

# Expanded abstract

## The Social Balance: A model for the popular and solidarity economy of Ecuador

### Objective

This paper aims to present the methodology and show the Social Balance (BS) model developed for the Superintendence of Popular and Solidarity Economy of Ecuador (SEPS), as an entity of supervision and control of the popular and solidarity economy (EPS) of the country. A model with a methodological development influenced by the indications and requirements made by the Technical Committee of the Superintendency, as well as by compliance with the Law. A Law that obliges all entities of the country's social economy, to prepare and present it before the aforementioned control institution.

### Methodology, results and research limitations

The methodology used begins with a comparative analysis where the existing BS models and methodologies were reviewed. This work allowed us to make a first proposal for a model to be implemented in the sector. It combined the use of different existing models, so that by combining the use of several of them, the entire sector was covered. However, this proposal was not accepted by the Technical Committee and they adopted the decision to develop a new BS model based on a new basic methodology. For the elaboration of the model, the methodology used combines an inductive research method with a deductive one. So theoretical analyzes were developed in both directions to build and support it, as well as for the compilation of quantitative variables, the development of indicators and their link to the dimensions created. Also, methodologically, different theories of development are combined, including new paradigms such as *sumak kawsay* or good living within them, or theories on the satisfaction of needs and uses of time.

This new model arises after a first bibliographic review where the operating logics of the social and solidarity economy subsystem are studied as part of the mixed economy system. And later, a work was carried out that allowed to delve into the foundations and principles on which this subsystem of the mixed economy is built. Parallel to the aforementioned review, and after the Technical Committee agreed that the existing models studied by this author in comparative analysis did not meet the needs of the Superintendency, lessons learned and concepts were extracted with the intention of applying them in the work to be developed. In a second phase, the academic, methodological, institutional and regulatory objectives and requirements that determined the construction of the model were defined. And finally, in a third phase, the methodological development was carried out with the subsequent elaboration of the model, which includes the establishment of the macrodimensions (MD) and dimensions

(D), the methodological and model validation, the construction and compilation of indicators and their validation.

Once the BS model was completed, as well as the pertinent validation tests, the Superintendence developed an online survey and information reporting tool based on a transparency tool in the external version of the BS. Said validation was carried out through face-to-face surveys and through different pilot tests, continuing with its public launch to request information from the organizations supervised by the Superintendence within what was the first sectoral study for Ecuador from the perspective of the BS and the SR. The main objective of obtaining this information was to establish a baseline of regulatory compliance. However, the elaboration of the survey, its validation and the analysis of the reported data, are not part of this document, as its purpose is to present the methodological development followed and to show the elaborated model.

The role played by the Technical Committee in the entire process of preparing this model should be highlighted, since although most of the methodological proposals were accepted, as it was a job prepared for a public institution in the country, this management body validated the steps followed in the development of the work attending at first to academic and political criteria at a second level. However, this work, although it was a process that dilated time, cannot be considered a limitation of the methodological development as it can be, although it is not part of this work, the analysis of the information reported by the institutions. Since said report revealed the scarcity of information systematizing processes within the cooperatives and the rest of the organizations of the popular and solidarity economy of the country. Likewise, in this order, the extension of the model must be highlighted, since its great amplitude requires a lot of work on the part of the entities for its completion, making a simplified version of it necessary for those organizations of smaller size and level in which the Information systematization processes are a weak point.

## Conclusions and originality

As a final conclusion, the validity and implementation of a new basic methodology and model of social balance must be stated, which, although circumscribed to a territory, can transfer it. A contrasted and validated model, and that makes it possible to measure the degree of compliance with the international principles of cooperativism, the principles established by the LOEPS, as well as those of good living. Which, at the same time, is designed from a quadruple functionality since it allows its use as a management, regulatory compliance, transparency and good governance tool. A model and a methodology that provides academic value in that it combines methodologies, investigates and creates a new one, and that starts from a non-university public administration that contributes to generating academic knowledge within the social economy, providing a free-to-use tool for a strategic sector of the country.