e.g. as follows:

- Restoration of “small water cycle” projects, retention of water (utilization of rainwater, building natural reservoirs and water areas in the city, application of interlocking pavements instead of concrete blocks so that rainwater can soak into bedrock, building of dry polder and wetlands).

- Reduction of concrete surfaces (planting new trees, building green facades and roofs).
- Reduction of city overheating (using grass panels instead of concrete and asphalt surfaces, covering of parking lots by photovoltaic shelters).
- Community self-sustainability projects (establishing and planting public city orchards, establishment of agricultural cooperative).
- Endowment funds of a similar nature as TND should be established in all municipal companies. These funds would focus on providing monetary and non-monetary donations and microfinances for organizations in the city of Havířov, but also for its citizens according to predefined conditions.

There cannot be forgotten, with regards to most recent situation of COVID-19 crisis, following imperatives:

- Active organized help (inc. volunteers) to most endangered and affected people (e.g. seniors, people with limited mobility, chronically ill people), for example volunteers help with purchases of food and medicine for neighbours.
- Post-acute state, convalescent and chronic, after-effect treatment and spa.
- Searching for new business models and opportunities for most struck business sectors.

What future impacts will be and how to protect ourselves and our society from this disease, is still a challenge for us, only certainty is that COVID-19 pandemic will make changes in all chapters of strategies for future.

In conclusion, it can be pronounced that all main and partial goals stated in Sect. 1 were fulfilled. The 4S living system and the dynamic equilibrium of the city Havířov, as a representative of this kind of municipality-based activities in the Czech Republic, were characterized on the basis of a case study, empirical data and paradigmatic examples. The results clearly express strong relationship between the case studies objectives, content and 4S attributes and phenomena.

The most significant contribution of the chapter is in the thorough description of the way of finding particular fragile balance of the city, municipality, municipal enterprises, private sector and other components of the 4S in the city of Havířov in order to make it a better place for ordinary life of citizens. Furthermore, some recommendations regarding entrepreneurship opportunities were formulated.

The main added value of the chapter lies in exact structured thematical information given in limited comprehensible content which can be a valuable inspiration and can lead to know-how and knowledge transfer into other communities and regions with similar structure and living conditions. The main shortcoming of the chapter is in limited scope of the chapter and the necessity to express many ideas just in points and watchwords.

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Commitment to Social Responsibility in a Third Sector Organization: The Case of Alfazema Flower



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Abstract Corporate Social Responsibility is one of the most studied themes over the last decades, both at organizational and at academic levels. It has assumed a very relevant role in companies because the goal is to increase the quality of life of the employees, the organization as a whole, and the communities, improving the current socioeconomic scenarios.

In the present chapter is carried out one analysis descriptive of practices of Responsibility Social Corporate (RSC) existing in the Association of Pensioners, Pensioners and Elderly Flower of Lavender, institution private of Solidarity Social the County of Sintra. Thus, the purpose of this work is to analyze the perception of the employees, in that it relates to their practice of Responsibility Social through the method of study of the case.

In the theoretical review, the concept of IPSS is approached, the evolution of the concept of CSR, and some conceptual models observed in the academic literature are presented. Then, some public SR policies are identified. Preliminary results suggest that, in general, social solidarity institutions are engaging in their public policy strategies for Social Responsibility.

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Keywords Responsibility social enterprise · IPSS · Political public of
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1 Introduction

The world is in constant change, and the institutions have difficulties to follow the progress, namely, the emergence of new concepts as Corporate Social Responsibility (CSR). Nevertheless, this concept has been changing for the last two decades, as the environmental dimension has assumed a great importance for the world, and no longer only interests the donations and the philanthropies, but strategic actions regarding CSR.

In the book, *Green the Commission European* (2001, paragraph 20, p. 7) states that the Responsibility Social (RS) is defined as the “integration voluntary of concerns social and environmental by part of the companies in their operations and in their interaction with other parties interested”, in which the companies contribute both to one environment more clean and to one society more just.

According to Farcane and Bureana (2015) CSR has been implemented and developed since the decade of 50. In 1953, published the book *Social Responsibilities of the Businessman* by Howard R. Bowen, recognized as the precursor of CSR theory. The author states that the responsibility social corporate (CSR) expresses one morality fundamental the role of how one company is behaving in relation to society. Bowen in his work suggests that the entrepreneurs have the obligation to perform actions and take decisions in order to be considered coveted by society (Carroll, 2015).

The book *Social Responsibilities of the Businessman*, in spite of having been written in another time, is each time more quoted, in articles scientific, due to issues that address continue to be current. The theme of CSR had one Boom in the decades of 50 and 60, with the expansion of large corporations of conglomerates and the subject became popular in the 1980s. The Social Responsibilities at the terminus of the crisis financial, between 2008 and 2010, returned to be one point important to evaluate the behavior of corporate. Considering the economy, education, transport, health, home, and government, Gonçalves (2015) define the Responsibility Social Corporate (CSR) as the set of actions that aim to benefit the society and the associations, which are dominated by companies.

For Melo et al. (2018) the concept of corporate social responsibility is articulated with the values of post-industrial society, emerging new concepts, such as sustainable development, due to the CSR bringing together the aspirations of social workers in the business plan of the institutions. Also, in accordance with Tenório (2015), it is important to incorporate social goals in the business plan, because all the companies activities influence the employees and the development of the communities.

In accordance with Madrakhimova (2013), in the decade of 90, the concept of CSR was generally acceptable and, being each time more guided to the expectations of consumers, investors, citizens, and entities public (Katsoulakos et al., 2004).

Consequently, until the early 2000s, organizations did not know how to take advantage of CSR practices and thus did not integrate the concept of the business model.

Since then, some actions have reinforced the role of corporate social responsibility in business and in competitiveness. It is no longer valid that CSR would only be a fashion (Almeida & Sobral, 2007; Keinert, 2008). More recently, certain scholars, reinforcing the concerns inherent to CSR arguing that the organizations can integrate, the market and the community (Gallardo-Vázquez & Sanchez-Hernandez, 2014).

Thus, the organizations in addition to creating value for the market have sought also, create value for the company, taking responsibility on behalf of the duty social (Pereira & Gonçalves, 2019).

In this sense, the Alfazema flower organization, as an institution of private Social Solidarity (IPSS), pursues the goal of social solidarity since its origins, to support the families and the elderly. The IPSS are organizations without purposes of profitability and are recognized for the work developed in social contexts, playing a relevant role for the state and the civil society.

This study was structured the following way: after the summary and the introduction, presents the referential theoretical, addressing the themes: entrepreneurship and responsibility social enterprise. Right after, there is the method that delimits the research, the presentation and the discussion of the results. And by the end, considerations finals, including limitations of the study and suggestions for future lines of research, and references.

2 Reference Theory

2.1 *Social Responsibility on Different Perspectives*

Corporate social responsibility (CSR) is critical in reducing the environmental impacts, based on the involvement of employees in pro-environmental behaviors (Afsar & Umrani, 2020; Kong et al., 2019; Korschun et al., 2014).

The perceptions of CSR by employees have one effect positive in the behavior of citizenship organizational to the middle setting, by which the responsibility for mediating the relationship between the perceptions of employees and their behavior of citizenship organization is to identify organizational and the orientation to the middle room (Cheema et al., 2020). In other words, the employees who are identified with the organization perceive positively the initiatives of CSR proposals, acting proactively in favor of the middle atmosphere. In accordance with Gangi et al. (2020) the best developers are attracted to companies socially responsible (Gangi et al., 2020).

The managers of the top, due to their characteristics individual, as for example, high levels of education and tracks age more advanced, influence the actions of CSR, one time that, contribute positively to the better performance in responsible social

enterprise. Therefore, the CEOs due to their maturity and sense of security with the career and with the reputation, are able to undertake the long term, investing more in CSR (Malik et al., 2020). In contrast, other studies show that the extent that the same is near the end of the career labor, tend to invest less in CSR (Oh et al., 2016; Yuan et al., 2019).

In relation to marketing, studies show that companies that have a CSR philanthropic position (geared to society's expectations and the promotion of social well-being) tend to create loyal and long-term relationships with consumers. Especially, if companies seek to reduce the impact of their operations on local communities, so that the commitment to CSR results in an increase in value for shareholders of companies with high marketing capacity (Contini et al., 2020; González-Moreno et al., 2019; Sun et al., 2019; Uhlig et al., 2020).

From the point of view of Human Resource Management—HRM, CSR should be a guiding element for personnel policies. Human resource management is an important tool to assist in the process of how CSR is perceived, developed, and implemented by the organization, while the companies' conception of social responsibility affects the treatment of workers, in a movement of co-creation RSC-GRH (Morgeson et al., 2013; Voegtlin & Greenwood, 2016).

The management of human resources through the areas of recruitment and selection, training and development, performance evaluation, remuneration and benefits, health and quality of life, among others, can act as strategic and operational support to CSR providing synergistic results, with the objective human and organizational development and implementation of the proposed social and environmental policies, both internally and externally to the organization (Celma et al., 2014; Jamali et al., 2015).

In that regard the component financial organization, the CSR can impact positively on performance organization, improving the indicators financial of the company in the occasions in which it prioritizes the appropriation of value (Jia, 2020). However, the relationship between performance of the organization and CSR is complex, therefore, studies emphasize that the strategies oriented to CSR contribute to the increase of performance organization, present and future, may favor the access to capital, attract investors, increase the return on the market of shares. In this way, companies that seek to implement CSR practices achieve higher financial results than companies that do not have a CSR strategy (Awaysheh et al., 2020; Bernal-Conesa et al., 2017; Hou, 2019; Jia, 2020; Lins et al., 2017; Platonova et al., 2018; Zhou & Donlinks, 2019).

However, other studies suggest that financial and operating costs arising from corporate social responsibility can negatively affect organizational financial performance with long-term deterioration in return on assets (Di Giuli & Kostovetsky, 2014), or even, CSR can have a neutral impact on financial performance, not affecting the company's success (McWilliams & Siegel, 2000; Moneva et al., 2020).

On the latter, in that it refers to the strategies of production, the diversification of production is positively related to one greater involvement with the RSC, or is, as higher the level of diversification, increased the investment in CSR (Xu & Liu, 2017), while that the realization of operations socially responsible reflects the scale

social, economic, and environmental promoted by companies (Ventura & Saenz, 2015).

From the community's point of view, it seems to be common to have difficulties in dealing with environmental justice, inequalities, and disparities between corporate social responsibility activities and the perceptions of affected communities, which compromises CSR contribution to local communities, which they may not adequately take advantage of educational and social projects proposed by companies (Osei-Kojo & Andrews, 2020; Rambaree, 2020). On the other hand, it is possible that the involvement in CSR of companies causes environmental justice for the local community through the voluntary provision of support for training, social involvement, and service provision. It is highlighted that socially responsible actions are largely rewarded when local stakeholders are involved (Imbun, 2007; Newman et al., 2020; Rambaree, 2020).

Considering that, the corporate governance has as the main goal to optimize the value of the company and align the interests of managers and shareholders, the relationship between CSR and governance is clear. In this context, it is important to balance the economic and social dimensions, and also the individual and the collective ones (Brammer et al., 2012; Sahut et al., 2019). Corporate governance is an effective ground for the emergence of CSR, for small and medium-sized companies, as it is for large companies, generating benefits for the society as a whole, to the companies and to the stakeholders. It grounds a balance between sustainability, competitiveness, productivity, and financial performance (Gangi et al., 2020; Gh Popescu, 2019).

It becomes evident that CSR must be considered as an important action to create value for all stakeholders, and based on serving diverse interests, the organization is able to combine social, environmental, and economic benefits, with holistic gains for all involved (Dahlsrud, 2008; Gond et al., 2017).

2.2 *Responsibility Social Corporate in Institution Private of Solidarity Social (IPSS)*

The twenty-first century brought distinct changes in society, making it multifaceted and *súperas*. The individuals each time more dependent on products and services and the companies are attending to this demand with quality and speed. They are thus emerged sectors making these deviations, for example, the third sector (Silva & Fernandes, 2015).

Junqueira (2000, p.14) conceptualizes the organizations without ends lucrative arguing that “are organizations public private because they are geared not to the distribution of profits to shareholders or directors, but for the realization of interests public; however, they are disconnected from the state apparatus.”

Already Souza (2004, p. 96) “[...] the TS is all action, no order profitable, practiced by individual physical or legal in nature private, as expression of

participation popular, which has for purpose the promotion of the right social and of its principles.”

Even in this context, Cabral (2007, p. 8) adds that “the name TS is one nomenclature generally adopted to distinguish one set of organizations social particular those organizations business profitable and of organizations government.” Lizuka (2002) depicts the organizations without ends lucrative as those who seek to assist the population of low income or who are desacolhidas in society.

The Third Sector offers goods and services consist of companies private and without ends lucrative to develop pipelines social. In this sense, de Camargo et al. (2002) argue that the objective of this sector is to identify and eliminate social problems providing a better quality of life to individuals. Besides that, the authors also point out that the main function of these companies is the responsibility of highlighting the importance of one discernment social geared to the advantage of the collective.

In recent years, Marques et al. (2015) refer that, the importance of the third sector has been highlighted, in different studies, and in means of dissemination, trying to fill certain voids in the public sector, supposedly the social relevance. The term third sector “does not have only nationality, but also, and fundamentally, origin (and functionality with the interests) of class Montañó (2007, p. 53).”

In this sense, Mañas and Medeiros (2012) highlight that the inefficiency of public agencies, private companies, endeavor to anemic social problems through the organizations that make up the third sector. Therefore, with the growing importance of the third sector, companies started to be welcomed by the public spheres, becoming a link for the transformation of society (Salimon & Soares-Siqueira, 2013).

In this light, Shier and Handy (2014) mention that the provision of services that third sector organizations provide to society in the area of health, education, among others, is commendable. The actions carried out by those organizations have been highlighted at the local, regional, national, and global levels, through projects that cover short, medium, and long-term activities. As noted, Dias (2008) Third Sector organizations are composed of non-profit institutions (ISFL), under Private Law, which aim to contribute to the promotion of the population and provide them with better living conditions.

The ISFL have a social mission, that is, all of them have the objective of responding to a social problem, such as supporting their members in old age and disability, in the absence or reduction of means of subsistence or capacity for the job; support families, aiming at their social and community integration.

Oliveira (2018) mentions that the utonomia, possibility of participation and control direct the institution, efficiency in the management and quality of services they provide, and the speed in response to new demands and needs social, are advantages of the organizations of the Third Sector and tornam—is a partner of the State in fulfillment of these interests, through the signing of protocols.

The third sector can also be seen, from the perspective of Parente and Quintão (2014), by the continent aspect of public power and by the aspect of greater growth of private organizations due to social scarcity. The concept of the third sector,

according to Campos and Ávila (2012), is the conjunction of the concepts of social economy, non-profit, and solidarity economy, which are not totally coincident, although they have a field of overlapping action.

In this sense, Junqueira (2000) argues that non-profit organizations, both national and international, have become theaters for the resolution of social dysfunctions, playing a role in the completion of citizenship. In addition, some elements that favor the growth of the third sector according to Albuquerque (2006) are, among others, the third industrial revolution, the transformation of communications, and changes in international financing.

In so brief, we can define the third sector as one mix of institutions that provide services in different answers social. With this, the objective of the research is to guarantee one better quality of life the citizens more vulnerable aiming to answer the situation will of emergency social and to their integration social and community.

Based on the above, the Private Institutions of Social Solidarity (IPSS) contribute to the economies of the countries and will be explained in the next topic.

Private Institution of Social Solidarity

Over the centuries, the tasks of the State have undergone mutations, failing to fulfill all its functions. The State, in order to fill and ensure the functions, for not having sufficient means to develop them, had the need to “transfer some of the functions of the social area, either to the private sector or to the Third Sector organizations, due to the diversity of the scope of performance to assume this prominent role” (Silva, 2013).

The first insights focused on the social issue that emerged between the 1950s and 1973. However, in the 1970s, as the authors refer, Bordalo and Cruz (2010) brought different impacts and a deep crisis in the welfare state, where spending was greater than the financial resources available. At the end of the 1970s, the regulation of new private or associative Private Social Institutions (IPSS) arises, with the approval of the first Statute gathering in a single diploma at the end of the 1970s, the regulation of new Private Solidarity Institutions arises. Social (IPSS) private or associative, with the approval of the first Statute that brings together in a single diploma the fundamental lines of the legal regime of these institutions, approved by Decree-Law No. 519-G2/79, of 29 December.

In this perspective, Franco et al. (2005) point out that from this status came the movements geared to the different angles of life social, denominated Institution Private of Solidarity Social (IPSS) that grew significantly. In this scenario, Caeiro (2008), projecting that there are distinct IPSS such as associations of solidarity social, associations of volunteers to share social, foundations, etc.

In accordance with Capucha and Pedroso (1995), the new IPSS are more well prepared and more adept to deal with the new answers social as, for example, the drug and the exclusion social, while the IPSS more ancient are linked to the answers social traditional. The main answers social where the IPSS act, are those geared to seniors as the Structure Residential for Seniors (ERPI), Center of Coexistence, Center of Day (CD), and Service of Support Domiciliary (SAD; in the area of

children, youth (Kindergartens, Activities of Times Free (ATL)) and in the area of disability the centers of activities Occupational with admission or not in homes.

The No. 1 of Article 1 of Decree of Law No. 172-A/2014, tells us that the institutions private Social Solidarity are of collective nature, without profitability purpose, created exclusively by the initiative of individuals, with moral values of justice and of solidarity, contributing to the wellbeing of the citizens. In this context, Bordallo (2010) highlights that they contribute for a better quality of life of the population and for the development of the society.

Silva (2010, p.102) states that the economy social “by its nature, tends to give response to needs real of goods and services of populations advantage in the resources available, including creating opportunities for employment for the resources human unemployed or underutilized, practicing one responsibility shared and inspired by values human and civic.”

At this juncture and knowing the importance of studies on the topic, Ribeiro (2014) analyzed the IPSS of the Municipality of Amarante, carrying out a qualitative and quantitative research applied to the managers of the institutions in order to deepen and understand the complexity of the Third Sector that is in permanent growth and understand its impact on local and social development. The study by Gavino (2014) carried out a survey aimed at employees of the IPSS in the municipality of Peniche, with the objective of diagnosing these institutions in depth, interacting with the different stakeholders and knowing their role in the local social economy.

Given the importance of these institutions Quintão (2011, p.14) affirms that, “both for the predominant role in the implementation of the social protection system, for its history, for the increasing number of IPSS created, as well as for its territorial and economic expressiveness, they have great relevance in the restoration of the third sector in Portugal.”

Gavino (2014) adds that IPSS are concentrated in urban areas, mainly in the districts of Lisbon, Porto, and Braga. According to Coelho (2007), local development seeks a better quality of life for individuals and families, that is, for society in a given location.

From the above, the IPSS are fundamental in society, since they seek to reduce the voids that the State is unable to fill. In addition, it is important to note that these institutions are concerned with resolving dysfunctions with regard to society's problems such as unemployment, poverty, and social exclusion. In the case of Portugal, the IPSS aim to support families of children, young elderly people by providing services to these individuals (Almeida, 2011).

Thus, the next chapter will present the method of that study.

3 Methodology

In this research, we chose to use a methodological approach, case study, to carry out a detailed analysis of the reality of an institution, in order to obtain descriptive and explanatory data, narrating the Social Responsibility practices carried out in the institution, based on the definition of Social Responsibility according to the Commission of the European Communities (2001). The case study (Yin, 2014), defined as “an empirical inquiry that investigates a contemporary phenomenon (the ‘case’) in depth and within its real-world context” (p. 16).

The research aims to present some results inherent to the issues of Corporate Social Responsibility (CSR), arising from a profuse study that addressed the organizational values through the organizational habits of Alfazema Flower, a Private Institution of Social Solidarity in the Municipality of Sintra.

The collection of secondary data was carried out through searches in documents of the institution and also by direct observation in the institution, for the year 2019, which includes the management report, the single report, the statute, internal regulations of the institution, and the activity report. The analysis of the collected data was carried out by content analysis (Bardin, 1977).

As a way to complement the analysis of the implementation of Social Responsibility in the organization, a questionnaire with closed questions will also be applied, developed, and based on the research of the study by Martins-Rodrigues (2018) and Grace (2014) to assess the perceptions of employees with leadership positions regarding the five dimensions of Social Responsibility: (a) Internal Social Responsibility, (b) External Social Responsibility, (c) Environmental Responsibility, (d) Economic Responsibility, and (e) Responsibility in Management.

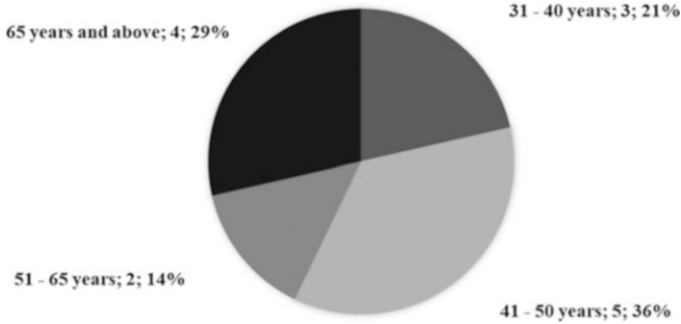
Characterization of Lavender Flower

It is always important to know the history of the institutions, because understanding and explaining the past, not only feeds the present, but also the future.

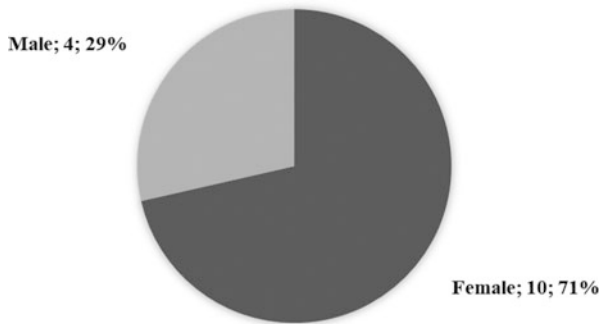
Alfazema Flower, since its origin, has pursued the objectives of social solidarity, support for the family and the elderly, it is a Private Institution of Social Solidarity (IPSS).

Alfazema Flower provides a wide range of services divided into five social responses: the Home Support Service (SAD), the Day Care Center (CD), the Residential Structure for the Elderly (ERPI), the Nursery and the Academy Senior, with a multidisciplinary team equipped with a set of accumulated knowledge and experiences, capable of global monitoring that aims at the well-being of users and their stimulation.

The Day Center is a social response, with a capacity for 45 users, which consists of providing a set of services that contribute to the maintenance of the elderly in their social and family environment. The social response Home Support Service (SAD), with a capacity for 60 users, consists of providing care and services to families and/or people who are at home, in a situation of physical and/or mental dependence and who cannot ensure, temporarily or permanently, the satisfaction of their basic needs and/or the performance of instrumental activities of daily living, nor have



Graph 1 Distribution by age group. Source: Author’s elaboration



Graph 2 Distribution by gender. Source: Authors’ elaboration

family support for the purpose. The Residential Structure for Elderly People (ERPI) this social response, with a capacity for 60 beds, consists of collective accommodation, for permanent or temporary use, in which social support activities and nursing care are provided. Its objective is, among others, to provide permanent and adequate services to the biopsychosocial problem of the elderly, to stimulate the active aging process, to preserve and encourage the intra-family relationship.

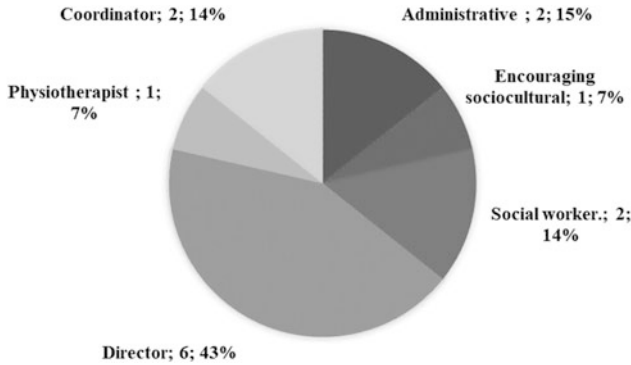
The most recent social response, Creche Margarida, with a capacity for about 83 children, here the old dream of bringing together, in a common space, two-generational extremes comes into contact.

The Senior Cultural Academy, located in the “Art Déco” building. It aims to offer students a socially organized living space adapted to their ages, physical and psychosocial conditions, so that they can live in an integral, harmonious, and dignified way, according to their personality and their social relationship.

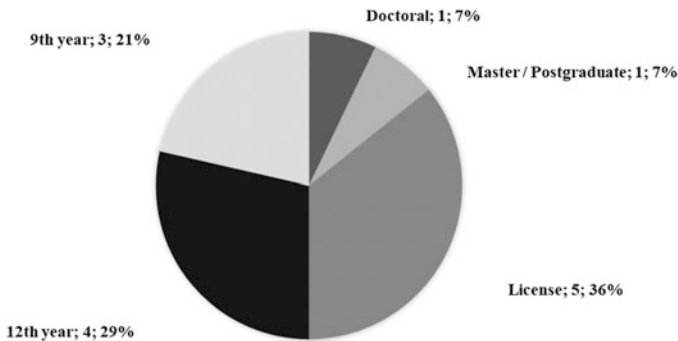
Sample Characterization

The study was applied to a sample made up of 14 employees with management positions at the institution, Graph 1 shows the age group, where it is verified that the respondents are over 31 years old.

The female gender is represented by 71% Graph 2.



Graph 3 Distribution by management positions of the institution. Source: Authors' elaboration



Graph 4 Distribution by management educational qualifications. Source: Authors' elaboration

With regard to the management positions of the institution or equivalent, 43% of the respondents are directors, 28% belong to senior technical staff, and the rest are middle management, Graph 3.

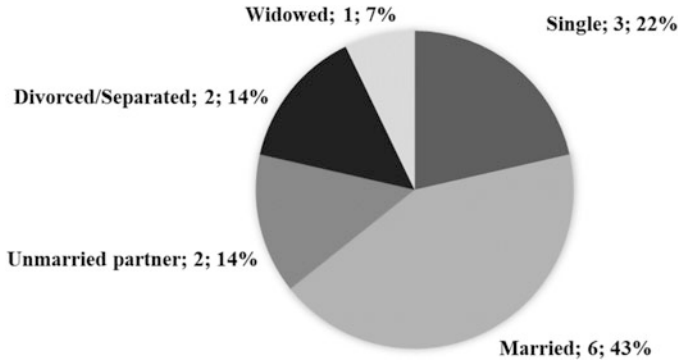
As for the educational qualifications, they are mostly undergraduate followed by the 12th year, as shown in Graph 4.

In the institution, as shown in Graph 5, the predominant marital status is single, followed by divorced, corresponding to a total of 71%, so they have a greater availability to exercise their functions.

It is a sample of convenience, non-probabilistic, small, and not representative. All elements of the population from different services of the institution that occupy leadership positions were selected. These employees were selected because (a) they have more information on the topic, (b) they have a role to play in the message of institutional practices to the remaining members of their teams.

Dimensions of Social Responsibility

The Social Responsibility of an institution goes beyond the sphere of the institution itself, translating into an adequate integration of the institution in the respective local



Graph 5 Distribution by marital status. Source: Authors' elaboration

community, involving the various stakeholders (workers, partners, suppliers, customers, public authorities and non-governmental organizations), who exercise its activity with local communities or in the field of the environment, contributing to the life of local communities both in terms of employment, wages, benefits, and taxes (Commission of the European Communities, 2001).

Most Alfazema Flower employees are recruited in the local labor market, giving preference to employee's resident in the parish. It has 120 employees, of whom 110 are residents of the community where the institution is located. Most of its customers also belong to the surrounding area.

As an employer and producer of services of public interest, one of the factors that influence its positive image is the institution's reputation in the community. Whenever necessary, the Institution provides logistical support to other associations in the community, such as the provision of spaces for holding meetings.

Alfazema Flower preferentially selects suppliers or service providers from the community, with whom it maintains long-term relationships.

4 Perception of Employees in Relation to Social Responsibility Practices at Alfazema Flower

(a) Internal social responsibility

Policies on environmental impact and natural resources were fast adopted, called "win-win" and is useful for businesses and the environment, encompass formal and informal environmental management systems, ecodesign with techniques and technologies to be a cleaner production.

In terms of size Responsibility Social Internal, cut up to 42% of respondents mention that always or often the institution sets an annual plan of training of its employees; 79% of the respondents refer that there are practices or measures to promote equality of opportunity and non-discrimination; with respect to have

procedures for evaluating the performance of their employees, and are in favor of hiring people at risk of social exclusion and/or people with disabilities. Seventy percent of respondents say they are provided a feeling of stability and security in the workplace, and 64% say that there are policies or measures to promote the reconciliation of personal and professional life in the institution (e.g., flexible hours and telework); 93% respond positively; in relation to promoting health and safety policies at work to 86%. Half of respondents mention that always or often the institution has mechanisms to assess and monitor employee satisfaction, and some of the questioned, and rewards employees. Some collaborators (35%) refer that the institution develops initiatives to promote internal cohesion and motivation (corporate volunteering, teambuilding actions, internal events), and 28% say that the institution pays salaries above the sector average.

(b) External social responsibility

External social responsibility materializes in the proper integration of companies in the communities where they are inserted and with which they create a set of biunivocal relationships, providing employment opportunities, and benefiting from the existence of stable communities (Monteiro, 2020).

Regarding the External Social Responsibility dimension, it is observed that 79% of the respondents mention that the Institution is always or frequently committed to job creation (interns, etc.), and that the institution provides resources for social initiatives, and the opportunity to integrate small suppliers; the majority of respondents (64%) states the importance of transparent tenders for the acquisition of new suppliers; all of the respondents say that the institution promotes good health and safety conditions, and also guarantees the privacy of its customers.

(c) Environmental responsibility

With regard to the Environmental Responsibility dimension, it is observed that 93% of the respondents consider that the Institution always or frequently considers energy saving as a way of better levels of sustainability. A part of the questioned (57%) guarantees the proper treatment of the waste it produces. Seventy-nine percent of respondents seek to reduce their environmental footprint, and are aware that they must plan their investments to reduce the environmental impact they generate. Sixty-four percent of respondents say that the institution incorporates practical sustainability values, such as reducing, recycling and reusing, and 65% value the introduction of alternative energy sources. Forty-three percent says that the institution: are predisposed to purchase and use environmentally friendly products; value the use of recyclable containers and packaging; develops initiatives to raise awareness of their customers and employees about environmental issues; is concerned with carrying out transportation, organizing it in a rational and sustainable way, and 28% of respondents mention that the institution promotes training for the rational use of resources.

(d) Economic responsibility

The Economic Responsibility dimension is located at the base of the pyramid, is the main element of corporate social responsibility, being the main reason why companies exist: profits.

Regarding Economic Responsibility, it appears that 93% of the respondents consider that the Institution always or frequently has public regional or national support; that offers a service with an adequate quality/price ratio, and say that the services meet national and international quality standards. To 79% of the questioned the institution have effective procedures for handling complaints, and strive to promote stable, collaborative, and mutually beneficial relationships with suppliers. Eighty-six percent of employers say that all are aware of the importance of incorporating responsible purchasing (i.e., they prefer certified suppliers), and 79% refer that, the commercial relations are fostered with local products and services companies. All respondents say that, the institution gives customers complete and accurate information about their services, and is concerned with the quality of services provided to its customers, and prioritizes respect for the rights of customers.

(e) Management responsibility

For the Responsibility in Management dimension, 93% of respondents consider that the Institution always has its mission, vision, values, ethical principles and rules of conduct, well defined, and are identified by all partners and sponsors. Eighty-six percent of questioned say in the institution have communication, dialogue, and engagement tools with family members of customers, via Skype and WhatsApp, and say that, also, that the principles of transparency and ethics are based on their strategy, clearly presented and shared.

Seventy-nine percent of collaborators say that the information is shared about their economic, social, and environmental practices and indicators, through brochures, online communications, reports, or others; Other (35%), refer that are collect qualitative indicators related to sustainability performance, as well as collect quantitative indicators related to sustainability performance. Finally, half of the respondents say that the Direction analyze the indicators collected and uses them to support decision-making, and, 58% refer that seek to certify their services regarding their quality, according to national and international standards.

5 Conclusions

In recent years, the third sector has gained significant attention from innumerable researchers, possibly due to its growth and social importance, especially in the sense of filling certain gaps left by the State. The results suggest that, in general, private institutions of social solidarity are getting involved in their public political strategies of Social Responsibility.

From documentary analysis and direct observation, they are presented as voluntary Social Responsibility practices in Alfazema Flower, not required by law, in the

various social responses, namely in the service areas of environmental impact management, social pharmacy, human resources department, and in area of responsibility for the community.

As for the management of environmental impact and natural resources, the institution has a solar panel in one of the buildings, which has allowed a reduction in the exploitation of environmental resources, thus reducing pollutant emissions. It is currently an EDP supplier, which has contributed to mitigating the environmental impact, as well as reducing energy expenses.

Aiming at educating children, the elderly and employees, for the practice of recycling scratch paper sheets, using them as notepads, are some of the measures that the institution promotes, with the objective of continuous improvement of performance in ecological terms.

The cultural animator and the educational teams promote the use of waste materials in the work carried out by children and the elderly (plastic bottles, toilet paper rolls, caps, milk packages, coffee capsules, CDs, cardboard boxes, fabrics, magazines) stimulating recycling education for the elderly, children and families, facilitating huge savings for the institution in the acquisition of teaching materials.

In relation to Human Resources, Alfazema Flower invests in a better balance between professional and family life, and all employees can have hours in the “hour bank” for situations of personal illness, issues related to children, or the resolution of personal problems.

Whenever they justify and report superiorly, they can enjoy flexible schedules. There is also a concern with maintaining the job, although the type of employment contract is always aimed at fixed-term employment.

Alfazema Flower has responsible recruitment practices, namely non-discriminatory, which facilitate the hiring of long-term unemployed people, people in rehabilitation or people with special needs, through partnerships with other institutions (Employment and Professional Training Center, APADP—Associação of Parents and Friends of the Disabled, CECD Mira Sintra—Education Center for Citizens with Disabilities, CRL, Directorate-General for Reintegration and Prison Services. These actions consolidate the achievement of the objectives set by the institution, public policies, and the European Strategy Employment, participating in the fight against social exclusion.

In 2019, five hired employees remained at the institution, with a fixed-term employment contract and four under employment measures such as Insertion Employment Contract. Absences of employees due to illness are not representative, and the rate of absenteeism among workers is low.

As limitations of the research, it can be pointed out the restrictions of the research that, in this case, specifically concerns an institution. Either way, the results allow us to understand how a particular IPSS is.

As future works, the authors suggest conducting research similar to other IPSS, in particular, in the district of Lisbon. In the academic field, the research contributes to explain what is happening in relation to the dissemination of information on social responsibility in the IPSS. It also intends to complete and enrich the existing literature adding value, due to its importance.

The need to conduct studies that determine the dissemination of information in IPSS is important. The results will be very useful to create measures to support the dissemination of social information.

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Part III
Discussion About Social Innovation and
Business

Sustainability Perspective Through Social Responsibility in Microenterprises of Tulancingo, Hidalgo, Mexico



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Abstract This chapter is about topics related to entrepreneurship in the fourth sector and the orientation to specific ecosystems that promote new companies and characterizes common and innovative business models, verifying whether the companies under study have incorporated corporate social responsibility and sustainability, as well as the possibility that these are transformative in their corporate systems and may have characteristics of companies in the fourth sector. In this sense, the objective of this research was to analyze the position of companies in relation to the fourth sector, and if there is the intention to follow the trend to produce with sustainability and for social welfare, based on this approach, this chapter will have as mission to present a comparison of the studies carried out in 2018 and 2019 to microenterprises of Tulancingo, Hidalgo, Mexico, considering a systemic approach in which the inputs, processes, and results of the system were studied; as part of the results, the variables CSR principles of ISO 26000, CSR issues of ISO 26000, and assessment of the environment are analyzed. An analysis of 400 micro-companies in Tulancingo, Hidalgo, Mexico, was carried out, and the main results were that the companies under study intend to continue with the trend of producing with sustainability and social responsibility since in the variables analyzed of social responsibility regarding ISO 26000 principles and issues, as well as the assessment of the environment, they tend to be in complete agreement significantly, so the applicability to these topics is favorable.

Keywords Corporate social responsibility · Sustainability of companies · Companies in the fourth sector

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1 Introduction

In an increasingly competitive context, companies in the twenty-first century have the need to be efficient. For this reason, it is necessary for organizations, regardless of their turn and size, to achieve competitive advantages, based on sustainability, real values for society and the environment. Under this perception, a study is carried out on companies in Tulancingo Hidalgo, Mexico, whose characteristics may migrate from traditional companies to companies in the fourth sector, which allow generating sustainability through corporate social responsibility, values for society, and the environment. Under this perception, a study is carried out on companies in Tulancingo, Hidalgo, Mexico, whose characteristics may migrate from traditional companies to companies in the fourth sector, which generate sustainability through corporate social responsibility, values for society, and the environment. Under this topic, authors such as Grynspan and Muñiz (2019) mention that companies in the fourth sector have three peculiar characteristics: (1) prevalence of social benefit and respect for the environment over capital, considering that economic profit is not an end in itself, but a means to meet social and environmental objectives; (2) sustainable growth; seeking the benefit of society as a whole among which highlights good working conditions among its employees, the promotion of social causes; (3). Inclusive ownership and governance; companies are made up of individuals who recognize themselves as equals and decide to work together in a collaborative and fair way. In order to ensure these principles and good intentions are not lost over time, many purposeful companies adopt proprietary formulas and legal statutes that establish their commitment to sustainability and human rights.

One of the problems presented by the companies from Tulancingo, Hidalgo, is the non-generation of social responsibility and therefore affects the environment and does not produce sustainability. Studies carried out in the State of Hidalgo conclude that few companies implement corporate social responsibility. Muñoz et al. (2018) mention that companies in the region of the State of Hidalgo do not reflect communication reports on being a socially responsible company. According to the foregoing, a research question arises; the companies of Tulancingo, Hidalgo, are willing to emigrate to the fourth sector, with sustainability, real values for society and the environment.

Therefore, it is interesting to analyze what the position of the companies is in relation to the fourth sector, and if there is an intention to follow the trend to produce with sustainability and social welfare, based on this approach, this chapter presents a comparison of the studies conducted in the years 2018 and 2019 to microenterprises in Tulancingo, Hidalgo, Mexico, considering a systemic approach in which the inputs, processes, and results of the system were studied; as part of the results, the variables are analyzed: CSR principles of ISO 26000, CSR issues of ISO 26000, and assessment of the environment, whose research objective is to analyze whether the companies of Tulancingo, Hidalgo, can consider the tendency to migrate to the fourth sector to produce with sustainability, values for society, and the care of the environment.

Given the relevance of the subject, the aspect of generating environmental sustainability in the country becomes important, and according to Raufflet, Lozano, Barrera, and García (2012), quoted in Montoya and Martínez (2012), several initiatives have emerged to regulate and support the corporate social responsibility, the first being the self-evaluation system, distinctive of Cemefi's Socially Responsible Companies. Another initiative is the implementation of the SA 8000 standard in Mexico based on ISO 26000, as well as the elaboration of the Mexican Standard by the Mexican Institute of Standardization and Certification AC. This standard contained the guidelines for the implementation of a management system in social responsibility and was officially launched in May 2005. It was also used as a basis for the development of ISO 26000, and in June 2012, it is replaced by the Ministry of Economy by the standard NMX-SAST-26000-IMNC-2011/ISO 26000: 2010 Social Responsibility Guide, which is fully consistent with ISO 26000.

2 Theoretical Framework

According to Fourth Sector (2020), three traditional sectors of the economy are distinguished: companies that create and distribute goods and services that improve people's quality of life, promote growth, and generate prosperity; nonprofit organizations that provide ways to celebrate, build, and protect the many human values that give rise to healthy and prosperous communities; and, finally, government organizations that protect and expand the principles of democratic freedom for both individuals and communities, protecting the public interest and at the same time ensuring a level playing field of opportunity and a common framework of laws and their application on a scale that matches the scale of humans.

According to the Fourth Sector Group (n.d.), the emerging fourth sector of the economy combines these private sector market-based approaches with the social and environmental objectives of the public and nonprofit sectors to address pressing problems.

In Mexico, the concept of the fourth sector is relatively new, so there are no concrete antecedents of its beginning; in this sense, Berrelleza (2019) mentions that its origin can be related to economic practices associated to the social economy and the solidarity economy, for the cooperative practice that is so strong in the country and that both share.

Thus, the efforts of the private sector, also known as for-profit enterprises, are presented in a wide variety of models, from mission-driven businesses, social enterprises, and sustainable businesses, to cooperatives, charitable corporations, and religious enterprises, among many others (Fourth Sector Group, n.d.).

In accordance with the above, many of today's companies recognize the need to develop more comprehensive business models. It is estimated that, by 2030, three-quarters of the world's 500 largest companies will have disappeared or will have been replaced by others. The companies that will survive will be those that manage to align their economic interests with the values of society (Grynspar, 2017).

According to Díaz-Contreras and Díaz-Vidal (2019), they comment that the fourth sector has characteristics of the three traditional sectors of the economy. From the private sector, they exist because of the profits obtained by the investment of their resources in economic activity; from the public sector, they help to satisfy the needs of society by establishing an area of opportunity within a legal framework; and from the third sector, they direct their efforts towards a purpose that contributes to people, seeking to protect them by satisfying their basic needs, promoting opportunities for physical, mental, and spiritual development, in addition to protecting the environment. This is how companies have a great capacity to produce goods and services, they have a great capacity to distribute them to the most remote places, they have a great capacity to solve problems, and they have a great capacity to innovate.

Based on the previous approaches, it can be established that traditionally three large sectors of the economy have been identified, each made up of for-profit companies (private sector), government (public sector), and nonprofit organizations, respectively (nonprofit sector).

However, there is an emerging sector of the economy in which for-profit companies combine the for-profit approach of the private sector with social and environmental objectives of the public and nonprofit sectors.

According to the World Economic Forum (2017), producing with environmental sustainability and for social welfare, preferring a brand for the ethical behavior of the company and not only for the characteristics of the product, is not science fiction, but a trend that is gaining impulse. We are talking about the fourth sector, the intersection between values, consumption, and production, in the economy demanded by millennials.

On the other hand, Fuentes Fuentes and Codon Pozo (2015) identify two groups or sectors of organizations: on the one hand, nonprofit organizations that establish social, cultural, political, and environmental objectives as their main objectives and, on the other hand, for-profit organizations that mainly pursue economic benefit and are called companies.

Under this same order of ideas, Romero (2020) mentions that in recent decades, the lines that separate the three sectors have become less and less clear; organizations have been adapting to the evolution of society and have merged two activities, commercial activity and the search for social and macro-environmental objectives, giving rise to the fourth sector of the economy. Likewise, the author mentions that the fourth sector is born from the interaction of the three sectors and tries to look for economic benefit to create social benefits; that is, a company should not only minimize its social and environmental impact but should also provide benefits in those areas. There are different aspects in what is known as the fourth sector, and they share a common philosophy such as the economy of the common good, the circular economy, the blue economy, or B companies.

The companies that make up the fourth sector face great challenges since they must produce combining the social, economic, and ecological part, since as mentioned by Zurbano et al. (2012) solving all these problems implies new ways of thinking and acting on the part of individuals, which generate the need for new types

of organizations whose interest groups seek long-term benefit considering the social, economic, and ecological aspects.

Based on the above, the current trend in organizations is sustainability and social responsibility; companies today tend to be able to satisfy and integrate social, economic, and environmental objectives, so the valuation of the environment becomes an elemental factor.

Under this order of ideas and according to Huerta (2018), it establishes that organizations are a common, open tangential and dematerialized space where the limits that circumscribe the three traditional sectors of the economy converge (private sector, public sector, and sector of nongovernmental organizations). Second, it is mainly made up of entrepreneurs with social purposes who are financed with contributions in their initial capital or through the profits obtained. Here it is integrated into the business model, the social purpose pursued, the care of the environment, the respect for the rights of the people, and the economic profit obtained.

Third, all the activities developed in this sector are based on trust, honesty, and transparency. Here we are faced with one of the main characteristics of this sector where “Active Transparency” governs the work of its activities both within and in the rest of society. In other words, they inform all market agents of what they are doing, how they are doing it, why they are doing it, and how much they get in return for having done it. Fourth, the intensive use of information technologies has made it possible to establish highly available channels to participate with collaboration networks, shared innovation, crowdsourcing—crowdfunding and solidarity among participants (Huerta, 2018).

This is how the Fourth Sector is a hybrid area, contiguous, and common to the three traditional sectors of the economy, where a set of interactions of subjects or organizations that are born in it or migrate towards it takes place, in order to produce and trade goods and socially responsible services and taking care for the environment. This is how organizations regularly share their participation in markets with the private sector; with the public sector, their nature associated with the generation of public value; and, finally, with the social sector, its orientation to the mission or purpose (Gatica et al., 2016).

As Olivan (2017) expresses, the fourth sector is the new category of hybrid organizations and companies, which have exceeded the characteristics of the three traditional sectors, private, public, and social. Without companies that are focused on maximizing social benefit, they are also organizations and foundations that are seeking to improve their sustainability and are also public organizations or companies that are adopting strategies from the private sector or the social sector to increase their impact. Likewise, these companies anticipate a new operating system with the best of each sector: they focus on results, dynamism, and innovation, especially in the social sphere, prioritizing on social benefits, empathy with the environment, redistributive ethics, and contribution to equality.

From Malec’s (2017) point of view, he argues that organizations transcend the usual sectoral limits and resist classification within traditional sectors. Consequently, the need to create a fourth organizational sector arises. This integrates social

purposes with business techniques to provide concrete solutions to various problems that none of the three sectors has been able to face (the Fourth Sector). Likewise, the author points out that these companies, although they are based on the market, their approach is focused on the pursuit of social or environmental objectives, instead of personal economic gains. In other words, organizations use market forces proactively to address social problems found on the global level.

In relation to the sustainability of companies, Raufflet et al. (2012), cited in Montoya and Martínez (2012), mention that several initiatives have emerged to regulate and support corporate social responsibility, the first being the self-assessment system, distinctive of Cemefi's Socially Responsible Companies. Another initiative is the implementation of the SA 8000 standard in Mexico based on ISO 26000, as well as the elaboration of the Mexican Standard by the Mexican Institute of Standardization and Certification AC. This standard contained the guidelines for the implementation of a management system in social responsibility and was officially launched in May 2005. It was also used as a basis for the preparation of ISO 26000 and in June 2012 was replaced by the Ministry of Economy by the standard NMX-SAST-26000-IMNC-2011/ISO26000: 2010 Social Responsibility Guide, which fully coincides with ISO 26000.

Under this topic, it can be said that sustainability in a broad sense can be understood as the production of goods and services, where human needs are satisfied and a better quality of life is guaranteed to the general population, with clean technologies in a nondestructive relationship with nature, in which citizens participate in the decisions of the development process, strengthening environmental conditions and taking advantage of natural resources, within the limits of regeneration and natural growth. At a practical level, we can speak of sustainable development when, from an economic point of view, it can be admitted that there is no better incentive in life than a stable and well-paid job, where employment is generated through community projects of responsible entrepreneurship in the consumption and development of technologies that eliminate chlorofluorocarbons and greenhouse gases; the social aspect is related to the creation of a social fabric with empowerment in its territory through a civic culture; and the environmental aspect is coherent with the cultural formation and/or value system, preserving and conserving the natural and intangible assets of society (Zarta, 2018). However, the key to sustainability lies in transversality, that is, in the common developments between the subsystems considered that constitute the progress of a specific place and/or territory, regulating the progress of man with his environment and establishing a harmonious relationship between the economic, the social, the environmental, the cultural, and the value system.

3 Methodology

The methodology applied to this research is the one proposed by Hernández et al. (2014), which is based on a research approach, scope, design, and statistical methods used, among others, which are mentioned below:

The focus of this research was quantitative because it sought to analyze the position of companies in relation to the fourth sector and if they intend to follow the trend of producing with sustainability, through presenting a comparison of the studies carried out in the years 2018 and 2019 with the microenterprises of Tulancingo, Hidalgo, considering a systemic approach to the variables of social responsibility (CSR), ISO 26000 principles, CSR ISO 26000 matters, and environmental evaluation.

The research design was nonexperimental, descriptive, and transectional, due to the fact that phenomena were observed in their natural context to be able to later analyze them in addition to investigating the incidence of the modalities or levels of one or more variables in a study population for this case, the variables of social responsibility; likewise, it is longitudinal of trend, because what is looked is to verify changes over time for this case, the variables of social responsibility, as they are considered in the years 2018 and 2019 (Hernández et al., 2014).

A statistically representative sample was estimated and a confidence level of 95% and a statistical error of 5% were used, and the expected proportions were estimated at 50%. A sample of 400 micro and small businesses from Tulancingo Hidalgo, Mexico was obtained.

3.1 *Conceptualization and Operationalization of Variables*

Regarding to the conceptualization and operationalization of variables, a section of the systemic analysis proposed by Posada et al., (2016), is used. These systemic analysis variables were evaluated with a Likert scale of five levels, from totally in agreement to totally in disagreement. Table 1 presents the conceptualization and operationalization of variables.

3.2 *Statistical Methods Used*

This research was carried out with descriptive techniques with distribution of frequencies in percentages and means to analyze 2018 and 2019; likewise, a principal component analysis was carried out where the correlation of the variables for each factor will be determined and those that do not have correlation to proceed comparative analysis between the 2 years. The Statistical Package for the Social

Table 1 Conceptualization and operationalization of variables

Variables	Conceptualization	Operationalization
Beginning ISO 26000	The principles referred to in this norm of social responsibility are accountability, transparency, ethical behavior, respect for the interests of the interested parties, respect for the principle of legality, respect for international norms of behavior, and respect for human rights (Argandoña & Isea 2011)	8-item test applied to the study subject population
Matters ISO 26000	The issues referred to in this standard are related to social responsibility and how organizations can put them into practice (Argandoña & Isea 2011)	6-item test applied to the study subject population
Assessment of the environment	It is considered the environmental context where a company does business, i.e., industry, competitors, access to resources, relations with the government (Schaupp & Bélanger, 2014)	7-item test applied to the study subject population

Source: Author's elaboration. Based on Peña et al. (2018)

Sciences (SPSS, for its acronym in English) was used for a better analysis of the representativeness of the variables.

4 Results

Once the instrument applied to the sample was analyzed, Cronbach's alpha was determined, the result of which for 2018 was 0.823 and for 2019 it was 0.905, so the instrument for both years is considered reliable.

According to the results of a comparative study of the years 2018 and 2019 and to determine the position of the microenterprises of Tulancingo, Hidalgo, in relation to the fourth sector and to verify if there is the intention to continue with the tendency to produce sustainability, the statistical analysis was carried out where the mean and the standard deviation of the measured variables are presented, and it is presented in Table 2.

For the social responsibility variable, ISO 26000 principles for the year 2018, we analyzed aspects related to responsibility for the impact of the company's activities, willingness to publicize our activities, particularly those that could impact society, rules in the companies regarding ethical behavior, importance of the impact on the company's operations, compliance with mandatory standards and laws, commitments of socially responsible and specific socially responsible actions, of which the item with the highest average; in my company, we try to comply with everything that norms and laws oblige us with a value of 4.0275, which means that it is clearly oriented to "Totally Agree," which means that this is an important aspect for the sustainability of social responsibility for microenterprises as shown in Table 2.

Regarding the variable social responsibility, ISO 26000 matters, aspects were analyzed in relation to: respect of companies for human rights to prevent

Table 2 Descending classification of the social responsibility items, ISO 26000 principles

Item number	Item description	Average	Typical deviation
5	In my company, we try to abide with everything that the rules and laws require us	4.0275	1.137797
3	In my company, we have rules that promote ethical behavior	3.9300	1.22017
7	In my company, we encourage employees to behave in a socially responsible way	3.7850	1.33350
1	In my company, we are willing to respond to the impact that our activities have on society	3.7600	1.3755
4	In my company, we are interested in those who may be affected by our operations	3.6400	1.30371
8	In my company, we do concrete actions that are socially responsible	3.5400	1.44347
2	When required, in my company, we are willing to publicize our activities, particularly those that could impact society	3.5325	1.40316

Source: Author's elaboration

discrimination, prevention of pollution, and decrease the production of waste that impact the environment, procuring the well-being of workers by listening to their needs and providing a safe environment, another indicator such as avoiding bad practices such as bribery, corruption, piracy, unfair competition, responsibility with customers, taking care of their reliability, attention to complaints, communication without deception, of which the item with a significant average was: in my company we are responsible with our clients: we take care of their confidentiality, we attend to their complaints, we communicate without deception regarding prices, costs, terms of services, contracts and we offer products that are safe, with an arithmetic mean value of 4.2025, and this shows that it is clearly biased to "Totally agree," which means that these are aspects that the companies apply and that are related to the sustainability of social responsibility for the microenterprises under study, as shown in Table 3.

Under this same topic, the variable social responsibility, assessment of the environment, were analyzed aspects related to concern about low sales, concern about the supply of goods and raw materials, concern about the economic situation of the country, concern about the payment of taxes, concern about deductions of the clients, and concern about what the company owes, of which the item with the highest average. In the company, we are concerned about low sales, with a value of 4.4700, which means that it is clearly oriented to "Totally in agreement," which means that this is an important aspect for sustainability of social responsibility for microenterprises as shown in Table 4.

Regarding the descriptive statistics for the year 2019, it can be analyzed that for the social responsibility variable, ISO 26000 principles for the year 2019, aspects related to responsibility for the impact of the company's activities, willingness to make known our activities, particularly those that could impact society, rules in companies of ethical behavior, importance of the impact on the company's

Table 3 Descending classification of the social responsibility items, ISO 26000 matters

Item number	Item description	Average	Typical deviation
13	In my company, we are responsible to our clients: we take care of their confidentiality; we attend to their complaints; we communicate without deception the information that interests them regarding prices, costs, terms of service, and contracts; and we offer products that are safe	4.2025	1.04366
12	In my company, we avoid getting involved in bad practices such as bribery, corruption, piracy, or unfair competition, and we do not allow it in our clients and suppliers	4.1050	1.16075
10	In my company, we try to prevent pollution and the waste production that impact the environment, and we try to recycle and take care of the environment	3.807	1.32848
11	In my company, we avoid getting involved in bad practices such as bribery, corruption, piracy, or unfair competition, and we do not allow it in our clients and suppliers	3.7775	1.26965
9	Respect for human rights to avoid discrimination	3.6475	1.45035

Source: Author's elaboration

Table 4 Descending classification of the social responsibility items, assessment of the environment

Item number	Item description	Average	Typical deviation
20	At the company, we are concerned about low sales	4.4700	0.84314
19	At the company, we are concerned about insecurity and violence	4.4250	0.84032
17	At the company, we are concerned about the supply of goods and raw materials	4.2700	0.97954
14	At the company, we are concerned about the economic situation of the country	4.1550	1.05297
21	At the company, we are concerned about how much we paid in taxes	4.1525	1.16518
15	In my company, we are concerned about all the money that clients owe us	3.8000	1.40532
16	In my company, we are concerned about all the money we owe	3.6575	1.50694

Source: Author's elaboration

operations, compliance with mandatory rules and laws, commitments of socially responsible employees and socially responsible concrete actions, from which it can be seen that once again the item with the highest average was in my company, we try to comply with everything that the rules and laws require us with a value of 3.9775, which means that it is clearly oriented to "Totally in agreement," which means that this is an important aspect for the sustainability of social responsibility for microenterprises as shown in Table 5.

Table 5 Descending classification of the social responsibility items, ISO 26000 principles

Item number	Item description	Average	Typical deviation
5	In my company, we try to abide with everything that the rules and laws oblige us	3.9775	1.17918
3	In my company, we have rules that promote ethical behavior	3.9625	1.20612
1	In my company, we are willing to respond to the impact that our activities have on society	3.8575	1.34743
7	In my company, we promote that employees behave socially responsible	3.8475	1.34490
4	In my company, we are interested in those who may be affected by our operations	3.7250	1.29366
8	In my company, we do concrete actions that are socially responsible	3.6925	1.36844
2	When required, in my company, we are willing to publicize our activities, particularly those that could impact society	3.6550	1.30393

Source: Author's elaboration

Likewise, the social responsibility variable is compared again, ISO 26000 issues, aspects related to respect for human rights to prevent discrimination, pollution prevention and waste production, which impact the environment, ensuring the welfare of workers, listening to their needs, giving them a safe environment, avoiding bad practices such as bribery, corruption, piracy, or unfair competition, responsibility with clients, taking care of their reliability, attention to complaints, and communication without deception, which the item with the highest average. In my company, we are responsible to our clients: we take care of their confidentiality; we attend to their complaints; we communicate without deception the information that interests them regarding prices, costs, terms of service, and contracts; and we offer products that are safe with a value of 4.1425, which means that it is clearly oriented to “Strongly Agree,” which means that this is an important aspect for the sustainability of social responsibility for microenterprises as shown in Table 6.

Under this same topic, the variable social responsibility, assessment of the environment, were analyzed aspects related to concern about low sales, concern about the supply of goods and raw materials, concern about the economic situation of the country, concern about the payment of taxes, concern about the deductions of the clients, and concern of what the company owes, of which the item with the highest average. In the company, we are concerned about low sales, with a value of 4.5525, which means that it is clearly oriented to “Totally in agreement,” which means that this is an important aspect for sustainability of social responsibility for microenterprises as shown in Table 7.

Table 6 Descending classification of the social responsibility items, ISO 26000 matters

Item number	Item description	Average	Typical deviation
13	In my company, we are responsible to our clients: we take care of their confidentiality; we attend to their complaints; we communicate without deception the information that interests them regarding prices, costs, terms of service, and contracts; and we offer products that are safe	4.1425	1.14476
12	In my company, we avoid getting involved in bad practices such as bribery, corruption, piracy, or unfair competition, and we do not allow it in our clients and suppliers	4.09075	1.20275
10	In my company, we try to prevent pollution and the waste production that impact the environment, and we try to recycle and take care of the environment	3.9400	1.16395
11	In my company, we seek the welfare of workers, listening to their needs, giving them a safe environment, access to health services, and a balanced personal life	3.8275	1.26758

Source: Author's elaboration

Table 7 Descending classification of the social responsibility items, assessment of the environment

Item number	Item description	Average	Typical deviation
2	At the company, we are concerned about low sales	4.5525	0.73389
19	At the company, we are concerned about insecurity and violence	4.4875	0.73906
20	At the company, we are concerned with the supply of goods and raw materials	4.4425	0.79893
18	At the company, we are concerned about the country's economic situation	4.3050	0.90500
22	At the company, we are concerned about how much we paid in taxes	4.1525	1.15654
17	In my company, we are concerned about all the money that clients owe us	3.9250	1.33560
16	In my company, we are concerned about all the money we owe	3.6750	1.48826

Source: Author's elaboration

4.1 Factor Components

Inferential statistics were carried out through the principal component analysis for each year, where the variables that produced the principal components could be identified, for which the following results are shown.

In order to determine the factor components, we proceeded to determine the KMO and Bartlett test to determine if it was possible to achieve the factor analysis,

Table 8 KMO and Bartlett test

Kaiser-Meyer-Olkin measure of sampling adequacy		0.878
Bartlett's test of	Approx-Chi-square	3452.418
Sphericity	df	21
Sig		0.000

Source: SPSS 22 (2020)

Table 9 Total variance explained

Component	Initial eigenvalues			Squared load extraction sums		
	Total	% Variance	% Accumulated	Total	% Variance	% Accumulated
1	6.612	31.484	31.484	6.612	31.484	31.484
2	2.857	13.604	45.087	2.857	13.604	45.087
3	1.224	5.829	50.916			
4	1.135	5.406	56.322			
5	1.045	4.978	61.299			
6	0.928	4.421	65.720			
7	0.829	3.948	69.668			
8	0.778	3.706	73.374			
9	0.696	3.315	76.689			
10	0.611	2.908	79.597			
11	0.558	2.659	82.256			
12	0.510	2.430	84.685			
13	0.490	2.333	87.019			
14	0.454	2.163	89.181			
15	0.427	2.035	91.216			
16	0.387	1.844	93.060			
17	0.340	1.618	94.678			
18	0.311	1.483	96.161			
19	0.297	1.415	97.576			
20	0.287	1.366	98.942			
21	0.222	1.058	100.00			

Extraction method: principal component analysis

Source: SPSS 22 (2020)

which can be seen in Table 8, a result of 0.878, which allowed us to proceed with the component analysis because the adequate result of its application and according to the degree of significance, which is 0.000, means that there is a correlation between the variables to carry out the component study.

Continuing with the analysis of the main components, it is necessary to carry out the fully explained variance as shown in Table 9, where the eigenvalues express the amount of total variance that is explained by each factor and the percentages of explained variance associated with each factor. For this analysis, it was necessary to perform a reduction of factors, due to be able to explain the variables and that they

Table 10 Component matrix^a

	Components	
	1	2
Responding to the impact of activities on society	0.701	0.117
Publicizing activities that have an impact on society	0.707	0.135
Rules of ethical behavior	0.781	0.124
Interest for those affected by our operations	0.693	0.168
Compliance with rules and laws	0.651	0.032
Respect for international standards	0.129	0.010
Behavior of socially responsible employees	0.757	0.088
Socially responsible actions	0.729	0.115
Policies and procedures for the respect of human rights	0.687	0.122
Waste pollution prevention	0.698	0.103
Worker welfare	0.690	0.038
We avoid bad practices such as bribery, etc.	0.709	-0.002
Responsibility to clients	0.689	-0.014
Community development activities	0.574	0.068
Business debt concern	-0.084	0.624
Worry about money owed to us	-0.101	0.547
Concern about the economic situation of the country	-0.270	0.686
Concern for safety and violence	-0.238	0.700
Concern about the supply of goods and raw materials	-0.229	0.628
Concern about low sales	-0.161	0.659
Concern about tax payments	-0.127	0.499

Extraction method: main components

Two components removed

Source: SPSS 22 (2020)

were related to greater impact. In the table, it can be seen that two factors are extracted that manage to explain the 45.08 of the variance of the original data (Table 9), expressing that 5 factors were extracted since they are those that are above 1. The 61.299 of the variance of the original data can be explained here. But to determine the variables that have correlation, factors were reduced.

Under this order of ideas, the component analysis is given through Table 10, which shows the component matrix, which is given with two factors, where those variables that have the highest correlation (saturation) are related. Comparing the relative saturations of each variable in each of the two factors extracted, it can be seen that the first factor is constituted by rules of ethical behavior; behavior of socially responsible employees; socially responsible actions; avoiding bad practices such as bribery; publicizing activities that have an impact on society; responding to the impact of activities on society; prevention of pollution by waste; welfare of workers; interest in those affected by our operations; compliance with standards and laws; policies and procedures for the respect of human rights; and responsibility with clients. As can be seen, all these factors are saturated in a single factor, since it constitutes a differentiated group within the matrix of correlation components. It can

Table 11 KMO and Bartlett test

Kaiser-Meyer-Olkin measure of sampling adequacy		0.905
Bartlett's test of	Approx-Chi-square	4905.847
Sphericity	df	21
Sig		0.000

Source: SPSS 22 (2020)

be said that this factor may reflect the dimension of ISO 26000 social responsibility matters.

Under this order of ideas, the second factor for the year 2018 includes the group of variables: concern about insecurity and violence, concern about the economic situation, concern about low sales, and concern about the company's debts, which means that this factor may reflect the value dimension of the environment.

The year 2019 was compared with the same main component statistics, and the KMO and Bartlett tests were carried out to determine if it was possible to achieve the factor analysis, which can be seen in Table 11, a result of 0.905, so it can be observed that the result is more convenient than last year since it is a better value. Therefore, the component analysis was carried out and the principal component analysis was determined, since the result tends to be applied so the degree of significance, which is 0.000, means that there is a correlation between the variables to carry out the component study, as shown in Table 11.

Continuing with the comparison between 2018 and 2019, the analysis of main components is necessary to carry out the variance fully explained as it appears in Table 12, where the eigenvalues express the amount of total variance that is explained by each factor and the percentages of explained variance associated with each factor. For this analysis, a factor reduction had to be carried out in order to explain the variables and that they were related to the greatest impact. In the table, it can be seen that two factors are extracted that manage to explain the 51,140 of the variance of the original data (Table 12), expressing that 4 factors were extracted since they are those that are above 1; here, you can explain the 65.565 of the variance of the original data. But to determine the variables that have correlation, factors were reduced.

Continuing with the component analysis for 2019, Table 13 shows the component matrix, which is given with two factors, where those variables that have the highest correlation (saturation) are related. Comparing the relative saturations of each variable in each of the two factors extracted, it can be seen that the first factor is constituted by acceptance of norms and laws; rules of ethical behavior; behavior of socially responsible employees; socially responsible actions; responsibility with clients; policies and procedures for the respect of human rights; we avoid bad practices such as bribery, etc.; prevention of contamination by waste; welfare of workers; interest by those affected by our operations; and responding to the impact of activities on society. As can be seen, all these factors are saturated in a single factor, since it constitutes a differentiated group within the matrix of correlation

Table 12 Total variance explained

Component	Initial eigenvalues			Squared load extraction sums		
	Total	% Variance	% Accumulated	Total	% Variance	% Accumulated
1	8.050	38.334	38.334	8.050	38.334	38.334
2	2.689	12.806	51.140	2.689	12.806	51.140
3	1.775	8.454	59.593			
4	1.254	5.971	65.565			
5	0.975	4.645	70.210			
6	0.744	3.544	73.754			
7	0.627	2.984	76.738			
8	0.568	2.705	79.443			
9	0.525	2.498	81.941			
10	0.489	2.327	84.268			
11	0.464	2.208	86.476			
12	0.396	1.888	88.364			
13	0.383	1.826	90.189			
14	0.357	1.701	91.890			
15	0.318	1.514	93.404			
16	0.285	1.359	94.763			
17	0.268	1.276	96.039			
18	0.243	1.157	97.195			
19	0.211	1.006	98.201			
20	0.191	0.908	99.110			
21	0.187	0.890	100.000			

Extraction method: principal component analysis

Source: SPSS 22 (2020)

components. It can be said that this factor may reflect the dimension of ISO 26000 principles of social responsibility.

Under this order of ideas, the second factor for 2019 includes the group of variables: concern about low sales, concern about the supply of goods and raw materials, concern about security and violence, and concern about the economic situation of the country, which means that this factor may reflect the value dimension of the environment.

5 Discussion and/or Remarks and/or Conclusions

The main objective of this research was to make a comparison between 2018 and 2019 to determine the position of companies in relation to the fourth sector and if they intend to follow the trend of producing with social responsibility and sustainability. It is necessary for organizations to fully contemplate social responsibility in their companies, since it is a process of reconciliation of the competitiveness of

Table 13 Component matrix^a

	Components	
	1	2
Responding to the impact of activities on society	0.714	-0.021
Publicizing activities that have an impact on society	0.602	-0.006
Rules of ethical behavior	0.822	-0.183
Interest for those affected by our operations	0.714	-0.076
Compliance with rules and laws	0.823	-0.129
Respect for international standards	0.596	-0.147
Behavior of socially responsible employees	0.779	-0.088
Socially responsible actions	0.768	-0.115
Policies and procedures for the respect of human rights	0.739	-0.224
Waste pollution prevention	0.724	-0.199
Worker welfare	0.724	-0.190
We avoid bad practices such as bribery etc.	0.736	-0.156
Responsibility to clients	0.755	-0.142
Community development activities	0.544	-0.071
Business debt concern	0.089	0.458
Worry about money owed to us	0.114	0.557
Concern about the economic situation of the country	0.414	0.600
Concern for safety and violence	0.406	0.607
Concern about the supply of goods and raw materials	0.431	0.645
Concern about low sales	0.359	0.699
Concern about tax payments	0.300	0.511

Extraction method: main components

Two components removed

Source: SPSS 22 (2020)

companies by maintaining social cohesion and respect for the environment, as well as the ethical principles that must be preserved between companies whose purpose fosters positive effects on organizations (Fernandez, 2009).

According to the analysis of the results, it is evident that the companies under study intend to continue with the trend of producing with social responsibility and sustainability in the ISO 26000 standard that refers to principles, issues, and assessment of the environment. Given that the results were significantly favorable in the 2 years under study, the main findings are detailed below.

For the variable social responsibility, ISO 26000 principles, it can be affirmed that in 2019 it was significantly better, compared to 2018, this variable was constituted by the socially responsible rules and regulations, which are implemented by companies, for which it is evident that companies are socially responsible, since the trend is inclined to totally agree, positively in the different arithmetic means, previously presented.

In this order of ideas, for the variable social responsibility ISO 26000 matters, it is evident that for 2019, companies are socially responsible because the indicators were

significantly higher compared to 2019, these indicators are pollution prevention, reduction in the production of wastes that impact the environment, whose averages were 3.9400 and 3.8070, respectively, likewise another important indicator is that companies care about the well-being of workers, listening to their needs and providing a safe environment and life Balanced personnel, the average result was 3.8275 and 3.7775, respectively, so it is evident that companies are working socially responsible.

Another of the results with greater significance was the social responsibility variable, based on the assessment of the environment, and it is evident that in 2019 was when this variable had the greatest boom in relation to the year of 2018, the indicators that were considered for these. The variables were: concern of the companies for low sales with an average of 4.5525 in the year 2019 and 4.4770 for the year 2020, with respect to the indicator concern of the companies for insecurity and violence had a significant statistical mean of 4.4875 for the year 2019 and for the year 2018 of 4.4250. Another of the indicators for this variable that turned out to be significant was the concern of the companies for the supply of goods and raw materials with an arithmetic mean of 4.2700 for the year 2019 and 3.9250 for the year 2018, in this variable the concern of companies by the economic situation of the country where it also has greater significance with a value of the statistical mean of 4.3050 for the year 2019 and 4.1550 for the year 2018, another indicator that was evaluated to assess the environment was the aspect of the payment of taxes which were also values in their high statistical means. It is evident that the companies under study have the intention of continuing to produce with social responsibility and sustainability, which makes them fully responsible companies. In other words, companies in Tulancingo de Bravo, Hidalgo, Mexico have a capacity to satisfy and integrate social, economic, and environmental objectives, because the valuation of the environment is a fundamental factor for their companies, it can be said that companies They meet the characteristics to migrate from traditional companies to companies in the fourth sector.

Thus, through the main components, it is possible to affirm through factor extraction the correlation that exists between the studied variables that companies produce with social responsibility and sustainability, since it is demonstrated through the variances that indicate that they are totally in agreement for both years. This indicates that the companies in Tulancingo, Hidalgo, Mexico, are struggling to overcome the great social challenges by combining attributes and strategies of the three traditional sectors and could well be incorporated into the fourth sector.

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Social Innovation: Insights in the Fourth Sector in Portugal



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Abstract The concept of social innovation refers to the development and implementation of adequate and sustainable solutions to the current social and environmental problems of economies. To this end, social innovation is increasingly based on business models on the fourth sector that create or capture social value and generate positive impacts on society, especially in the most vulnerable groups. The fourth sector allows the confluence and partnership of organizations that respond to social and environmental problems. However, the study of this distinct sector and its connection with social innovation is still poorly studied. This chapter aims to explore trends in social innovation in the fourth sector in Portugal through a set of three case studies where different partnerships seek creative and efficient solutions to social problems: the Khan Academy, VOGUI Águeda Tomorrowland and the Mozart Pavilion. This investigation shows how the public, private and non-profit sectors work together to develop strategies and solve citizenship and community problems, allowing the identification of successful ways of collaboration.

Keywords Social innovation · Sustainable development · Fourth sector · Change

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1 Introduction

Fourth sector and social innovation are concepts that interconnect in the process of responding to social and environmental problems that require creative and innovative solutions. New forms of partnership, business models and development strategies have appeared to propose responses to complex problems that single entities alone cannot solve. These solutions allow the analysis of criteria of intensity in the fulfilment of sustainable objectives, identifying and discussing the relations between public, private and public-private sectors in the resolution of economic, social and environmental problems in a context of sustainable development objectives for the millennium.

With these purposes, the chapter addresses several themes through an analysis of the literature on themes related to global and international change, as well as with regard to entities referring to the fourth sector and the respective social innovation processes. In order to relate the theoretical body to its practical application, case studies were identified in Portugal, which were selected based on characteristics associated with social innovation and the use of tools from the fourth sector in solving economic and social problems in the public, private and public-private sectors.

Thus, this chapter is divided into several parts. In the first part, the theme of international changes is developed, identifying potential factors and their effects on contemporary societies, highlighting the goals of sustainable development, globalization as a global phenomenon that enhances the change of the dynamics of international markets and the consequent changes in the conventional business model. These new business models with social impact are characterized by the possibility of establishing a more complete communication between the various stakeholders, optimizing their configuration in real time according to the requirements of society through the production of goods and provision of services, favouring an improvement in processes through the proposal of innovative solutions with social impact. In a more specific approach, we develop the theme referenced by the fourth sector describing the most current concepts, types of entities and attributes in the economic and social area. Then, the theme of social innovation is developed as a new paradigm seeking to map and evaluate relevant information on social innovation by conducting a systematic review of the research providing a collective view of the main scientific contributions that have been developed with the aim of offering perspectives and informing about a framework for social innovation systems. The second part of this chapter refers to the analysis of three projects, attributing to the case study as a form of qualitative research and the ability to validate and reinforce the effectiveness of the studied approaches.

2 International Change, Fourth Sector and Social Innovation

2.1 *International Change*

At the present time, we are witnessing an intense and global phenomenon of change at the international level with strong changes of social and environmental order. In the pragmatic thinking of Sachs (2017), there is the conception that the world needs a new globalization that is not only dynamic in terms of economic growth but also fair in terms of prosperity and sustainable in its environmental impact. In this perspective, we can affirm that such association of economic, social and environmental objectives refers to sustainable development (SD) based on a commitment assumed by the 193 United Nations (UN) member states, which determines the practice of interdisciplinary practices as a solution to the global complexity (Annan-Diab & Molinari, 2017).

The current “to-do list” printed in the 2030 Agenda, approved at the UN organization summit on September 25, 2015, with entry into effect in 2016, must be gradually implemented by the various governments, in the public and private sector administrations as well as by all citizens on a collective journey based on a global commitment (UN, 2016).

The UN, when agreeing on the Sustainable Development Goals (SDG), carried out a universal measure useful for the social and political environment, defining the term “sustainability” as a common pronouncement for all those interested in transforming the world into a better, more equitable and supportive place. In fact, in the implementation of the SDG, we learn what we need to develop together in a collective effort; this will be an important challenge involved in an international learning process that promotes research science for sustainable development (Schwan, 2019).

We are witnessing a growing trend in the implementation of sustainability policies in public sector organizations and in the private sector, where companies compete to achieve the benefits of integration through the adoption of environmental mechanisms in the management of their activities, stressing the importance for involvement by collaborators, managers and decision-makers in order to recognize sustainability concerns and consequently increase the contribution to the fulfilment of the SDG (Figueira et al., 2018).

Moreover, a factor that enhances international change is the interconnection between regions, countries and cultures that takes place through the economic, social and political system, in a constant evolution with significant influence in society. It is the phenomenon of economic globalization integrated in a system of free trade legitimized by the liberalization and deregulation process that results in the flow of goods and services, physical and human capital, foreign investment and technological repercussions far from the geographic boundaries of contemporary economies. This fact changes the lifestyle and preferences of consumers, economic agents, political, social and environmental realities providing contributions that have

a positive impact on economic growth and development through innovative and entrepreneurial activities (Coulibaly et al., 2018).

From a different perspective, Hoekman and Nelson (2018) highlight the specific links between globalization and the role of global institutions in their trade agreements, in a distributive dimension with consequences for the sustainability of the international integration of markets and products, assuming that it can be facilitated in a more national way through the actions of governments that in their freedom of choice opt for policies that they consider adequate to achieve the objectives of national economic development without the constraint of international institutions that should preferably be focused on the role of international cooperation, in direct support to the performance of national governments, in managing the disadvantages of globalization and addressing the adverse effects of global income distribution.

Recently, Witt (2019) introduces the concept of (de)globalization, stating that it is a possibility of inducing a significant qualitative change in the strategies, structures and behaviours observable in current international business models, states that the current politics like liberalism and realism foresee a process of (de)globalization that signals a significant turn of events. The expectation of the future world economy in the vision of liberalism suggests a “patchwork” of economic links, while realism evokes the emergence of economic blocs around the main countries, both of which announce the process of (de)globalization with different results and consequent implications for the political economy and international businesses.

Consequently, Hughes et al. (2019) adequately emphasize the process of international change and its main enablers to add utility to business models and society, increasing efficiency in new domains, including management that can drive innovation taking into account that there are potential risks, but also benefits. Managers must be participative agents in the implementation of innovation and the search for operational efficiencies that benefit the business, contributing to the evolution of the company and the business model. The definition of the business model is evidenced as a simplified representation of the proposal and creation of value with interaction between the various elements within an organizational unit, with added characteristics as a sustainable business unit that incorporate concepts, principles or objectives aimed at sustainability or its integration into the value proposition through value creation and delivery activities (Geissdoerfer et al., 2018).

In the next section, we introduce the most recent sector of economic activity, the fourth sector, that represents a new group of organizations with innovative business models with the objective of making a profit, which promotes their economic growth and presents itself with the capacity to attract investment, but executing a business plan related to social and/or environmental development in a sustainable manner, based on a commitment to management and operational efficiency.

2.2 The Fourth Sector

The fourth sector can be understood as an active tool in solving the problems of modern societies, presenting itself as a new protagonist in the area of social

economy, a phenomenon connected to the representative positions in the organization and business models favouring the interception between the public, private and social administrative sectors, focusing on new social innovation processes (Jiménez Escobar & Morales Gutiérrez, 2011). It is the new sector of the economy, fundamental to the resolution of current problems in partnerships between public, private and not-for-profit organizations.

According to Jiménez Escobar and Morales Gutiérrez (2011), each traditional sector has to collaborate to promote the difficult balance between economic sustainability in the social approach, governance and social innovation. The private sector with its vast experience of resource management has been creating and distributing goods and services that improve the quality of life. The public sector that predominates in the control of distribution and communication channels protects communities' interests, establishing opportunities within a legal framework. Finally, the social or public-private sector protects human beings, satisfying their basic needs and ensuring opportunities for personal development, also promoting protection by the environment by sensitizing communities and organizations to minimize the damage caused, the social sector represents the ability to innovate socially.

However, we are witnessing a new scenario where the organizational models are struggling to solve social challenges through the combination of attributes and strategies of the various sectors, taking the lead in a social space where there is a crossroads between the public, businesses and social necessities. In this way, hybrid organizations are created as entities that seek to reconcile efforts in favour of the general interest and economic stability, using participation and collaboration to analyse new problems for which they formulate a fast and effective resolution approach. They are hybrid organizational models from social innovation that makes them especially suitable for providing innovative solutions to social problems; these entities that reveal these attributes are those that constitute the fourth sector (Chaves Ávila & Monzón Campos, 2018).

The change in the conventional business model reflects the link to innovation in the organization's internal processes, to new organizational planning strategies, such as outsourcing and networking, which are indispensable attributes for competition between companies, combined with the creation of new products and the offer of different services, in which companies of all types begin to consider in their performance, in addition to the economic impact, the responsibility towards the society of which they are part, with an increased need to produce something that is social, effective and different, through a new social orientation, which originates a greater dedication to innovative processes providing greater benefit to its customers and consequently adding value, using the process of serving based on cooperation and strategic networks, assuming environmental responsibility in its action and increased business competition (Jiménez Escobar & Morales Gutiérrez, 2011).

In this sense, the introduction of business models for the fourth sector reflects an enormous potential for organizations with an impact on the entire value chain, favouring the creation of new business and market models in management, the economy and society in general, bringing new opportunities for business and providing a development of specific skills that change the requirements of education

and transform the work environment today; it is necessary to qualify more staff to respond to new technological requirements (Pereira & Romero, 2017).

In the study developed by Rask et al. (2020), the idea arises that the fourth sector is still involved in a form of unorganized activity that encompasses different levels of organization, and it is essential to understand the potential phases and interfaces where the more formal sectors can associate their activity with the operations developed by the fourth sector for social innovation. The following section addresses the concept of social innovation.

2.3 *Social Innovation*

Cloutier (2003) determined that the social innovation as a process framed in three dimensions, namely social innovation centred on the individual with a vision of immediate resolution of problems favouring autonomy in individuals; in the second dimension, it alluded to social innovation centred on the environment, an illustrative view of the attempt to promote changes in the territory or surroundings in order to prevent social and economic problems, favouring improvements in the quality of life through cooperation strategies of the various actors; in the third dimension, the author highlighted social innovation in companies claiming the need to respond to the needs of collaborators as a way of generating an improvement in work productivity, creating a new organization aimed at innovation and production based on creative knowledge. Moulaert et al. (2005) characterize social innovation as a concept classified in four aspects. The first describes the science of management that calls attention to the increase in the social capital of companies, promoting the organization of work in an effective way. In the second part, Moulaert et al. (2005) refer to social innovation as a concept with repercussions in the commercial area, giving evidence to social and environmental progress; then describe in the third part the area of arts and intellectual and social creativity; and, finally, relate the area of local development with the importance of regional studies. Social innovation is seen as a comprehensive concept with direct intercession in the various areas of activity in society.

Pol and Ville (2009) have defined social innovation as a concept similar to a process of change with the aim of promoting well-being. The authors described the four concepts inherent to the change: the first being institutional change is a change in the cultural normative structure of society; the second, it attributes to the concept of social innovation the ability to raise the quality of life; the third concept refers to social innovation as a public good; and finally translates the concept of social innovation as a way to respond to the needs not met by the market.

Social innovation is a paradigm capable of capturing the interests of researchers, professionals and politicians in their participatory and citizen empowerment processes, providing collaborative activities between public and private administrations, executing educational, administrative and marketing methods with direct influence in productivity. Social innovation stands out due to the lack of adequate answers to

the most pressing questions of our time (Murray et al., 2010), contributing to the development of a more comprehensive vision of an integrated theoretical framework for socio-technological innovation. This new paradigm takes into account the interrelationships with quality of life and sustainability indicators, through appropriate public policies in collaboration with the various sectors contributing to better social, economic, environmental and cultural results (Edwards-Schachter et al., 2012).

Shaw and De Bruin (2013) explore the impact of social enterprises, the effects of social innovation and the motivations of entrepreneurs and those with whom they partner, to form a consensus regarding the importance of companies being involved in processes, activities and behaviours designed to meet social, educational and environmental needs, instead of satisfying the excessive demand for greater personal and family financial wealth. The “shared value”, the importance of creating economic value and social value both in social companies and in companies oriented to financial profit, the execution of a model for the creation of economic and social wealth as a central role, where companies act as “key actors” paving the way for improving global innovation and productivity (Shaw & De Bruin, 2013).

Moro (2015) mentions social innovation strategies that are often transversal to the different sectors of activity, involving changes in dynamics, roles and relationships between the various stakeholders challenging conventional wisdom, involved in scenarios of uncertainty and unpredictability and highlighting the need to achieve greater strategic learning that supports the resolution of complex problems. For such a scenario we must have access to high-quality, timely and useful information in order to benefit from the effects of an innovation increasing the likelihood that the objectives of the intervention will be widely achieved, so that a social innovation translates a new solution to an existing problem in a more effective, efficient and sustainable way, taking the form of new programmes, products, laws, institutions, ideas, relationships or patterns of interaction and often a mixture of many of them.

Baltazar-Herrera (2015) presented a case study centred on social innovations that create social value and competitive advantage, describing a picture of factors that lead to the success of corporate social innovation. Its definition of social innovation translates a measurable initiative that uses a new concept or a new application of previously existing concepts to create shareholder and social value, identifying engines, incentives and limitations to the generation of ideas, experimentation and implementation in innovation companies. The research results also indicate how companies can institutionalize mechanisms that translate into an increased likelihood of starting and successfully implementing social innovation, actions that should be combined with an active involvement of interested parties leading to the opportunity of co-creation and the formation of social capital, describing innovation as an engine capable of generating social and shareholder value based on a global strategy of crucial importance to interested parties and social responsibility.

Phillips et al. (2015) seek to map the relevant indicators that link social innovation and social entrepreneurship. They have the idea that business innovations develop social issues, assuming that the success of social innovations results from the social system in which the entrepreneur operates with knowledge and support acquired

through interactions with key actors and institutions operating in systems from all sectors, namely the business, private and public sectors. According to this argument, the practice of social innovation will be successfully implemented when assuming that social innovation action is not undertaken in isolation but by collective action by several organizations with influence in specific areas, with the purpose of promoting social development, helping to shape society and innovation.

Social entrepreneurship and innovation should be understood as a way of overcoming the traditional mechanisms of the governing market of for-profit organizations, motivating entrepreneurs to reinvest profits in a double final result, both financial and social, contributing to the creation of social value, assuming the existence of a feeling of dissatisfaction with business models for purely profit purposes that are not a means to resolve social inequalities and urgent issues of inclusion (Phillips et al., 2015).

Social innovation is a process of overcoming barriers, creating and inventing processes and promoting new solutions that improve and are more just and effective for the individual and civil society compared to pre-existing alternatives. However, social innovation is a concept still little used, despite the sociological heritage that dates back to the nineteenth century and its current popularity among various politicians in Europe and the United States, an idea often ignored by social policy researchers. However, in the last decade, the concept of social innovation has taken on a more central role in political debates, where we observe the creation of measures developed within the scope of the Social Innovation Initiative, such as the Office of Social Innovation and Civic Participation that President Obama created in the White House in 2009 and the Horizon 2020 strategic framework for research and innovation in the EU (Ayob et al., 2016). Unceta et al. (2016) explained the conceptual and empirical model of the regional index of social innovation, where it explores the indicators referring to social innovation at the organizational and regional levels, illustrating the capacity to assimilate knowledge in social innovation processes classified into four types of main regional agents: for-profit and non-profit organizations, universities and technology centres.

Thus, in the new millennium, a focus on social innovation has resulted from the underlying process relating to the new forms of global relationship that led to social change and involved new means of collaboration, individually or in organizations, implying the approach and the development of new relationships between the government, civil society and citizens. Ayob et al. (2016) have indicated that social innovation is a process with political dimensions, endowed with new forms of social relations that lead to innovation sustained in a restructuring in social and power relations, towards a utilitarian social value and, therefore, of social impact. In this direction, Avelino et al. (2017) identified in their investigation based on case studies, a common search for new socio-economic practices, relationships based on trust, reciprocity, collaboration and autonomy, highlighting the need to analyse the transformative initiatives of social innovation in cultural, geographic, political and social contexts. Marques et al. (2018) presented the concept of social innovation as a process of meeting human needs, and capable of responding to social needs, in an action oriented towards previously defined objectives or in an action focused on

promoting products and/or services in more efficient ways. However, it should be noted that studies involving social innovation are relatively little studied, and exploratory studies can benefit from case-based analysis.

Monteiro et al. (2019) propose a model of social innovation that articulates social intervention with the area of politics, developing a concept that brings social innovation closer to the social and solidarity economy. In turn, Urbach and Röglinger (2019) defend the idea of living in an era with multiple challenges where companies and organizations are a reflection of the global sociological conditions that are committed to developing their potential in ethical conditions in all exchanges, political and governmental.

Pirson et al. (2019) defend that the so-called change of conscience that several researchers argue as being the time when humanity is witnessing the birth of a new paradigm involved in an ideological environment where the principles of a new world economic order established at its central limits by the command of an innovative epistemological system reflecting the quality of dignity as a universal moral concept.

The value of dignity found broad consensus with the opinion of academics, defined as a strong humanistic redeeming quality capable of contributing positively to the current capitalist business model, by providing the creation of new models of administrative and economic organization based on ethical values and universal business dignity (Pirson et al., 2019). White (2019) referred to the importance of a business pedagogical strategy that promotes multidisciplinary integration in education and guidance for the new generation of business leaders motivated to generate impacts on society and face a complex global reality. Carvalho and Viana (2019) developed a study debating the influence of social innovation as an improvement factor in daily life. Innovation gives specific characteristics, which provides insights and develops capacity and a flexible infrastructure, such as intangible assets such as know-how, intellectual property and social capital, among others; these skills last and can be used by other sectors in different ways, translating an innovative process in constant adaptation (Albertson et al., 2020). In a more detailed analysis of the various definitions presented in recent years, social innovation reflects a phenomenon of response to social conditions and problems, as a process obtained as a result of various governmental political actions in a democratic regime with a strong motivation to promote social transformation. Table 1 shows relevant contributions regarding the evolution of the concept of social innovation according to the literary references described above.

3 Method

This study is supported by an exploratory research methodology through an extensive analysis of the existing literature to frame the themes of social innovation, complemented by the discussion of three cases that fall within the context of the fourth sector. For this purpose, a qualitative case study methodology is applied,

Table 1 Relevant contributions to the concept of social innovation

Author	Contribution to the concept of social innovation
Murray et al. (2010)	Social innovation stands out due to the lack of adequate answers to the most pressing questions of our time
Shaw and De Bruin (2013)	The creation of economic and social “shared value” in public and private companies
Phillips et al. (2015)	Entrepreneurs must reinvest profits in a financial and social result, stating that business models for purely profit purposes are not the means to respond to social inequalities and inclusion issues
Ayob et al. (2016)	Social innovation as a process with political dimensions based on a restructuring of social and power relations with a social impact
Carvalho and Viana (2019)	The influence of social innovation as an improvement factor in daily life. The importance of creating business plans with economic and social projection
Albertson et al. (2020)	Social innovation, a phenomenon of response to social problems in constant adaptation obtained as a result of governmental political actions

Source: Author’s elaboration

highlighting previously selected studies that present trends in social innovation where partnerships between the various sectors seek creative and efficient solutions to social problems in Portugal. In this direction, social innovation projects were selected based on the criteria identified in the previous paragraph, with the support of the programme called “Portugal 2020” emphasizing the agreement between Portugal and the European Commission in a direct action by the European Structural and Investment Funds established in principles of programming to guide policies on economic, social and territorial development to be promoted in Portugal in the period set between 2014 and 2020, based on the assumptions of Smart, Sustainable and Inclusive Growth according to the “European Strategy 2020” (UE, 2010).

Scientific research through case studies can certainly contribute to the development of knowledge being used as a way to test and develop theory, in exploratory, explanatory and descriptive research in order to examine and understand the phenomenon under investigation (Yin, 2011). The case study investigation method offers an overview of the investigation, with an in-depth understanding of the case study, which aims to answer a specific relevant question.

3.1 Case Studies Selection

The analysis of the ideas and trends of social innovation and fourth sector in Portugal includes an investigation with case studies that includes a descriptive research in a versatile way allowing a more comprehensive, holistic and in-depth view of the issue under study of a complex nature. In an initial phase, the concern lies with the definition of the case, selecting projects that include points of interest, refining the limits and effectively establishing the central elements of the investigation.

Consequently the collection and analysis of informational data is triggered in the investigation, which provides a more synergistic and comprehensive view of the issue under study, even diagnosing differences in some areas, the common points that allow guiding the design of the investigation are evident. In the results phase, we seek to lead to a deep understanding of behaviours, processes, practices and relationships in context, in order to value, validate and reinforce the effectiveness of case study approaches as a powerful form of qualitative research (Harrison et al., 2017). In this context, research also covers the social phenomenon that affects the public, private and non-profit sectors, and it is important to reflect on the role of the community and how the administrative sectors can interact in an organized and joint way, constituting a “laboratory” privileged to promote and develop social innovation initiatives.

Historically, in Portugal after a journey of several decades of democratic consolidation and flourishing where political initiatives were promoted that triggered the emergence of a new public awareness about the values of freedom, the conquest of basic rights, equality, education and employment, as shown by Parente (2014) overcoming limiting social needs, gradually breaking out in a rural and urban context, increasing the desire to find alternatives and solutions, using a series of tools, incentives and ideas oriented towards inter-sectoral and multidisciplinary action plans so that it is possible to offer new perspectives and opportunities that contemplate personal fulfilment and development (Defourny & Nyssens, 2017).

In the context of this progressive process of stability experienced in Portuguese civil society, new organizations and institutions emerge, duly legislated and financed, which originate the creation of platforms and support for a large group of individuals who are on the margins, excluded from society. These social organizations come up with the development of rehabilitation and social inclusion projects for people with disabilities (handicap), unprotected and without stable employment. From this reciprocity of relationships and partnerships results fundamental characteristics such as voluntary work, special and inclusive education, technological research and the artistic and cultural sector; providing an ennobling response in the construction of human and environmental capital, combining high know-how, effort and experience, resulting from a period of “emergency” as well as the dawn of new realities and trends evidenced in the demand for a more economic and social model worthy and solidary based on a matrix of purpose and mission. As evidence of this change and significant action, we can refer to the agreement that Portugal established with the EU where through European investment and financing funds, it aims to promote and develop innovation programmes with social impact.

The “Social Innovation Programme”, being a part of the “Portugal 2020” programming process, fulfilling its mission through the financial resources of the European Social Fund (ESF), establishes direct and permanent contact with social entrepreneurs, with social economy entities, proven investors, municipalities and several other entities throughout the territory of Portugal, using the Portugal Social Innovation Mission Structure as an intermediate body consisting of five operational programmes (OP):

Table 2 Current social innovation projects in Portugal

Overall: 465 approved projects (updated September 30, 2020)					
Criterion (1): Region	Projects	Criterion (2): Financing investment	Projects	Criterion (3): Intervention area	Projects
North	211	Training for social investment	201	Citizenship and community	18
Centre	182	Partnerships for impact	252	Education	70
Alentejo	38	Social impact titles	12	Employment	49
Algarve	16			Social inclusion	204
Multi-region	18			Social innovation incubators	20
				Justice	7
				Health	88

Source: Author's elaboration

1. Social Inclusion and Employment OP (POISE)
2. Human Capital OP (POCH)
3. Competitiveness and Internationalization OP (Compete 2020)
4. Regional OP of the Algarve (CRESC Algarve)
5. Lisbon Regional OP (Lisboa 2020)

Table 2 represents the coordination of 465 approved projects, organized by three selective criteria, the first criterion being the region where the project confers its performance; the second being the investment of financing criterion that distributes projects by training for social investment, a partnership for impact or social impact titles; and, finally, the third criterion that refers to the area of intervention highlighting the following themes: citizenship and community, education, employment, social inclusion, social innovation incubators and finally the health sector.

The projects selected for study in the investigation come from the 465 projects approved and ongoing in the Portuguese reality. Below we introduce these projects according to the criteria of the interactive map of social innovation. However, we would like to highlight some facts that we consider convenient to the general framework of the selected options, the following being the area of education that has 70 projects in force (North Education with 25 projects, Centre with 31, Alentejo with 7, Algarve 3 and multi-region with 3 educational projects). The selected project, Khan Academy, displays intervention in two distinct zones, an intervention in the north and another in the centre, it is a project with financial investment in titles with social impact that represents a total universe of 7 projects with the same criteria and with intervention in all regions, 3 projects in the north of the country and 5 in the remaining zones. Project VOGUI Águeda Tomorrowland with intervention in the area of citizenship and community, with partnership for impact as a financing instrument, presents its intervention in the central area of the country where it is included in a group of 2 projects approved in a total universe of 11 to take place in the northern area with 5, the Algarve with 2 and in a multi-region there are 2 approved projects. The Mozart Pavilion project with intervention in the area of justice with investment of financing in partnership for the impact stands out in the

Table 3 Criteria in projects selected for case study

Khan Academy Project—Learning mathematics with digital resources		
Social problem: School failure		
Criterion (1): Region	Criterion (2): Financing investment	Criterion (3): Intervention area
North	Social impact titles	Education
Project VOGUI Águeda Tomorrowland—Personal and social skills development programme		
Social problem: Social exclusion of people with disabilities		
Criterion (1): Region	Criterion (2): Financing investment	Criterion (3): Intervention area
Centre	Partnerships for impact	Citizenship and community
The Mozart Pavilion project promotes social inclusion of prisoners		
Social problem: Criminal recurrence		
Criterion (1): Region	Criterion (2): Financing investment	Criterion (3): Intervention area
Centre	Partnerships for impact	Justice

Source: Author's elaboration

group with the existence of 5 projects approved in all regions, 2 projects approved in the north, 2 in the central zone and 1 project in multi-region.

In the various illustrated projects, we verify cumulatively innovative features with resources inherent to the fourth sector in its interventions before the target population. The primary factors in the selection of the three projects fall into the universal characteristic of education as a teaching process and facilitator in the learning process, but also as an area that encompasses the formation and training of personal, social and professional skills. Education is the most powerful tool capable of changing humanity and consequently promoting change worldwide. The selected projects combine support characteristics with actions that promote learning of new knowledge, increasing skills for autonomy and personal effectiveness in society, with access to innovative resources and strategies believing in the value of people (Table 3).

The investigation aims to show, through social innovation indicators (Fig. 1) within the scope of the fourth sector, how the actions developed in the public, private and non-profit sectors join efforts to promote strategies and solve citizenship and community problems.

Following Cloutier (2003), when analysing the projects presented in the study, we observe that in all its interventions, the three dimensions are evident, the action centred on the individual providing the training of skills capable of promoting their social and integration skills, as well as the construction of an environment that provides their learning, serving as a “stage” for the preventive action of repressed and unwanted behaviours. Finally, and focusing on the third dimension, the work results from an incentive coming from public and non-profit organizations, these entities being the founders and implementers of the action.

In line with Pol and Ville (2009), we assume social innovation as a process of change with the aim of promoting well-being. In this way, we can prove that the

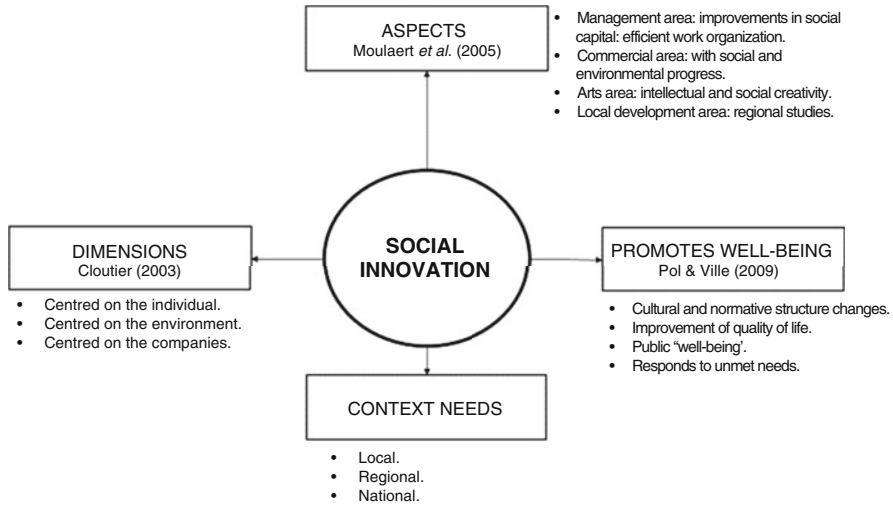


Fig. 1 Social innovation framework. Source: Author’s elaboration

thinking developed in the previous model is an original and common factor in the study projects. It is to be commended the funds allocated by the European Union as well as the existing effort in Portugal to continue the actions of social inclusion of the population that lives on the margins of the created normative ideal and that so often excludes minorities highlighted in the projects as being the case of prisoners, children with learning difficulties and people with cognitive impairments and physical limitations. There should be an organization of a plan of conditions and strategies that promote significant progress in the quality of life, developing skills and fulfilling social and vocational insertion plans in a market that requires clarifying information and strong incentives for the inclusion of this specific population, translating the ability to provide an answer adapted to special needs, granting their action as active agents. Social innovation should be seen as an ideal that leads to the importance of the public good, promoting social inclusion through creative ideas that foster the specific training of technical skills and personal, social and professional skills of populations, in an articulated action between the public sector and without for profit purposes, encouraging the awareness of all sectors of economic activity in adhering to the inclusion, well-being and quality of life plans for all.

According to Moulaert *et al.* (2005), case 2—VOGUI Águeda Tomorrowland, in an action to promote the social inclusion of people with disabilities, evidences this aspect when developing a specific programme of community intervention developing the training of technical and professional skills with the objective of including people with cognitive and physical deficits in the labour market. The Mozart Pavilion project also seeks to promote the social inclusion of prisoners, through an action centred on the individual and his/her learning capacity, enhancing personal, social and technical skills, during the period of deprivation of liberty with the aim of

facilitating their social and professional reintegration after their release. Both projects reinforce the aspect of companies by providing technical clarification of the capabilities of each stakeholder, providing follow-up under the guidance of a tutor external to the company and equipped with technical skills capable of managing conflict situations and promoting measures for the inclusion of the person in the job/job market. This action provides social and fiscal benefits to companies adhering to the social and professional inclusion programme for people with mental and/or physical disabilities.

In terms of the arts and creativity, we highlight the actions developed in case 3—The Mozart Pavilion that promotes the social insertion of prisoners through their participation in the artistic creation of an opera, contributing to the process of building a space within the prison dedicated to the performing arts managed by the inmates themselves. We observe a process of artistic creation of recognized innovation acting in the social area in coordination with the community through a re-educative and integrative action centred on caring for the other in order to provide everyone with artistic and educational experiences that develop and strengthen human relationships.

At the same time, there is a need to contextualize social innovation according to the place, region and country where the interventions are developed. In all study projects, we found that the innovative action is adaptive to the specific needs experienced in a specific location, providing an innovative solution in the creation of performance models that develop your intervention plan in the specific places where the needs are detected. This facilitates the human connection, the creation of closer emotional bonds and facilitators in the learning process, as well as in the awareness of behavioural changes promoting adjustment, meeting the social and professional demands of the community. It also appears that the initiative has a more regional character, where a given association or organization, being informed of the capabilities and limitations of its population, is thus able to compete at the national level for the implementation of rehabilitation programmes sponsored by the European Union's monetary funds, promoting innovation as a starting point for the initiatives detected in Portugal. We conclude that the action of social innovation and the implementation of creative and innovative processes capable of resolving the limitations experienced on the spot by individuals are detected more efficiently by regional and local organizations that are informed of the ways and requirements necessary to compete for the distribution of monetary funds with national character and of European origin, capable of materializing the ideals to achieve.

3.2 Case 1: Learning and Teaching Mathematics with the Khan Academy

This is a project financed by POCH (Operational Programme Human Capital and Employment), Portugal 2020 and the European Union; the total financing amounts

to 279,713 €. It is a programme developed by Khan Academy with the purpose of promoting the improvement of quality in the teaching of mathematics through the use of digital educational resources from the Khan Academy platform in Portuguese schools. It involves teachers and students of basic education, contributing to universal access to technological resources, increasing motivation and autonomy in students with repercussions on the school success index.

The Khan Academy platform works in Portuguese schools with a strong appeal to digital technologies (DT) facilitating the process of learning the discipline of mathematics, enabling the execution of pedagogical plans incorporated with the innovative tools of new information technologies, translating a revolutionary action in the conventional education system and consequently in the school itself (Valente, 2014). The founder and creator of Khan Academy defends the idea that through the developed programme, teachers can more easily identify students' difficulties. In this way, they can adapt teaching strategies and develop an action plan based on individual needs. The objective is to develop a teaching standard in Portuguese schools capable of encouraging young people from basic education through the use of a set of means available in digital resources on the Khan Academy platform.

3.3 Case 2: VOGUI Águeda Tomorrowland: Social and Vocational Inclusion Project

This case develops in the central area of Portugal, financed by POISE (Operational Social Inclusion and Employment Programme), Portugal 2020 and the EU; the total financing amounts to 330,156 €. The Portugal 2020 Framework will be the successor to the National Strategic Reference Framework (NSRF) and will frame the European Union's structural support between 2014 and 2020, with the private sector and employment as priorities. This project, developed by Psientífica - Association for the Promotion and Social Development, addresses a situation of an eminently public nature, which aims to address an important issue today which is the social exclusion of people with disabilities, proposes the development of a community intervention programme for the development of personal, social and vocational guidance skills, aimed at this specific population.

The Association's mission is to promote social development, empowering people, particularly young people, to develop a culture of civic participation based on social and ethical values such as human rights, solidarity, equal opportunities and intercultural learning in a context of non-formal education. The phenomenon of exclusion results from a disarticulation between different parts of society and individuals, generating a non-participation in a minimum set of benefits that define a full member of that society, inherent to the figure of the excluded, clearly opposing the notion of social integration (Capucha, 2018).

3.4 Case 3: The Mozart Pavilion: Operational Social Inclusion Programme

This project seeks to promote the social inclusion of prisoners through participation in the process of creating an opera together with prison guards, family and friends, outlining the management of a space within the prison dedicated to the performing arts, managed by prisoners themselves.

Started in 2014 by SAMP—Sociedade Artística Musical dos Pousos, located in Pousos, Leiria, in the Leiria Prison Establishment, this project developed in the area of justice raises a total financing of 175,674 €, supported by POISE: Operational Social Inclusion and Employment Programme, the “Portugal 2020” incentive plan and European Union subsidies. The Mozart Pavilion project promotes the development of the inmates’ artistic creation, through the representation of a musical show, more specifically opera. It benefits the development of a behavioural pattern in prisoners, guaranteeing well-being and promoting security based on a social integration plan.

Table 4 illustrates the cases selected for study in the Portuguese reality, presenting the intervention criteria in a schematic way, showing for each of the interventions the target audience, the mission of the action, the general objectives of the action, identification of possible impacts on the individual and on society and finally the actors with the illustration of the sectors of economic activity and their articulations.

4 Results

In the analysis of results, a careful research of the selected cases was developed through the survey of social innovation indicators, their classification in the fourth sector and identification of partnerships in the intervention plan developed in each of the projects. In order to structure the main indications of comparative analysis between the case studies, the projects were enumerated, assuming the following structure: case 1 as project A, case 2 as project B and case 3 as project C.

In the general factors of comparative analysis, based on a content analysis, the points in common and the divergent points identified in the interventions of the case studies are presented; therefore, we approach partnerships in a primary way; in a second reference, we analyse social innovation and finally the third criterion with the framework in the fourth sector.

4.1 General Factor of Comparative Analysis—Intervention Partnerships

Common Points:

- The projects are originally financed by the State or by national state bodies through European Union funds as an international entity, with the exception of project A.

Table 4 Case studies and intervention criteria

	Case 1—Learn and Teach Math with Khan Academy	Case 2—VOGUI Águeda Tomorrowland: Social and Vocational Inclusion Project	Case 3—The Mozart Pavilion: Operational Social Inclusion Programme
Target audience	General public in education, students in schools as a specific target population	People with physical and mental disabilities; others in situations of social exclusion	Young prisoners in the Leiria Prison Establishment; participation of police, family and friends with a background in scenography or singing
Mission	Promote the improvement in the quality of teaching with innovative teaching techniques	Develop civic participation based on social values, human rights, solidarity and equal opportunities	Promote social entrepreneurship and the professional integration of prisoners in social enterprises, in the social and solidarity economy in order to facilitate access to jobs
Objectives	Access to technological and digital resources in education; increase in the school success rate	Promote social inclusion; development of personal, social and vocational skills; implement vocational guidance dynamics with activities of non-formal education and practical experimentation of professions	Lower levels of criminal recidivism; promote the social and professional inclusion of prisoners through participation in the creation of a Mozart opera; opportunity to develop a greater knowledge of yourself and the possible paths
Possible impacts	Development and implementation in schools of a teaching standard with a pedagogical resource to new technologies; site with millions of users	Combat poverty and discrimination; train for social investment; social and professional insertion of people in situations of exclusion	Individual experience of artistic performance on stages with orchestra; induction of classical music to prisoners; approximation and strengthening of family ties
Interveners	Non-profit organization; Bill Gates sponsor of the Khan Academy platform; donations from companies, entrepreneurs, schools and ordinary people. In Portugal, the action is the result of a partnership between Fundação Altice Portugal, Educom and the Directorate-General for Education	Psientífica Association for the Promotion and Social Development with the support of Youth in Action (JA); Erasmus + programme and Training programme	SAMP—Musical Artistic Society of Pousos; Calouste Gulbenkian Foundation; Fundação Caixa Agrícola de Leiria; Leiria Municipal Chamber; Union of Parishes of Leiria, Pousos, Barreira and Corte; other artistic partners
Sectors	Public, private and non-profit sector	Public and non-profit sector	Public, private and non-profit sector

Source: Author's elaboration

- The case studies are projects supported by non-profit entities more specifically: project A—POCH (Operational Programme for Human Capital and Employment) and the Altice Portugal Foundation (PT); project B and project C are included in the Operational Social Inclusion and Employment Programme (POISE) with project B being the responsibility of Psientífica and project C with guidance from a public utility institution (SAMP).
- Projects A, B and C assume the primary purpose of supporting youth with the intention of creating a strong positive impact on Portuguese society.
- Projects A, B and C trigger a common action aimed at the area of education with strategies aimed at learning new knowledge, vocational guidance, professional training with skills training for psychosocial rehabilitation and social inclusion of people at risk, supported by an action centred on the individual with the purpose of evolutionary character of reintegration into society.

Divergent Points:

- Project A is financed by private entities of public initiative in a patronage programme.

4.2 General Factor of Comparative Analysis—Social Innovation

Common Points:

- The projects promote integration in an open system with all sectors and socio-economic bodies; there is a crossover of financial activity in the management of monetary funds with several social organizations, namely the involvement of the family, the school community with the production of an educational action, the local political powers that provide essential support for the realization of projects from a perspective based on the social economy and the production of actions focused on the common good.
- Logic and wide openness with the fourth sector.
- The projects present innovation in the area of psychology and vocational guidance, which represents an opportunity for young people to develop a greater knowledge of the training effects and professional paths.

Divergent Points:

Project A—pedagogical programme that highlights its educational difference in the action of learning in a progressive and permanent process. The method taught allows the student to progress as he masters the subject, an adaptive and student-centred action with the recognition of his difficulties and optimizing the acquired skills, refers to the pedagogical method of transmitting knowledge with the use of digital tools through a personified platform with academic information.

Project B—in essence reports to a vocational intervention plan that aims to stimulate and reinforce the individual's personal, social and professional aptitude with proven learning difficulties and consequently belonging to risk groups with a strong probability of experiencing phenomena related to social exclusion.

Project C—an action centred on the individual, directed in a group with tasks related to creativity and artistic aptitude, which promotes the behavioural rehabilitation of people deprived of liberty and placed in prison at a young age, being considered individuals at high risk of social exclusion and criminal recidivism. It is intended to contribute to his development, creating conditions for the individual to reach a greater awareness of his aptitudes and competences, triggered through his voluntary action in the integration of an opera in a scenario of musical chorography. This matrix stands out from the other case studies when implementing a methodology of libertarian identity that symbolizes the subject's prominence in his self-determination as an influential agent of his own knowledge process in reaching concrete goals and self-awareness.

4.3 General Factor of Comparative Analysis—Framework in the Fourth Sector

Common Points:

- Strong international support through European community funds, coordination with the public and state sector with regional administrative bodies, namely city councils and local parish councils, in conjunction with non-profit institutional entities and, finally, evidence from the private sector with support and coordination of the implementation and dissemination actions of the projects, namely the delivery of praise and merit prizes in recognition of the important contribution of the events organized.

Divergent Points:

Project A—use of scientific and technological tools expressed through pedagogical dissemination from computerized digital networks.

Project B—strategic vision in the future planning of a global society united through solid and European principles of the business and economic sector.

Project C—essentially artistic, cultural and creative manifestation with voluntary participation.

5 Findings

Within the scope of this chapter and complementing the results presented, it is imperative to identify the main most relevant scientific contributions on social innovation (Table 5). In this sense, we have produced a coordination analysis

Table 5 Chart of common and divergent points linked to the literature

	Case studies—Projects and literary references
Common points	<p>Projects with the purpose of supporting youth creating an impact on society (Albertson et al., 2020; Carvalho & Viana, 2019).</p> <p>Interventions in the field of education with vocational guidance, professional training and social inclusion strategies (Edwards-Schachter et al., 2012).</p> <p>Influence of the fourth sector in the action of the projects demonstrating a crossing of support from public bodies, organizations of a social nature, political powers, in an action based on the social economy and the common good (Monteiro et al., 2019; Shaw & De Bruin, 2013).</p> <p>Projects present innovation in the field of psychology with therapeutic action favouring the opportunity to develop a greater knowledge of the training effects and professional paths with a focus on social inclusion (Moro, 2015).</p> <p>Projects with international support in a coordinated action between the public sector (national and regional political power), non-profit institutional entities and the private sector (Murray et al., 2010; Phillips et al., 2015; Unceta et al., 2016)</p>
Divergent points	<p>Project A financed by private entities of public initiative in a patronage program, projects B and C are financed by European Union funds (Albertson et al., 2020).</p> <p>In project A with teaching methodology using digital tools, project B methodology in the vocational scope with training of personal, social and professional skills, project C artistic intervention methodology promoting behavioural rehabilitation in a creative and cultural environment (Marques et al., 2018).</p> <p>Project A with scientific and technological inspiration, project B with the aim of planning a more global society with strong principles influenced by the business and economic sector, in project C based on an artistic, cultural and creative expression with voluntary involvement (Avelino et al., 2017)</p>

Source: Author’s elaboration

between the synthesis of systematic review by several authors and their contributions to the concept of social innovation, highlighting their framing with the practices and motivations inherent to the previously selected study projects.

We are witnessing a growing concern in solving the social problems of the most diverse contemporary societies today. The EU, through the distribution of monetary funds, involves member societies in the active participation of political and governmental guidelines to achieve these same ends. Political orientation promotes innovative ideas and sponsors their practices in order to become feasible (Murray et al., 2010), providing an adequate response to the problems of our times. Through the action of the EU and its members, the bases are created to start a process with political dimensions based on actions sustained in a desired restructuring of social and power relations with strong impacts in the social area, guided by a guideline that aims to focus on promoting services, products or programmes in an efficient manner (Marques et al., 2018), developing a model of social innovation with social intervention in articulation with the policy area, making it similar to the social and solidarity economy (Monteiro et al., 2019), social innovation as a phenomenon of response to social problems in a constant adaptation translating the final result of political and governmental actions (Albertson et al., 2020).

These projects, developed in Portugal, are financed by specific programmes coming from Europe in a cooperation between public and private administrations,

carrying out promising social innovation actions capable of capturing scientific and political interest, contributing to better social and economic results (Edwards-Schachter et al., 2012) in a joint execution of plans with educational, administrative and marketing methods. In their interventions that are of relevance contributing to the satisfaction of the population's social, educational and environmental needs (Shaw & De Bruin, 2013) it is necessary to attribute the due importance in creating shared value of an economic and social nature of public and private sector administrative activity.

In the specific studies referring to the three Portuguese cases with the illustration of the intervention at the level of teaching of subjects taught in national schools, case 1, for instance, promotes efficient and sustainable access to high-quality information (Moro, 2015). The three projects show a collective action by public, private and non-profit organizations with the purpose of shaping society to interventions of a social nature, using social innovation in favour of social development in order to respond to social inequalities and inclusion issues (Phillips et al., 2015). In particular, we highlight the intervention of case 2 with an operational programme for social inclusion, articulating in an innovative way a psychology and vocational guidance intervention providing the necessary tools for young people with physical and mental disabilities to be able to make the best decisions that promote mental health and, at the same time, develop a more active and civic participation in the population, promoting social values, human rights of solidarity, using social innovation in cultural, political and social contexts based on trust, reciprocity, collaboration and autonomy (Avelino et al., 2017). In this line, case 3 develops an operational programme with an artistic and creative dimension, with the voluntary participation of young prisoners, in an innovative way. This example constitutes an operation that allows the integration of this population in an artistic project promoting the human relations, social entrepreneurship and the professional integration of prisoners in social enterprises in order to facilitate access to their employability in the labour market. This project results from a social innovation at the organizational and regional levels (Unceta et al., 2016); it presents partners and financiers of the public sector as the POISE of the Initiative—Portugal Social Innovation, of the private non-profit sector as the PARTIS II programme of the Calouste Gulbenkian Foundation, Fundação Caixa Agrícola de Leiria, Leiria City Council, Leiria Parish Union, Pousos, Barreira and Corte.

6 Final Remarks

Research on social innovation has been an effusive topic since the beginning of the twenty-first century that deserves a greater scope of exploratory nature with the dissemination of scientific analyses and proven results. The phenomenon of social innovation evokes the challenge of merging different areas of knowledge, being called upon to carry out articulated collective action, provoking a debate of original ideas that surround all its apparatus of inherently sociological mechanisms of a

global humanitarian nature. Such ideas intend to achieve a harmonious union between the principles of administrative organization and ethical and moral interests. In this case, the fourth sector exists as a key methodological activity to trigger social innovation through an activity that brings together in an equal sphere of relevance the financial purposes of large companies with the ideologies established in social responsibility and sustainability, whose most important paradigmatic figure focuses on the peculiar balance between economic action for profit and economic activity of social value sustained by the common good directed towards the well-being of society and the conservation of the ecosystem. Social innovation, over the last decades, has undergone a huge transformation as a concept of worldwide importance being discussed in several meetings and summits in the elaboration of the UN's schedule of global commitments.

In this way, we can affirm that Portugal as a member of the UN is largely involved in global guidelines originating in accordance with the interests of the EU. In this sense, the present investigation contributes to the dissemination and analysis of projects with innovative characteristics taking place in Portugal, giving emphasis to certain projects that explain the national execution so as to guarantee its fruitful integration with the current socio-economic vanguard that postulates the need to create companies with business models with broad social and humanitarian activities.

The fourth sector is illustrated in a notorious scenario where the concept of social innovation is elaborated; it is evident as a system based on the framework of the social power of public institutions and its articulation with the financial attributes of private institutions; it is revealed in the creation of a new predominant economic activity for the development of nations through their public-private institutions. This new economic activity with hybrid characteristics exposes its strong capacity for action by presenting greater flexibility in expanding the community impacts to be achieved, based on a new sustainable business model of a social nature that fosters the union of efforts in the various sectors of economic activity on behalf of the difficulties detected in society. Thus, the activities of the fourth sector as a whole seek to respond to social and environmental problems for the benefit of the community, thus providing the appearance of innovative methods and tools for social and business response that constitute alternatives for development. In particular, according to the analysis developed of the study projects, the instruments coming from the area of education, but also from the cultural and creative sector, and the arts are a remarkable contribution, as facilitators of inclusion, creating new dynamics and opportunities in this architecture of global development and promoting the integration of values of cooperation, as well as producing significant changes in an innovative and social mission. It should be noted that in this new culture of business models, envisioned and practiced as a force for good ("For-benefit") with social sustainability practices, we cannot fail to mention the social and community importance of volunteer work that normally participates in these areas of activity. The articulation in the sharing of information, material and human resources in a network between various elements, whose common objective is the "social service", extends in countless social intervention projects such as the non-profit association

“Psientífica” that contributes to the defence of social values, betting on sustainable development and inclusion, or even by foundations such as Calouste Gulbenkian, which assumes a philanthropic role in support of civil society organizations, in addition to participation in projects of social intervention and training of solidarity organizations, it promotes the necessary mechanisms and solutions that transform the procedures of these essentially altruistic institutions into more efficient experiences with greater social impact.

As a result of the case study and the careful review of differentiated practices that together led to greater social inclusion and social justice through a change in the environment, which made it possible to overcome obstacles and limitations by improving pre-existing relationships, it is evident in this scenario, the strong support of several administrative bodies, in particular that of regional, national and international public power. Thus, the coordinated action directed to the difficulties of each target population of the interventions of the projects under analysis allows the inclusion of marginalized groups. In this way, it is possible to obtain solutions with new ideas through innovations that are socially viable that satisfy needs and create new conditions or social collaborations, culminating in an innovative action assumed positively by society and simultaneously increasing the capacity to involve people in improving quality of life.

It is a pioneering research in Portugal that is intended to motivate future studies, with an original contribution by providing an analysis with scientific bases in the survey of actions developed in intervention plans with characteristics of social innovation exercised by the community magistrates and their impact in the scenario of citizens regarding their positive reach in meeting objectives in producing a space, that is, an ecosystem where all sectors of public, private and non-profit economic activity exercise in coordination a set of measures aimed at solving many of the problems manifested by society.

In conclusion, we suggest as a research proposal a study that is derived from the business and management literature investigating what innovation can produce in matters of positive social impact through its utilitarian value, proving its relationship with the improvement of quality of life. As an alternative proposal, we suggest an approach that can usefully identify differences and similarities by types of welfare regime with a focus on cultural and traditional differences in different societies; it would be interesting to motivate the involvement of researchers from all continents, avoiding focusing on the topic of social innovation only in Western countries.

The work presented identifies as a limitation to the investigation the fact that the three case studies described reveal little identification in the context of society in general; this point is due to a “lower numerical range” and with a more local representative genesis in a specific intervention to a population that has particular limitations, that is, the comparative and detailed analysis does not fill the wide thematic diversity of projects and actions under development in the country, it is possible to generalize to the public. Another limitation found refers to the fact that this is a pioneering study in Portugal and, as a result, there is a lack of more specific literature information on the subject and also the very nature of the social and

economic evolution of the world that changes and transforms institutions and people in an intense and constant way.

In relation to the future and because of the research aimed at the study of cases in which education, young people and inclusion deserved particular attention, some clues that are relevant to future research are highlighted, such as the need to innovate in traditional teaching models of teaching, suggesting the study of learning “phenomena” in an academic environment in an attempt to create new teaching approaches aimed at a future generation that is predicted to be totally directed towards digital tools, in a world that strides towards the full development of artificial intelligence questioning the role of innovation in teaching models. This is how we present the “Classroom of the Future”, an innovative project promoted by the European School Net (ESN) in which Portugal is one of the main drivers that develops new teaching methodologies in the context of the classroom that articulates the technology sector with business partnerships in the area of ergonomics and equipment. The great challenge for parents and educators is overcoming merely transmissive teaching by looking for students to learn in new spaces of interaction, design and research. There is a need for a space where students are not doing the same thing as others at the same time and allows the assimilation of knowledge in a creative environment, stimulating interdisciplinary actions and curricular articulation between different subjects in a collective objective in search of teachings that foster the improvement of their quality of life, with freedom of expression in a creative action in the construction of new horizons, in a sustainable way and with social responsibility.

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The Fourth Sector and the 2030 Strategy on Green and Circular Economy in the Region of Extremadura



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Abstract Extremadura is a developing region in the west of Spain, in Europe, where the Fourth Sector could grow up under the social, green and circular economy strategy promoted by the public authorities as regional policy. However, the Fourth Sector is not adequately characterized in the region, so it is difficult to place such initiatives on the map. Its economic weight, environmental and social value are also unknown, and even the promoters of the ideas themselves do not know that their activity is located within the Fourth Sector or their activity covers some of the different Sustainable Development Goals, since there is no public register of companies that develop their activity in the Fourth Sector. Due to the current unknowledge about this economic sector, this chapter approach the sector in the region through a quantitative-qualitative research to seed light for practitioners and policymakers.

Keywords Fourth Sector · Entrepreneurship · Sustainable development · Sustainability · Social value · Extremadura

1 Introduction

There is no generation free from an economic crisis, and in this century, we could say that we have already suffered two. After the 2008 economic crack, that was reaching the various regions of Spain at different years, and the second is the one that we are

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living—or starting to live—derived from the COVID-19 pandemic whose effects we will probably begin—to notice with great force from the present year 2021.

All the problems are joined by the great challenges that already exist—and which we seem to have forgotten—such as climate change, economic inequality, depopulation of territories or sustainable growth, which have been sought to mitigate using the United Nations Sustainable Development Goals (SDGs) or the various economic and environmental agendas. We want to highlight that the COVID-19 pandemic is impacting all institutions and organizations around the world. Its scope and economic dimensions also mean that it poses a major threat towards achieving the SDGs (Leal Filho et al., 2020).

There has been much talk of the bankruptcy of the welfare system and, following the economic crisis of 2008 (Chowdhury & Žuk, 2018), of the re-foundation of capitalism (Figuroa, 2019), but to date this re-foundation seems not to have occurred as such, or it could be that the economic structure, understood as economic sectors, has substantially varied. In recent years, different economic models have appeared focused on generating economic benefits but, at the same time, bringing to the same level the generation of other kinds of benefits such as environmental, social, cultural, etc. Currently, many of the initiatives that arise in the socio-economic arena often contain aspects or elements where social and environmental issues are key in their business models. Concretely, companies and new ventures are starting to be focused on the social economy (Asiminei & Şoitu, 2014) and the circular economy paradigms (Geissdoerfer et al., 2017).

These economic models emerge, as we have mentioned before, after making themselves known the injustices of the previous models, with a citizenship eager to reform and fully enter into the great problems of the world using solutions that already existed, or modifying them according to the need and the time. Let us take into account the existence of the movement of Corporate Social Responsibility (CSR) in the European policy (Eberhard-Harribey, 2006), to give a strong example.

In line with the social and circular paradigms, in 1998, the Fourth Sector Network (FSN) was born in the United States to develop this new sector. It was as a multisectoral and multidisciplinary initiative, maintained as a network of networks, co-founded by Heerad Sabeti in collaboration with the Aspen Institute (Sabeti, 2011). In 2009, the foundations of the Fourth Sector were established, thanks to the publication of the report “The Emerging Fourth Sector” (FSN, 2009) linking different classic economic sectors in “hybrid” systems that fit better together and allow to face the challenges of the future safer than the three classic economic sectors (the first sector, the private enterprise; the second sector, the public or government entities; and the Third Sector, the social and non-profit).

The formation of integrated networks, such as public-private collaboration and progress in sustainable development require synergistic grouping of all sectors, so this motivation for values, economic sustainability, social responsibility, transparency, innovation, efficiency and organization lead to the Fourth Sector. Nowadays, the reduction of the welfare state must be covered precisely by this fledgling Fourth Sector, considering that betting on the neoliberal path could lead to more inequalities and more social than, given the current social, labour, economic and health

circumstances, would not be the most desirable. All this falls within the various alternatives that arise in response to our economic system—already indicated—such as the economy of the common good, circular, collaborative and solidarity, among others.

With all that has been mentioned so far, some authors are analysing whether the Fourth Sector will be the solution to the problems we face such as rural depopulation or environmental problems between others (Rubio-Mozos et al., 2019). To contribute to this emerging field of research, we wonder in this chapter whether the Fourth Sector is well known and legitimized for doing its work. After this introduction, we offer a theoretical background to put the attention later in the region of Extremadura in the south-west of Spain.

2 Background

The Third Sector could be considered as the sector joining different realities, mainly the social economy and the non-profit approach. According to Borzaga and Defourny (2001) in “The Emergence of Social Enterprise”, the increase of this sector is somewhat widespread in almost all industrialized countries.

According to some authors such as Evers and Laville (2004) or Quarter et al. (2017), the Third Sector has two main aspects that must be considered: the charitable one, coming from the non-profit entities of the Anglo-Saxon world, and the cooperative tradition of the French-speaking School of Social Economy, which without being something new (this type of economic system has existed since humans have written records) experiences an uptick at the end of the nineteenth century due to the various social inequalities.

Considering what we have indicated previously, we must consider that the social economy believes in solidarity that is about generating an economic democracy that responds, jointly to the State, to market failures and where the State itself cannot reach. However, in the late 1970s of the last century, with the growth of neoliberalism and the consequent increase in inequalities and the deterioration of the welfare state, a new scenario is observed in which a progressive rapprochement between the cooperative and the non-profit world is reached, as Chaves and Monzón (2001) claim. In addition, and following Borzaga and Defourny (2001), the new scenario is characterized by the emergence of social enterprises.

2.1 *Not-for-Profit Sector and Social Enterprises*

The non-profit sector has its epicentre in the Anglo-Saxon world where it is not surprising, since it completes public action that is always minimal. These organizations are private, independent of the public sector under the principle of non-benefit-sharing (which is essential in non-profit entities) and with exclusively voluntary

participation. At this point, we could say that both the non-profit sector and the social economy serve its members, but, in the case of non-profit sectors, the focus is on non-profit-sharing. In addition, democratic management is also essential in the social economy, while in the non-profit sector, the level of organization is very broad.

Over the past decade, following economic crises and loss of social ties, the Third Sector—in the West—is evolving and tends to merge the non-profit sector and social enterprises. It is the hybrid concept of where social enterprises start.

The Research Network for Social Enterprise (EMES) defines social enterprises as those organizations created with the explicit goal of benefiting the community, initiated by a collective of citizens and in which the material interest of capital investors will be subject to limits. Social enterprises also place special value on their autonomy and economic risk resulting from their continued socio-economic activity (Defourny & Nissens, 2012). Social enterprises take from the social economy their democratic and collective character of capital, as well as the principle of free accession and collectivism, while the non-profit sector includes independence from the public sector and volunteering. Importantly, such companies show a more active political profile, perhaps due to their own hybrid nature. We have to underscore: some of the social enterprises show a more active political profile—are therefore more combative—leads them to configure and be part of various social networks, generating more diverse and heterogeneous groups to form, in short, entities of a hybrid nature (Evers & Laville, 2004).

To sum up, it seems that social enterprises are set up at a crossroads and have their own characteristics that generate and break the traditional dynamics of the Third Sector opening the door to the emergence of the Fourth Sector.

2.2 CSR and Social Entrepreneurship in Extremadura (Spain): Towards the Fourth Sector

CSR has evolved throughout the twentieth century to be, in one way or another, present in largest companies in the twenty-first century. The United Nations Global Compact, presented in 2001 by the Commission of the European Union, defines CSR as the voluntary integration by companies of social and environmental concerns in their business operations and their relations with their partners, are points of origin for companies to start taking over CSR and to be somewhat adopted in companies in a more or less widespread and widespread way.

CSR can remain as a cosmetic issue, in some cases. About this, Porter and Kramer (2006) have stated that this scheme differs from the traditional CSR that is usually built around compliance with social and environmental regulations, improvement of the reputation of the company and unfocused donations to a variety of causes often unrelated to the business, understanding CSR as mere compliance with regulations, a search for reputation or philanthropy. The first law on Corporate Social Responsibility (Law 15/2010) was drafted, in Extremadura, to lay the foundations in the

region on this idea of supporting and enhancing through regulations, promoting social responsibility in companies, providing them with their own seal or certification, of regional scope, with value to tenders and public contracts, and tax advantages. We wonder, could this be a revulsive for the adoption and momentum of CSR in Extremadura? The clearest answer would be no. According to the Business Directory of Extremadura and Guide to Entities of the Social Economy, fewer than 20 companies have been able to meet the regional standard requirements of the 67,687 active in 2019 (less than $<0.01\%$).

On the other hand, social entrepreneurship is for some people a new way of doing business, while for others, it represents the reconciliation of economic and social objectives, which advocates the Fourth Sector, according to Nicholls and Cho's own consideration (Nicholls & Cho, 2006) which establish the three fundamental elements of social entrepreneurship: innovation, market orientation and social purpose. Thus, if we define the limits of social entrepreneurship (Peredo & McLean, 2006), we might consider that entrepreneurship is not so much an organizational model but that its emphasis is social entrepreneurship, including:

- Emphasis on visionary people.
- Search for innovative social solutions.
- Large-scale impact generation, from replicability.
- The birth of social entrepreneurship can come from any sector, public or private, as long as they are launched to contribute to the well-being of the community.

Let us focus on Spain. The social economy is a sector capable of channelling wealth and employment-generating initiatives, capable of integrating partners and users, with democratic governance, in management and benefits. Regardless of the sector of activity, or the selected social form, the current regulation of the social economy at the state level is based on Law 5/2011, of March 29, on social economy. And now, let us focus on Extremadura, the region under study. Will the social economy be truly thriving? At the end of 2019, Extremadura has more than 4900 social economy entities, including cooperative (2190) and labour (1666) companies, in addition to foundations or employment centres, nearly 5000 entities.¹ Taking as reference of the 67,687 companies active at the end of 2019, it is practically 8% of the productive fabric of the region.

¹According to the Business Directory of Extremadura and Guide to Entities of the Social Economy. DG of the Social Economy 2019.

3 Circular Economy and the 2030 Agenda: Boosting the Social Economy and the Fourth Sector

As it is well known, in 2000, the United Nations (UN) agreed to achieve the so-called Millennium Development Goals by 2015. After 2015, the UN sought to generate a new global agreement on another of society's most pressing problems such as climate change. A total of 193 member states agreed to the development of the 2030 Agenda, which addresses the development of the 17 Sustainable Development Goals, divided into a total of 169 targets to be achieved.

Until 2030, this Agenda is an action movement in which different nations pledged to mobilize to meet the most pressing needs. Either way, the Sustainable Development Goals represent the path to achieve sustainable development as they manage to cover the economic, social and environmental sphere (the triple balance sheet or triple bottom line) that had always been separate. In addition, they have shown the way to generate innovative solutions to common challenges in addressing the challenges that arise, effectively bringing new players, within the private sector and civil society, to be effectively joined.

In the circular economy context, which focuses in any case on having no waste or that these are minimal and serve as raw material for other production cycles, the Fourth Sector in Extremadura and other regions has found a place to settle and grow. Extremadura was one of the first Spanish regions to have a clear strategy in terms of circular economy (Extremadura 2030 Strategy²), aligning itself in four main axes of action:

1. Citizen mass participation programme, social concertation and political agreement
2. Citizen training programme in green leadership for employment and entrepreneurship and accompaniment in the transition from the business fabric to a green and circular economy
3. Research programme in green economy, bio-economy and circular economy
4. Programme to identify and value the full potential of Extremadura's green economy and circular economy

Not for nothing, analysed as a whole, the public administration itself in Extremadura has been and is driving the Fourth Sector because in recent years, it has been creating and generating strategies aimed at enduring the social economy—as a central point of the Fourth Sector—by binding them with other economies or models already known, but always leaving the social economy at the centre. We have to keep in mind that social enterprises were the ones that best endured the economic crises (Chaves & Monzón, 2012).

Knowing also depopulation, that is existing in many areas of Spain, and especially in Extremadura, where the population density is 25.65 people/km²—of the

²Strategy available at <https://extremadura2030.com/>.

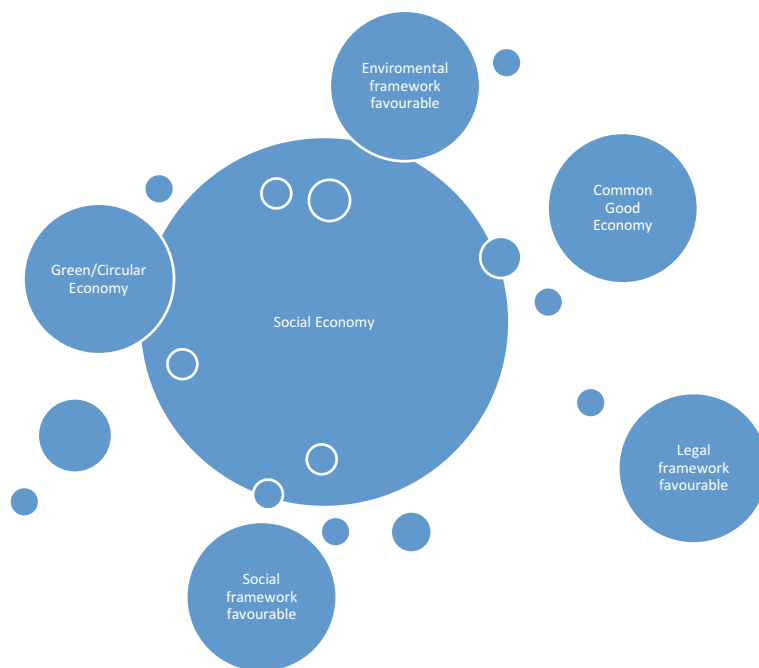


Fig. 1 Representation of the ecosystem to support social economy in Extremadura. Source: Own elaboration

lowest in the European Union—launching hybridized social initiatives in this Fourth Sector could help to settle population. The Spanish strategy to face demographic challenge raises the idea of settling populations in the most depopulated rural territories through tax and labour aid and incentives. Mentality change and COVID-19 disease, produced by the SARS-CoV-2 coronavirus, seems to accelerate the process of returning the city to rural areas, by the empowerment of telework, among other facilities.

As follows, Fig. 1 shows a representation of the environment that maintains the social economy and the Fourth Sector in Extremadura. The next section is devoted to analyse perceptions about the Fourth Sector in the region.

4 Method

4.1 Research Design

To approach the Fourth Sector in Extremadura, a mixed, quantitative-qualitative research method has been used, based on the work of Ugalde and Balbastre (2013). First of all, of a qualitative nature, we focused on the analysis of the primary sources

of information and the review of the existing legal framework. Afterwards, organizations or companies that really fit into the existing legal framework and that could be considered as the Fourth Sector were sought. In addition, we consulted experts who work or have a relationship with the Fourth Sector, whether they were external consultants or technical personnel from public administrations who were really involved with programmes that promoted initiatives related to the Fourth Sector, with the circular economy or the social economy. In this part of the work, we focused on the implementation, through the Delphi method, of a qualitative investigation made up of a panel of experts. To finish, a complementary quantitative study was launched to discover what society knows about the Fourth Sector.

4.2 *Techniques*

The survey technique is widely used as a research procedure since it allows obtaining and processing data quickly and efficiently, but it suffers from the problem of abandonment by respondents. That is, many people start the questionnaire but do not finish it. For this reason, we proposed a simple and quick questionnaire for citizens to answer. The questionnaire was prepared taking advantage of new technologies, through its application in Google Forms, published online, accessible through a link published on social networks, distributed on said networks and forwarded via WhatsApp among heterogeneous groups of residents in Extremadura, being accessible during 2 months.

It is remarkable that we also used the popular technique of the Delphi method, based on the opinions of experts and considered very useful in decision-making, which has been in existence for over half a century (Landeta, 2006). The Delphi method has been used in various areas of scientific research, which serves as an endorsement to maintain its methodological validity. Based on the work of López-Gómez (2018), the methodological design of the Delphi method must take into account parameters such as the conformation and number of experts, the quality of the panel itself or the iterative process in rounds, together with the specification of the criteria for ending the process.

The selection of the people who make up a panel should not be done at random. However, there is no consensus on who is or is not an expert. In this study, an expert person was considered to be one who is directly related to entrepreneurship in the region, in its various aspects, including both members of the public administration itself and expert consultants in companies. The present work used the expert competence index (K), which has been used in numerous research contexts (Averch, 2004). This coefficient is useful in the expert selection who participate in empirical research, mainly in the field of social sciences. In this work, all coefficients were above 0.5. Regarding the number of panel members, a number of five was agreed upon as it was an approximation study and analysis of the situation. All interactions were carried out electronically.

An important point is the number of rounds to perform in a Delphi-based research process. There is an established consensus that two rounds are necessary, although rarely more than three (Peris-Ortiz et al., 2016). Therefore, for this introductory study, it is understood that two rounds should be sufficient. The Delphi study was carried out electronically, sending and answering a questionnaire by email. Once the responses had been reviewed, a report was made that integrated the responses and was sent to the respondents to find common ground on the areas analysed:

- Study of the economic and social changes that society demands
- Changes in economic developments in the region
- Evolution of the Fourth Sector and its possibilities related to the social economy
- Short-, medium- and long-term ways to grow the Fourth Sector
- Support measures needed to implement the Fourth Sector in the region

4.3 Samples

For the detection of companies likely to be part of the Fourth Sector in Extremadura, the information was extracted from the Extremadura Companies Directory, updated as of December 2019, together with reports from the Extremadura Statistics Institute.

For approaching the citizens' knowledge about the Fourth Sector, a representative sample of 413 people was obtained and analysed.

Five experts were consulted for the Delphi method:

- Expert A: Consultant in technology and in companies and enterprises with a technological and social base, with more than 10 years of professional experience in his sector
- Expert B: Lawyer, technical expert in social and circular entrepreneurship, employed in a large entity in the Third Sector, with more than 10 years of experience in her professional field
- Expert C: Technician in public administration entrepreneurship in rural areas, with more than 15 years of experience in advising and supporting entrepreneurs with special emphasis on circular economy
- Expert D: Technician in public administration entrepreneurship in rural areas, with more than 8 years of experience in advising and supporting entrepreneurs and companies with an emphasis on social and circular economy
- Expert E: Consultant expert on quality and environmental issues, graduate in economics and business, with more than 15 years of professional experience in supporting entrepreneurs, with high knowledge of the regional entrepreneurship ecosystem

5 Results

5.1 Results from the Analysis of Secondary Data

Unfortunately, there is no data to the Fourth Sector as a whole. There were 66,879 companies that exist at the end of 2019; 718 are included in the social economy according to their legal form. This represents less than 1% of companies (net sales about 1,674,929 thousand Euros, 14% of the total region), with only 5% of the total number of workers. Table 1 shows the economic structure of the region.

It is very interesting to note that effectively, with a labour weight of only 5%, cooperatives generate 14% of sales in the region. In any case, it is the province of Badajoz that brings together almost 75% of the cooperatives of the community. This is a statistically significant data, which corresponds to two-thirds of the number of employees. As follows, Table 2 shows the most common activities of cooperatives in

Table 1 Extremadura economic structure

Society type	Sales amount (thousands of Euros)	Percentage over total (%)	Employees	Percentage over total (%)
Association	10,503	0	182	0
Cooperative	1,674,929	14	4118	5
Public corps.	2268	0	69	0
Other undefined types	189,772	2	585	1
Limited company	3,248,269	27	17,814	22
Limited liability company	7,070,674	58	56,981	71
Overall total	12,196,415	100	79,749	100

Source: Author's elaboration, with National Statistics Institute data

Table 2 Most common economic activities in cooperatives

National Code	Frequency	Activity
4631	40	Wholesale trade in fruits and vegetables
4621	31	Wholesale trade in cereals, tobacco, seeds and animal feed
1043	16	Olive oil making
4121	14	Construction of residential buildings
1102	13	Winemaking
150	12	Agricultural production combined with livestock production
161	11	Agricultural support activities
4611	11	Intermediaries in trade in agricultural raw materials, live animals, etc.

Source: Author's elaboration, with National Statistics Institute data. CNAE stands for National Economic Activity Classification

the region. As can be seen, it is the primary sector that undoubtedly prevails. At the end of the day, this region still has a very important primary sector.

5.2 Results from Citizens: What Society Knows About the Fourth Sector

A very basic questionnaire was launched to detect whether citizens are knowledgeable about this Fourth Sector and, above all, whether they would be able to identify in their environment ventures focused on this new fledgling Fourth Sector. Considering the regional population as a whole of 1.06 million people, with a margin of error of 5% and a confidence level of 95%, the size of the selected sample should be more than 384 people. The questionnaire was open for answers along 2 months, and 413 people answered. In this sample, 65% of the responses were for women. In addition, 66% of the responses corresponded to respondents with university degrees, with the age range of 30–44 years being the most common, bringing together 69% of respondents.

The main question of the questionnaire was: What is the Fourth Sector for you? Overall, 32% of citizens responded by not knowing what the Fourth Sector is; 29% of the responses associated the Fourth Sector with the component of “social enterprise” or “company seeking social benefit”. We have to highlight that within that 29% of responses, 39% also associated the Fourth Sector with companies working in green and circular economy. However, and unfortunately, there is a percentage of responses, less than 5%, that associated the Fourth Sector with the “quaternary sector” of consulting and knowledge.

Asked if they knew of any company that could be included in the Fourth Sector, 69% of respondents responded that “no” knows companies of this type and, more, 31% who responded “yes” associated the Third Sector (the non-profit one) as if it were the Fourth Sector.

5.3 Results from the Expert Panel (Delphi)

With the pandemic situation generated by the disease caused by the SARS-CoV-2 virus, the information collection procedure consisted of sending two semi-structured questionnaires by email, which were completed and returned by each of the participants—five in total—by the same route. This process was autonomous and individual; panel members were not noticing who the other members were to ensure anonymity and, above all, to avoid influence among them. Knowing this methodology, experts have participated in the Fourth Sector, circular economy, social economy, with links to entrepreneurship and aware of the regional socio-economic structure.

Two rounds of consultations were carried out, with the first panel focusing on characterizing and showing the sector at present and the second panel focusing on the analysis of the future related to the Fourth Sector (especially the economic possibilities that could be generated). Taking into consideration the initial views, a second questionnaire was prepared to investigate the degree of agreement and disagreement generated by each of the responses among the panel members. It is in this second round that panel members are aware of the opinions of the rest and can motivate changes of opinion that previously, individually, had not been considered. The contributions that recorded the highest degree of agreement were selected, organizing them by probability of occurrence and influence.

- About the study of the economic and social changes that society demands.

Experts agree that the current situation—aggravated by COVID-19—requires the redesign and restructuring of economic models. Past ten years experiences with companies focused on social economy and the momentum given to clean and renewable energies, coupled with Extremadura’s RIS3 smart specialization strategy promises to be a revulsive for the region’s economy. However, there is a bunch of ideas about the need to industrialize the region, since industry is associated with increased pollution of all kinds, but in the same way this need to industrialize is appreciated as the unemployment rate is high and although society demands that not only is economic benefit the most important, marrying economic growth and environmental well-being do not go hand in hand.
- About changes in economic developments in the region.

Although the unemployment rate has been decreasing in recent years, it remains very high and exists in the same way, a high rate of emigration of talent to other regions and other countries. However, there is no substantial economic growth in the private sector, while the public sector has fluctuated. Panellists also consider public sector dependence to be undoubtedly very high, which poses serious economic risk. However, thanks to exports, the regional economy remains with a very important primary, agro-industrial sector that generates much of exports. Soon we’re going to see how COVID-19 will affect the regional economy as many of the aid to be technologically improved and innovate the different economic sectors will continue to maintain the basic structure so that competitiveness is likely to be lost.
- About the evolution of the Fourth Sector and its possibilities related to the social economy.

It is unknown in the society in general and even in the companies themselves that are or could be encompassed in this Fourth Sector. Social enterprises consider themselves “social”, and in many cases, they confuse people with reduced mobility, the elderly, the sick, etc., with “assistance”. More information about Fourth Sector should be done so that it knows them and, above all, supports them, but, moreover, it is in the political class that without a doubt, more work must be known in order to improve the regulatory framework to enhance such enterprises, especially if they also relate to the green and circular economy.

- About potential ways for the Fourth Sector growing.

In a region like Extremadura, panellists indicate that mixing with initiatives that have to do with environmental sustainability in its various aspects would be especially interesting, where such ventures could grow. In addition, another interesting way of business for this Fourth Sector would be those related to technology that solves social problems especially. There is some consensus, three of the five panellists, that consideration should be given to detecting and analysing different initiatives from other regions equivalent to Extremadura and analysing their possibility of replication to encourage and enhance this Fourth Sector with new ideas.

- About the required support to implement the Fourth Sector in the region.

Panellists considered that there are already different programmes and/or incentive lines and/or aids that enhance such ventures but should review their approach. In particular, they reflect (four of the five panellists consulted) the idea of providing more funding from public enterprises to those undertakings of this type that arise or are implemented in rural areas but that, for this, the infrastructures (physical terrestrial communications and speed of Internet access) existing in these areas should be boosted. The organization of fairs, networking, events of exchanges of ideas and experiences would be very useful to attract possible, on the one hand, investors and encourage new ventures that are more dynamic and attractive.

6 Conclusions

Although the Fourth Sector has been analysed in academic literature, and many organizations around the world have already launched initiatives of this kind, in Extremadura, it is not yet a very well-known sector. Extremadura could be considered an example of a developing region of the European Union, with a high unemployment rate, a high depopulation rate as well as its rurality rate. Fourth Sector is something existing and increasingly frequent, but neither companies nor, above all, the population itself have a clear knowledge of what this Fourth Sector is, although it does recognize its existence and seems to place and define it correctly.

Fourth Sector has been clearly committed on the part of the public administrations, for the implementation of creative initiatives focused on the social economy and the green and circular economy. At the regional level, the companies that are usually analysed according to the current normative as social enterprises are companies whose social figure is that of the cooperative. But we can't forget limited liability societies or the independent self-employed. Thus, the limitation or linkage of the social economy to this type of social figure is a clear disadvantage for fostering the Fourth Sector since there is no official register of companies focused on this sector.

Likewise, the green and circular economy has become an interesting economic engine for the region, but its administrative supports focuses itself on primary sector

leaving out other initiatives that should be supported. In the same way, it is difficult to localize such ventures that, in many cases, tend to be linked and imbricated, a type of hybridization typical of the Fourth Sector.

Certainly, society knows, at least at the highest levels of education, what the Fourth Sector is and its hybridizations with other elements, sectors and economic models, but it tends to think of Fourth Sector as if it were the Third Sector or as a spin-off of it, when it is really the evolution and organized mixing of all of them. In any case, the authors suggest delving deeper into how the Fourth Sector and the social, green and circular economy could help the economic recovery following the situation generated by the COVID-19 pandemic that has devastated both health and the economy with difficult effects of quantifying.

If the trend is met, following the 2008 crisis, the implementation and transformation of companies into models focused on the Fourth Sector will be an unstoppable trend because society itself demands it: it is not just a matter of job creation and economic benefits, it is the triple balance sheet, environmental, social and economic, which will determine the profitability of a company and the perception or acceptance that society has of it.

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Marketing for Business Opportunities Management on Foreign Investment and Productive Enchainments



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Abstract Marketing efforts administration for business opportunities management is an essential knowledge technology for two development challenges in Cuba: productive enchainments and foreign investment. The state enterprises or business social entrepreneurs in Cuba are recently encouraged on their function as profit organizations with social responsibility, blended to business operation and financial value creation. Even though there are changes in policies and laws favoring a new economic model, the enterprises' participation in business is limited. An outcome to this problem is to consider the study of marketing efforts administration on state enterprises becoming the emerging fourth sector in Cuba for development. The work focuses on knowledge and performing gaps of Cuban enterprises through a factual study. The causes, conditions, potentialities, limitations, and innovative theoretical concepts fitting the country are determined: *business opportunities management of foreign investment*, and the *ecosystem of the cooperative relationships to foreign investment at the territorial level*. The work's main contributions are the marketing efforts administration integrated vision as a knowledge technology tool to ease the enterprises' opportunity findings and strong business (foreign investment and productive enchainments) and a selection of the most remarkable enterprises with business opportunities potential influencing socioeconomic development at the

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local level. Suggestions to the fourth sector enterprises are given at the end to invigorate the use of marketing efforts administration.

Keywords Business opportunities · Foreign investment · Marketing · Productive enchainments

1 Introduction

Foreign investment in Cuba and productive enchainments are highly demanded topics for strategic development at *2030 Agenda* and insufficiently implemented at local territories in Cuba.

The use of marketing efforts administration (Kotler & Armstrong, 2010), linked to foreign investment, is explained by the use of marketing to attract foreign investors. From this approach, it is very simple to realize that foreign investment needs promotion, one of the four principles of marketing (Kotler & Armstrong, 2010). As Amau (2019) said:

Marketing has mainly been the purview of business but with the increasing benefits of FDI to a country and the fierce competition among countries to attract FDI, the creation of investment promotion agencies, a government institution responsible for marketing a country as an attractive investment destination is no longer optional but a necessity. (p. 92)

Thus, it should be also considered that marketing effort is part of the socially responsible enterprises perform towards their clients and users (Barroso, 2008). According to the social business engagement and business model outcomes, it was expressed that “Productive enchainment with foreign investment and national industry are favored at the time to invigorate local development to manage resources” (Gil, 2019, para. 5). The titular of Economy and Planning Ministry (MEP, by its initials in Spanish) also pointed out the importance of local development for using the endogen resources of the territories and called to consider best practices on provinces with best experiences in that field. We insist on productive enchainments together with foreign investment, mix enterprises, tourism, the national economy and self-employers (Díaz-Canel, 2019).

On the importance of using the right knowledge and adequate enterprise performance at the economy reordering, the president of Cuban Republic, Miguel Díaz-Canel Bermúdez, proclaimed at the National Congress Enclosure of the Economists and Auditors of Cuba (Díaz-Canel, 2019) the need of acting with proactivity, intelligence, and concretion at the time to boost secure solutions, structures, management teams, economical management, and foreign investment together with productive enchainments.

It is remarkable the need of the correct and proper use of marketing efforts administration as knowledge technology to increase the enterprises’ competitiveness on business opportunities management considering COVID-19 damages to economy and foreign investment. The investment flows might decrease in 2020

considering the worldwide financial crisis. The pandemic may be meaningful to foreign investment offer, demand, and policy; and so enterprises are challenged to present best proposals than ever.

1.1 Reference Definitions

Even though the main concepts mentioned are familiar by their wider treatment in literature; is suitable setting the ones proper to the chapter's intention.

Marketing efforts administration: resources, capacities, potentialities, enterprise actors, and cooperation relations (Kotler & Armstrong, 2010).

State enterprise: Understood by the company working with state budget to finance all its activities and processes. It is a nonprofit organization with social engagement which first interest is producing.

Business opportunities management: It is not fully defined as well, considering peculiarities that demand specific activity—territorial conditions including administrative decentralization, new economy model settings, and the theoretical link marketing administration efforts- necessary investment promotion. The previous reasons make it particular to Cuban case. Some complementing definitions are: Manage good timing opportunity in process way, between the demand of potential market and the salesmen to turn the opportunity into business (Bizagi, 2014).

Investment promotion refers to all the activities that economic development organizations and investment promotion agencies undertake to attract foreign investment to their jurisdiction and encourage foreign investors to continue to invest and expand (Loewendahl, 2018).

Business ideas begin when the future enterprise relates and orients his imaginative capacities, creative, innovative, to a business perspective and begins to associate the idea to markets, clients, technology, resources, contacts; doing so with specific intention to establish that business. In addition, an entrepreneurship environment is favored at the sectors where it is developed, creating links with the university, the community, and the enterprise sector (...); it is evident the need of the directive-entrepreneur spirit to manage any business idea, and the needs of the entrepreneur context (Guerra et al., 2015).

General definitions for the activities *foreign investment opportunities* and *business proposal with foreign investment* (Consejo de Ministros [CM], 2013) were reviewed. The foreign investment law mainly refers to the activities with a promotional approach and not to the business opportunities management from territories that is the matter on which the research focuses: the territorial, the local. It implies orientation missing for the enterpriser on business management who needs know-how to participate with business projects. To understand the know-how value at this level, let us consider that foreign investment is not exclusive from Havana, and the provinces or territories' contributions matter into the country's socio-economic development.

In order to fill the literature gap, new constructs fitting Cuban territories defines: *Business opportunities management to foreign investment* is supported on the planned, systematic, and continued activity inherent to the enterprise strategic development goals. It is linked to the objectives of the country's social and economic development at the short, medium, and long term. Business opportunities management to foreign investment relates motivation, identification of ideas and innovative initiatives of potential business at the enterprise development; driven by smart working teams and managed since the local ecosystem to the national business top organization. It is complemented by smart business resources and competitiveness; and it is successful with the inclusion at the *Cuba Business Opportunities Portfolio* from the Exterior Commerce and Foreign Investment Ministry (Salas, 2019).

Productive enchainments: This should answer in territories to the integrated participation of enterprises with a productive activity that complements on exchanging relations on raw materials and usable waste; products, services, clients, or suppliers to achieve a local closed production cycle. It also refers to the exploitation of forces and endogen resources which results are remarkable to maximize the national industry and, with it, the socioeconomic development of territory and country (Salas, 2019).

Fourth sector company: “is a long-term financially sustainable organization, whose purpose is at least 50% to benefit a greater, public good. The organization redistributes its creation of wealth directly towards a greater good by philanthropically giving away 50–100% of its dividend (alternatively 50–100% of profit possible to give away without compromising long-term growth)” (Friis, 2009 p. 23).

Hybrid fourth sector organizations: As a consequence of pressures and new demands, the organizations in the sectors start changing for something new and better. The authors of this research consider that it leads to the rise of new organizations with different structures and innovative business models of social and financial value creation to form the new in fourth sector (hybrid organizations).

The key distinction is that hybrids do not self-evidently prioritize profit making, but social and environmental missions. The idea is to create shared value for suppliers, employers, customers, and, ultimately, value for the whole society (Porter and Kramer, 2011; Gidron, 2017; as cited in Rask et al., 2020).

1.2 *Relation to the Fourth Sector*

The state enterprises become also social entrepreneurs in Cuba, because of the recent call to business function as profit organizations with social responsibility, blended to business operation and financial value creation. This entrepreneur spirit printed to Cuban enterprise, is the result of the system reordering into a new economic model, explained on Guideline 6 at the Social and Economic Policy of Cuba (Asamblea Nacional del Poder Popular [ANPP], 2016). The state enterprise in Cuba is the socially engaged one. It was traditional enterprising till the announcement of its social business function besides the state ones as said before. Both

activities accomplishing the same missions at creating value and operating business make the state enterprise a hybrid social organization; consequently to what Sinuany and Sherman (2014) declared, “hybrid sector dedicates resources to deliver social benefits using business methods to optimize their social benefit” (p. 3).

According to categories from the Sector Continuum (Friis, 2009), the Cuban state enterprises transitioned from the non-profitable traditional enterprising into the emerging fourth sector at the category Business giving away 50–100% of dividends. The reordering of the new economic model sets the conditions on which enterprises should operate the business (CM, 2017a, 2017b, 2017c); but there are still lacking conditions for implementation like the currency change and the official rate to exchange that once accomplished ease up any business operation or trading relation.

In agreement with Hoffman et al. (2012); Cuban social enterprise as hybrid distinguishes from traditional organizations setting social and environmental missions as primary goals, relationships with suppliers, employers, and customers based on mutual benefits and sustainability outcomes; and the industry activity is focused on creating markets for hybrid goods and services, and altering industry standards to serve both the company and the condition of the social and environmental contexts.

1.3 Research Logics

A *negative effect* is observed: Foreign investment and productive enchainments business are insufficient to satisfy the local development demands; even *context* reveals that there is a suitable environment on which juridical framework supports the foreign investment and productive enchainments; the government will ease both; continuous enterprisers training is guaranteed; and there is alliance with research centers and universities supporting any accompaniment or advising need.

The evidenced the *problem* to solve is: the limited participation of fourth sector enterprises on Cuba Business Opportunities Portfolio.

A cause-effect analysis revealed as influencing cause to the negative effect that marketing efforts administration is not sufficiently used or studied to make efficient business opportunities management on this kind of fourth sector hybrid companies (Fig. 4). For that reason, the *object of study* is the insufficient use of marketing efforts administration, and the *research field* is the business opportunities management at the fourth sector. Consequently with the previous, the *purpose* of this chapter is to offer a marketing efforts administration integrated vision to ease opportunities finding and strong business on fourth sector enterprises. This will allow socio-economic growing according to the expected development (Fig. 3).

The proposal context is part of the following academy-enterprise links:

- Project *Innovations development to the enterprise management and public administration improvement for local development* (UNISS-CETAD, 2018–2020)
- DAAD Project *Education for entrepreneurship* (UNISS – UNIKassel, 2017–2020)

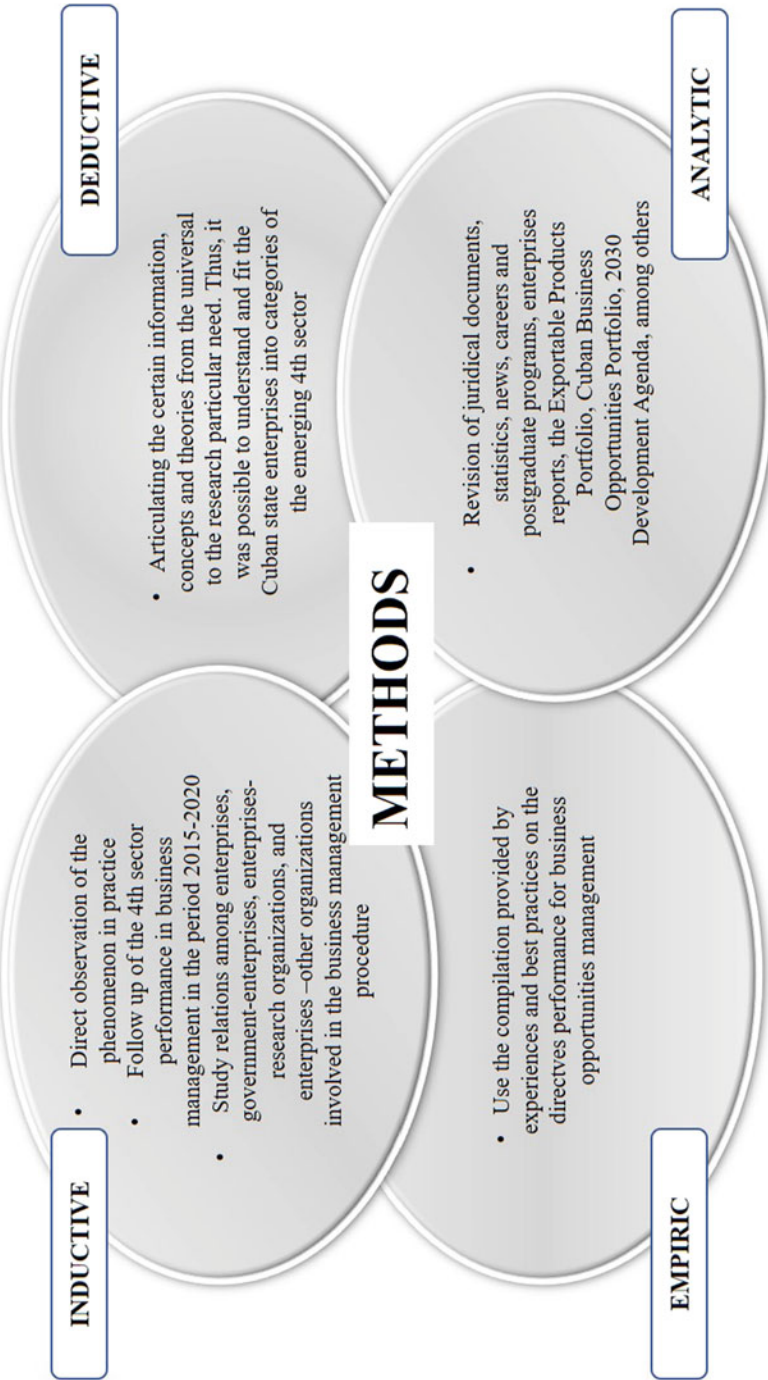


Fig. 1 Research methods. Source: Author's elaboration

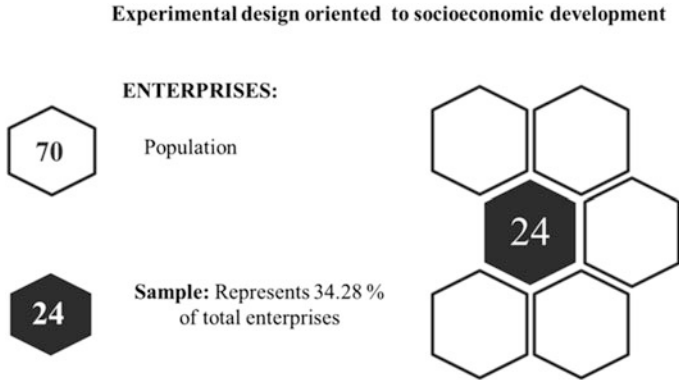


Fig. 2 Experimental design. Source: Author's elaboration

- Collaboration Group ALININ-CETAD (UNISS, 2020)
- Doctoral Study *Competences formation on business opportunities management to foreign investment*
- Master on Business Administration. Excellence certified graduating the first Cuban business private entrepreneurs (UNISS-CETAD, 2019)
- Diplomates for cadres and reserves *Entrepreneurial Management Administration and Public Administration* in Sancti Spíritus, Cuba (UNISS, 2012–2020)
- National Economists and Accountants Association (ANEC, by its meaning in Spanish). Marketing Society. Sancti Spíritus. Awarded Relevant (LOGMARK, 2019)

1.4 Contributions

- Set the role of the Cuban state enterprises as hybrid social business companies of the emerging fourth sector for development in Cuba.
- The new theoretical constructs fitting Cuban territorial development: *business opportunities management* and *productive enchainments*.
- Valuation of fourth sector economical thinking in Cuba related to foreign investment and productive enchainments.
- Identification of determining elements on marketing efforts administration useful to find business opportunities, strengthen the enterprise business, and present competitive business projects to the Cuban Portfolio.
- Clarify and expose influencing causes that limit participation of the fourth sector enterprises on Cuban Business Portfolio.
- Strategic alignment of the enterprises with potential business opportunities according to the development demands, as part of the marketing efforts administration integrated vision.

- Analysis of the enterprises' participation on business management to foreign investment and productive enchainments.
- Ecosystem of the cooperative relationships to foreign investment at the territorial level.

1.5 Expectations

It is expected that:

- Fourth sector companies in Cuba increase participation in Cuba Business Opportunities Portfolio with competitive advantages.
- Fourth sector companies' practices strengthen at the local generating finances profits and social benefits under the sustainable basis.
- Produce best and more to satisfy local development demands.
- The proposals presented to the Cuba Business Opportunities Portfolio project the expected growth of the Cuban economy.
- The foreign investment benefits will contribute to generate employment sources through highly qualified human capital (. . .) and will generate social well-being (Ministerio de Comercio Exterior e Inversión Extranjera [MINCEX], 2014).
- Modernize the production and services infrastructure, the generation of goods and services on sustainable foundations, and the generation of value in the enterprises.
- Foster dynamic relations among actors of development (research institutions, government, fourth sector enterprises).

The previous contributions will generate a boost in three main desired effects:

- Local development
- Quality of life in the population
- Local and national economy recovery

2 Methodology

The researched topic is not sufficiently treated to satisfy the Cuban local demands and the enterprises participating in this matter. It explains the need of characterizing the problem and the factors associated to it. Thus, the resources employed were consistent with exploring-descriptive research considering direct or no probabilistic sample.

- Instruments: interviews, field studies.
- Techniques: direct observation, cause-effect and statistical analysis, documental and theoretical revision.
- Data collection (analysis unit): fourth sector enterprises with development potentialities in representative socioeconomic sectors (products, services, and exportable lines). It was useful as primary information source.

- *Sample unit*: enterprisers (the entrepreneur directives). The main value of the sample unit was the direct information taken from the ones representing the enterprise; the ones making decisions with the ability to lead, coach, and transform reality towards the desired stage.

A factual analysis implied an ordered revision of facts and their relation with the research idea. The coherence between the facts, the research idea and the application of the scientific methods made possible to determine the marketing efforts administration elements from macro- and microenvironment to boost foreign investment and productive enchainments as follows:

Macro-environment (Cuban context, legal frame, incentives, Cuban entrepreneur sector and Sancti Spíritus enterprise sector, countries with special agreements and main modalities on the business opportunities management to foreign investment, potentialities of the province, enterprise economical thinking towards business opportunities management to foreign investment).

Microenvironment (enterprise sector structure, methods, enterprise selection criteria for socioeconomic development, concepts of the gross domestic product (GDP) in Cuba, Sancti Spíritus productions that influence on the GDP, participation of the enterprise sector on the *Cuba Business Opportunities Portfolio* by business quantity, modalities, and leader sectors on business).

3 Results

3.1 *Factual Study Basement*

Productive enchainments and foreign investment are solutions to the development of antagonistic origin or perspective (the use of forces and resources of the territory and foreign financing) conducted by common protagonist (fourth sector enterprises on business opportunities management). Both use the same knowledge technology (marketing efforts administration) to solve a common problem (accelerate socioeconomic development in Cuba). The main contribution of the research: an integrated vision of the conceptual relations into practice, is illustrated in Fig. 3.

3.2 *The Cuban Socioeconomic Development Context for Business Opportunities Management to Foreign Investment and Productive Enchainments*

After hermetic years without expectations on the exchange with foreign investors, facing globalization and international economic situation, the Cuban nation assumes new positions breaking former schemes and traditions to foreign investment in the country. On this determination, Cuba reorients its politics and with emphasis utters before the public opinion:

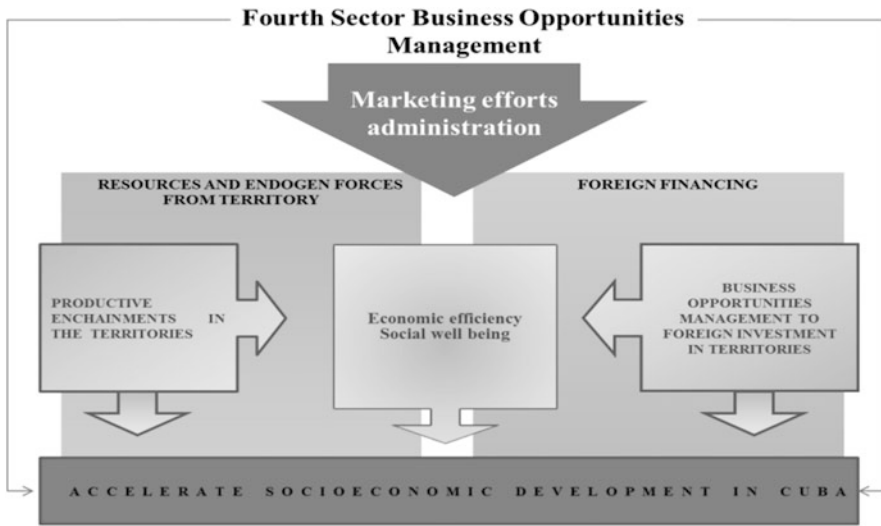


Fig. 3 Integrated vision of marketing efforts administration on business opportunities management to foreign investment and productive enchainments. Source: Author's elaboration

- Castro (2016): “We concede great importance on the need to invigorate foreign investment in Cuba. I recognize that we are not satisfied in this sphere and the business process delays have been frequent and excessive. It is necessary to overcome for once and forever the obsolete mind full of prejudices against foreign investment” (para. 11).
- Malmierca (2016): “Foreign investment is not a necessary ill; we request to propitiate its development. It is a sovereign decision from Cuba” (para. 12).

The participation of foreign investment on the *Cuban Economy plan* keeps very low, with a 6.5% of the total to invest (Cabrisas, 2017)—warned to the Cuban deputies; and that it relates to the fact that “Cuban enterprises are frequently lack of enough knowledge, training and motivation to involve in matters that may imply more responsibility than immediate benefit to the enterprise organization and its workers” (Terrero, 2017, para. 9).

3.3 Government Organizations Involvement into Fourth Sector Enterprises Relations

The following compilation in Chart 1 points out the practice state regarding organizations involved in business management, relations, responsibilities at operational issues, and supporting law. This can be summarized as the accomplishment of two elements from marketing efforts administration definition: enterprise actors and cooperation relations (Kotler & Armstrong, 2010).

Chart 1 Government organizations involvement into fourth sector business management relations

Government organization	Implication/business operational issue to foreign investment	Law
Exterior Commerce and Foreign Investment Ministry (MINCEX)	• Juridical rector document to foreign investment in Cuba. Settings and procedures	Law 118/2014
	• Approval of the Regulation of the Business Evaluation Commission on Foreign Investment	Resolution 206/2018
	• Establishes the methodological bases for the presentation of foreign investment opportunities	Resolution 207/2018
Labor and Social Security Ministry	• Establishes regulations on the Labor Regimen on Foreign Investment	Resolution 16/2014
Cuba Central Bank	• Accounts opening at Cuba Central Bank for natural and juridical persons needing business operations as a result of the partnership on economic international contracts	Resolution 46/2014
Prices and Finances Ministry	• Establishes the application of special contribution to social security on foreign investment workers	Resolution 535/2014
Economy and Planning Ministry	• About the perceived value for salary concept to the employment entities providing labor work linked to foreign investment	Resolution 920/2014
Ministers Council	• Approval of the creation of ZED Mariel	Decree 313/2013
	• The regulations of the law of Foreign Investment (control norms for business in operation, structure and function of the Commission of evaluation of business with foreign investment)	Decree 325/2013
	• Addressed to the Delegate in Tourism, and the Trade and Foreign Investment Ministers; deals the approval and economic authorization of the international partnership contracts with the object in the products and services administration, and professional services lend	Agreement 7567/2014
	• Differentiated regimen of benefits and incentives	Decree 316/2013
	• Regulations for the implantation and consolidation of the entrepreneurial system	Decree 334/2017
	• Structure and organization of the state enterprise system. Relation with innovation, science systems, commercialization, technology, sponsorship of trading societies	Decree 335/2017
	• Relations system on the Superior Organizations of Enterprise Management	Decree 336/2017

Source: Author's elaboration, updated on Gaceta Oficial de Cuba (online resource)

3.4 Countries with Special Agreements at Foreign Investment Law in Cuba. Incentives

To avoid double tax imposition, 12 agreements have been signed with the countries: Spain, China, Venezuela, Barbados, Qatar, Portugal, Russia, Italy, Lebanon, Austria, Vietnam, and Ukraine. There are other 63 countries with special agreements on Reciprocal Promotion and Protection of Investments. The sign of specific agreements is a strength to the implementation of the Foreign Investment Law that allows diminishing interference threatens to Cuba sovereignty for the development of foreign investments and exterior commerce (MINCEX, 2016b).

3.4.1 Incentives

The incentives are given by the investing advantages that Cuba offers to foreign investors with a favorable climax for investment that may be deepened on the *Cuba Business Opportunities Portfolio 2018–2019* (MINCEX, 2019) and which generalities are:

- Sectorial policy that allows access to Cuban markets and consumers.
- Established legal corps.
- Stability.
- Geographical position.
- Security.
- High index on social indicators.
- Labor qualification.
- International agreements.
- Government policy prioritizes investigations and innovations.
- Available institutions.
- Basic infrastructure to communications and transportation, among others.

3.5 Real Situation of the Enterprise Sector Participation on Business Opportunities to Productive Enchainments and Foreign Investment: Analysis of Causes

3.5.1 Productive Enchainments

A review to the practice of this activity evidenced the lack of a register or portfolio to the promotion of the activity. Very little exploitation potential on business management was found. Some provinces like Granma and Villa Clara accomplish industrial work mainly with own territory resources, non-used industrial wastes that might or might not substitute importations, demand, offer, investments, and logistics. There

are also evidences on the activity on specific sectors of the country such as sugar mill factories, fish industry, meat production, tourism, and energy production.

Productive enchainments in Sancti Spíritus province are limited to the experiences on the project *Agrocadenas* and some actions at the Agro-industrial Enterprise *Sur del Jibaro* that represents a real potential productive pole in Sancti Spíritus. There are other enterprises with potentialities on food production, the use of renewable energies, tourism management, services, and building materials, among others, that may include their clients as final users and industrial clients. A register of enchainments is not a fact yet; meanwhile, in Cuba, this activity is incipient, what evidences that the conception of productive enchainments does not exist on the enterprise practice in Cuba.

The authors of this research consider that the causes of the limited participation on productive enchainments are:

1. Lack of prospective strategy: it is not conceived in strategic planning.
2. Vertical decisions from sectors are not aligned to the investment topics in territories.
3. Miss of adequate laws for intersectoral implementation in territories that sustain the economic cooperation relations.
4. Investment topics are still today exclusive topics from OSDE and Ministries.
5. Mutual disclaiming among enterprises.
6. Innovation weaknesses in directives.
7. Disconnection from investigation and development centers.
8. Lack of integration in supply enchainments.
9. Difficulties on transportation and logistics.

On the previous mentioned causes, (1–4) are related to the implementation and improving of the state and government politics in favor of socioeconomic development, and the last five (5–9) are related to enterprise problems that persist and to weaknesses on the activity organization in the territories.

3.5.2 Business Opportunities Management to Foreign Investment

Through a revision of the *Cuba Business Opportunities Portfolio to Foreign Investment on the period 2015–2019* (MINCEX, 2015, 2016a, 2017, 2018a, 2018b, 2019), it was found the negative effect: limited participation of Sancti Spíritus enterprise sector on the business opportunities management to foreign investment. The previous is evident in the representation of the province according to Cuba total quantity of projects. From 525 projects at the *Business Opportunities Management Cuban Portfolio*, only 12 belonged to Sancti Spíritus province. Among the projects' topics were the ones related to the building materials industry, building for tourism (cell concrete), food industry (milk and milk by-products, aquaculture), and varied productions (furniture, bond paper, vegetal coal).

Sancti Spíritus province takes part in other 13 national projects (on the top structure Enterprise command—High Development Departments (OSDE, by its

initials in Spanish), related to geological and mining investments, port exploitation, risk oil exploitation, chicken meat production, hotels housing capacities, management and hotels marketing, flora and fauna, chicken production, floriculture, eco housing, shrimps production, touristic parks in natural areas, and processing, industrialization, and marketing of beef. These projects are potential antecedents to the business opportunities management of the territory enterprises.

Cause-Effect Analysis of Limited Participation on Business Opportunities Management to Foreign Investment

Ishikawa Diagram in Fig. 4 represents a compilation of ideas of the interviewed. A reinforcement in Human and Organization dimensions is observed, towards the solution efforts must be addressed. The cause influencing the negative effect is in the dark circle, what became the research *object of study*: the insufficient use of marketing efforts administration.

3.6 The Directive-Entrepreneur on the Business Opportunities Management Transforming Attitude

The figure shows the way the directive transforming attitude (business opportunities management to foreign investment) should work (down to top: territory to the country top level).

It is important to point out what the territory refers to. In this case, geographical territory coincides with the politic and economical demarcation in a province. According to the Latin-American and Caribbean Academic Network on China topics (ALC-China, by its initials in Spanish), the economic territory is “a physical location as legal jurisdiction under economic control of a same government” (para. 2). Internally, there is a determining factors chain of it and can be mentioned surface, air space, territorial waters, fishing rights, mineral rights and defined territorial enclaves (as embassies and consulates) (ALC-China, 2016).

If the way it should correctly work from the territory is accomplished, transformation will solve specific problems and will carry out benefits for the enterprise, the province, and the country (Fig. 5), mainly to economy and social orders.

3.7 Cooperation Relations on Business Opportunities Management to Foreign Investment in Territories

Business opportunities management will embrace the problem to solve identification—to which an innovative idea will be proposed—till the final business proposal

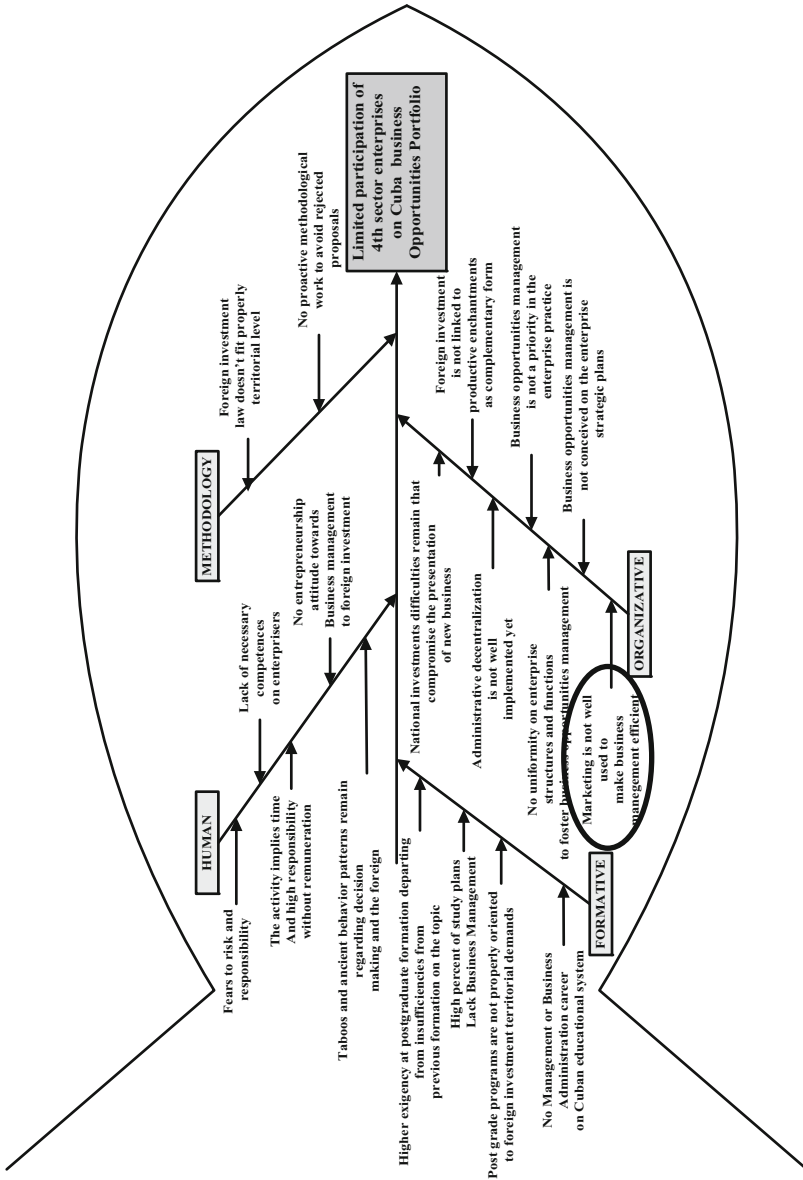


Fig. 4 Ishikawa Diagram. Source: Author's elaboration

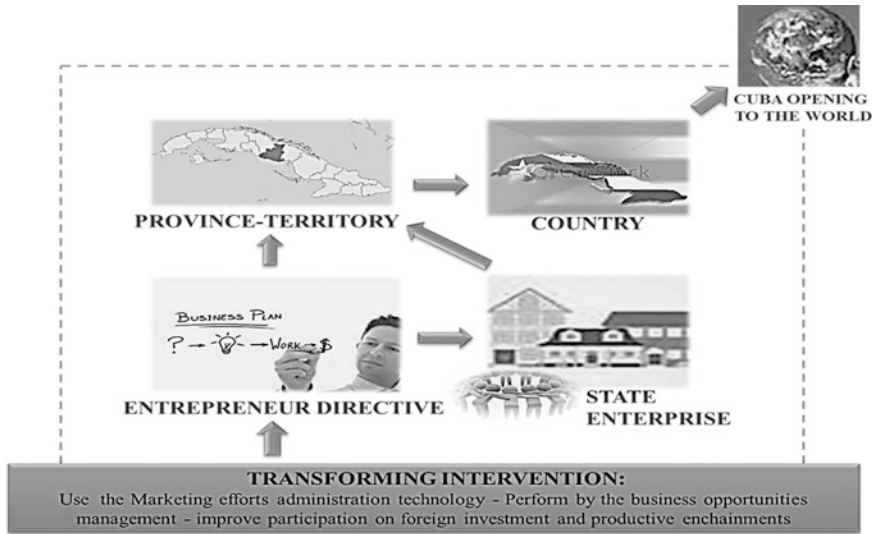


Fig. 5 Logic on the directive transforming attitude. Source: Author’s elaboration

presentation for approval and inclusion on the *Business Opportunities to Foreign Investment Portfolio of Cuba* (Fig. 6).

During this course, the directive will not be successful if he does not recognize external factors that he must interact with, the ones that should be integrated and well organized in favor of the territories business opportunities management.

Reminding that the business opportunities management is an entrepreneur activity, in total coherence with the theoretical referents, it can be considered that:

For the entrepreneurship to generate not only employment incomes, but innovation, it requires the integration University-Government-Community-Enterprise. This multifactorial relation corresponds to the attitudinal perspective as the predisposition to respond to a certain event, and is the principal component of the entrepreneur profile, besides it is changed both by the time pass and the interaction with the environment. (Robinson et al., 1991, p. 15)

With references on the *model of entrepreneur capacities* (Cabana, 2013), the authors here personalize and describe how the directives transforming ecosystem should be identifying possible change agents to boost business opportunities management to foreign investment from the territories and thus to accelerate socioeconomic development.

The mentioned ecosystem for the directive-entrepreneur (Fig. 6) relates the following structure:

Internal environment—the enterprise:

1. Personal-individual dimension: Begins in the enterprise directive as the subject of the action with entrepreneur attitude. Recreates attributes for improving entrepreneurship performance in dialectic relation with the transforming ecosystem

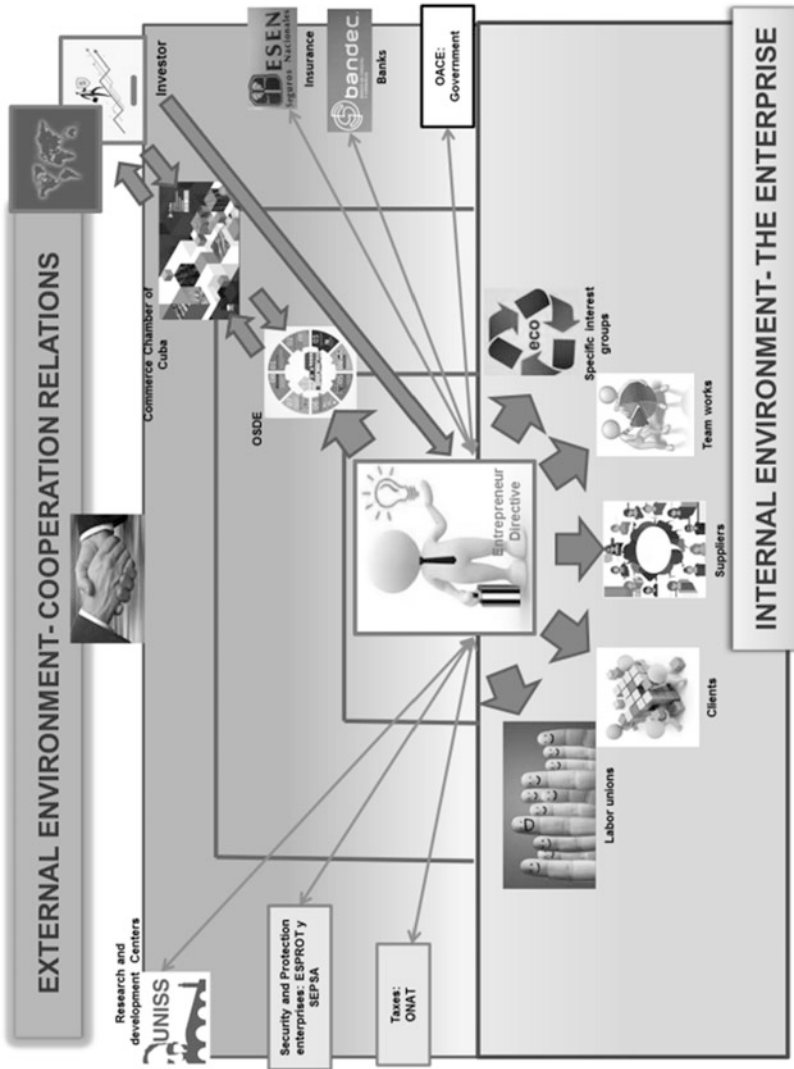


Fig. 6 Ecosystem for the cooperation relations on business opportunities management to foreign investment. Source: Author's elaboration

(changes, decision making, risks taking, role play, leadership, others). In this dimension, entrepreneur capacity fosters.

2. Internal environment dimension: From the nearest environment to the enterprise directive (enterprise, team works, interpersonal capacities, organizational change management; specific interest groups: networks, societies, green parties, clients, suppliers, others).

External environment-cooperation relations:

1. Proximate external dimension: Begins with the business opportunities management path as a result of the entrepreneur attitude to the investor; considering the relation with institutions established by Cuban laws to this purpose at great scale and are not modifiable by the individual, but require the preparation of the entrepreneur or directive to propose and manage business opportunities related to the media (OSDE, Ministry for Economic Cooperation and Foreign MINCEX, Commerce Chamber of Cuba, Investor).
2. Global dimension: Involves the cooperation relations directive-environment, as the result of the managed business opportunity (investor, research and development centers, insurance enterprises, banks, taxes, and government institutions).

3.8 Development Priority Sectors in Sancti Spíritus with Business Opportunities to Foreign Investment and Productive Enchainments

To determine the representative enterprises by sectors was considered:

- An analysis of the strategic sectors for the development of Cuba referred on the Business Opportunities to Foreign Investment Portfolio for the latest period 2018–2019
- A revision of Sancti Spíritus enterprises and its contributions according to Sancti Spíritus Economy and Planning Annual Report closing 2019
- A compared analysis on strategic development demands between leader products from the Commerce Chamber of Cuba and Sancti Spíritus leader products that contribute to the satisfaction of the country demands on business opportunities
- A representation of 24 enterprises (34.28% from the sector) according to the following selection criteria best illustrated in Chart 2

Enterprise selection criteria:

- By economic interests: Exportable lines (6), production (11), and services (7)
- By strategic axis of development (11): Exports, tourism, scientific-technical marketing services, some local and food productions, building, energy, transportation, communications, security and protection, insurances, and water

- By sectors (11): MINAG (APICUBA, AZCUBA, TABACUBA, GEGAN), INRH, MINEM, MINAL, MININT, MITRANS, MICONS, MINCOM, MINTUR, MES, and CITMA
- By contributions to local development: Productions of bee honey, cigars, rum, rice, meat, fish, sausages, gray and white cement, klinker, and other building materials; oil and by-products refining, marketing, and distribution of gas; development of tourism and scientific exportable services, improvement of services: transportation, electricity, water, insurances, security, enterprise protection, and communications

3.8.1 Strategic Alignment of the Enterprises with Potential Business Opportunities to Foreign Investment and Productive Enchainments

With the previous information (epigraph 3.8), a strategic alignment was made to determine the most representative enterprises for development with potential to foreign investment and productive enchainments as Table 2 illustrates.

According to the sectors classification by its development potential and improvement (UNCTAD, 2008), the previous selected sectors have a high potential with a possibility improvement rank between 50 and 100%.

3.9 Territorial Potentialities for the Fourth Sector Enterprises to Increase Participation on Business Opportunities Management

The listed potentialities come from an analysis on the territorial demarcation, geography, patrimony, all kind of resources, natural deposits, enterprises and supporting organizations presence, industrialization and well-being policies application:

- Privileged geographical position at the center of Cuba, with access by sea, air, and earth, sustained by port existence, airport, central road, highway, and railway.
- Rich on hydric resources, dam capacities, and water distribution nets for enterprise sector and residential one.
- Availability of electric and renewable sources.
- Useful natural deposits for building materials (stone, sand, feldspar, others).
- The combination of agriculture productions and industrial installed capacities (though with modernizing needs by obsolescence), constitute valuable qualities for business management.
- Enterprise sector formed by 70 enterprises present in the territory with local or national subordination. These enterprises generate productions, services, and exportable lines.

Chart 2 Strategic alignment

No	Economic interests	Strategic development axis of Cuba	Enterprise in the province Sancti Spiritus	Business opportunity-contribution	Sector	
1.	Exportable lines	Strategic development axis of Cuba Productive transformation and international insertion	Enterprise in the province Sancti Spiritus	Honey bee	MINAG-APICUBA	
2.			<ul style="list-style-type: none"> • UEB Honey bee plant Sancti Spiritus • Paraiso Distillery 	Rums	MINAG-AZCUBA	
3.			<ul style="list-style-type: none"> • Twisted Tobacco Enterprise 	Cigars	MINAG-TABACUBA	
4.			<ul style="list-style-type: none"> • Agro-industrial Grains Enterprise Sur del Jbaro 	Rice	MINAG	
5.	Tourism	Tourism	Province Delegation of Tourism	Tourism	MINTUR	
6.			Scientific technical marketing services	<ul style="list-style-type: none"> • Genetics and Biotechnology Engineering Center • CITMA Province Delegation • University of Sancti Spiritus José Martí Pérez 	Knowledge and innovation for development	CIGBT
7.			Food	<ul style="list-style-type: none"> • EMPORSS—Porcine Enterprise Sancti Spiritus 	Pork	GEGAN
8.				<ul style="list-style-type: none"> • Meat Enterprise Sancti Spiritus 	Meat	MINAL
9.			<ul style="list-style-type: none"> • PESCASPIR—Fish Industry 	Sea products	MINAL	
10.			<ul style="list-style-type: none"> • Agro-industrial Grains Enterprise Sur del Jbaro 	Rice, sausages, and conserves	MINAG	
11.	Local productions		<ul style="list-style-type: none"> • UEB Honey bee Sancti Spiritus 	Honey bee	MINAG-APICUBA	
12.			<ul style="list-style-type: none"> • Paraiso Distillery 	Rums	MINAG-AZCUBA	
13.			<ul style="list-style-type: none"> • Twisted Tobacco Enterprise 	Cigars	MINAG-TABACUBA	
14.	Infrastructure. Building Sector		<ul style="list-style-type: none"> • ECMSS—Building and Assembling Enterprise Sancti Spiritus 	Buildings	MICONS	
15.			<ul style="list-style-type: none"> • EMCSS—Building Materials Enterprise Sancti Spiritus 	Building materials supplier	MICONS	
16.			<ul style="list-style-type: none"> • Siguaney Cement Enterprise 	Gray and white cement, clinker	MICONS	

17.		Infrastructure. Electro energetic Sector	<ul style="list-style-type: none"> • Refinery Sergio Soto Valdés, Cabaiguán 	Oil and by-products. Gas	MINEM
18.	Services	Transportation	<ul style="list-style-type: none"> • Transportation Province Enterprise 	Public transportation	MITRANS
19.		Security and protection	<ul style="list-style-type: none"> • ESPROT—Security and Protection Enterprise 	Security and protection	MININT
20.			<ul style="list-style-type: none"> • SEPSA—Security, Protection and Values Enterprise 		
21.		Insurances	<ul style="list-style-type: none"> • ESEN—National Insurances Enterprise 	Insurances	CAUDAL Group-Finances and Prices Ministry
22.		Water	<ul style="list-style-type: none"> • Aqeduct and Sewerage Enterprise 	Water for state and population	INRHI
23.		Infrastructure. Electro energetic Sector	<ul style="list-style-type: none"> • Electricity Enterprise Sancti Spiritus 	Electricity for state and population	MINEM
24.		Sector: telecom, Information technologies and connectivity	<ul style="list-style-type: none"> • ETECSA • RadioCuba 	Mobile and fix telephony Communications radio, TV, and satellite	MINCOM

Source: Author's elaboration based on Economy and Planning Statistics Report (Consejo de Administración Provincial [CAP] (2019)

- The existence of enterprise directives in formation and continuous upgrading, guarantees human capital in training, as the protagonist in business management from the territories.
- The existence of Investigation Centers, Formation and Upgrading allied to enterprise sector in the province constitutes a strength that gives a high innovation component to the problems solving in practice.
- The opening of the trading policy referred to the activity of the enterprises and their cooperation relations with self-employees sector is an opportunity for the enterprise activities development with sustainable socioeconomic impact.
- The computerization of society is a powerful tool for feedback and the enterprise sector development, government management, and residential sector (popularization of communication and informatics: mobile and fix telephony, TV channels, others).

3.10 Participation Analysis in Sancti Spíritus Province (Local Territory)

Enterprise sector in Sancti Spíritus is composed by 70 enterprises from local and national subordination. These enterprises generate productions, services, and exportable lines for the province development. The analysis considered:

3.10.1 Sancti Spíritus Products Represented on the Cuban Global Development Product That Constitutes Socioeconomic Development Indicators

From 19 concepts from the Cuban GDP (National Statistics and Information Office [ONEI, by its initial in Spanish], 2018), 12 are identified as produced in Sancti Spíritus:

- Fishing
- Mines and pits exploitation
- Sugar industry
- Electricity, gas, and water services
- Building
- Trading (. . .)
- Hotels and restaurants
- Transportation, storage, and communications
- Enterprise services
- Public administration, defense, and national security
- Science and tech
- Communal services
- Agriculture, cattle raising, and forestation

3.10.2 Productions Incidence on the Most Demanded Exportable Products from the Business Exportable Products Portfolio—Commerce Chamber of Cuba

Actually, Sancti Spíritus produces seven (Chart 3) from nine of the most demanded products. It is a guarantee to business opportunities management to foreign investment.

3.10.3 Participation by Business Quantity and Modalities

Featured modalities: International Economic Association and Mix Enterprise (Fig. 7). The figure shows decreasing participation, which emphasizes on the negative effect previously found.

3.10.4 Participation by Territorial or National Business

Figure 8 illustrates superiority on the national business participation over territorial one, and a decrease of both on last year (2019).

As follows, the figures cited in the paragraphs above (Figs. 9 and 10):

3.11 Valuation of Fourth Sector Economical Thinking in Cuba Related to Foreign Investment and Productive Enchainments

With the changes on *Law 118/14* (ANPP, 2014) regarding foreign investment, many differences arise on the concepts of economy planning, and thus, to the fourth sector.

This change towards the desired performing patterns, supposes to overcome more than 60 years of traditional economical thinking at conceiving the Economy

Chart 3 Products from Sancti Spíritus on the Commerce Chamber

Produce	Does not produce
• Cigars (Habano Premium)	• Citric (orange and grapefruit)
• Fruits (pulp and juices)	• Cocoa
• Coffee (Arabica Superior Type)	
• Rums	
• Apiarian production (organic honeys)	
• Other products (vegetal coal)	
• Sea products (shrimps, lobsters)	

Source: Author's elaboration based on Centro para la Promoción de las Exportaciones de Cuba (2018)

planning, and it is difficult to assimilate by the Cuban enterprises and enterprisers; meanwhile, they recognize the need for this change and its benefits to development, but there is sensitiveness and practice lack to incorporate it as development alternative.

Directives know by orientation and commitment with the enterprise “what should be,” but the know-how answering to that knowledge area, the “know being and how to be” that means the exploitation of their competences for knowing how to perform in context and transform, should be harder worked and implemented with great strength.

It is necessary and important to specify the Cuban social state enterprise case that in literature is mainly typified by the fact that its accumulated goods and richness are not the enterpriser’s or individual’s property; that the services, goods, and commerce have social purposes and profits are not distributed; and that profits are used to

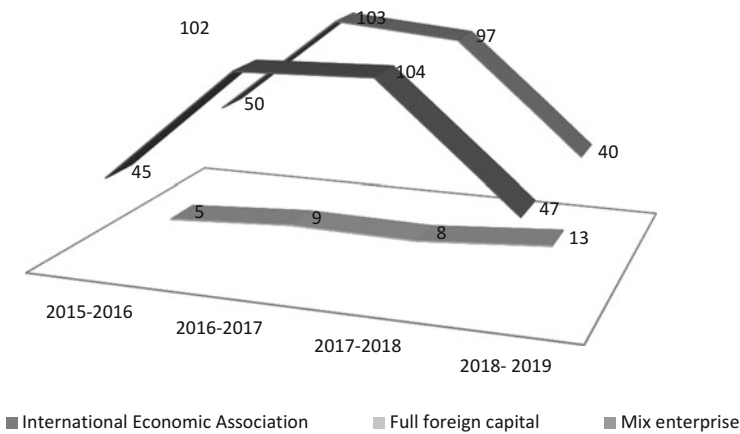


Fig. 7 Participation by business quantity and modality. Source: Author’s elaboration based on statistics from MINCEX (2015–2019)

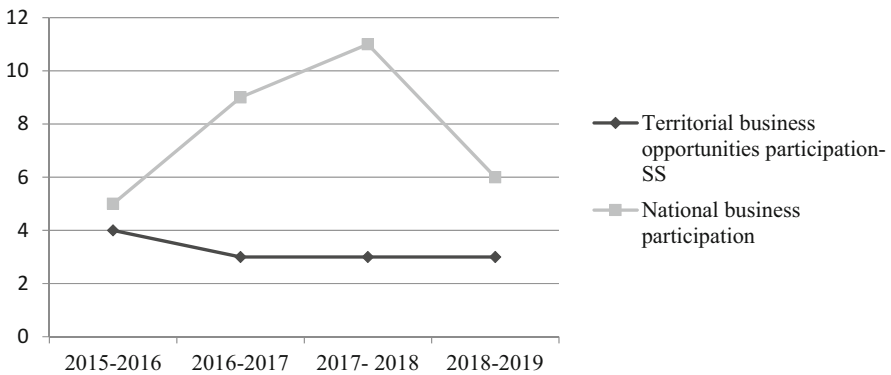


Fig. 8 National and territorial participation on business opportunities. Source: Author’s elaboration based on MINCEX (2015–2019)

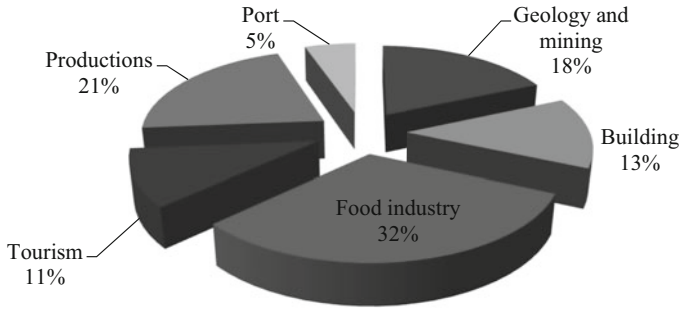


Fig. 9 Province participation in foreign investment by sectors. Period 2015–2019. Source: Author’s elaboration based on MINCEX (2015–2019)

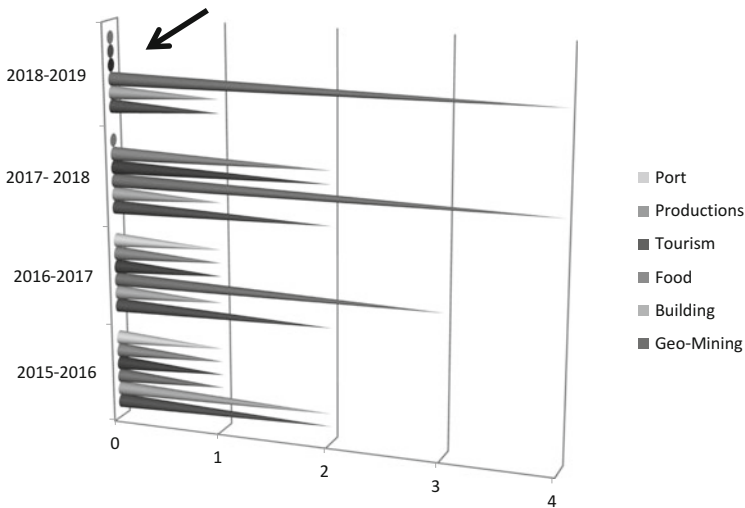


Fig. 10 Territorial business participation per year. Period 2015–2019. Source: Author’s elaboration based on MINCEX (2015–2019). Note: Participation tendency is to decrease at 2018–2019 period. Only 3 activities represented from 6 economic sectors. The maximum business quantity on the period is 4

generate more employments and wealth to the community benefit (Ellerman, 1990; Major, 1996, 1998; Major and Body, 2000; Conyon and Freeman, 2001; Collins, 2001; Ridley-Duff 2002, 2005, 2006; Allen, 2005; Brown, 2006; Johnson, 2006; as cited in Ridley, 2008).

The economical thinking at the enterprise sector respecting foreign investment and productive enchainments is perमतated by a complex entrepreneur activity that should depart from an individual strategic attitude considering meticulously the potentialities, limitations, and challenges of the sceneries for the development of ideas; and entrepreneur attitudes at the short, medium, and long term.

Even when it is clearly pronounced that the state enterprise is the one claimed for participation in foreign investment business keeping its state and enterprise function, small private businesses in Cuba are eager to do so.

It is fair to remind that small businesses in Cuba are young organizations that became legal first in 1993 and updated by *Decree 356/2018* (Consejo de Estado, 2018). This decree establishes the system for organization and control, responsibilities and institutions involved in the implementation of their activities, and the institutions concerned to accomplish the private worker rights. The latest reforms to organize this kind of work were in November 2019 to easy proceeding with managements and open new activities.

The private business in Cuba is still of discrete development and expansion. The nearest practice linked to the state enterprise is the contracts. Private businesses in Cuba are mainly small, few working labor and multifunctional personnel, great risk-taking, highly entrepreneur and qualified, even competence certification for employment is a pendant task. Both private small business and state enterprises deliver many programs, were born for social purposes, and are linked to social institutions, government, and communities.

It is important to think that Cuban have complementary structures to enterprises, integrated into society that allow any service, product, or profit to the common well, and practice years trying to generate finances and value, even for many: The fourth sector is a new phenomenon related to dual social and financial value creation (Friis, 2009).

The possible business connections or trading relations among privates, even among social state enterprise and privates, may find new classifications into the fourth sector, strange to the hybrid definition given in this paper to the state enterprises according to their new status and challenges. In spite of that, our fourth sector model needs maturation in levels of efficiency, and to exploit foreign investment and productive enchainments as those financial sources to recover infrastructures and obsolescence, mainly.

Some difficulties are really distinguished on the Cuba enterprise economical thinking mainly towards business opportunities management:

- It is interpreted as expensive efforts investment that does not guarantee the economical injection the enterprise needs in real time.
- These activities are still an empty headline and not a priority of the enterprise.
- It is a common phenomenon that they do not take part on the strategic planning of the enterprises.
- Potential leaders are not exploited and business team works are not formed for this in territory enterprises.
- There is the need to form specific competences on directives.
- Administrative decentralization is not properly implemented up to down (from top levels to territorial ones), under full territories/provinces enterprises decision-making freedom.

- Bureaucrat and disincentive mechanisms and control forms still persist on business opportunities procedures, what difficult the business opportunities management in course from the territories to top-level sectors (OSDE).

3.11.1 Challenges

Challenges the fourth sector should consider to perform on business opportunities management for foreign investment and productive enchainments:

- Global worldwide business and commerce situation with special restrictions to Cuba by Helms-Burton law and economic blockade.
- There is no specific career in Business Management at Universities, which reinforces the need to gather business intelligence resources contributing to open access and to strengthen the Cuban formation and training system for cadres and their reserves (understand directives, enterprisers in an entrepreneur activity).
- More than that, there is a connection that should not be dismissed: strategic and intrategic vision of enterprises for these activities; what guides to the link enterprise social responsibility- directive individual perform- individual perform based on specific business competences.
- Be proactive and able to change while facing currency change (CUC by USD), and other finance currency according to new investing resources from markets in the future (cryptocurrency).
- Beyond this chapter intention, there is another enterprise gap benefitted by the marketing efforts administration technology: the competence to perform, considering knowledge as a particle of competences and core to entrepreneur activities and sceneries.

3.12 *Suggestions to the Fourth Sector in Cuba on Business Opportunities Management to Foreign Investment and Productive Enchainments*

For the development of the two economic activities treated in this work (business opportunities management to foreign investment and productive enchainments), the use of resources that ease up internal enterprise management and the cooperation relations of the ecosystem is indispensable (previously in Fig. 6).

Let us understand that marketing efforts administration is part of the whole business intelligence. The significance of the term business intelligence in this context has main interest in the use of technological mechanisms (information and analysis in real time, database use, *knowledge*, models, network, others), which is associated with efficiency on decision making to all the enterprise process.

The intention, far from comparisons between the Cuban enterprise technology structure with the latest advances of the most modern enterprises, is to exploit the

already available resources of easy access, as part of computerizing in Cuban society that complements each other marketing efforts administration and business intelligence.

To the enterprises that still have an obsolete informatics infrastructure, it is a challenge to find improving technology ways, and to make practical the way to modernize with their own resources; previously received from top assignment.

The sooner directives could have open access to information on the right levels, it guarantees dynamism and nimbleness to the enterprise processes. The business intelligence provides benefits to marketing for a best analysis and sales management, inventories and stores; products and services demand management, feedback on the client satisfaction, competitiveness, logistics systems integration, new markets search, and new products positioning.

Once identified the territorial context with the need to accelerate socio-economic development, it is suggested to the enterprise sector the implementation of these resources:

3.12.1 Importance of Product, Service, Client, and Suppliers' Relations: The Marketing Efforts on Business Management Matrix Based on Porter's Diamond

It is necessary to update the state of products, raw materials and substitutes, services, clients, and suppliers and to restart studying the integrated supply enchainments efficiency. Each enterprise should have precise information and a business negotiation team ready to process, manage, and exploit innovation ideas as a potential to boost business opportunities management to foreign investment and productive enchainments from the territories to the top. One of the shortest and easiest ways to point out each enterprise interest may be through Porter's Diamond considering useful strategic planning information from the very enterprise.

In this sense, Porter's Diamond is a traditional and simple solution example with an integrated system approach: from the particular in the enterprise till production and services relations among other enterprises that constitute socioeconomic actors of development; to which correctly delimited interconnections and coincidences, could offer a potential map of productive relations and useful services to design productive enchainments, and even to redesign as far as possible supply enchainments.

The interrelation of the analysis by enterprises or sectors would provide the description of proximate and diverse enterprise environments (territorial business, a matrix-like), influencing productions and business potentials. Elaborating, mapping, and sharing these results could spread the directive-entrepreneur idea beyond his own enterprise boundaries as a way to clarify business opportunities for both foreign investment and productive enchainments. It could also provide the ideas exchange among enterprise partners establishing new connections among them.

As it goes beyond the enterprise own purposes, it is suggested to take the opportunity to involve the participation of investigation institutions, researchers, or

government to aim at the information gather and marketing efforts administration of the local enterprise sector (the territory enterprises), in the path to stimulate fourth sector practices in this Cuban province.

3.12.2 The Global Entrepreneurship Monitor Model (GEM)

GEM (Bustamante, 2004) is a model oriented to enterprise management and economic development applied since 1999 in more than 100 countries. Its main goal is to test entrepreneurship in the countries and prove its relation to the local economic development. GEM uses a common testing methodology on the involved countries, describes the entrepreneur and its environment, and helps identifying factors that increase the entrepreneurship level. GEM reports are used as referent and information source by institutions that design and implement supporting processes to entrepreneurship all over the world (GEM, 2020). Its variables consider: “the entrepreneur activity success highly depends of *the existence of a business opportunity*, the ability and motivation” (Bustamante, 2004, p. 7); that is the core of entrepreneurship for business opportunities management.

GEM variables consider the relations ecosystem previously proposed in Fig. 6:

- General conditions of the country: national context, financial market, labor market, and opening degree.
- Specific enterprise environment.
- Entrepreneur capacity.
- Enterprise dynamics.
- Gross domestic product (GDP). For this, particularly considering short strategic development terms, it is suggested to determine it by the enterprise participation in the business activity and then its contributions to GDP.

4 Conclusions

1. Literature review revealed that:

- (a) *Business opportunities management* approaches were not suitable to frame Cuban activity needs for specific: foreign investment and productive enchainments at the local. According to these research needs, theoretical definitions were proposed focused on the activity content and its path to management. This contribution orients fourth sector enterprisers in context for their participation at the Cuba Business Opportunities Portfolio.
- (b) Defining the emerging fourth sector in Cuba: the state enterprise is the socially engaged one. It was traditional enterprising till the announcement of its social business function besides the state ones. Both activities accomplishing the same missions at creating value and operating business make the state enterprise a hybrid social organization; consequently to what

Sinuany and Sherman (2014) declared, “hybrid sector dedicates resources to deliver social benefits using business methods to optimize their social benefit” (p. 3). According to categories from the Sector Continuum (Friis, 2009), the Cuban state enterprises transitioned from the non-profitable traditional enterprising into the emerging fourth sector at the category Business giving away 50–100% of dividends.

2. Based on the marketing efforts administration (Kotler & Armstrong, 2010), a factual study linked to scientific methods application provided various results on which it can be concluded:
 - (a) The research purpose: an integrated vision of the conceptual relations into practice (Fig. 3) illustrates that productive enchainments and foreign investment are solutions to the development of antagonistic origin (the use of forces and resources of the territory and foreign financing) conducted by common protagonist (fourth sector enterprises on business opportunities management); and both use the same knowledge technology (marketing efforts administration) to solve a common problem (accelerate socioeconomic development in Cuba).
 - (b) Even there is a favorable climax for investors and opening to business proposals, participation in business opportunities management is limited with a tendency to decrease on period 2015–2019. Only 3 economic sectors from the province have business from 6 participating in this period, and the province own territorial business participation is lower than other provinces in national business. The foreign investment modalities that stand out are International Economic Association and Mix Enterprise.
 - (c) Government organizations involvement into fourth sector business management relations expresses business operational issues regarding promotion, operation, functions, decision making, regulations and control, bank and social security, labor work and salary, benefits and incentives, enterprise structure and organization; relation with innovation, science systems, commercialization, technology, and sponsorship of trading societies.
 - (d) Interview elements compilation on cause-effect analysis (Ishikawa Diagram) represents a reinforcement on human and organization causes of fourth sector enterprise participation, towards the solution is addressed.
 - (e) Sancti Spíritus productive potential is guaranteed according to the analysis result of Cuban Commerce Chamber’s most demanded products (produces 7 from 9 promotions); and produces 12 from 19 identified products/indicators of socioeconomic development from the Cuban Global Developed Product.
 - (f) Sancti Spíritus province has a not dismissing potential for business opportunities management combining territorial demarcation, geography, patrimony, all kind resources, natural deposits, enterprises and supporting organizations presence, industrialization and well-being policies application.
 - (g) The directive-entrepreneur transforming attitude was explained and illustrated (Fig. 5); the way it should work (down to top: territory to the country top-level); and its transforming intervention logic (use the marketing efforts

- administration technology- perform by the business opportunities management- improve participation on foreign investment and productive enchainments).
- (h) The ecosystem for the cooperation relations on business opportunities management to foreign investment was proposed (Fig. 6), exposing actors and relations at macro- and microenvironment of the enterpriser in territory.
 - (i) A strategic alignment applied to the 24 enterprises selected (by economic interest, strategic development axis, business contribution to local development and sector) as potential for business opportunities management to foreign investment and productive enchainments represents impact on productions, services, and exports for territorial socioeconomic development with a possible improvement rank between 50 and 100% (UNCTAD, 2008) according to literature.
 - (j) A valuation of the fourth sector economical thinking in Cuba related to foreign investment and productive enchainments exposed that enterprisers face business opportunities management as a complex entrepreneur activity. It should depart from an individual strategic attitude considering meticulously the potentialities, limitations, and challenges of the sceneries for the development of ideas and entrepreneur attitudes at the short, medium, and long term.
 - (k) The main limitations to the enterprisers' participation on business opportunities management enclose risk taking, leadership missing, need to have specific competences, consciousness, strategic planning, and proactiveness.
3. The business intelligence resources GEM Model and Porter's Diamond applied to the Marketing efforts administration (cost-free and easy use as innovative ideas) are suggested to invigorate this proposal on business opportunities management to productive enchainments and foreign investment from the territory.
 4. The importance to apply marketing efforts administration to business opportunities in territories is that provinces or territories contributions matter into the country's economic development.
 5. The main research contributions will generate a boost in three desired effects: local development, quality life in population, and local and national recovery of the economy.

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