Chapter 1
Modernization and Accountability in the Social Economy: A Systematic Review

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ABSTRACT
This chapter aims to systematically review the literature on modernization and accountability practice in the social economy. The collection of bibliography to support this systematic review was made in several scientific databases, only considering documents written in English. The criteria for researching the documents used in the development of this chapter are explained in the section that presents the methodology. It is possible to verify that only two articles published in the 20th century, 1997 and 1999, were identified, with all other articles published in the 21st century. This leads to the conclusion that the concern about the issue of accountability, particularly in social economy organizations, is relatively recent and has been of growing interest. The research is more focused on the accountability practice and not so much on modernization, although they are two inseparable issues.

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INTRODUCTION

The accountability practice, associated with the social economy, questions the mechanisms of internal control (performance reports, program evaluations, improvement of legislative supervision, strengthening of audit mechanisms, etc.) implemented in organizations of this sector, which, in some way, are connected to the public administration. However, the concept itself is difficult to conceptualize and can be interpreted as the relation between ownership and control, justifying the efforts in the development of comparative analyses on the issue of the accountability practice in the different areas of the social economy (Brandsen, van Hout, Vrielink, & Schillemans, 2008; Eeckloo, Van Herck, Van Hulle, & Vleugels, 2004; Humphrey & Erickson, 1997; Schwartz & Sharkansky, 2000).

The accountability practice is, to a large extent, obviously related to modernization, which is often associated with the migratory flows of populations from small villages to large urban centers, seen as a paradigm of human development (Bakar, Arshad, Pauzi, Mamat, & Omar, 2017), and has, of course, an impact on the formation of new types of knowledge. According to Rotheroe and Richards (2007), as knowledge increases, so does the need to incorporate new mechanisms into the internal control organizational system with an impact on accountability and, consequently, on improving accuracy and transparency of organizational negotiation processes. Also, globalization and the growing involvement of social economy organizations in responding to various social needs associated to modernization have altered the traditional way of assessing and monitoring accountability in these organizations (Choudhury & Ahmed, 2002; Molnar, 2004).

In the context of modernization, new information and communication technologies (ICT) should not be forgotten. Their adoption has created new paradigms of relationships among different entities, people or organizations, naturally fostering their networking, with all the challenges that this organizational governance poses at a time when rigor and transparency are increasingly demanded. Thus, the new ICT, in providing new approaches and new challenges, also bring new requirements which materialize in the need to define and implement new organizational strategies, which maintain the rigor of internal control mechanisms and accountability practice (Williamson & Bond, 2014). The accountability practice can be considered from two perspectives: the internal perspective, whose objective is to verify whether the economic-financial balance is based on an internal control system associated with the organizational information system, implemented by the management body; and the external perspective, when it includes the participation of external auditing entities, with the objective of evaluating and monitoring the accountability practice carried out by the organization before the community, in which it is inserted, taking into account all the resources associated with their mission (Hoffman, 2009; Preite & De Matteis, 2014).

The better the supervisory mechanisms, the greater the compliance with the regulatory framework by organizations associated with the social economy. Considering that these mechanisms are perfected in function of the knowledge acquired about a given reality, it is not difficult to see that modernization has a great impact on the accountability practice and hence on the level of trust on the part of their stakeholders. If the level of compliance with the normative framework is low, problems with accountability practice tend to increase.

Accountability in non-profit organizations is not only a concern of nowadays. Humphrey and Erickson (1997) developed a study to evaluate the level of accountability practice in non-profit industrial development organizations. These organizations, important in the United States of America, act as channels through which high public funding is channeled to the communities and companies located there. In