

Chapter 69

Transparency and Resource Mobilization in Times of Crisis: An Analysis of the Brazilian Nonprofit Sector

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ABSTRACT

Nonprofit organizations play a relevant role in Brazilian society. In recent years, Brazil has faced frequent allegations of mismanagement of resources and corruption in different administrative spheres, including state-owned and private enterprises. In this scenario, transparency is essential to nonprofit organizations. Resource mobilization is a key management activity of nonprofit organizations that provides the achievement of the social objective of the organization. This chapter aims to analyze the influence of transparency on the resource mobilization of Brazilian nonprofit organizations. In order to achieve this goal, a survey was developed. Data from 93 Brazilian non-profit organizations were collected. The main contribution of study is that transparency has significant impact on resource mobilization in Brazilian nonprofit organizations.

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INTRODUCTION

Nonprofit organizations play a relevant role in Brazilian society. They carry out several types of activities, contributing to the gross domestic product, as well as fomenting and giving access to different kinds of services to the Brazilian population. Recent data indicate the existence of 400 thousand nonprofit organizations in Brazil (IPEA, 2015).

In 1999, this sector moved more than 1 trillion dollars annually and mobilized more than 19 million paid employees (Salamon, Anheier, List, Toepler, & Sokolowski, 1999). Although information on the Brazilian nonprofit sector is outdated, the most recent national data being from 2013-2014, this sector presents strength and representativeness both in the number of jobs generated and in the volume of resources transacted.

However, the lack of recent data on the sector is not the only problem experienced in Brazil. It is also important to highlight the concern of Brazilians regarding processes that involve the public administration and the allocation of resources. In recent years, Brazil has faced frequent allegations of mismanaged resources and corruption in different administrative spheres, including the corruption of state-owned and private enterprises. This sequence of scandals causes incredulosity in both the country's population and in the foreign market, thus creating a national crisis.

The Brazilian crisis involves economic, political and moral aspects. In recent years, the Brazilian population has experienced a big crisis, which seems to have no end. According to the experts, this crisis is the worst since the economic recovery is slow when compared with the last eight crises reaching back to 1980 (Salomão, & Lima, 2018); but the economic aspect is not all. Brazil is experiencing a political crisis, with many cases of corruption. Many economic sectors and industries have been affected by the corruption and "agreements" among politicians and businessmen who represent the large companies in the country.

In addition, agreements between the Brazilian government and the governments of Latin American countries involve the financing of investments in other countries, but with the purpose to benefiting corrupt Brazilian companies that bribe corrupt politicians. These agreements were financed by a Brazilian Development Bank. The worst part is that a large amount of Brazilian money has financed investments and improvements abroad, while in Brazil, basic services such as education and health are in a deplorable state.

Brazilian nonprofit organizations have been impacted in different ways. First, poverty having increased over the last several years, they have more needs to address. Second, nonprofit organizations have few available resources to reach their goals, whether they are private or public. Third, the lack of trust in Brazilian organizations is impacting the mobilization of national and international resources.

In this view, it is important to analyze how Brazilian nonprofit organizations have adapted to this new scenario: scarce government funds and an atmosphere of distrust from both national and international partners and donors. This chapter has the premise that transparency is an essential management tool in the context of nonprofit organizations, not being an exclusive perception of the authors, but appearing in the results of several international research studies (Khieng, 2014; Valencia, Queiruga, & González-Benito, 2015; Gandía, 2011).

It is known that the performance of non-profit organizations has been a recurring aim of research in recent years. However, there are still few studies that demonstrate the relationship between transparency and economic efficiency (Valencia, Queiruga, & González-Benito, 2015). Given this gap, this study

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