A DECADE OF THE SOCIAL ECONOMY SATELLITE ACCOUNT IN PORTUGAL

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1. INTRODUCTION

Although the values and principles of the Social Economy sector, as well as the impacts of its activity (economic, social, and environmental), are easily captured by observing the actions of the entities that are part of it, it is only through reliable statistical data that can explain and demonstrate the importance of this sector that it is possible to achieve a truly objective understanding of it. It is also through the production and availability of information about the sector that it is possible to design effective strategies that promote the sustainable growth of its activities and impacts.

Portugal has one of the most complete and innovative tools in the statistical field for understanding the Social Economy sector – the Social Economy Satellite Account (SESA). This tool, internationally considered as a reference, had its first edition released at the end of 2012, and since 2013 has been inscribed in the Framework Law on Social Economy, according to which it must "be ensured the creation and maintenance of a satellite account for the social economy developed within the national statistical system" (Article 6, paragraph 2).

SESA is a valuable instrument for the understanding and recognition of the economic dimension and the main characteristics of the various Social Economy families, noting that the great advantage of a Satellite Account, as a response to specific information needs around the central statistical system, is related to the fact that it follows a systematic accounting approach, consistent with the fundamental concepts and methodologies of the Portuguese National Accounts. Being connected to the National Accounts also means that the results of SESA are comparable over time, are in accordance with current international standards and allow to situate the values of the Social Economy in the context of the National Economy and its main components.

To date, four editions of SESA have been released[1], which consider information for five years, starting in 2010 and ending in 2020. This gives the opportunity, unique in the European context, to examine the temporal evolution of the main statistics on the Portuguese Social Economy sector. Thus, the objective of this analysis is to present the portrait of a decade of statistics, a decade of Social Economy.

To achieve this goal, official statistics were used, published in each edition of SESA, whereas, although it is a statistical instrument created for the understanding of the Social Economy sector as a whole, it also provides important economic data for all its families and activities, allowing an analysis of the total and split evolution of the sector, considering the number of organisations, distribution, economic contribution and job creation.

2. PORTUGUESE SATELLITE ACCOUNT ON SOCIAL ECONOMY: TEN YEARS OF EVOLUTION

2.1. SOCIAL ECONOMY UNIVERSE

The latest data from the universe of the Portuguese Social Economy (SE) sector, calculated under the most recent Social Economy Satellite Account (SESA), estimate in 2020 more than 73 800 entities with activity that year[2]. The total number of Social Economy Entities (SEE) estimated in 2020 remained practically unchanged compared to 2019 (+0.4%), but the number of organizations in this sector has increased in all editions of SESA, noting that since 2010 the number of entities that make up the SE sector has grown around 33% – **Figure 1**.

[1] Edition 2012/2013 with data from 2010, edition 2016 with data from 2013, edition 2019 with data from 2016 and the latest from 2023 with data from 2019 and 2020. Available at: https://cases.pt/contasatelitedaes/#

[2] The SESA universe lists only the entities active to calculate the economic contribution of the sector in a given year. No suspended entities or entities with no clear sign of activity are accounted for.

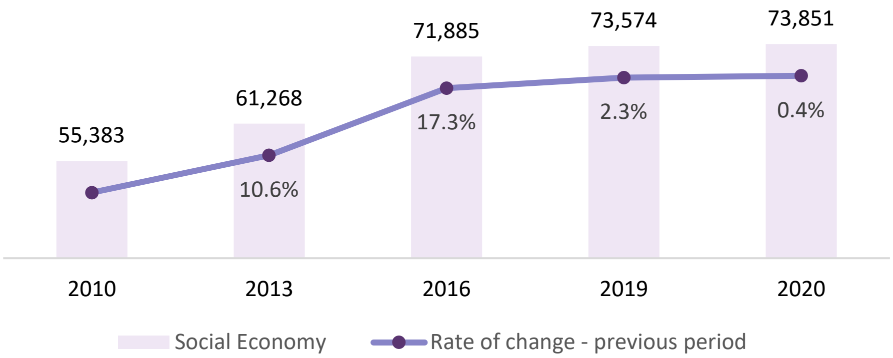


Figure 1

Evolution of the Universe of Social Economy (2010-2020)

and Rates of change compared to the previous period.

Source: SESA editions, prepared by the author

Comparing the above evolution with the evolution of the total number of enterprises[3] in Portugal, it should be noted that only between 2016 and 2019 the number of SEE grew at a rate lower than that observed in enterprises. In the time series contemplated, this period coincides with that where there was greater economic stability, which points to a characteristic of this sector - the demand for these entities, and their growth, tends to be higher in adverse economic and social moments – Figure 2.

This phenomenon is especially evident in the periods between 2010 and 2013, marked by a deep economic and financial crisis that reduced the Portuguese business fabric; but also, between 2019 and 2020, marked by the pandemic crisis related to COVID-19, with the consequent negative economic impacts. In these periods, while the business sector was decreasing, the SE sector increased in number of entities. This evolution of the SEE, sometimes more dynamic or even counter cyclical, helps to explain why in a period of ten years, the SE registered, in number of entities, a growth more than twice that identified in the Portuguese business fabric.

[3] The enterprises universe includes social economy organizations, in particular Cooperatives, as well as public enterprises with market activities. The figures presented include sections A to S of CAE Rev.3, except for section O. Corporations, sole proprietors and self-employed persons are included. See Statistics Portugal data from the Integrated business accounts system for total Enterprises, available at (accessed on 15/11/2023): https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=15413305&PUBLICACOESmodo=2&xlang=en

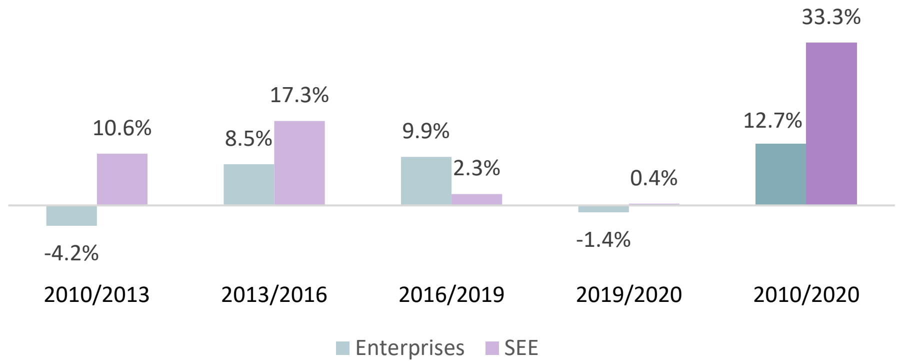


Figure 2

Rates of change in the number of Enterprises and Social Economy Entities (SEEs) between 2010 and 2020

Source: Statistics Portugal - Integrated business accounts system and SESA editions, prepared by the author

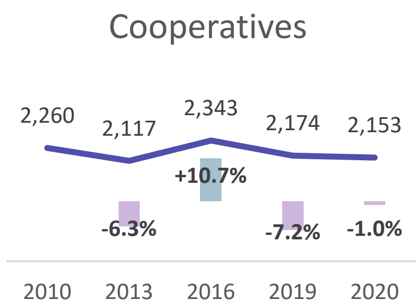
The global evolution of the SE sector can also be explained by the **evolution of the different families** that constitute it – Figure 3. In this sense, it can be observed that:

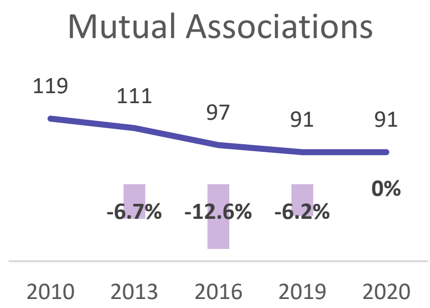
- **Cooperatives:** starting the period under analysis in decline, between 2013 and 2016 there was a growth rate higher than the previously experienced decrease. In 2019, however, this family decreased again, which was repeated in 2020, resulting in this sector showing a decrease of 4.7% in ten years;
- **Mutual Associations:** this is the only group in SE that did not register any growth in the period under analysis, with the smallest decrease being observed between 2013 and 2016. In 2019 and 2020, the number of Mutual Associations remained at the same value, but in ten years there was a decrease of almost 24%;
- **Houses of Mercy:** despite some fluctuations in the period under analysis, with highlights for the decrease between 2016 and 2019, this is the SE family with the smallest variation in a decade, having decreased by just 1.3%;
- **Foundations:** this group shows growth between 2010 and 2016, having only decreased slightly (one unit) in 2019. In 2020, the number of Foundations observed in the previous year was maintained. Thus, this family recorded a growth of 15.1% between 2010 and 2020;
- **Associations with Altruistic Goals (AAG):** AAG increased in number in all years considered, particularly between 2013 and 2016, thus a very significant increase in this group is seen in a decade – close to 33%;

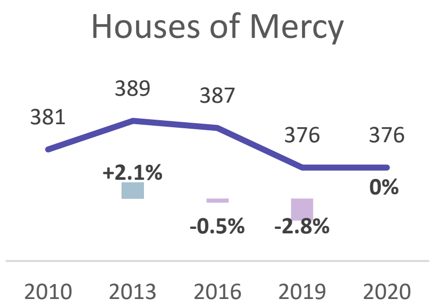
- **Community and Self-Management Subsectors (CSS):** this family was studied separately only from the second edition of SESA onwards, with a significant methodological improvement occurring in its calculation in 2016. Thus, despite the very significant positive evolution between 2013 and 2020, the most recent studies (between 2016 and 2020) show a decreasing trend.

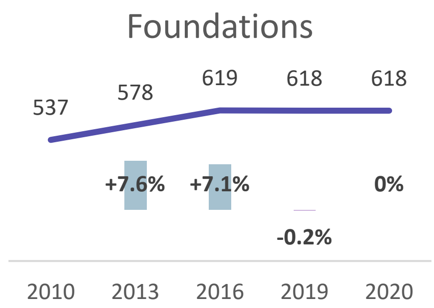
In general, in particular at the end of the time series under analysis, most SE families show a decreasing or stable trend in their number. The increase in the number of AAG stands out, emerging as the main explanation for the most recent growth of the SE sector.

It should also be noted that, in all editions of SESA, AAG represent more than 90% of the sector, noting that the relative importance, in number, of the remaining families of SE, namely, and in descending order, Cooperatives, CSS[4], Foundations, Houses of Mercy and Mutual Associations.

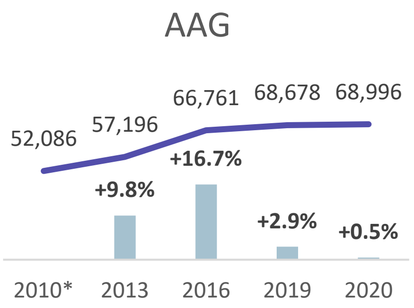








4 In 2010 there was no separated estimate for this group, which was in that year, even if only partially, included in the AAG. However, it is safe to assume that in this year they would have a similar relative weight in the total number of SEE.



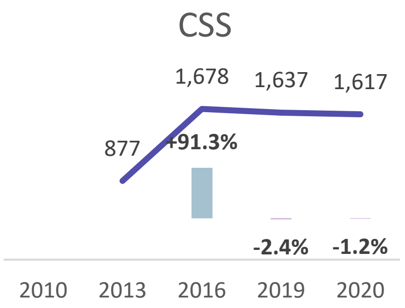


Figure 3

Evolution of the different groups of Social Economy (2010-2020)

and Rates of change compared to the previous period.

*Note: in 2010 a separate estimate was not made for the CSS group,

so these entities are included in the AAG in that year.

AAG – Associations with Altruistic Goals / CSS – Community and Self-Managed Subsectors

Source: SESA editions, prepared by the author

Given its relevance in the SE sector, it is also important to consider the evolution of entities with the status of Private Institution of Social Solidarity (IPSS) or equivalent that incorporates entities from all the groups mentioned above. This group, despite slight decreases in 2019 and 2020, shows a growth trend, having increased 9% in 10 years – Figure 4.

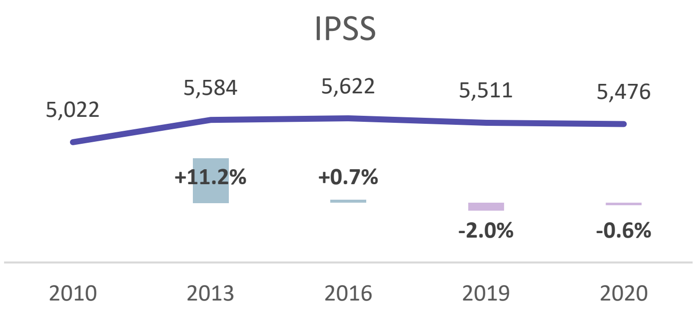


Figure 4

Evolution of IPSS (2010-2020) and Rates of change compared to the previous period

Source: SESA editions, prepared by the author

The evolution in the number of entities in the sector can also be analysed considering the **activities in which each organization is classified**. Although all SE organizations are classified under nomenclatures common to the rest of the economic agents and for the purposes of the National Accounts, for example the Portuguese Classification of Economic Activities (CAE Rev.3), in the context of SESA have been used own classifications that own classifications have been used that seek to translate more clearly the main activities of the EES.

Thus, the first and second SESA used a classification designed by Statistics Portugal (INE, I.P) and CASES – António Sérgio Cooperative for Social Economy, called "Classification of Social Economy Entities' Activities (CSEEA)", which resulted from an adaptation of the "International Classification of Non-profit Organizations (ICNPO)"[5]. From the third account onwards, the "International Classification of Nonprofit and Third Sector Organizations (ICNP/TSO)" established by the United Nations' manual "Satellite Account on Nonprofit and Related Institutions and Volunteer Work"[6] was used, which, in essence, results from an expansive revision of the nomenclature established in the previous manual.

In this sense, the significant change in nomenclature prevents a temporal analysis by activity, at least directly, between the values presented in the first editions of SESA and those presented in the most recent ones. This analysis should then be done in segments.

In 2010 and 2013 the set of activities with the highest number of SEE corresponded to Culture, sports and recreation, and the lowest number to Financial activities. In these years, there is an inversion on the relative importance between the activities of Social action and social security and Cults and congregations, that is, Social action and social security became, in 2013, the second largest set of SEE by activity (and the Cults and congregations transitioned to third place).

In the following two editions, although now under a distinct classification, activities related to Culture, communication and recreational activities remain predominant, representing, on average, 45.5% of the SEE. Then come the activities related to Religious congregations and associations (average 11.7%), Social Services (9.2%) and Civic, advocacy, political and international activities (5.6%). In turn, the Real estate, Transportation and storage and Accommodation, catering and food services activities are, in the three years under analysis, those that bring together the lowest number of organizations (together an average of 0.3%).

Since, on this regard, it is not coherent to make a time analysis considering a decade, focusing on the period between 2016 and 2020, we conclude that the activities that had the highest growth

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5 Established by the United Nations manual – *Handbook on Non-Profit Institutions in the System of National Accounts.* Avaiable at (accessed on 15/11/2023): https://unstats.un.org/unsd/publication/seriesf/seriesf_91e.pdf

6 Available at (accessed on 15/11/2023): https://unstats.un.org/unsd/nationalaccount/docs/UN_TSE_HB_FNL_web.pdf

were Education, Community and economic development and housing and Real estate activities; the activities of Trade, Manufacturing and Civic, advocacy, political and international activities were the ones that registered the greatest decrease.

Finally, it should be noted that each new exercise of SESA introduces methodological changes and new sources of information, which has allowed the improvement of the estimated universes. The most striking difference arises, for example, between the first and the second SESA with the introduction in 2013 of the Portuguese Framework Law on Social Economy[7], which defined in greater detail the entities belonging to this sector and the guiding principles they should follow, as well as, for this reason, aided in the construction of a more complete SESA universe.

In this sense, part of the observed growth can be explained by the methodological maturity of SESA and should not be attributed in integrity to a natural growth phenomenon. Nevertheless, this question arises mainly in the first editions of SESA, and it appears that in the last two present a number of entities that tend to stability.

It should also be noted that SEEs tend to have a great longevity, noting that in 2020 only about 29% had less than 10 years of existence. This means that, once created, these organisations remain in operation for several years, which contributes to reducing the demographic volatility of the sector.

2.2.
GEOGRAPHIC DISTRIBUTION

Official statistics show that there are SEEs throughout the whole national territory. Both in 2019 and 2020, all municipalities in the country registered the presence of SE entities, with a trend of littoralisation with more significant concentrations in municipalities such as Lisbon, Oporto, Coimbra and Braga. There is also a polarization of the SE sector in the municipalities of the northern region and in some municipalities in the interior of the country. Thus, SE organisations tend to settle in places that, among other things, also have higher population concentrations.

As for the temporal evolution of the distribution of SEE by municipalities, it should be noted that SESA began by disclosing geographic data only in its second edition, and only in the most recent data by municipality were presented. The temporal proximity of the data does not allow to detect significant variations in the relative distribution of SEE by municipalities, allowing, however, to highlight the following regarding its evolution considering its grouping by districts:

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7 See the Portuguese Framework Law on Social Economy, available at (only in Portuguese): https://files.diariodarepublica.pt/1s/2013/05/08800/0272702728.pdf

- **Between 2019 and 2020:** there were increases in the number of SEE in 143 municipalities (46.4% of the total), especially those belonging to the Autonomous Region of Madeira (A.R.M.) and the district of Faro. The district of Évora and the Autonomous Region of the Azores (A.R.A.) have the largest decreases;
- **Between 2016 and 2020:** the number of SEEs increased in 190 municipalities (61.7% of the total), especially those belonging to the districts of Oporto and Faro. It was the districts of Évora and Guarda that presented the largest decrease.

Considering the limitation of the data mentioned above, for a temporal comparison of the wider geographical distribution it is necessary to resort to the territorial optics present in the largest number of editions - NUTS II[8].

Thus, by NUTS II, despite the variations in the number of entities and slight changes of relative importance in some regions, the regional distribution of SEEs remains very similar in all the years analysed. For example, the North tends to concentrate a third of the SESA units, followed by the Centre, with a quarter, and the Metropolitan Area of Lisbon (M.A.L) with approximately 23% – Figure 5.

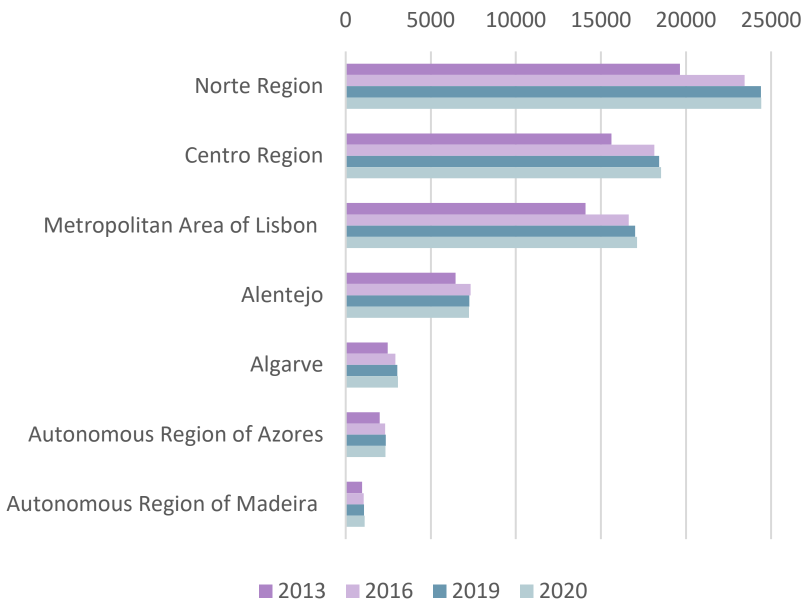

Figure 5

Regional distribution of SEE (NUT II), 2013-2020

Source: SESA editions, prepared by the author

[8] NUTS are Nomenclatures of Territorial Units for Statistical Purposes. Level II is made up of seven units, five regions on the mainland and the territories of the Autonomous Regions of the Azores and Madeira.

Between 2019 and 2020, only two regions registered a decrease in the number of SEEs, namely A.R.A. (-0.7%) and Alentejo (-0.3%), with the regions with the highest growth being A.R.M. and the Algarve (+2.8% and +1.6%, respectively). In a longer period, that is, between 2013 and 2020, all regions grew in number of SEEs, highlighting the North (+24.3%), Algarve (+24.2%) and M.A.L (+21.5%) – Figure 6. These variations reinforce the conclusions drawn above regarding the evolution by municipality/district.

Between 2019 and 2020 there was a decrease in the number of Portuguese enterprises[9] in almost all regions, except for A.R.M., which contrasts with the positive evolution identified in the SE sector in that same period. Even the two regions with a decrease in the number of SEE (A.R.A. and Alentejo) have a lower reduction than that identified in the business sector. In a longer period (2013 to 2020), both Enterprises and SEEs grew in all the territories considered, observing that the SEEs grew relatively more in the Center, North, A.R.A. and Alentejo.

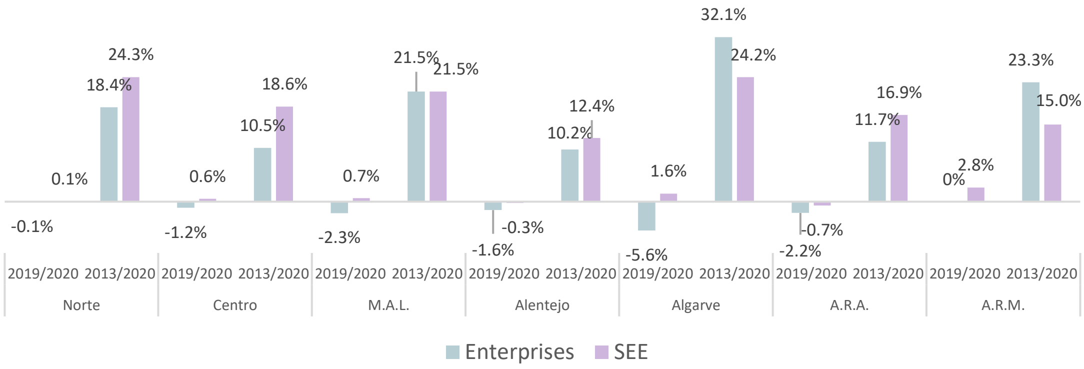

Figure 6

Rates of change in the number of Enterprises and Social Economy Entities (SEEs), between 2013 and 2020, by NUT II

Source: Statistics Portugal - Integrated business accounts system and SESA editions, prepared by the author

Although SESA data allow to know the geographical reality of the sector since the 2016 edition (2013 data), only in the 2023 edition information detailed by SE family was presented. Thus, as for the temporal evolution of the geographic distribution of the different families, given the insufficiency of data, it is only possible to conclude on the development between 2019 and 2020. With the difference of a single year, of course, there are no noticeable variations in the distribution of

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9 See Statistics Portugal data from the Integrated business accounts system for total Enterprises by geographic location, available at (accessed on 15/11/2023): https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=15413305&PUBLICACOESmodo=2&xlang=en

organizations, and it can be noted that, both in 2019 and 2020, almost all SE families are concentrated in the North, except for Houses of Mercy (Centre region) and Foundations (M.A.L.). As for the evolution of the different families between 2019 and 2020, it should be noted that the Cooperatives only grew in the M.A.L. (+0.2%), decreasing in the others; the Mutual Associations did not register any geographical variation; Houses of Mercy grew in the A.R.A. (+4.2%) and decreased in the Centre (-0.8%); Foundations increased in the Centre (+0.7%) and M.A.L. (+0.4%) and decreased in Alentejo (-4.0%); AAG only decreased in number in the A.R.A. (-0.7%) and Alentejo (-0.1%), with increases in the other regions, especially in the A.R.M. (+3.1%); and the CSS recorded negative changes only in the Central and North regions (-1.7% and -1.0%, respectively), not changing in the others.

It is concluded that, in general, the SEEs tend to be concentrated in the most populous regions, observing that in seven years the number of organizations will have increased in all territories, highlighting in particular their growth in the North and South of the country. It is also notorious that the number of entities in this sector increased in 2020 compared to 2019, the first year impacted by the adverse effects of the COVID-19 pandemic, with the same behaviour not being observed in national Enterprises.

It should be noted that, according to data from the last two editions of SESA, considering the number of SE entities per thousand inhabitants, it is the regions such as Alentejo and the A.R.A. (NUTS II), or inland districts such as Bragança and Guarda, that register the highest averages. In addition, in 2019 and 2020 about 31% of the SEEs were headquartered in hinterland territories, while in the same years only about 19% of the Enterprises[10] were headquartered in these places. These indicators attest to the sector's greater proximity to communities where economic and social challenges are greater and its important role as a driver of local development.

2.3. ECONOMIC CONTRIBUTION

The economic contribution of the SE sector is integrated in a sequence of accounts calculated by the different editions of SESA and can be analysed using different macroeconomic indicators. In this sense, this section presents an analysis of the temporal evolution of some of these economic variables, particularly those included in the Production Account and the Generation of Income

[10] Value considers only non-financial enterprises according to data from Statistics Portugal, System of Integrated business accounts relating to the total number of non-financial enterprises by geographic location, available at (accessed on 15/11/2023): https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_unid_territorial&menuBOUI=13707095&contexto=ut&selTab=tab3&xlang=en

Account, concluding with the observation of the evolution of the weight of these indicators in the National Economy (NE).

As with all analyses throughout this document, it is important to note that each new SESA exercise (2010, 2013, 2016, 2019-2020)[11], introduces methodological changes, and, within the scope of the economic indicators, it is also necessary to account for the database changes of the National Accounts. Therefore, the temporal developments have incorporated, and are partly explained by, these changes.

For a better understanding of the analysis that follows, and in particular considering that methodological changes limit the capacity for temporal comparison in some dimensions, it is important to highlight the following aspects:

- **By SE group:** given the absence of individualized economic data for the group of Community and Self-Managed Subsectors (CSS) in some editions of SESA, whose data are grouped with the family of Associations with Altruistic Goals (AAG), it was decided to use the same aggregation rule for each year's data;
- **By economic activity:** given the change in the classification of activities between the second and third editions of SESA, it is not possible to analyse a decade of developments. For this reason, the temporal analysis focuses on the period between 2016 and 2020;
- **National Accounts database:** for the sake of consistency, comparisons between SE economic indicators and NE economic indicators use the same National Accounts database, which corresponds to the base that was in force at the time of publication of the corresponding SESA[12];
- **Nominal analysis:** all economic variables are in current prices, i.e. valued at the prices of the year in question, which means that the effect of inflation has not been removed.

[11] The 2013 and 2016 editions are consistent with the 2011 National Accounts database and the 2019-2020 edition with the 2016 National Accounts database. All of them are based on the ESA 2010 conceptual framework. The 2010 edition is consistent with the 2006 National Accounts database and uses ESA 95 as a reference.

[12] That is, the 2010 data refer to the 2006 National Accounts base; data from 2013 and 2016 to the 2011 base; and those of 2019 and 2020, to the 2016 base.

2.3.1.
Production Account

2.3.1.1.
Output

Output is the value of all goods and services produced by a SEE during an accounting period. It includes market output (goods and/or services intended for sale on the market, mainly products sold at economically significant prices); output for own final use (goods and services that are retained for final consumption or capital formation by the same entity); and other non-market output (output provided to other entities free of charge or at economically insignificant prices) (ESA 2010).

In the SE sector, although most organizations have essentially non-market output, given the heterogeneity of entities that compose it, market output is also accounted for, particularly in Cooperatives and Mutual Associations. On the other hand, output for own final use tends to be residual.

In 2020, the HE sector presented an Output of 9.7 billion euros, and it is observed that its evolution over time tends to follow the evolution identified in the NE – Figure 7. Between 2019 and 2020, the Output of SE decreased by around 432 million euros, which follows the NE, although it is a less pronounced decrease. Compared to 2010, in 2020 SE registers a nominal growth of 8.4%, being very close, although lower, to that observed in the NE.

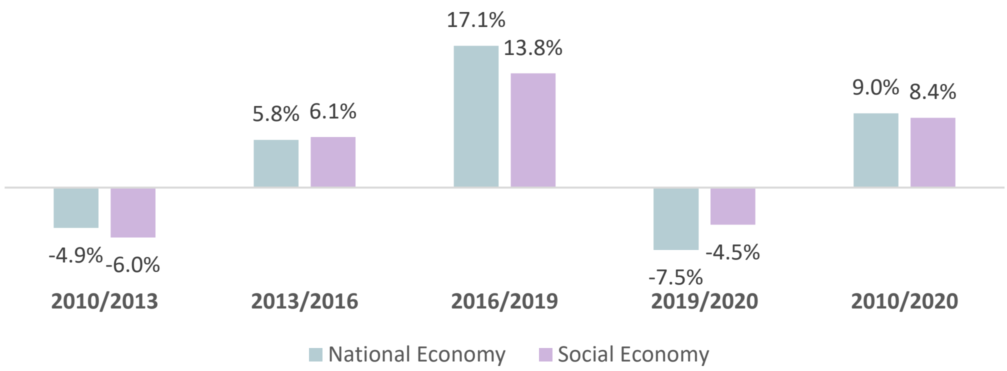

Figure 7

Rates of change of Output in the National Economy and Social Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal - National Accounts and SESA editions, prepared by the author

The activities that contributed the most to the Output of this sector in 2020 were those related to Social Services (23.6%), Human Health (22.3%) and Education (11.2%), which did not vary significantly from that observed in 2016 and 2019. Between 2016 and 2020, it was the unspecified activities included in the group of Other activities, Agriculture, forestry and fishing and Professional, scientific, and administrative services that grew the most in Output. On the other hand, the Output of Real Estate activities, Religious congregations and associations and Accommodation, catering and food services, was the one that decreased the most.

By SE group, each family presents a different evolution, and the following can be highlighted:

- **Between 2010 and 2013**, only Cooperatives and Foundations, and the particular group of IPSS, showed a decrease in Output, and it was these entities that influenced the decrease observed in the sector as a whole in that period;
- **Between 2013 and 2016**, Output increased in all families of SE, in particular in the Foundations;
- **Between 2016 and 2019** only the Output of Mutual Associations decreased and **between 2019 and 2020** only the Houses of Mercy registered an increase;
- **Between 2010 and 2020**, Cooperatives and Mutual Associations are the only groups in SE that recorded a decrease in Output (-21.3% and -5.4%, respectively), so in the decade under review the growth of the SE sector can be explained mainly by the evolution of the Output of the other families in SE, particularly Foundations;
- **Houses of Mercy** are the only family in SE that registers an increase in Output in all the periods analysed.

It should be noted that in all editions of SESA, the AAG, together with the CSS, ensured more than half of the sector's Output, followed by the Cooperatives and the Houses of Mercy (which ensured on average about 20% and 10%, respectively).

2.3.1.2.
INTERMEDIATE CONSUMPTION

Intermediate Consumption consists of the set of goods and services processed or used by an SEE as elements of its production process of other goods and services, excluding fixed assets (ESA 2010). This includes, for example, raw materials, small equipment/tools, or procurement of services from suppliers.

In 2020, the SE sector presented an Intermediate Consumption of 4.1 billion euros, 584 million euros less than in 2010. It is observed that, apart from the period between 2013 and 2016, this variable in SE tends to follow the same behavior as NE. It is noteworthy that in periods of decrease, in particular between 2010/2013 and 2019/2020, the Intermediate Consumption of SE showed higher rates of decrease than those identified in the NE. This phenomenon, combined with the fact that Intermediate Consumption in this sector has increased only between 2016 and 2019, means that in ten years the SE sector has registered a very significant decrease in this variable instead of the growth felt in NE – Figure 8.

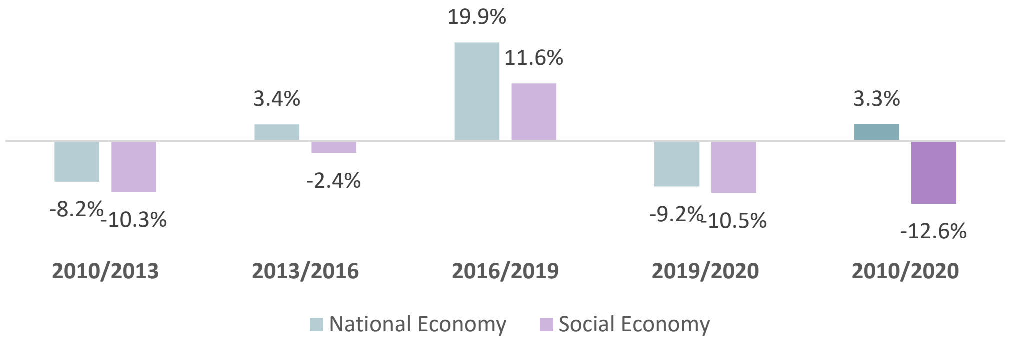

Figure 8

Rates of change of Intermediate Consumption in the National Economy and Social Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal - National Accounts and SESA editions, prepared by the author

Intermediate Consumption in the SE sector in 2020 was higher in activities related to Human Health (20.9%), Social Services (18.9%) and Manufacturing (12.9%), which is similar to that observed in 2016 and 2019. Between 2016 and 2020, similarly to Output, it was also the unspecified activities included in the group of Other activities and Agriculture, forestry and fishing that increased the most in Intermediate Consumption, followed, in this case, by Philanthropic Intermediaries and voluntarism promotion. On the other hand, Religious congregations and associations, Real estate activities and Education were the activities with the greatest decrease in this variable.

By ES group, similarly to Output, each family also presents a distinct evolution, and the following can be highlighted:

- **Between 2010 and 2013**, Mutual Associations and the AAG and CSS group, unlike all other households, recorded an increase in Intermediate Consumption;
- **Between 2013 and 2016**, only the Cooperatives and the AAG and CSS group decreased their Intermediate Consumption, and these entities help to explain the behaviour of the sector as a whole in that period;

- **Between 2016 and 2019**, only the Mutual Associations show a different behavior from the other families of SE, registering a decrease in Intermediate Consumption;
- **Between 2019 and 2020**, Intermediate Consumption decreased in all families of SE, with emphasis on Mutual Associations (-16.7%) and Foundations (-13.5%);
- **In ten years**, despite the SE sector registering a decrease in Intermediate Consumption, led in particular by Cooperatives (-29.9%), three SE groups recorded increases in this variable: Foundations, Houses of Mercy and IPSS.

Finally, it should be noted that the distribution of the SE Intermediate Consumption by SE family followed a similar pattern in almost all editions of SESA, with AAG, together with the CSS, and Cooperatives presenting the highest values (on average, about 53% and 27% of the sector's Intermediate Consumption, respectively). It should be noted that in the last edition of SESA, for the years 2019 and 2020, Foundations became the third family with the largest share of Intermediate Consumption in the sector instead of the Houses of Mercy, as seen in previous accounts.

2.3.1.3.
GVA

Gross Value Added (GVA) corresponds to the difference between Output and Intermediate Consumption, thus representing the wealth generated by the production of SEEs, discounting the value of the goods and services consumed to generate it.

With a GVA in 2020 of 5.6 billion euros, the nominal changes observed in the GVA of SE, compared to the NE, reveal, until the most recent period (between 2019 and 2020) a behaviour in the same direction as that of the Portuguese economy. In this period, it is noteworthy that in 2016 (compared to 2013) and in 2019 (compared to 2016) the GVA of SE grew more than that of NE, thus showing a more dynamic behaviour – **Figure 9**.

Between 2019 and 2020, the GVA of SE registered a slight increase, which contrasted with the strong reduction of this macroeconomic variable in NE. This evolution in the period marked by the pandemic caused by COVID-19 indicates the capacity of the SE sector to respond to the permanent social needs that worsen in periods of crisis, working in counter-cycle and serving as a short-term "buffer" of these crises.

The greater dynamism identified in SE during the periods under analysis helps to explain the evolution observed between 2010 and 2020, in which this sector will have had a GVA growth about twice as high as that of the Portuguese economy.

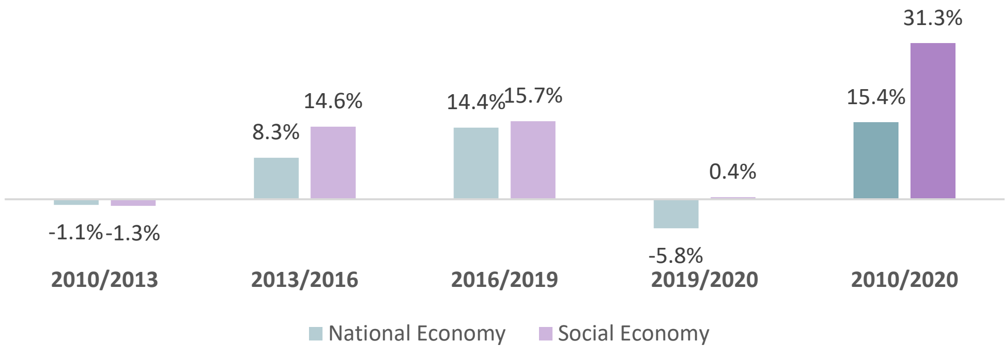

Figure 9

Rates of change of GVA in the National Economy and Social Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal - National Accounts and SESA editions, prepared by the author

Considering the previous analysis regarding the two main components of GVA, i.e. Output and Intermediate Consumption, it should be noted that although GVA growth is being supported by the productive growth of this sector, the positive balance seems to be influenced to a greater extent by a significant reduction in the costs that these entities bear to fulfil their activities.

The activities that contributed the most to the SE GVA in 2020 were those related to Human Health (25.5%), Social Services (24.9%) and Education (14.3%), with the same structure identified in 2016 and 2019. Between 2016 and 2020, the activities of Agriculture, forestry and fishing, Professional, scientific, and administrative services and Community and economic development, and housing, were the ones which showed the highest growth in GVA. On the other hand, the unspecified activities included in the group of Other activities, Philanthropic Intermediaries and voluntarism promotion and Accommodation, catering and food services, recorded the largest decrease.

Regarding the evolution of the GVA of **the different SE families**, the following can be highlighted:

- **Between 2010 and 2013**, the negative growth of SE's GVA can be explained by the significant decrease in this variable in Cooperatives and Foundations (in both cases in the order of 30%). The IPSS group also recorded a decrease in this economic variable;
- **Between 2013 and 2016** all SE groups recorded an increase in GVA and **between 2016 and 2019** only Mutual Associations showed a negative evolution in this variable;
- **Between 2019 and 2020**, despite the negative impacts felt on the Portuguese economy, only two SE families reduced in GVA, Foundations (-2.3%) and AAG together with

CSS (-0.5%), and it should be noted that these decreases were much lower than those of NE;

- **In a decade**, the high growth of the GVA of SE was particularly influenced by the large growth of this indicator in the AAG, together with the CSS (+52.6%), and in the Houses of Mercy (+27.3%), having decreased in this period only in the Cooperatives and Mutual Associations.

Similarly, to the other items of the Production Account, the structure of the SE GVA per SE group does not show major fluctuations over the period under analysis, and it is observed that the AAG, together with the CSS, are responsible for more than half of this variable in all editions of SESA. This is followed by Cooperatives and Houses of Mercy, with the only notable exception in 2013 in which they reversed their position; and Foundations and Mutual Associations tend to compete for fourth place, although in the last two years of information - 2019 and 2020 - it is the Foundations that secure this position.

2.3.2. GENERATION OF INCOME ACCOUNT

2.3.2.1. COMPENSATION OF EMPLOYEES

Compensation of Employees includes remuneration, in cash or in kind, payable by SEEs to their employees in return for work done by the latter during an accounting period (ESA 2010). This includes agreed wages and salaries, social contributions, and other kinds of remuneration (such as reimbursements, allowances, overtime, bonuses, etc.).

In 2020, the SE sector presented Compensation of Employees in the amount of 4.9 billion euros, with its evolution being positive in all the periods under analysis – **Figure 10**.

Compared to NE, it is worth highlighting the evolution identified in 2013 (compared to 2010), where the Compensation of Employees of the Portuguese economy showed a very significant decrease and the SE a slight increase; and the evolution of 2020 (compared to 2019) where national salaries stagnated and in SE increased. These two periods reveal an atypical behaviour of the SE sector in times of crisis (financial, between 2010 and 2013, and pandemic, between 2019 and 2020). Thus, in the longest period of ten years, it is observed that the growth of the Compensation of Employees in the SE sector was twice as high as that identified for NE.

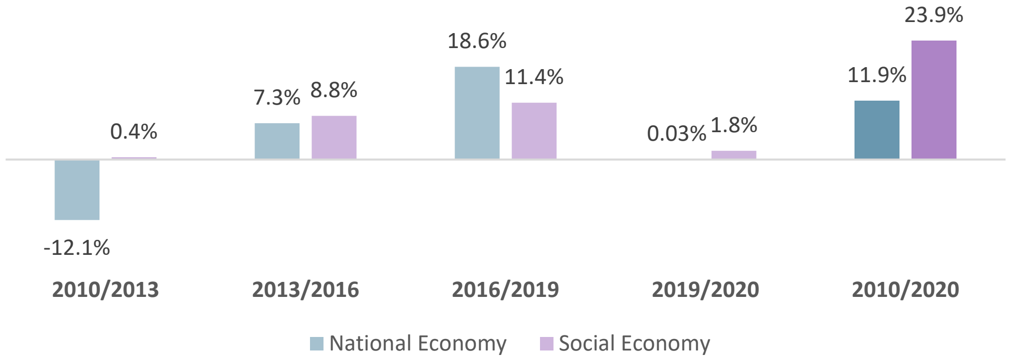

Figure 10

Rates of change of Compensation of Employees in the National Economy and Social Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal – National Accounts and SESA editions, prepared by the author

In 2020, Human Health accounted for the largest part of the total SE Compensation of Employees (26.7%), followed immediately by Social Services (26.6%) and Education (15.1%). This distribution is very similar to the two previous periods under analysis (2016 and 2019), although in 2020 there is an increase in the relative importance of Human Health activities in relation to Social Services, which until 2019 occupied the first position. Between 2016 and 2020, we highlight the growth of the Compensation of Employees in the activities of Agriculture, forestry and fishing, unspecified activities included in the group of Other activities and Professional, scientific, and administrative services. On the other hand, the decrease observed in Trade, Philanthropic Intermediaries and voluntarism promotion and Business, professional, and labor organizations should be highlighted.

By SE group, the following over time developments should be highlighted:

- **Between 2010 and 2013**, only the Cooperatives and the AAG and CSS group recorded a decrease in this variable;
- The evolution of Compensation of Employees in **2016** (**compared to 2013**) and in **2019** (**compared to 2016**) was negative only in Mutual Associations;
- **Between 2019 and 2020**, only the Cooperatives showed a reduction in the Compensation of Employees, although quite small (-0.4%), observing that this group of SE is also the only one that, **in 10 years**, saw a decrease in remunerations (-7.1%);

- **In a decade**, the growth of SE Compensation of Employees is particularly explained by the growth of this indicator in Foundations (+65%) and Houses of Mercy (+54.1%);
- The **Houses of Mercy**, **Foundations** and the **IPSS** group register (as well as the sector as a whole) increases in the Compensation of Employees in all the periods analysed.

It should be noted that, until 2016, the structure per family of SE was maintained in terms of the Compensation of Employees, with the AAG together with the CSS standing out having more than 60% of the sector's Compensation of Employees (which was maintained in 2019 and 2020), followed by Cooperatives, Houses of Mercy, Foundations and Mutual Associations. As of 2019, there was an inversion of relative importance between Cooperatives and Houses of Mercy, the latter starting to contribute with a larger share of the sector's remunerations.

2.3.2.2.
Other taxes on production

Other taxes on production (hereinafter referred to as Taxes) include all taxes incurred by SEEs as a result of their production, regardless of the quantity or value of goods and services produced or sold (ESA 2010). They can be due for land, buildings, fixed assets for production purposes (such as vehicles or machinery), labour employed in the production process, or in certain activities or operations. Municipal taxes, taxes on the circulation of vehicles, or value-added taxes (VAT) are examples that illustrate this component.

In 2020, the SE sector incurred Taxes in the amount of 30.8 million euros, and its evolution was positive in all the periods under analysis – **Figure 11**.

It is observed that between 2010 and 2013 the Taxes on production had very significant increases, both in SE and NE. In the remaining periods, although growth was maintained, it was significantly lower, with particular emphasis on 2019 and 2020 where, compared to previous periods (2016 and 2013 respectively) SE experienced increases in total Taxes on production higher than those of the Portuguese economy.

In this sense and given the relative stability of Taxes between 2013 and 2020, the significant increase in this item in SE (and also in NE) in ten years seems to be attributed to the growth identified at the beginning of the series, which, in turn, is related to the increase in the tax burden in Portugal following the austerity measures in a period of financial crisis.

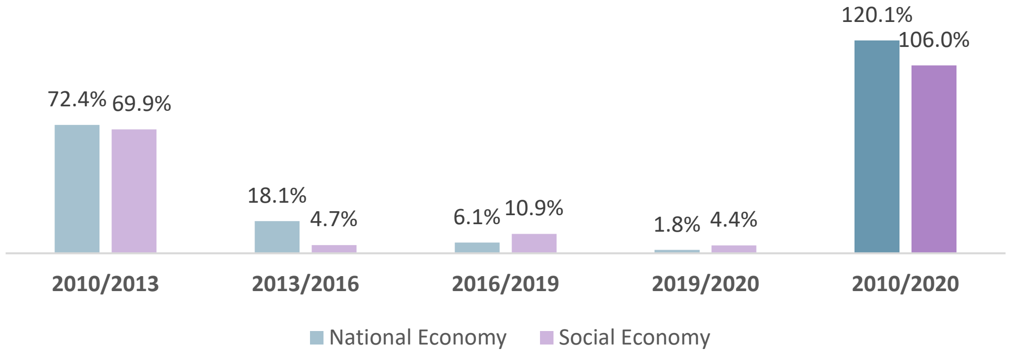

Figure 11

Rates of change of Other Taxes on Production in the National Economy and Social Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal – National Accounts and SESA editions, prepared by the author

In 2020, Financial and insurance services accounted for more than half of the Taxes in this sector (65.9%), followed by Culture, communication, and recreation activities (12.7%) and Education (8.1%). Although this distribution is identical in 2019, in 2016 Social Services (6.0%) and Business, professional, and labour organizations (5.3%) ranked second and third, respectively. Between 2016 and 2020, the amount of Taxes on production borne by the activities of Culture, communication, and recreation activities, Professional, scientific and administrative services and Civic, advocacy, political and international activities stand out. On the other hand, the largest decrease is identified in the activities of Business, professional, and labour organizations, Human Health and Manufacturing.

By **SE group**, the following developments should be highlighted:

- **Between 2010 and 2013**, only Mutual Associations and Cooperatives showed an increase in Taxes, and it was these entities that influenced the positive evolution in the sector as a whole in that period, which was not offset by the decrease seen in other families;
- **Between 2013 and 2016** only the Taxes on the production of the Foundations and the IPSS group decreased and **between 2016 and 2019** only the Mutual Associations registered a decrease;
- **Between 2019 and 2020**, there was a decrease in Taxes in the Houses of Mercy and AAG together with the CSS, having increased in the Mutual Associations and Cooperatives;

- **In a decade,** only Foundations and the group of entities with IPSS status have recorded a decrease in Taxes;
- **Cooperatives** are the only family in SE that register increases in Other Taxes on Production in all the periods analysed.

It should be noted that, apart from 2010 when the AAG group and the CSS bore most of the taxes on production in the SE sector, in the remaining periods it was the Mutual Associations and Cooperatives (on average about 42% and 32%, respectively).

2.3.2.3.
Other Subsidies on Production

Other Subsidies on Production (hereinafter Subsidies), which result from current unrequited payments which general government or the institutions of the European Union make to resident producers; are subsidies that SEEs can receive as a result of being involved in production (ESA 2010). This includes, for example, subsidies based on payroll, the number of employees, the employment of particular types of people (such as the disabled), for vocational training, for pollution reduction or as grants for interest relief.

In 2020, the SE sector had 637.2 million euros, with a generally positive evolution over time, having decreased only in 2016 (compared to 2013) – **Figure 11**.

The nominal variations observed in the SE Subsidies, compared to the NE, reveal significant contrasts. In 2013 (compared to 2010) the growth of subsidies in SE was almost eight times higher than the increase in NE; conversely, in 2016 (compared to 2013) SE registered a decrease in this resource about 13 times greater than the decrease identified in NE. In the following period, i.e., between 2016 and 2019, SE had a growth that, in relative terms, was almost as high as the decrease observed in the Portuguese economy, that is, despite the reduction of Subsidies in NE, SE experienced greater availability of this resource.

Among the differences observed in the SE and NE Subsidies, the largest is observed between 2019 and 2020, a period where the growth of this item in SE is overshadowed by the very significant increase in the NE. It is important to note that in the NE the total amount of Subsidies awarded doubled between 2019 and 2020 (from 2.1 to 4.9 billion euros), which is due to the extraordinary support for the maintenance of jobs introduced during the pandemic period (e.g. simplified *layoff* regime and stabilization supplements).

In this sense, given the relative stability of SE Subsidies between 2010 and 2020 and the very significant increase of this item in NE between 2019 and 2020, this variable increased in ten years in the SE in a much lower proportion than the increase in the NE.

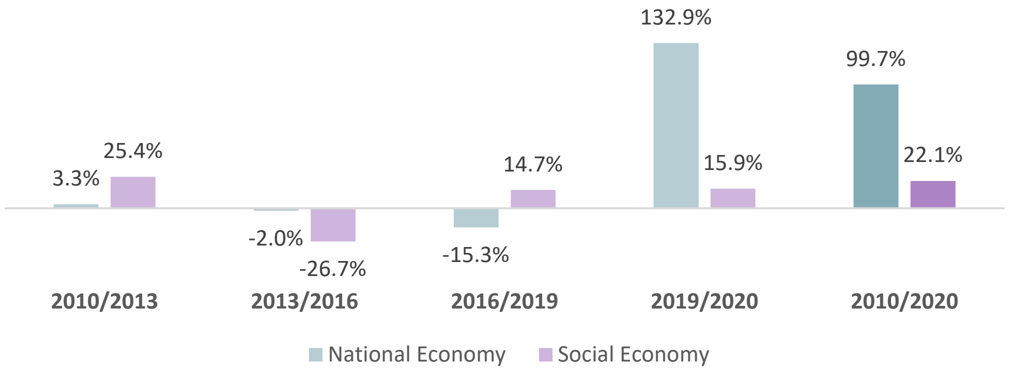

Figure 12

Rates of change of Other Subsidies on Production in the National Economy and Social Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal - National Accounts and SESA editions, prepared by the author

In 2019 and 2020, Social Services and Education accounted for almost 40% of Subsidies, followed by Business, professional, and labor organizations (average of 18.5%). In 2016, Social Services and Education also concentrated most of the Subsidies, but in a higher proportion of 48%, followed by Human Health activities (16.3%). Regarding the temporal evolution of this variable, between 2016 and 2020, the growth of Subsidies collected by Financial and insurance activities, Culture, communication and recreation activities and Civic, advocacy, political and international activities stands out. On the other hand, the largest decrease belongs to the unspecified activities identified in Other activities, Human Health and Trade.

By **SE group**, the following developments should be highlighted:

- **Between 2010 and 2013**, Subsidies increased in all families of SE, with emphasis on Foundations (+31.7%), AAG together with CSS (+29.6%), and the group of entities with IPSS status (+23.6%);
- **Between 2013 and 2016** only Foundation Subsidies increased, with the strong decrease in this resource in the SE sector due in particular to the decrease observed in Mutual Associations (-75%) and AAG together with CSS (-32%);

- **Between 2016 and 2019**, there was a decrease in Subsidies in Houses of Mercy (-19.9%), in Foundations (-3%) and in IPSS (-1.5%), having increased in the other groups;
- **In 2020 (compared to 2019)**, only the Foundations recorded a decrease in Subsidies (-7.8%), with a particularly high increase in the Subsidies of Houses of Mercy (+50.3%);
- **In ten years**, all families in SE have increased in this resource, with emphasis on Mutual Associations (+91.7%) and entities with IPSS status (+37.3%).

Throughout the periods analysed, it should be noted that the AAG together with the CSS collected most of the Subsidies in the SE sector, followed by the Cooperatives (on average about 74% and 16%, respectively).

2.3.2.4. GROSS OPERATING SURPLUS

The Gross Operating Surplus (GOS) is the accounting balance of the Generation of Income Account and shows how GVA covers the compensation of employees and other taxes (net of subsidies) on production (ESA 2010). It thus constitutes the surplus (or deficit) resulting from productive activities and summarizes the total amount allocated to the remuneration of the production factor capital (interest, rents or other charges paid or received for the use of assets).

In 2020, SE presents a positive GOS of €1.3 billion, and similarly to GVA, the nominal changes observed in this indicator, compared to the NE[13], show until 2019 a performance in the same direction as the Portuguese economy. In this period, it is noteworthy that in 2016 (compared to 2013) and, particularly, in 2019 (compared to 2016) the GOS of SE grew more than that of NE – **Figure 13**. The strong growth of this variable in SE in 2016 is associated, in particular, with the lower increase in the cost of labour observed in this sector and the positive evolution of Subsidies.

Between 2019 and 2020, the GOS of SE registers a slight increase, contrasting with the strong reduction of this macroeconomic variable in the NE. This evolution is parallel to the growth of GVA and SE Subsidies, which more than offset the growth also seen in the Compensation of Employees and Taxes.

[13] In order to ensure consistency in the comparison of the balances of the Generation of Income Account, the value of the Gross Operating Surplus for the national economy includes Gross Mixed Income, i.e. the remuneration for the work performed by the owner (or members of its household) of an unincorporated enterprise and cannot be distinguished from the entrepreneurial profit of the owner. This item is not accounted for in the Social Economy.

In a decade, the always positive evolution of this economic component of SE helps to explain its strong growth when compared to that of NE, being almost three times higher. Despite the increase in labour costs and tax burdens over the same period, SE shows a greater surplus to meet its capital costs.

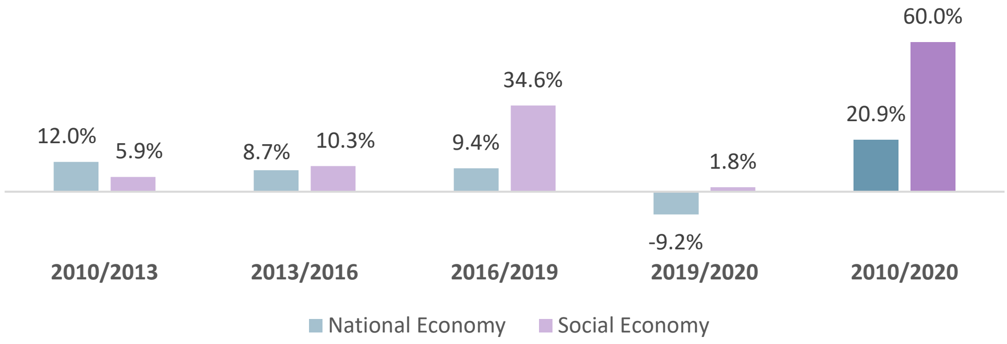

Figure 13

Rates of change of the Gross Operating Surplus in the National Economy and Social Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal – National Accounts and SESA editions, prepared by the author

The activities that contributed the most to the GOS of SE in 2020 were those related to Professional, scientific, and administrative services (22.5%), Social Services (17.2%) and Financial and insurance services (14.3%), being observed that most activities had a positive balance in this item, the most notable exceptions being Philanthropic Intermediaries and voluntarism promotion and Accommodation, catering and food services. In 2019, the structure of the SE GOS was quite similar, although Education occupied the third place, and in 2016 the structure appeared quite different, with the largest contribution to the sector's GOS being Financial and insurance services (22.1%), Human Health (19.1%) and then Social Services (16.9%).

Between 2016 and 2020, it was the activities of Agriculture, forestry and fishing, Civic, advocacy, political and international activities and Community and economic development, and housing activities, which showed the highest growth in the GOS. On the other hand, the activities classified as Business, professional, and labor organizations, Real estate activities and Accommodation, catering and food services, recorded the largest decrease.

Regarding the evolution of GOS in the **different families** of SE, the following should be highlighted:

- **Between 2010 and 2013**, the positive growth of the SE GOS can be explained by the significant growth in AAG together with CSS (in the order of 188%), since all other SE families recorded a decrease in this variable;
- **Between 2013 and 2016**, the group of entities with IPSS status, Houses of Mercy and AAG, together with CSS, decreased in GOS (78.5%, 28.2% and 6.0%, respectively), with the growth of this item in the SE sector as a whole supported by the growth in the other groups;
- **Between 2016 and 2019**, the Cooperatives, the AAG, together with the CSS, and the IPSS recorded an increase in the GOS (76.5%, 60.4% and 40.1%, respectively), explaining the high growth felt in the sector, since the remaining groups recorded a decrease in this item;
- **Between 2019 and 2020**, only Foundations decreased in GOS, (-21.3%), being noteworthy the great growth of this indicator in the Houses of Mercy (+90.4%);
- **In a decade**, the high growth of the SE GOS was particularly influenced by the large growth of this indicator in the AAG, together with the CSS (in the order of 338%), and the increase in Cooperatives (+13.6%), having decreased in this period in all other groups.
- In all periods, all SE families had a positive balance in the GOS.

The structure of the SE GOS per group of the SE does not show major fluctuations over the period under analysis, and it is observed that the AAG, together with the CSS, concentrate in all editions of SESA the highest proportion of this variable (about a quarter in 2010 and on average 66% in the following editions). Cooperatives (2010, 2019 and 2020) or Mutual Associations (2013 and 2016) tend to occupy second place.

2.3.3. WEIGHT OF THE SOCIAL ECONOMY IN THE NATIONAL ECONOMY

Even considering the methodological and conceptual changes introduced in the different editions of SESA, the consistency with the Portuguese National Accounts allows to contextualize the importance of SE in NE between 2010 and 2020. This importance is, of course, interconnected with the evolution that these variables have registered in the SE sector and in the Portuguese economy, that have been presented in the previous sections.

Regarding the indicators of the Production Account, it can be observed that in the first edition of SESA, the Output, Intermediate Consumption and the GVA of SE had a very similar weight in the

NE – Figure 14. From 2013 onwards, the evolution of these three variables took different directions, and it is worth highlighting that: SE Output presented a very similar weight in all editions of SESA with a slight decrease in 2013 and 2019, but an increase in 2020; Intermediate Consumption decreased in relative weight until 2019, stabilizing in 2020; and GVA showed a growth trend, having even reached the highest value of the four editions of SESA in 2020.

Between 2010 and 2013, it stands out the marginal variation in Output and Intermediate Consumption and the maintenance of the weight of SE GVA in NE. It is also worth noting the growth in the weight of SE in NE between 2019 and 2020, both in Output and in GVA. Both are illustrative events of the sector's resilience in contexts of economic and financial crisis that affected Portugal at the time.

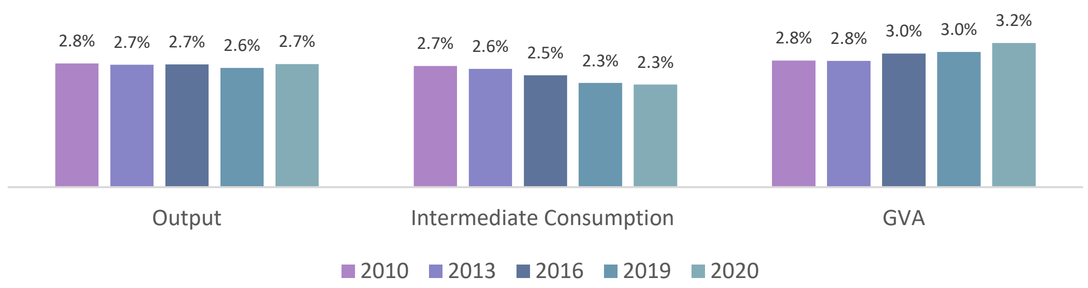

Figure 14

Weight of the variables of the Social Economy Production Account in the National Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal – National Accounts and SESA editions, prepared by the author

On the other hand, in the set of variables of the Generation of Income Account, the Compensation of Employees of the SE showed an increase in its weight in the NE between 2010 and 2016, the year in which the highest value in the series was reached. Subsequently, it decreased in 2019 and, although not evident in Figure 15, increased slightly in 2020, which, again, indicates that SE was operating in counter-cycle with the rest of the economy.

The SEEs bear a small part of the Other Taxes on Production levied in the NE, and between 2010 and 2020 there was a downward trend in the weight of the SE in the NE in this indicator. With regard to Other Subsidies on Production, despite the very fluctuating evolution between editions of SESA, the SEEs concentrate a significant part of them compared to the NE. In 2020, the significant decrease in the weight of SE Subsidies in the NE compared to the relative weight of 2019 (which proved to be the largest in the series) stands out, although it should be noted that this was due to the very significant and extraordinary increase in Subsidies on Production granted in that year in all sectors of the national economy.

Finally, the weight of the Gross Operating Surplus of the SE, similarly to the GVA, also increased throughout the editions of SESA, although it presents a lower relative weight in the NE.

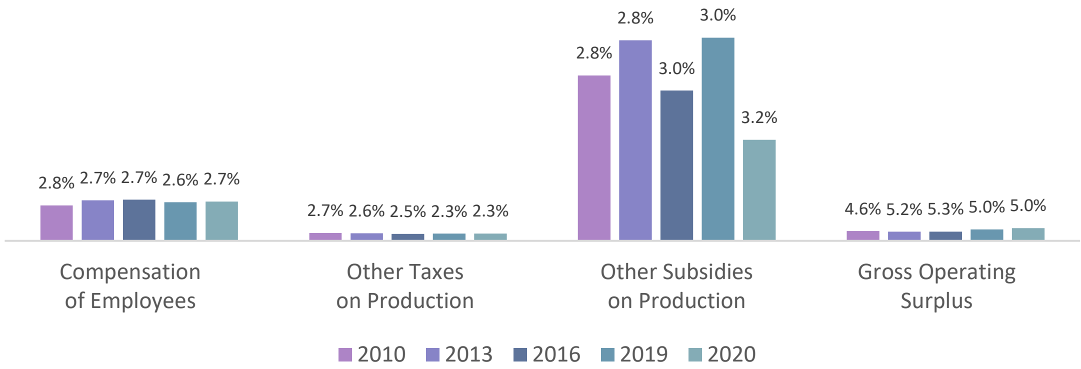

Figure 15

Weight of the variables of the Social Economy Generation of Income Account in the National Economy, in current prices (between 2010 and 2020)

Source: Statistics Portugal – National Accounts and SESA editions, prepared by the author

2.4. EMPLOYMENT

Similarly, to what was observed for the economic indicators mentioned above, it is also possible to find in the results of SESA the temporal evolution of Employment in the SE sector.

As indicated in the previous section, the methodological and conceptual changes introduced throughout the different editions of SESA influence the analytical capacity and even the results that can be observed in the context of the sector's Employment. This is especially true for analyses by family of SE or by activity, for which the caveats made in the previous section also apply here. Nevertheless, the consistency of the Employment estimates for this sector with the Portuguese National Accounts allows us to compare how they have evolved over time and to contextualize their importance in the NE.

In 2020, SE generated 245,618 full-time jobs (FTEs[14]), which was equivalent to more than 274 thousand jobs and more than 241 thousand individuals, observing that, in all the work units considered, about 99% correspond to paid employment.

[14] Full-time equivalent employment, which is equal to the number of full-time equivalent jobs, is defined as the total hours worked divided by the average annual hours worked in full-time jobs in the economic territory (ESA 2010).

Total employment and employees (both in FTE) in SE tended to show an evolution similar to that observed in national employment, increasing or decreasing in line with the rest of the economy. The period between 2019 and 2020 emerges as a clear exception, with a reduction in the national total employment and employees in the first year affected by the COVID-19 pandemic, but a slight increase in these variables in the SE – Figure 16.

Also noteworthy is the decrease in SE Employment between 2010 and 2013 and the increase in the following period (2013-2016), where the rates of change in SE register a less pronounced decrease and a more pronounced increase when compared to those of the Portuguese economy. This particularly counter-cyclical evolution of Employment in the SE sector helps explain how in ten years Employment in SE has increased while in the NE it has decreased. The data thus point to a more dynamic behaviour than the Portuguese economy as a whole.

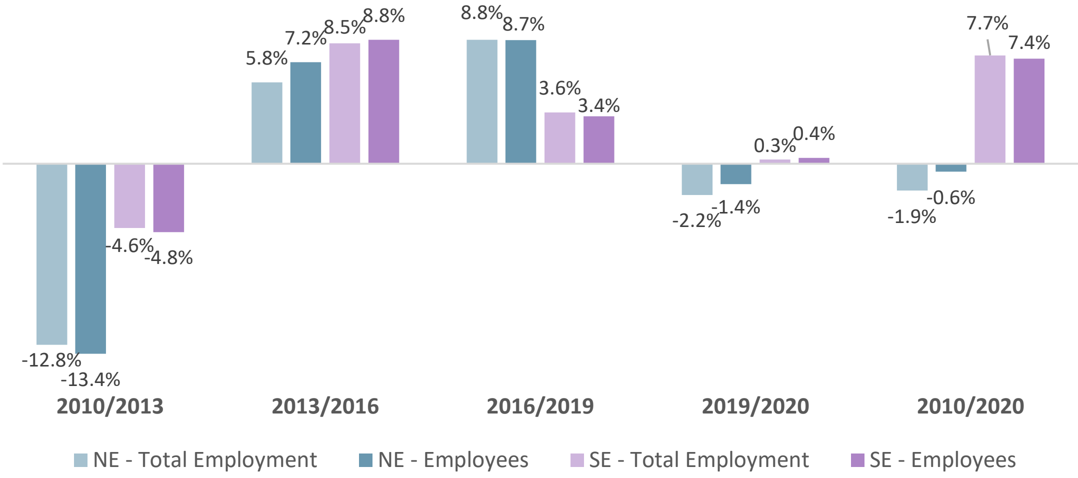

Figure 16

Evolution of Total Employment and Employees in the National Economy and Social Economy, in FTE (between 2010 and 2020)

Source: Statistics Portugal – National Accounts and SESA editions, prepared by the author

In this context, the SEE that worked in areas such as Human Health, Social Services and Education stand out, which, in 2016, 2019 and 2020, concentrated on average, respectively, 33%, 30% and 13% of the total employment and employees of SE. Between 2016 and 2020, the activities of Agriculture, forestry and fishing, unspecified activities classified under Other activities and Professional, scientific, and administrative services, showed the highest growth in Employment (total and employees). On the other hand, the activities classified as Trade and Philanthropic Intermediaries and voluntarism promotion recorded the largest decrease in Employment (total and employees), with Religious congregations and associations for total Employment and Business, professional, and labor organizations for Employees coming in third place.

By **SE group, the** following developments should be highlighted, which apply to Total Employment and Employees (both in FTE):

- **Between 2010 and 2013**, employment only decreased in Cooperatives (-21.6% in total employment and -23.5% in employees) and in AAG together with CSS (-4.7% in total employment and employees), and the reason why Employment decreased in SE in this period can be attributed to these families;
- **Between 2013 and 2016**, only in Mutual Associations did employment decrease (-1.2% in total employment, and -1.1% in employees), highlighting in particular the increase observed in total employment and employees in Foundations (about 30%);
- **In 2019 (compared to 2016)** there was only a decrease in total employment and employees in Cooperatives (-1.7% in both cases);
- **Between 2019 and 2020**, most of the families in SE recorded a decrease in Employment, with the exception of Houses of Mercy (+1.6% in total employment and employees) and AAG together with CSS (0.6% in total employment, and 0.8% in employees);
- **In a decade**, almost all SE families increased their employment, with emphasis on Foundations (+34.8% in total employment and +33.8% in employees), with only Cooperatives showing a negative evolution in total employment and employees (-24.4% and -26.0% respectively).

It is important to note that in this indicator, the AAG, together with the CSS, also concentrate most of the Employment, with a proportion of about 65% of both total employment and employees (both in FTE) being observed in all editions of SESA. Houses of Mercy emerge as the second largest employer, having contributed, on average, with about 16% of total employment and employees (FTE). The group of Cooperatives proved to be the third largest employer in the group of families in SE (on average 11% of total employment and employees, in FTE), being the group that concentrates most of the self-employed.

With regard to the contribution of SE to national employment, this sector plays a very relevant role, having originated in 2020 more than 5% of total employment and almost 6% of employees. On the other hand, self-employed in the SE sector appears inexpressive in the national total in all editions of SESA - **Figure 17**.

It can be observed that the contribution of SE to the total employment and employees of NE increased until 2016, having reached the maximum values in that period. In 2019, this contribution decreased, although a further increase is identified in 2020, but to levels lower than those observed in 2016. Nevertheless, the increase in the relative importance of SE employment in NE in 2013 and 2020 are, once again, strong indications of the resilience of this sector in times of great economic and social challenge, revealing the capacity to maintain employment in this sector.

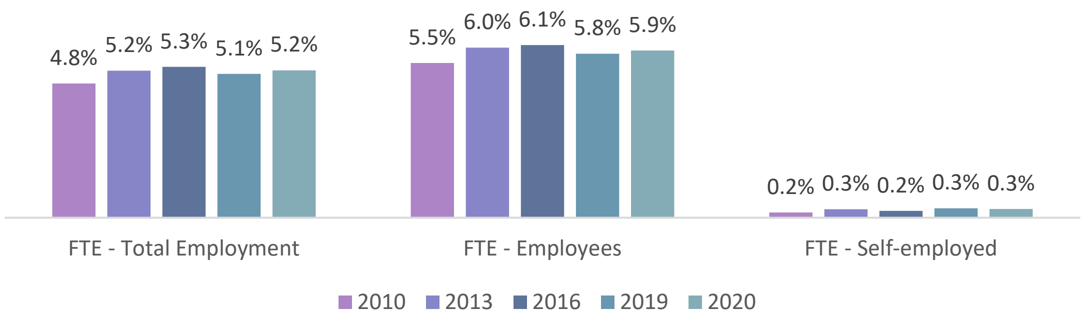

Figure 17

Weight of Total Employment, Employees and Self-employed of the Social Economy in the National Economy, in FTEs (between 2010 and 2020)

Source: Statistics Portugal – National Accounts and SESA editions, prepared by the author

3.
FINAL REMARKS

Although the data presented above do not capture all the characteristics of the Social Economy Portuguese sector, they highlight key aspects of its evolution over ten years.

From the outset, the **number of organizations** in this sector has increased in all editions of SESA, growing in ten years twice as much as the Portuguese business fabric. In addition, only between 2016 and 2019 did the number of SEEs grow at a lower rate than the enterprises. This period coincides with the one that, in the series under consideration, registers greater economic stability, which signals the greater dynamism of the Social Economy sector in more adverse economic and social moments.

Notwithstanding the growth observed, it should be noted that in general, and particularly at the end of the time series under analysis, most of the Social Economy families show a decreasing or stagnant growth, with the continuous increase of Associations with Altruistic Goals (the largest family in the Social Economy), being the main explanation for the more recent growth of the sector as a whole. By activity, and despite the changes in nomenclature between editions of SESA that prevent a direct comparison, the set of activities with the highest number of SEEs in the last ten years tends to correspond to activities related to Culture and Recreation, Religion and Social Services. On the other hand, and considering the limitations of a broader temporal analysis, as well as the methodological changes between the different accounts, the growth between 2016 and 2020 in the number of entities classified in education, community and economic development, housing and real estate activities is highlighted, which may be seen as an indication of a greater need for responses in these areas.

This is also a sector with a high presence in the national territories, observing that in ten years, despite little expressive transformations in the **geographical dissemination** of the sector, the number of organizations increased in all territories, highlighting in particular its growth in the North and South of the country. It is also notorious that the number of entities in this sector increased in the first year impacted by the adverse effects of the COVID-19 pandemic, but the same is not observed with the business sector.

In addition, although SEEs tend to be concentrated in the most populous regions, with a tendency towards littoralisation, in 2019 and 2020 inland territories had almost twice as many Social Economy entities based there as Enterprises. These indicators attest to the sector's greater proximity to the communities facing the greatest economic and social challenges and its important role as a driver of local development.

Considering the **economic indicators**, compared to 2010, in 2020 the Social Economy registers a nominal growth in **Output** very close, although lower, than that observed in the National Economy. On the other hand, there is a very significant decrease in the **Intermediate Consumption**, unlike the National Economy, where it increased. Consequently, in the same period, there is a growth in the **GVA** of Social Economy about twice as high as that of the Portuguese economy as a whole, and it should be noted that over ten years Social Economy has shown a more dynamic behaviour in times of crisis, indicating the sector's ability to respond to the social needs that worsen in these periods, working in counter-cycle and serving as a short-term "buffer" for these crises.

It should also be noted that, although GVA growth is clearly being supported by the growth in Output, the positive balance seems to have been influenced to a greater extent by a significant reduction in costs (Intermediate Consumption) borne by the sector.

As for the evolution by activity, it is the activities related to Human Health and Social Services that stand out the most in the period between 2016 and 2020 in the various indicators of the Production Account. However, between 2016 and 2020, it was the unspecified activities included in the group of Other activities and Agriculture, forestry and fishing that grew the most in Output and Intermediate Consumption, with Real estate activities and Religious congregations and associations showing the greatest decrease. In GVA, it was the activities of Agriculture, forestry and fishing that showed the highest growth and the unspecified activities included in the group of Other activities the largest decrease.

Considering the different families of Social Economy, in a decade, the growth of the sector's Output can be explained mainly by the evolution of this variable in the Foundations; the decrease in Intermediate Consumption was led by Cooperatives; and the high growth in GVA was particularly influenced by AAG, together with CSS.

Concerning the economic indicators of the Generation of Income Account**, the Compensation of Employees** show a positive evolution in all the periods under analysis, highlighting an atypical behaviour of the Social Economy sector in the face of moments of crisis in which the Compensation of Employees of the Portuguese economy decreased or stagnated. Thus, in ten years, the growth of the Compensation of Employees in the Social Economy sector was twice that of the one identified for the National Economy, being attributed in particular to the growth observed in the Foundations and Houses of Mercy.

Activities such as Social Services, Human Health and Education play an important role in generating compensation for employees in this sector, although in 2020 there was an increase in the relative importance of Human Health activities. Between 2016 and 2020, the growth of the Compensation of Employees in the activities of Agriculture, forestry and fishing, and the decrease observed in Trade activities, stand out.

Other Taxes on Production also showed a positive evolution in all the periods under analysis, with the main highlight being the significant increase between 2010 and 2013, reflecting the increase in the tax burden as an austerity measure in this period. Thus, given the relative stability of Taxes in the following periods, this significant increase helps to explain the great growth of this item in the Social Economy (and also in the National Economy) in ten years.

Financial and insurance services supported most of the Taxes on production in this sector, with emphasis between 2016 and 2020 on the growth of the amount of these taxes on the activities of Culture, communication, and recreation activities, and their decrease in the activities of Business, professional, and labour organizations. On the other hand, in a decade, it should be noted that only the Foundations and the group of entities with IPSS status registered a decrease in the Taxes on production incurred, observing that the Cooperatives are the only Social Economy family that registered increases in all the periods analysed.

Regarding the nominal changes observed in the **Other Subsidies on Production** of Social Economy, they were generally positive, having decreased only in 2016 (compared to 2013), revealing significant contrasts in comparison with the National Economy. In fact, given the relative stability of the growth of this type of Subsidies in Social Economy in the decade analysed, and considering the very significant increase in support to the Portuguese economy between 2019 and 2020, the increase of this variable in the Social Economy in ten years was in a much lower proportion than the growth recorded in the National Economy.

Social Services and Education accounted for the largest shares of Subsidies in the period under review, highlighting between 2016 and 2020 the growth of Subsidies collected by Financial and insurance services, and the decrease identified in unspecified activities identified in Other activities. As for the different families in the sector, in ten years, all of them received more Subsidies, with emphasis on the Mutual Associations and the IPSS.

The variations observed in the **Gross Operating Surplus** of Social Economy show a consistent positive evolution and, in a decade, a growth three times higher than that of the National Economy. Thus, despite the increase in employment costs and tax burdens over the same period, Social Economy shows a greater surplus to meet its capital costs.

Between 2016 and 2020, it was the activities of Agriculture, forestry and fishing that showed the greatest growth in GOS, and the activities classified in Business, professional, and labor organizations that recorded the greatest decrease. In the same period, most of the activities had a positive balance on this indicator, and in the 2019 and 2020 biennium the activities that contributed the most to the GOS of Social Economy were Professional, scientific, and administrative services and Social Services.

In a decade, all families in Social Economy had a positive balance in the Gross Operating Surplus, and the high growth of this variable in the sector was particularly influenced by the large growth of this indicator in the AAG, together with the CSS and in the Cooperatives, having decreased in this period in all other groups.

It should be noted that the structure by Social Economy family for the indicators of the Production Account and for the Generation of Income Account shows the AAG, together with the CSS, as the group that concentrates the highest proportion of almost all variables. The only exception is Other taxes on production, mostly borne by Mutual Associations and Cooperatives.

On what concerns the **Employment, total and employees** (both in FTE), of the Social Economy sector, it tended to exhibit an evolution similar to that observed in national employment, although in certain periods it registers rates of variation that reflect a less pronounced decrease or a more pronounced increase. In addition, in the first year affected by the COVID-19 pandemic (2020), total employment and employees in the Social Economy increased slightly, while it decreased in the National Economy. Thus, the Social Economy Employment in ten years had a more dynamic behaviour than the Portuguese economy as a whole.

In this context, areas such as Human Health, Social Services and Education tend to concentrate most of the total employment and employees of the Social Economy sector, with special remark, in the period between 2016 and 2020, for the growth of these variables in the activities of Agriculture, forestry and fishing, and the decrease in Trade activities.

Also in this indicator, the AAG, together with the CSS, concentrate most of the Employment, and it should be noted that in a decade, only the Cooperatives show a negative evolution, with emphasis on the growth of Employment in the Foundations.

With respect to the contributions of Social Economy to the National Economy, the increasing evolution of the weight of Output and the GVA of the Social Economy in the National Economy in a decade, especially in times of economic and financial crisis, are illustrative of the resilience of the sector. Also, the evolution of the relative importance of the Compensation of Employees, Gross Operating Surplus and Employment, indicate that the Social Economy is functioning in counter-cycle with the rest of the economy.

In turn, it should be noted that the entities in the sector bear a small part of the Other Taxes on Production collected in the Portuguese economy, with a downward trend in ten years. As for the Other Subsidies on Production, despite oscillations in the decade under analysis, it is undeniable that the sector concentrates a significant part of the production support allocated in the National Economy.

Finally, it should be noted that each new SESA introduces methodological changes, which makes it possible to improve the calculation of the statistics analysed here. Consequently, part of the observed evolution can be explained by the methodological maturation of SESA. It should also be noted that in the context of the economic data, a nominal analysis has been carried out, i.e. they do not consider the effect of price developments.

Without prejudice to the limitations to the analytical capacity mentioned, this presentation shows a sector in markedly positive growth in most of the indicators analysed, with a decade of statistics proving the important economic contribution of the sector as well as its resilient character. This temporal analysis also highlights curious aspects of this evolution, often in parallel with the evolution of the Portuguese economy, but which needs a deeper investigation, inviting future reflections.

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