Sustainability and Sustainable Development of Non-profit Organizations

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Abstract: This paper deals with current worldwide concepts of the pillars of sustainable development with respect to activities of non-profit organizations. There is a large number of theories, approaches and concepts of sustainable development. The overall success of non-profit organizations, characterized by their development and sustainability, is also contributed to by a targeted effort to achieve sustainable development, utilizing the social, economic as well as environmental essence of the inner workings of society. An organization which in the long term is sustainable from the economic, environmental and social points of view generates an added value for society in terms of sustainable development by conducting its activities and at the same time ensures its strong position in the market and success in a competitive market environment. Due to their fundamental nature, non-profit organizations are engaged in just about all the mutations of the concept of sustainable development and through their activities cover a wide range of sustainable development needs. Sustainable development is a response to the need of human society to develop qualitatively rather than quantitatively and in line with limitations arising from our environment.

Key words: Sustainability · Sustainable development · Success of non-profit organizations · Growth of a non-profit organization

JEL Classification: M29

1 Introduction

Development of the term sustainable development

Sustainable development is a response to the need of human society to develop qualitatively rather than quantitatively and in line with limitations arising from our environment. It does not take into account merely economic growth, but also societal values and natural resources. The pivotal question of sustainable development is how to describe the quality of life, how to measure it and how to sustain it given the natural limitations of our community on planet Earth.

There is a large number of theories, approaches and concepts of sustainable development.

Sustainability is defined by section 6 of Act No. 17/1992 Coll. on the Environment. "Permanently sustainable development of society is that development which preserves for present and future generations the possibility of meeting their basic needs, and at the same time, does not reduce the diversity of nature and preserves the natural functions of ecosystems." (Act No. 17/1992 Coll. on the Environment, 2016)

Evidence of the idea of sustainable development dates back to approx. 300 years ago in forest management, when part of the crops was kept aside for the purpose of planting. As a result of doubts about sustainable development in nature, the so-called Club of Rome was established in 1968 – a global think tank consisting of approximately a hundred scientists, economists, but also heads of state and government officials from more than fifty countries around the world. (Thöndtová, 2010, p. 44). In 1972, the Club of Rome published a report, which warned about limits to growth over the course of the next hundred years being reached, as, according to the computer simulations on which the report was based, economic growth was in contradiction with effective environmental protection. In 1984, a study led by the Norwegian politician Gro Harlem Brundtland was presented that defined sustainable development, including conditions for economic growth. It was necessary to elaborate the study for individual regions and countries, which led to the United Nations Conference on Environment and Development, held in Rio de Janeiro in 1992. The most significant outcome of the conference was the definition of the minimum requirements for sustainable development in a strategic plan called Agenda 21, which among other things was the first to deal with how to implement its principles in practice. "Think globally, act locally" is a motto reflecting the vision of Agenda 21. The local Agenda 21 strives to apply sustainable development principles in practice with local issues being taken into account. "Humanity has the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs." (Korčák, 1991, p. 20)
The Role of Non-profit organizations

Non-profit organizations have become an integral part not only of the advanced society of the 21th century, but also a well-functioning market. They act as an active intermediary between the public and for-profit sectors.

Non-governmental non-profit organizations play an essential role in today’s society and their numbers in the Czech Republic have been increasing over the years. According to official statistical figures, there were over 123 thousand NPOs registered in the Czech Republic at the end of 2013. As of December 2015, there were 89,584 associations and 26,423 subsidiary associations; 2,894 public benefit corporations; 388 institutes; 505 foundations; 1,518 endowment funds; and 4,166 church organizations registered in the Czech Republic. The new Civil Code came into force in January 2014.

They are formed mainly when commercial entities or the government are not able or willing to provide a particular service that is essential for society. The goal of non-governmental non-profit organizations is thus to fill the gap between the for-profit sector, the government and the family. (Novotný, 2008)

2 Methods

This paper deals with current worldwide concepts of the pillars of sustainable development with respect to activities of non-profit organizations. Sustainable development in general as well as according to the worldwide understanding of this term rests on three basic pillars. These are the social, environmental and economic pillars of sustainable development.

Here is a brief introduction to the globally respected 3-pillar system of sustainable development. (Korčák, 1991)

- **The social pillar** - The social pillar deals with the cohesion between individual generations or social groups, equal rights, access to education or reducing poverty.
- **The economic pillar** - The economic pillar deals with economic growth, unemployment, international trade, globalization, development of regions and organization of companies in relation to the other two pillars.
- **The environmental pillar** - The environmental pillar focuses on reducing pollution, sustainable exploitation and consumption of non-renewable resources, protection of precious ecosystems and combating climate change.

The 3-pillar concept of sustainable development intensively deals with, among other things, appropriate sustainable development indicators, and strives to look for new ways of measuring the quality of life. These should reflect not only the quantitative increase in consumption and production, but should also take into account mainly those factors that contribute to the quality of life, such as health, work and life balance, safety, the ability to develop oneself through education, and mutual support within the community.

"The goal is to ensure that the development in one pillar is not at the expense of the others. The advantage of this concept is its use in the monitoring, analytical and prognostic activity. The concept is further developed both in terms of its indicator bases and in terms of the structure of its goals and tool for achieving them." (Czesaný, Johnson, 2012, p. 206)

The widely respected 3-pillar model is based on the partial overlap of the three pillars. However, there is a concept (Figure 1) which claims that no economy can exist without society, and no society can exist without the environment, therefore, the superordinate term is the environment within which society and economy exist.

Figure 1 An alternative 3-pillar concept of sustainable development

A more general definition of sustainable development was put forth by the World Commission on the Environment and Development, according to which sustainable development is such kind of development which meets the needs of the present without compromising the ability of future generations to meet their own needs, and without this happening at the expense of other nations. (Korčák, 1991)

The third definition of sustainable development is based on the potential of capital assets. The capital in question is understood to include social capital, natural resources, human capital, production and financial capital. This concept can be analytically evaluated, because if the aggregate capital grows in the long term, then development is considered to be sustainable.

Significantly above-average results in the areas of social, economic and environmental goals are those of, e.g., Switzerland, Great Britain, and the Scandinavian countries. It is recommendable for the Czech Republic to utilize examples of best practices in planning sustainable development goals at the national level, and not only in the non-profit sector.

The social pillar has not yet been clearly defined in specialized literature. It is often presented as a sociocultural or sociopolitical dimension. The necessary indicators needed for us to grasp the social pillar are often missing.

Czesaný (2012) presents the main principles of sustainable development in the way in which they were formulated by international institutions, mainly the OECD, Eurostat, the UN and the World Bank. Most important for the non-profit sector and with a direct impact thereon is the so-called partnership principle. "Incorporating the partnership principle into the fundamental principles is substantiated. The objectives of sustainable development cannot be realized without cooperation and coordination between the commercial sphere, the public sector, non-governmental institutions, the general population and international entities. A successful response to challenges includes greater transparency and responsibility of all stakeholders." (Czesaný, Johnson, 2012, p. 209)5

In his study Transforming Our World: The 2030 Agenda For Sustainable Development, Wayne Visser (2015) presents five pillars of sustainability (5 P’s) (Figure 2).

Figure 2 Five pillars of sustainability (5 P’s)

People
We are determined to end poverty and hunger, in all their forms and dimensions, and to ensure that all human beings can fulfill their potential in dignity and equality and in a healthy environment.

Planet
We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations.

5 For more detail on the forms of partnership in the non-profit sector, see Helmig (2012)
Prosperity
We are determined to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic, social and technological progress occurs in harmony with nature.

Peace
We are determined to foster peaceful, just and inclusive societies which are free from fear and violence. There can be no sustainable development without peace and no peace without sustainable development.

Partnership
We are determined to mobilize the means required to implement this Agenda through a revitalized Global Partnership for Sustainable Development, based on a spirit of strengthened global solidarity, focused in particular on the needs of the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people.

Non-profit organizations are engaged in all parts of this concept and through their activity cover a wide range of sustainable development needs.

The year 1994 saw the culmination of the increasing significance of the cultural dimension in creating an image of sustainable development. A 4-pillar model was approved by representatives of Rat von Sachverständigen für Umweltasfragen (the German Advisory Council on the Environment). This model is defined as a discursive process in a square whose corners represent ecology, economy, social environment and culture. According to Brocchi (2013, p. 2), culture can represent:
- Cultures of sustainability
- Cultural strategies of sustainability
- Factors hindering or promoting cultural evolution

Brocchi (2013) points out that if culture controls the relationship between the social system and the environment, then today's crisis of the environment is in fact a crisis of the cultural environment, and therefore requires a cultural solution and cultural strategies. To overcome the current global crisis, we don't need development, but rather cultural evolution.

Paul James (2015) also deals with the cultural dimension, dividing the social pillar into two parts – politics and culture, and using this concept tries to compare selected cities around the world (Figure 3).

Figure 3 Urban Profile Process – Circles of Sustainability

Source: James, P. (2015, p. 5)
Among other things, the non-profit sector represents alternative or complementary options of resolving social (e.g., social exclusion), economic (e.g., unemployment) and environmental problems (e.g., corporate social responsibility, education in the area of environmental protection, etc.) and contributes to the economic, social and cultural uplift of the region and sustainable development of society.

Critics of economic growth consider it to be something that makes problems worse. They see the solution and social progress in improving living conditions. One way to address this problem in the non-profit sector is, for example, so-called social entrepreneurship, which is based on voluntary work. Such activities give rise to positive externalities (e.g., working with minorities, hobby groups, etc.)

It is crucial especially for non-profit organizations to build trust and a good reputation. For a non-profit organization to gain donors, "customers", quality staff and other target groups of interest (stakeholders\textsuperscript{6}), it needs to have trust in its own performance and capability. In their paper "Defining the Content of Sustainability Reports in Nonprofit Organizations: Do Stakeholders Really Matter?", based on 54 studies of sustainability of non-profit organizations worldwide, Manetti and Toccafondi (2014) define the role of stakeholders and their role in ensuring sustainability of non-profit organizations.

3 Results
The following formula determines the success of a non-profit organization (Figure 4).

Figure 4 The contribution of successful non-profit organizations to sustainable development

\begin{equation}
\text{Success of non-profit organization} = \text{Growth/development of non-profit organization} + \text{Sustainability of non-profit organization} = \text{Sustainable development of society}
\end{equation}

Source: author's own

The success of non-profit organizations is a prerequisite for the further development of these organizations and for their sustainability (Figure 4).

4 Conclusion
Due to their nature, non-profit organizations contribute in varying degrees to the sustainable development of society as a whole. They deal with issues of environmental protection, ending poverty, social inclusion, and education in various areas.

\textsuperscript{6} People and institutions that have something to do with a particular, in this case non-profit organization.
References


