The present study is situated within the Ecuadorian social and solidarity economy. It is a diagnosis of the perception of how social factors influence the sustainability of the sector’s entrepreneurship. The perspective presented here is a result of the pragmatism of the civil service of the National Institute of Social and Solidarity Economy and may be taken as a theoretical basis for the design and implementation of comprehensive institutional interventions at the national level. Based on the findings of this study, there is a need to modify the current paradigm of action in the implementation of programs and projects, and to re-assess the reality in which the sector operates at ground level, and the impact of social factors that are part of this ecosystem. A reflection on the successful components, limitations and operational considerations gives insight into the way forward for this sector, and provides guidance on establishing processes of participation, social equity, and economic and social inclusion. The outcome of the research is an innovative instrument that may be used to provide relevant information and references as well as orientation for further research into socially sustainable good practice.

**Keywords:** diagnostic; factors; sustainability; entrepreneurship.

**INTRODUCTION**

The 2008 Constituent Assembly of Ecuador determined that the national economic system be based on the social and solidarity model. This change of perspective implied a need to acknowledge a diversity of economic approaches; consequently, in addition to the public and private sectors around which public policies had been established, the social economy was to be recognized. This was
to include family businesses, the informal sector, the subsistence economy, the care economy and wage labor. The principal objective of this sector is the sustenance of the social and economic unit on the basis of its primary resource: labor. Working within this framework and with a view to facilitating the construction of a social economy, the 2008 Constitution of the Republic of Ecuador proposed the creation of various forms of mixed economy, based on public–private companies, to be established in the space between the fully private economy and public projects. To facilitate this relationship between the public and the social economy, the possibility arose of creating a partnership through participatory budgets. Models of public–private partnership now include management by philanthropic organizations, by charitable foundations and through worker co-management. In Ecuador, this transition from the public, private and social economic sectors as isolated entities, toward the current mixed forms is a necessary process for the construction of a social and solidarity economy in which human beings and their welfare are prioritized over capital. In this model, production practices, finance and consumption are focused on the improvement of living standards. These modernizing developments, according to Coraggio (2001), made the social economy significantly more visible.

According to the Superintendence of the Social and Solidarity Economy, between 2013 and 2018, organizations within the non-financial sector of the Social and Solidarity Economy (SSE) of Ecuador grew by 186%. There are currently 9,620 associations and 2,661 non-financial collectives, without taking into account organizations concerned with inclusion. The National Institute of the Social and Solidarity Economy (ISSE, 2014) is charged with defining the profile of the SSE based on the 2010 economic census (carried out every ten years), from which it emerged that, of 511,130 economic units, 68.7% correspond to the social economy, and 0.43% to the social and solidarity sector. This shows the importance of the sector to the rate of employment in Ecuador. On the other hand, the ISSE notes that the economic income generated is in the order of just 3.72% of GDP (2018). The sector is considered a de facto part of the productive and subsistence economy, while it is also an important source of self-employment.

Within the global context, the data are also revealing, with the European Union (EU) alone having 2.8 million enterprises and companies of all sizes considered part of the social economy, and these account for 8% of Community GDP (Euromed, 2018). In addition, the European social economy employs more than 19.1 million workers, 82.8 million volunteers and 232 million partners in collectives, mutual societies and similar entities (European Commission, 2019). According to the International Collective Alliance (2019), collective members make up at least 12% of the world’s population and employ 280 million people worldwide, in addition to contributing significantly to generating stable employment (CICOPA, 2014). Consequently, the International Labor Organization (2019: 14) states that:
“The varied organizational forms that comprise the SSE can be found all around the world, and have been important players in the process of economic and social development in a variety of economic activities and geographical and cultural contexts”.

Due to the scale of the sector and its impact, and to the need to generate comprehensive and sustainable interventions, it is necessary to carry out an analysis of the social factors that affect the sustainability of SSE enterprises; for example, according to Jaramillo, Morales, Escobedo and Ramos (2013), infrastructure and equipment is often abandoned as a result of a lack of planning and focus. However, there is a significant legal framework in Ecuador related to the fostering and promotion of the SSE. The National Assembly (2008), in Article 57 of the Constitution of the Republic of Ecuador of 2008, recognizes collective rights and different forms of expression and organization. Article 276 of the same document provides for the possibility of building a structure for progress with “a fair, democratic, productive, socially conscious and sustainable economic system based on the equal distribution of the benefits of development and the means of production” (: 35), and of integrating, within the domestic regulatory framework, socio-cultural, administrative and economic activities that help preserve national integrity. Article 283 makes a definitive pronouncement within the constitutional mandate, stating that “the economic system is social and cooperative” (: 141). This shows a structural change with respect to the 1998 Constitution, which recognized the social market economy as the defining form of domestic economic organization and placed the private equity sector at the heart of public policy. Cardoso, writing in the book, Instituto Nacional de la Economía Popular y Solidaria [National Institute of Social and Solidarity Economy] (2014, p. 96), describes how this situation was modified:

“Financial inclusion simply meant bringing those populations that had no access to financial services within the reach of the system dominated mainly by private banks and, therefore, making the assumption that financial inclusion was synonymous with banking. The purpose was to create the conditions for formal banking to be extended from its areas of interest in big business toward providing credit and financial services for the low-income population, which implied giving support to micro-credit and micro-finance approaches. A great effort was required of large banks in order to adapt their supply systems, methodologies and technologies to the generation of low-volume financial and credit services that depend on the small-scale financial requirements of small capital firms and micro-enterprises”.

The Organic Code of Planning and Public Finance (COPFP) gives guidelines to the executive in regard to non-refundable lines of investment; these must be agreed by the pertinent institutions of state – by suitable planning for the implementation
of investment programs and projects – to support productive entrepreneurship in the SSE (National Assembly, 2010). Within the same context, Article 4 of the Organic Code of Production, Trade and Investment (COPCI) establishes the need to “encourage the production, trade and sustainable consumption of goods and services, with social and environmental responsibility, as well as their commercialization and use of environmentally clean technologies and alternative energies” (: 3); and paragraph 1 of the same document highlights the importance of “encouraging productive development in areas of poor economic progress” (National Assembly, 2010: 4). These legal provisions point to a paradigm of acknowledgement, fostering and promotion of the various individual, associative, cooperative and community initiatives that are enshrined by the promulgation of the Organic Law of the Social and Solidarity Economy (LOEPS). A challenge for the future would be to evaluate the implementation of this legal framework and assess the decentralized state structures and decentralized local authorities on which these precepts are based (National Assembly, 2011).

The importance of carrying out research and creating proposals that seek ways forward in associative entrepreneurship is underscored by domestic legislation in relation to the recent past, in which support was also provided by the so-called third sector. There remains the question of why it is common to find a significant amount of infrastructure and equipment, under SSE ownership, that is under-utilized, or in a state of deterioration. There is no specific information on this phenomenon, since what would point to administrative incompetence is seemingly a taboo subject among public and private institutions. In order to verify that this reported waste of resources was, in fact, a reality on the ground, various inspections and exploratory observations were made. In the Free Union Association of the province of Pastaza, a milk pasteurizing plant, installed in 2010 and financed by public funds, has yet to be put into operation. Another example was found within the Corporation of Huaconas and Cullugtus Rural and Indigenous Organizations (CHCORI) of Colta County in the province of Chimborazo, where social breakdown caused by political conflicts has led to the under-utilization of a cheese processing plant financed by international cooperation funding. In this first analysis of unconsolidated ventures, failure appears to follow from a lack of social cohesion, together with errors in planning and design in investment projects. It is also worth noting that the national poverty rate in Ecuador stands at 23.2% of the population and extreme poverty is at 8.4%. In the rural areas, poverty reaches 40% and extreme poverty, 17.7%, isolated exceptions notwithstanding (INEC, 2019). Such circumstances do not help the consolidation of SSE processes.

Sepúlveda and Gutiérrez (2016) highlight the key factors affecting sustainability in entrepreneurship, and the Historias Prácticas [Practical Histories], compiled by the Superintendence of the Social and Solidarity Economy (2016), appears to bear
out this view. It is clear that most projects have been aimed at financing productive assets, infrastructure and equipment to the neglect of social and anthropological areas of development. There has been no emphasis on the process of training human capital and leadership, or dealing with issues of gender, associativity, governance or parliamentary procedure within collectives, all of which have conspired to impede sustainable processes.

This research focuses on the analysis of the reports by the 109 ISSE officials that constitute the totality of the institute’s personnel, nationwide. To this end, an analysis of the social factors that influence sustainability was carried out, motivated by the ephemeral nature of many of the enterprises and the significant waste of public and private resources that fulfill no apparent social or economic purpose. These provide a wealth of phenomenological perspectives and views that allow an evaluation of whether or not the results are attributable to the actions that have been implemented in the various SSE programs or projects in Ecuador.

**THEORETICAL FRAMEWORK**

Sustainability has become a fundamental concern impacting regional development in Ecuador. The imbalance of man versus nature stands out as a vital issue in a situation in which legislation is geared to favoring transnational companies, with the blessing of all kinds of supranational bodies that give their consent to, and normalize what should be exceptional situations (Luque and Jiménez-Sánchez, 2019). The obvious environmental impacts and social inequality form a parallel reality within contemporary society. Since the 1960s, there has been an evident need to address these issues, but only from the early 1990s did local authorities cautiously start to intervene in the processes of sustainable local development (Bermejo, 2014; Morales, 2006). Sustainability processes are conceptualized as a set of knowledge, skills, abilities and values that the members of an organization, company or territory possess in order to address their problems (Krohling, 2015; Aznar et al., 2014; Fernández and Geba, 2005). These knowledge sets are based on sustainability criteria, that is, having the necessary know-how and awareness, and being capable of valuing work related to the environment. To achieve this, it is necessary to rely on various forms of capital: human, physical and environmental. Within a non-profit organization, sustainability is also part of social accountability or social balance. According to the study, Indicators of Tourism Sustainability Applied to Industrial and Mining Assets: Evaluation of Results in Some Case Studies, conducted by Pardo (2014), sustainability can be measured by the indicators set out in Table no. 1.
### Sustainability indicators

<table>
<thead>
<tr>
<th>Components</th>
<th>Levels</th>
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</table>
| Management Components (MC)              | Provision of economic funds  
                                        | Economic contribution of local entities.                                 |
| Social and Economic Components (SEC)    | Benefits for the local community  
                                        | Collaboration of the local population  
                                        | Improvement of infrastructure  
                                        | Increase in equipment  
                                        | Creation of new employment  
                                        | Local sourcing of workers |
| Cultural Components (CC)                | Level of client or consumer satisfaction  
                                        | Boost to local culture  
                                        | Stimulation of the local cultural offering  
                                        | Carrying out of parallel external activities  
                                        | Level of community satisfaction |
| Environmental Components (EC)           | Level of environmental recovery  
                                        | Aesthetic considerations of the recovered environment  
                                        | Use of renewable sources of energy  
                                        | Application of energy-saving measures  
                                        | Connection of infrastructure to the natural environment |

*Source:* Author’s own criteria based on the study of Indicators of Tourism Sustainability Applied to Industrial and Mining Assets: Evaluation of Results in Some Case Studies. Pardo (2014).

### Sustainability

The sustainability of an enterprise is based on factors such as human, economic and environmental capital. For SSE organizations, this conceptualization is interwoven with society, in addition to being part of the processes of social accountability and social balance (Fernández and Geba, 2005). Ensuring sound sustainability processes requires the knowledge, skills, abilities and values of those involved to overlap between work and the environment, in accordance with the Sustainable Development Goals SDG 2030 (Bassols, 2014; Linares and Morales, 2014; Sachs, 2014).

### Sustainable development

According to the European Council of Gothenburg 2001, sustainable development in SSE initiatives comprises three dimensions: social, economic and ecological. In the first case, it is necessary to have indicators of inter- and intragenerational equity and, especially, of the way in which some groups seek to dominate others. With regard to the second dimension, the economic structure itself should be questioned, and the model of wealth accumulation should be altered in favor of the analysis and interpretation of the dynamics of ecology and inclusion. Finally, in the third area, the possibility of using renewable resources in
economic processes should be explored, in order to prevent excessive waste, with the exception of biodegradable products such as compost (Guerra 2014; Artaraz, 2001). It is worth recalling the words of Arjen Hoekstra (2019), inventor of the concept The Water Footprint: “Water has no place in the world economy and trade”. At the Conference on the Human Environment, held by the United Nations in Stockholm (1972), converging topics on development and the environment were discussed and analyzed, concluding that development models are linked to social, productive, economic and environmental aspects so as to inexorably guarantee fair and ecologically viable socio-economic growth in harmony with nature; this type of development is called eco-development (Sepúlveda and Gutierrez, 2016; Estenssoro, 2015; Gudynas, 2003). In this context, ideas are rolled out aimed at overcoming the problems of underdevelopment, deprivation, poverty and the environment, especially in countries considered part of the Third World. According to the United Nations (2019):

“Roughly half the world’s population still lives on the equivalent of about US$2 a day with global unemployment rates of 5.7% and having a job doesn’t guarantee the ability to escape from poverty in many places. [...] Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs that stimulate the economy while not harming the environment”.

Sustainable development, or eco-development, is a form of economic and social development in which the environmental variable must be taken into account by ensuring quality of life within the ecosystem, adapted to the characteristics of each sustainable territory, thereby becoming sustainable over time and humanistic in approach.

**Determining factors for sustainability of entrepreneurship in the SSE**

These factors are categorized into internal aspects, as well as (to) those relating to the ecosystem. SSE sustainability processes depend on the skills and attitudes of the workers, and also on the possibility of cooperating with other economic units in social, cultural, economic, political and environmental contexts. These, in turn, are framed in the three sectors of government, private enterprise and the social and solidarity economy (Luque et al., 2018; Krohling, 2015; Guerra, 2014; Coraggio, 2011).

Without taking into consideration social indicators, such as the satisfaction of needs and improvement in quality of life – which show significant gaps – and without an analysis of cultural or environmental impacts, rural enterprises are characterized only by their financial and economic approaches (Quiroga, 2001). From the point of view of rural development, sustainability is a key element, as it focuses on mitigating problems such as the deterioration of water resources and
biodiversity, desertification, the fight against poverty and the integration of excluded social groups (women, youth, migrants, indigenous groups and people of African origin, among others). In this context, sustainability factors fall within the sociocultural, economic, environmental and institutional political order (Sepúlveda, 2008). According to the study, Determinants of Sustainability Factors in Rural Agricultural Enterprises, carried out in four regional departments of Colombia (Antioquia, Cauca, Nariño and Valle del Cauca), rural sustainability is limited to two components and three sub-components: 1) Socio-Organizational, including social capital, organizational planning and territorial integration; 2) Business, including economy, technological productivity and market orientation.

According to Rodríguez et al., (2017), the definition of the sustainability index brings together the most successful enterprises with those that have shown poor results from their activity. The least successful are those in the context of technological productivity and market orientation, and the most successful are located within the context of social capital and integration. According to López, Astudillo, Carpio, Delgado and Amón (2011), in the analysis of the factors that influence the entrepreneurship and sustainability of companies in the city of Cuenca, Ecuador, the external and internal factors that both promote and limit the sustainability of entrepreneurship are: financing, market conditions, legal frameworks, educational level, business behavior and motivation. Therefore, it is beneficial for such enterprising behavior to have a positive impact on entrepreneurs through the setting of goals, encouraging persistence and trust, and providing fulfillment.

**Social aspects**

The various intervening agents in the SSE must also be analyzed, including organizations, supporting entities and consumer groups. Max-Neff, Elizalde and Hopenhayn (1986), make reference to the Abraham Maslow pyramid, arguing that, in a social context, motivation is to be found in the search to satisfy basic needs. These are classified from physiological, to those of safety and belonging, and ultimately to self-esteem and self-realization. Individuals toward the top of the pyramid have already satisfied the limitations found at the base. In organizations of the solidarity economy, the entry and exit of partners are usually determined by kinship or close friendship, albeit without strict legal process. At the same time, politics is the determining factor in decisions taken for the common good, which often leads to notorious problems arising from the management of social relations and the level of governance. In response to this analysis, the most effective way of encouraging economic and social inclusion is by promoting initiatives arising from the solidarity of the community (Arboleda and Zabala, 2011).

The Ecuadorian citizen has a mental schema in regard to SSE entrepreneurship that precludes the possibility of developing economies of scale and competitiveness; there is a persistent belief that the goods, products or services of this sector are of
There is also the perception of poor management by institutions and assistance programs in the public and private spheres, which means that the production chains are insufficiently supported, notwithstanding isolated successful cases such as the Tungurahua Development Agenda (Sanchez, 2016). In regard to other exogenous elements, entrepreneurs must also avoid considering their enterprises to be impoverished or that they are merely micro-enterprises, created by the poor for the poor. Such qualifiers tend to affect the entrepreneur’s subconscious and diminish confidence, motivation and the drive for achievement (Graña, 2002). Therefore, social psychology is an aspect in need of analysis for its contribution to the social development and strengthening of organizations; it is important to remember that social constructs must have strong foundations and be sensitive to the negative effect that certain labels that are applied to them may have.

**Culture, politics and religion**

As suggested by Vera, Rodríguez and Grubits (2009), there is an ongoing dispute, at the social level, between individualism and collectivism. This arises from the need felt by enterprise partners to gain social, economic and political status, and to leverage power relations that confer some level of prestige. From within, organizations culturally define the conditions of inclusion and exclusion by age, gender, ethnicity, educational level, economic circumstances, place of residence or place of birth, and nature of leadership. Meanwhile, the widespread recognition of partisan political choices, paradoxically, does not lead to greater humanism in these processes (Kehl, 1993). It should be borne in mind that SSE entrepreneurship is developed around values and traditions, customs and social relations, and that the sustainability of rural development depends fundamentally on the conservation and dynamism of communities.

To this end, it is necessary to guarantee such aspects as cultural legacy, traditional wisdom and the use of knowledge, as well as preserving a sense of belonging and identity within the historical, cultural and environmental heritage of each people. The ties to outsiders are based on the precepts of creed, while the conception of faith influences levels of trust, and, above all, the model of coexistence and the practice of values and principles (Valenzuela and Cousiño, 2000). The association between peers is a kind of relational capital, analogous to an insurance policy, mitigating the attrition of daily life. Although not all problems may be offset in this way, such associations constitute refuges against the buffeting of everyday existence (Vasquez, 2010).

**Associativity**

This is a social construct, operating in the long term, in which the associated parties are often somewhat inexpert. In many cases the association is not one of
reciprocity, but is based merely on individual interests, since the entry of partners into an organization is permitted for the temporary expedient of allocating financial resources, rather than out of a need to implement the processes of production, collection or marketing, or of implementing the financial associations that are typical of a solidarity economy. As a result, it is easy to lose sight of the governing principles of social enterprises, such as solidarity, reciprocity, and redistribution, among others (Coraggio, 2001). What is more, associativity is an aspect of competitiveness from which management models are implemented that allow decision-making processes focused on sustainability over time. It further assists in the development of effective organizations that enjoy friendly relationships with their partners, and it encourages their ability to negotiate and build institutionalism. Such conditions for sustainability should be oriented toward management, administration and marketing aspects (Bedregal, 2014; Polo, 2013; Sepúlveda, 2008).

**Education**

Mere training processes are an insufficient response. In rural development, a transformation of the skills of the farmer is needed, improving not only agricultural knowledge, but also abilities in leadership and management, while technical knowledge as a plant operator or commercial specialist is also desirable. Organizations must become oriented to taking responsibility for the surpluses and profits arising from economic activity rather than limiting themselves to a simple interest in pursuing scarce sources of employment (Luque et al., 2019). Education is, therefore, a determining factor in the success of SSE entrepreneurship. Internally, operability will depend on those areas of knowledge that the enterprise partners possess, as well as on the environment; whether efforts aimed at fostering self-employment succeed, will depend on training policies adapted to factors such as age, literacy or educational level (Ortiz and Millán, 2011).

In response to this, local initiatives aimed at developing the economy have arisen. Movements such as Un Pueblo un Producto [one people one product] (UPUP), or common characteristics such as productive pride, culture, landscape and environment all drive regional ventures that may be considered examples of endogenous development. This approach has the following characteristics: 1) local people are in charge of the initiatives; 2) local agents involved in businesses, production cooperatives and those local people who, ultimately, are the consumers all work together as members of the same community; 3) there is a high level of planning and internalization of the process; 4) investment from abroad is not prioritized; 5) small-scale investment is encouraged and external resources are accepted, as long as there is control over them by local people; 6) the use of locally available resources is identified and extensively planned; 7) local governments provide support and orientation for processes, but do not control them; 8) opportunities are shared by all members of a local community and are not monopolized by a few;
9) local authorities (devolved regional governments, prefectures and municipalities) promote the development of the capacities of the local population (Noda, 2014).

**Models of intervention in sustainable development**

Models should not be standardized mechanisms as not all organizations share the same value system, interpret reality in the same way, have the same ability to overcome obstacles or adapt to changing circumstances (Canedo et al., 2014). By way of example, the corporate management model set out by Mondragón has, as its starting point, the basic principles of the cooperative. These provide behavioral guidelines to those involved, who, in turn, design and execute shared projects through participatory organization. Likewise, projects are planned and executed in a product-market context, with customers, suppliers and associates in a competitive environment. The profits corresponding to the enterprise partners are the main means of assessing efficiency, by selecting relevant indicators for verification (Mondragón, 2012).

**Methodology**

Sustainability analysis in the processes of SSE is complex. Existing correlations are difficult to identify, reproduce and disseminate in the existing context, due to their ethnography. Any analysis must be based on a qualitative-quantitative research approach as established by the National Institute of the Social and Solidarity Economy (ISSE), taking into account the main social factors that influence the processes of sustainability through SSE entrepreneurship. Consequently, over the course of six months, data in the form of numerical scores and appreciation frequencies were processed and analyzed with regard to their level of influence (Hernández et al., 2014; Kayatama, 2014). Some of the components that influence SSE sustainability in its socio-political aspects were identified and validated descriptively (Bernal, 2015; Hernandez et al., 2014). In addition, through the research tool, and using explanatory-experimental analysis, it is possible to establish the cause-and-effect relationships, and the behaviors that encourage them.

**Variables of the study**

The internal and external factors that influence the sustainability of SSE entrepreneurship are considered independent variables from a social perspective. Various indicators for this category were defined and are described in *Table no. 2*; these served as the basis for the research tool design in which the primary information was developed (Soriano, 2014). The dependent variable is the sustainability of the entrepreneurship of the social economy, which has been revised following the guidelines of Coraggio (2011).
Operationalization of the social variable

<table>
<thead>
<tr>
<th>Concept</th>
<th>Social</th>
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<tbody>
<tr>
<td>The sustainability of SSE entrepreneurship depends on the balance of social factors within organizations and in harmony with the entrepreneurship ecosystem (environment).</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicators</td>
<td></td>
</tr>
<tr>
<td>Associatesity</td>
<td>Political aspects</td>
</tr>
<tr>
<td>Causes of individualism or collectivism?</td>
<td>What factors affect the governance of the association?</td>
</tr>
<tr>
<td>Factors that build self-confidence?</td>
<td>How the gender and equity approach is applied within the organization?</td>
</tr>
<tr>
<td>What aspects demotivate social organization?</td>
<td>How leadership is fostered?</td>
</tr>
<tr>
<td>How to drive the need for achievement?</td>
<td>What causes or conditions lead to internal conflicts?</td>
</tr>
<tr>
<td>Age of business partners?</td>
<td>What is the level of knowledge of partners and the aptness of statutes and regulations?</td>
</tr>
<tr>
<td>How generational replacement is motivated?</td>
<td>How religion impacts organizational harmony?</td>
</tr>
<tr>
<td>How does party politics affect the cohesion of the organization?</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Techniques</th>
<th>Survey of officials of the National Institute of the Social and Solidarity Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruments</td>
<td>Questionnaire in Google Forms <a href="https://forms.gle/SY5oTLnqjdVQbjJA9">https://forms.gle/SY5oTLnqjdVQbjJA9</a></td>
</tr>
</tbody>
</table>

Source: Author’s own data.

Research techniques

According to Torres, Salazar and Paz (2014) and Palella and Martins (2012), surveys are the most suitable instrument for collecting and recording information. The survey used in this research was reviewed and approved by the National Director of the ISSE, Diego Castañeda, in order to permit its subsequent application by the 109 Institute officials around the country, which constitutes the totality of the operational team. This was to ensure that the results obtained are representative, effective and quality-assured. The following procedure was followed:

1) Letters of request were prepared and forwarded to the National Director of the ISSE in order to obtain authorization to open the research process.
2) The survey questionnaire was designed in Google forms based on the items and indicators identified in the operationalization of the identified variables.

3) The questionnaire, https://forms.gle/SY5oTLnqjdVQbjJA9, was reviewed and approved by the ISSE; a pilot test was applied to five people in order to establish the taxonomy of inconsistencies.

4) The objectives of the study were made known to the concerned parties.

5) A meeting was called to set dates for the release of the survey.

6) The survey was released via the National Directorate of Human Resources of the ISSE.

7) The quantitative data was processed and the phenomenological concepts, criteria and perceptions were extracted for analysis.

8) The results were made known to the National Directorate of the ISSE.

RESULTS AND ANALYSIS

The interpretation of phenomenological concepts and views obtained and processed from the survey, as well as the quantitative interpretation of the criteria obtained all served to inform the views of the ISSE officials concerning the analysis of social factors influencing the sustainability of SSE entrepreneurship. It was found that SSE ventures face sustainability difficulties over time, such as limited resources, precarious financing, marketing difficulties, high production costs due to relatively expensive materials, and, above all, internal conflicts and lack of management capabilities. Each of these are subject to analysis and discussion in the following sections. It is clear that public and private institutions, and support agencies must give greater impetus to entrepreneurship through planned actions with specific investment, in order to achieve real growth in SSE organizations. At all times, it should be borne in mind that sustainability processes contribute significantly to lower unemployment rates and the creation of fair employment.

Association relations

With regard to associativity, according to 77.8% of respondents, membership of a group is motivated by individualistic interest and not out of the need to promote the values and principles of the SSE. This is confirmed by the fact that, in the view of 76.3%, individualism can be observed within organizations, and this acts as a demotivating factor for 51.23%. It should be pointed out that legally recognized organizational structures are not attributable to any public or private institution, but support entities may appropriate these out of their own interests and institutional agendas. It is evident that associativity within the SSE in Ecuador responds to transitory private interests. In certain circumstances, these interests are fostered by managers of public institutions with whom organizations need to comply through quantitative plans, programs and other aspects. This leaves aside the
qualitative factors of organizational strengthening, the improvement of management
capacity, and the promotion of partisan politics, much of which has its origin in the
processes of social irresponsibility (Luque and Herrero-Garcia, 2019). The exceptions
to this situation underline the fact that there are associations that are capable of
being strengthened by the constant practice of principles such as: commitment,
loyalty, solidarity, reciprocity and the common good, all of which are aimed at
improving the quality of life.

It is recognized that in today’s society there is a tendency to work individually.
Human beings grow in a hegemonic environment in which, from the early stages of
education, autonomy is promoted and the competitiveness of the productive and
reproductive aspects of life is fostered. The partners of SSE organizations retain a
culture of making the least effort, and when there are no immediate positive
economic results, abandonment and break-up ensue. Many organizations, especially
those in the rural sector, are unaware of the supervisory obligations to which they
must be subject when acquiring legal status. Non-compliance with these results in
conflicts, breaking existing cohesion and causing demotivation. In Ecuador, the
implementation of policies to foster and promote the sector have not been
sufficiently clear and specific; for 20.4% of those surveyed, the services offered by
public and private entities are clientelistic and lack long-term vision, allowing
private capital firms to intrude on, or become associated with SSE organizations.
These are frequently based on spurious legal grounds, with the purpose of
benefitting from public procurement processes. The opening of these processes by
the state for SSE organizations to provide goods and services led to a 300%
increase in associations between 2016 and 2019, largely motivated by monetary
interests, and harming those organizations that had been established between 2013
and 2015 in strict observance of the principles of the social and solidarity economy.
Ten years after SSE became enshrined in national legislation, it is clear that the
implementation of public policy does not meet the original requirements, since
there is no true differentiation of treatment by institutions such as the National
Public Procurement Service (SERCOP), the Internal Revenue Service (SRI), the
Health Control and Regulation Agency (ARCSA) or the Superintendence of
Control and Power of the Market (SCPM).

The need for collective achievement

Individualism and associativity for the exclusive interest of gaining access to
clientele programs clearly reflect the lack of drive for collective achievement;
62.4% of respondents state that the creation of associative structures does not lead
to collective processes of participation and suitable procedures for decision making
and problem solving. In the analysis of the criteria, this also raises the question of
what control organizations and bodies should promote and ensure mandatory
compliance and the assessment of corporate objectives.
The governance of SSE organizations

This refers to the way in which social groups exert power and authority; it is subject to alteration when the rights of the partners are not respected. The research data highlight the fact that 17% of the partners of the different organizational structures require constant information on administrative and financial functioning, and periodic checks of accountability, in order to ensure transparency. Indeed, a lack of transparency leads, in 13% of cases, to suspicions of corruption and, in turn, to internal conflicts and crises of governance (Luque, 2018).

Influence of the gender equity approach on the sustainability of SSE entrepreneurship

According to 90% of respondents, the failure to implement this paradigm has a medium-high effect on the sustainability and stability of SSE organizations. In the interpretation of results, this concept refers principally, and in the same percentage, to the physical differentiations between male and female, and to a lesser extent toward the view of equal opportunities.

Leadership styles in the sustainability of SSE enterprises

The ability to influence people is certainly not a common skill. When leadership is toxic, according to 82% of those surveyed, it creates a sense of rivalry, and often results in those under such leadership seeking to satisfy their own needs before worrying about those of others; a negative leader puts self-interest before the community and encourages the disintegration of the organization by taking advantage of it for personal benefit. However, in response to such behavior, much will depend on the maturity and collective leadership of the group in letting itself be influenced by an unsuitable leader. The promotion of good leadership should be reinforced by participation and training prior to the legal creation of the SSE organization; 16% of those surveyed believe that it should be made a legal requirement that partners pass a course of governance and leadership training before being granted permission to begin operations. This would help to promote certain values in organizations, such as commitment, empathy, integrity, proactivity, creativity, honesty, responsibility, joy, tolerance, authority, participation and transparency. Finally, it is vital that the cultural belief be eradicated that an entire organization should be subject to the authority of a single individual.

Religion and sustainability as factors that foment internal conflict

In the view of 56% of those surveyed, there is no influence of religion on the social sustainability processes of entrepreneurship. It emerges that, for the most part, this is a question on a personal level and, in organizations, common economic and social objectives tend to carry more weight. However, 40% of respondents
stated that religion defines culture, and, in some regions, this factor interferes with working practices.

**Influence of party policy on the cohesion of SSE organizations and on internal conflict**

According to 81% of respondents, the influence of party policy is negative because of the way the clientele operates in political organizations at election time. Partisan expediency eventually determines whether enterprises are supported or not, and ideological differences between partners create conflicts that, undoubtedly, lead to lasting disputes and barriers within organizations.

**Educational level and its consequences**

According to 96% of respondents, there is a clear relationship between a low educational level and sustainability. This is a paradigm that must be broken, since there are clear socio-cultural indicators that access to opportunities is subject to the level of studies achieved. Training that is currently being provided within the SSE sector demonstrates that individuals are able to emerge with a suitable degree of expertise in the use of their skills and abilities.

Among those surveyed, 45% think that knowledge provides the tools for effective participation and promotes growth; formal education positively impacts results and fosters different visions of social constructs. It is recommended that state policy be reoriented to promote educational programs, including intensive programs for high-school diplomas with an entrepreneurial focus. In designing training initiatives, the following deficiencies should be borne in mind: 1) most partners have an elementary level of knowledge in relation to national educational levels, and few opportunities to access formal higher education; 2) there is widespread technological and legal illiteracy, and the lowest levels of training are closely linked to the most vulnerable sectors; 3) SSE organizations do not have the resources to undertake the training and up-skilling of their partners; 4) the partners of organizations possess empirical knowledge of production processes, and rely on external expertise in order to make any improvements; 5) there are exceptions to be found in the self-education and training of some leaders.

**Technical training for entrepreneurship**

78% of the group studied claim that the partners of the SSE organizations do not have sufficient training for the sustainability of their enterprises, with a particularly lack apparent in regard to management skills. This problem is greater in the rural sector due to the limited access to formal education there. Even the younger generations entering the sector have difficulties in accessing higher
education, according to 87% of respondents, since poor high-school provision in rural areas puts them at a disadvantage in university entrance examinations, resulting in few being able to find places at state universities.

**Alternative spaces for recreation and social harmony**

To foster these aspects, the criteria compiled by the ISSE team have been adopted, these include: 1) the development of collective activities such as celebrating events of common interest, providing camps, sports facilities, group walks, bingo and exchange and barter clubs; 2) the creation or improvement of financial services tailored to existential and axiological needs as expressed by Max-Neef and Zemelman; 3) the fostering of community work; 4) The promotion of interrelationships between SSE organizations leading to the creation of exchange networks; 5) raising awareness of the SSE through educational techniques with an emphasis on communication and experiential training in schools, colleges, universities, neighborhood associations and communities, leading to endogenous development and promoting local consumption; 6) the establishment or improvement of socio-cultural spaces aimed at reducing stress and promoting health and a positive mind-set; 7) the promotion of dialogue, assertive communication and constant reflection on common social and economic problems; 8) the promotion of volunteer partner programs to provide mutual help in caring and family-related tasks; 9) the construction or improvement of the physical spaces where SSE organizational activity takes place, leading to increased cooperation, sharing, solidarity, equity and inclusion; 10) the provision of seminars, conventions or forums, by supporting agencies to encourage reflection on strategies aimed at strengthening the SSE.

**Solidarity in SSE organizations**

Of the criteria set out in the survey, for 85% of those studied, solidarity within the SSE organizations is understood to mean support for others’ concerns, and is manifested in initiatives such as: 1) the formation of savings banks, mutual banks and syndicates; 2) joint participation in social and cultural activities; 3) the provision of direct economic support for participants from vulnerable groups; 4) the equal distribution of profits and surpluses; 5) the creation of caring environments that meet the needs of identity and economic and social inclusion, in which positive and negative experiences may be shared; 6) the promotion of fair trade, and the exchange of goods or services in local, regional and national networks; 7) the practice of values such as transparency, respect and empathy; 8) environmental awareness; 9) the elimination of competition between small producers and the drive to join forces toward building economies of scale; 10) the conservation of non-renewable resources and the promotion of recycling; 11) the creation of job opportunities for disadvantaged sectors in skilled, non-professional employment.
Impact of legal regulations

For 41% of the group analyzed, the current legal regulations for the SSE do not differentiate among the operability of the different sectors that it comprises. This is due to a lack of awareness and clarity in regard to this sector by authorities at all levels of local and national government, with the result that little importance is given to legislation and the necessary legal reforms.

CONCLUSIONS

Associativity

In interpreting this phenomenological knowledge, it was observed that, in Ecuador, SSE agents are unaware of the importance of acting together and it is clear that individuals, for the most part, are only associated in order to access certain benefits, such as being in receipt of investment projects and state contracts, or because of the exclusive need to generate economic resources without putting collective interests before those of individuals. As a medium-term process, associativity by interest is encouraged by the failings of support entities, which include a lack of planning, a sporadic implementation of interventions, and a general absence of methods aimed at strengthening organizations. In addition, the actions of the clientele bypass the control mechanisms that are in place. These shortcomings lead to distrust among partners, many of whom opt to abandon the enterprise.

This research shows that cultural individualism and the lack of institutional and educational action obscure the concept that an association of SSE is in fact based on: the common good. It may also be considered that no policies or interventions are implemented that seek to break the cycle of selfishness and cultural individuality; this is favored by weak generational replacement and the adoption of organizational structures in order to meet specific demands for public procurement. These factors sometimes lead to a kind of organizational cannibalism. To meet this difficulty, it is considered necessary to reinforce actions and activities aimed at improving the relationships of trust between partners.

Of the respondents, 53.2% state that, in order to generate and strengthen this social construct, the state must take the lead in promoting continuous training and development, within an environment of equitable power relations and common success. Additionally, 23.9% of those polled recommend the establishment of internal systems that recognize and reward the fair and effective participation of partners in the life of SSE organizations.

Political aspects

It is acknowledged that governance practices are not a part of standard procedure and, within SSE organizations, there are doubts about their legitimacy.
For 16% of partners, there is ignorance of internal regulations, which leads to non-compliance with rules. Another significant finding of the research indicates that 75% of directors often practice vertical leadership that does not respect these laws: management is carried out as if the venture were their private business. According to 13% of those surveyed, intolerance caused by differences of religion and political ideology, especially party loyalty among partners, negatively influences governance, as does the lack of intercultural considerations, failure to implement gender equity, the lack of transparency and the non-participation and exclusion of young people.

For the improvement of gender relations and equity, certain actions might be implemented, such as: 1) promoting public regulations that ensure the equal participation of men and women, in organization policy areas; 2) providing specialized training for the empowerment of vulnerable groups; 3) generating socio-cultural spaces to promote the engagement of families; 4) promoting a culture of respect and rights, teamwork, fair treatment and equity in formal educational spaces and from an early age.

A reform of the Organic Law of the Social and Solidarity Economy (LOEPS) is proposed, so as to provide for incentives applicable to organizations that implement the equity and equality approach, and to ensure the payment of fair wages based on equal work between men and women.

When individual beliefs are not respected, internal conflicts often occur. For example, the church, state and families often assign women a leading role in the tasks of the home and in the reproductive role in the family, thus diminishing opportunities for education and training; meanwhile, other religious beliefs actively promote the obedience and subordination of women.

The influence of religious beliefs on entrepreneurship can be positive when they promote a sense of the common good and condemn the practices of corruption. There are enterprises constituted by religious groups that function effectively, and whose beliefs provide motivation to meet goals.

The Organic Law of the Social and Solidarity Economy contains legal lacunae that are easy to adapt to the requirements, processes, objectives and interests of whichever party is in power at both the national level and at all levels of the decentralized, autonomous governments (regional governments, municipalities and parish councils). There are shortcomings also in the construction of the legal regulatory framework since this is not proof against a political party legislating in favor of other trends and ideologies prejudicial to the sector.

**Culture and education**

While educational level is an important factor for improving the outcomes of entrepreneurship, especially in the financial and managerial areas, the role of practical experience should not be ignored. Illiteracy today takes many forms, and practical knowledge of how to use technology to access virtual platforms for administrative procedures and make use of legal resources is also of vital importance.
In contrast, a low level of studies is linked to poor self-esteem, and leads to partners being subject to the leadership of those with a higher level of education and their decisions, whether good or bad. Meanwhile, changes aimed at improving this situation are difficult to evaluate; results indicate that a general lack of analytical capacity allows leaders that are not fully competent to manage associations for their own convenience.

The natural vocations of partners (or the roles in which they best perform) are within the productive areas, yet there are indications of willingness to take the lead in social development processes. However, it can be concluded from the observed criteria that the regulations governing the financial sector of the Ecuadorian social and solidarity economy do not facilitate the design of credit products that approximate to the operational and capital requirements of the real SSE sector. A differentiated regulatory framework is required in respect of social security and labor, with tax incentives and recognition of economic acts of solidarity between organizations. The results of the qualitative research into the institutional vision of ISSE officials on the creation of social spaces or activities indicates these would help establish environments of trust and mutual respect. Furthermore, a deeper level of understanding of one another’s circumstances might be achieved by strengthening social bonds, improving levels of associativity and encouraging participation in decision-making.

The research reported here indicates that a new vision is possible for the SSE sector, starting from the reality on the ground. It should be noted that there is little regional information available and, therefore, the factors influencing social sustainability in local contexts must be inferred. The results demonstrate that the paradigm of intervention currently prevalent in Ecuador must be broadened from a narrow economic and financial approach to systematic models that address the comprehensive range of factors revealed in this study. The current policy aimed at fostering entrepreneurship, in fact, promotes associativity by interest, individualism, misrule and cannibalism among associative groups, and gives little consideration to aspects that influence the consolidation of the social foundation.

The challenge remains to review the current legal framework governing the social and solidarity economy in Ecuador with a view to adopting and adapting comprehensive interventions and management models based on considerations of the welfare of the population. This, in turn, challenges the academic community to investigate the establishment of various archetypal models of organization and integration. This research represents a gateway to understanding the SSE and its social reality at the local level, and serves to redefine concepts and reflect on the institutions implicated and their compliance with their role as assigned by the constitution. The findings, as revealed to date, show that a deeper analysis is needed of the use of public funds for the consolidation of the social and solidarity economic system in Ecuador.
REFERENCES


Prezentul studiu se înscrie în cadrul economiei sociale și solidare din Ecuador. El este o diagnoză a percepției asupra modului în care factorii sociali influențează sustenabilitatea antreprenoriatului social. Perspectiva prezentată aici este rezultatul pragmatismului serviciului civil ce îl oferă Institutul Național al Economiei Sociale și de Solidaritate și poate fi considerat drept bază teoretică pentru designul și implementarea unor intervenții instiționale de largă răspândire la nivel național. Pe baza rezultatelor acestui studiu, se impune modificarea actuală paradigme de acțiune în implementarea programelor, proiectelor și evaluării realității în care operează sistemul la primul nivel și al impactului factorilor sociali care sunt parte din acest ecosistem. O reflecție asupra componentelor ce au avut succes, asupra limitărilor și asupra considerațiilor ce țin de partea operațională conferă perspective asupra căii de urmat pentru acest sector și oferă liniță directoare în stabilirea proceselor de participare, echitate socială și incluziune economică și socială. Rezultatul cercetării este un instrument inovativ care poate fi folosit pentru a obține informație relevantă și referințe, cât și orientare în vederea cercetărilor viitoare asupra bunei practici sustenabile din punct de vedere social.

Cuvinte-cheie: diagnostic; factori; sustenabilitate; antreprenoriat.

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