

# RUI NAMORADO

INTERVIEW



Elisabete Ramos



## 1. What historical and social factors contributed to the emergence and consolidation of the cooperative movement?

With the accentuation of its capitalist tone in the more developed countries of Europe and America, which intensified in the nineteenth century, the economic order was increasingly absorbed by a logic of profit generation as the engine of the extended reproduction of capital. Cooperatives have asserted themselves as one of the aspects of the workers' movement's resistance to this dynamic, as one of its most relevant associative strands, alongside trade unions and workers' political parties. It can be said that through them the workers' movement assumed its own entrepreneurial intervention, whose axis was to generate value of use, with exchange value eventually being generated instrumental and secondary. The cooperatives tried to use capital, but without allowing themselves to be instrumentalized by it. The co-operative movement, however, was not confined to the working-class movement. It has also asserted itself in agricultural activity and in rural areas, as well as, at a later stage, in small commerce and handicrafts, without forgetting credit cooperation, whether or not linked to the rural economy. It is understandable, therefore, that modern co-operatives inscribe in their genetic code their roots in the working-class movement, even if they did not exist only within it. In fact, the associative phenomenon with the cooperative tone that modernity consecrated began to emerge with some significance at the beginning of the 19th Century, especially in England, but also to some extent in France and Germany. In the first four decades of this century, particularly in England, the cooperative birth rate was strong, although it was unhealthily accompanied by a high mortality rate. As a result, there was an intense search for operating rules that would ensure that,

in the constancy of this birth rate, mortality would fade. It was in this context that a Cooperative of Weavers emerged, as a remarkable episode that was inscribed in the history of cooperativism, the foundation in 1844 in the English city of Rochdale, on the outskirts of Manchester, predominantly congregated by their quality as consumers. The rules by which this cooperative – the Rochdale Pioneers' Cooperative – was governed gained recognition and notoriety, quickly crossing the English border and asserting themselves, gradually but surely, as the backbone of cooperative identity, as the essential matrix of what would become the cooperative principles.

## 2. What importance do you ascribe to cooperative principles in the construction of the so-called "cooperative identity"?

Cooperative principles are at the heart of the cooperative identity which, in turn, is a resonance of the institutional and functional profile adopted by the Rochdale Pioneers' Cooperative when it was founded in 1844. They were the basis of the organizational profile on which the characteristics of the constituent entities of the International Cooperative Alliance (ICA) were established when it was founded in 1895. But this vision of cooperative principles would only be formally textualized by the ICA later, in the 1930s; and then went through two structured processes of review and reflection within the ICA. The first was concluded at the 1966 Congress and the second at the 1995 Congress – the ICA Centenary Congress, where the current formulation was set. But all the modifications that occurred in these successive reformulations of cooperative principles over the course of this century and a half (1844/1995) kept the Rochdale matrix as their backbone. The revision carried out at the Centenary Congress, held in Manchester in 1995, involved a reformulation of the principles, which was nevertheless integrated into the explicitness of a cooperative identity which, although rooted in them, did not fail to transcend them. In fact, to the reformulation of the principles derived from Rochdale, an explanation of cooperative values and a notion of cooperative has been added. In both cases, it was a matter of formally textualizing an ideological atmosphere and a notion, which essentially already existed. But the real process of re-examining cooperative identity has focused on cooperative principles themselves. They came to be formally considered as corresponding to the small texts into which their whole was divided and not only to the epigraphs that open each of these texts. The principles of "Voluntary and Open Membership" and "Democratic Member Control" have remained essentially retained. As for those of "Autonomy and independence", "Education, training, and information" and "Cooperation among Cooperatives", although with some adjustments their basic content has not changed. The previous principles regulating the possible payment of interest to the members, for the capital securities they had subscribed, and the distribution of surpluses merged into a single one that now

regulates the entire "Member Economic Participation", which continued to follow the traditional guidelines. Finally, a new principle was enshrined, that of "Concern for Community": "Cooperatives work for the sustainable development of their communities through policies approved by their members." The notion of a cooperative considered it to be "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise." In the cooperative values, cooperatives mentioned "self-help, self-responsibility, democracy, equality, equity and solidarity"; and, as for the members, the belief "in the ethical values of honesty, openness, social responsibility and caring for others".



**PRAGUE, 2000**

International Conference promoted by the International Cooperative Alliance  
– Rui Namorado speaking

### 3. Looking at the Portuguese reality, what importance did the April Revolution have for the cooperative movement?

The involvement of the cooperative movement in an atmosphere of suspicion and hostility was one of the hallmarks of Salazarism. In some cases, it has ostensibly assumed a repressive attitude, in others it has instituted a more or less disguised strangle, in others it has embarked on an authoritarian instrumentalization, sometimes more mellifluous and sometimes more barefaced, which tended to falsify it by sterilizing it. That is why the April Revolution was, also for the co-operative movement, an immense breath of freedom, a liberation. That is why there was a swift and decisive impulse to reinsert Portuguese cooperatives into the world cooperative movement, with obvious and ostensible respect for the concrete historical tradition of the Portuguese cooperativism. It was to this extent that it was sought to explicitly establish, as a constitutional value, the fidelity to the cooperative tradition dominant on a global scale, embodied in the vision of the ICA. This was, in fact, very evident when obedience to the cooperative principles assumed by the ICA on a global scale was consecrated as the irremovable matrix of the cooperative identity in Portugal. This institutional dynamic was fully harmonized with the strong impulse then experienced by cooperative initiatives in social movements, which was often stronger than their legal-political institutionalization, even if it failed to continue.

### 4. The April Revolution triggered an evolutionary process that had one of its structuring moments in the approval of the Constitution of the Portuguese Republic of 1976. In terms of economic organization, the “cooperative sector” is constitutionally enshrined, and in 1989, the "cooperative and social sector", which is distinguished from both the public and private sectors. Where do the specificities of this "cooperative and social sector" lie?

Cooperatives have asserted themselves as one of the aspects of the resistance of the labour movement. The cooperative and social sector only reached its current configuration in the constitutional revision of 1997. It was then that it also began to encompass a solidarity sub-sector and that the cooperative sub-sector began to encompass cooperative "régies" (or cooperatives of public interest). It is, therefore, a multi-faceted sector. As a whole, it does not belong to the public sphere, and is therefore not a direct or indirect resonance of the State, be it central, regional or local. It also differs from the sector of private profit-making enterprises, which has as its ultimate determining characteristic the pursuit of profit, which is thus inseparably inscribed in its identity. Thus, the cooperative and social sector has the specific objective of aiming, in the first place, at the production of goods and services on the basis of their social utility and not on the basis of the profits that their transaction may generate. It therefore brings together a type of structures that use capital



as an instrument and are therefore not at its service with the dominant vocation of reproducing it. It gives centrality to use-value as a decisive potential, placing its exchange-value in the economic arena on the back burner. Secondly, the cooperative and social sector is a bundle of special characteristics rooted in its three sub-sectors. The cooperative subsector has cooperativeness as the driving force of the entities that make it up, that is, the structural valorisation of cooperation among its members. The social subsector itself focuses on granting useful ownership of production assets managed by local communities in one case, by collectives of workers, in another, to one and the other. The solidarity sub-sector is based on social solidarity, in which mutualism is highlighted. It should also be pointed out that, since the constitutional revision of 1997, the cooperative and social sector has almost completely coincided with what common doctrine and laws consider to be the social economy. And trying to understand the process of affirmation of the social economy in Portugal, let us see it as a development inserted in a broader social process, triggered by the 25th of April 1974. To this end, it is necessary to make the most of the roots of the social economy, even when they were not yet assumed as such, nor were they recognized as a single whole with a common logic and horizon. In fact, the evolution of the CPR<sup>1</sup> in the gradual affirmation of its cooperative and social sector and the social economy as a socio-political dynamic have experienced an appreciable communion of values, naturally sharing designs and horizons. And even the apparent difference in nomenclature, which could be interposed between the two, does not erase the naturalness of a substantial sharing of purposes and horizons.

**5. In 1980, the first Portuguese Cooperative Code was published, which formally autonomizes cooperatives from societies. This legislative option has been maintained to this day. Which political forces supported this legislative change?**

When the Cooperative Code came into force in 1980, the structural legal autonomy of cooperatives had already been constitutionally enshrined since the entry into force of the April 1976 Constitution. In this way, there was already a constitutional support that fostered a broad consensus regarding the autonomy of the common cooperative law. Some preparatory work for the new Cooperative Code had taken place under the aegis of INSCOOP, even before the Democratic Alliance Government, led by Francisco de Sá-Carneiro, who had it published in 1980. The divergences that arose at that time regarding the Code in the political arena were more about specific partial aspects than about decisive structural issues, such as the autonomy in the legal regulation of cooperatives in relation to the corporate universe. In fact, the Preamble of the Code mentions the

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<sup>1</sup> Constitution of the Portuguese Republic, CRP in the original (translator's note)

historical aspiration of the cooperative movement in this sense and the pioneering spirit of the Cooperative Law of 1867, which was so short-lived. In general, we can say that the cooperative specificity, anchored in the symbiosis of its associative and business tones, has structured its legal autonomy, removing both the mimetic shadow of commercial societies and the simple dilution in a holistic associative universe.



#### VISIT TO THE ROCHDALE PIONEERS MUSEUM

Delegation of Portuguese cooperatives that participated in the ICA Centenary Congress in Manchester (namely, Rui Namorado, Canaveira de Campos and José Luís Cabrita)

**6. In your opinion, and taking into account your experience as a Professor at the Faculty of Economics of Coimbra and head of the Centre for Cooperative Studies, what contribution can academia make to the cooperative movement?**

The first contribution that the academy can make to the co-operative movement is to study it, in order to be able to collaborate with full usefulness in the training of its leaders and staff. In order to understand the cooperative movement in its global resonance, valuing its nature, its historical depth and its horizon, it is indispensable today to see it as part of the social economy. For this panoramic approach, it is necessary to see it as an object of study rooted in the past, but with ambition for the future. And this implies a dense interdisciplinarity in the field of social sciences and humanities, doctrinally and theoretically fruitful. It is thus possible to understand the need to establish a long-lasting presence of cooperativism and social economy, whether at the level of bachelor's degrees, master's degrees, or other types of postgraduate studies. Promptly, we should try to reach the most demanding level in this area, that of the doctorate, although weighing well its desirable degree of specificity and its most appropriate disciplinary connections. This, of course, without forgetting a careful search for international partnerships with other Universities, whether European or Brazilian. An important positive feature of this type of study centre in this thematic area should be a close link with the respective civil society institutions, whether they correspond to social movements or public entities. In the Portuguese case, the greatest emphasis is given to CASES (Cooperative António Sérgio for Social Economy), as well as the CNES (National Council for the Social Economy) and the CPES (Portuguese Confederation of Social Economy). In parallel, close cooperation with the cooperative movement and the other organised structures of the social economy will also be natural. It may therefore be justified to set up a body for the training and qualification of staff in short courses. Finally, I think it is important that each Centre for the Study of Social Economy should have a good specialised international library involving the main languages that are most widely used in Portugal.

**7. Is the publication, in 2013, of the Basic Law on the Social Economy Another important milestone? How do you understand the social economy and what is your assessment of the importance of the Basic Law in these ten years of implementation?**

I understand the social economy as the result of a bundle of social movements sedimented in organizations cooperatively animated by a humanistic and solidary vision. It is, in a way, a hope in motion. It takes on the fight against the consequences of social inequalities, strengthening itself when it does not renounce the extirpation of its roots. Thus, it seeks to respond to the human

suffering induced by social inequality, betting on containing and mitigating it. It is expressed through organized collective actions that, by virtue of being organized, give it durability and reinforce its social roots. But in order to be able to understand it accurately, we must first of all clearly identify all the types of organisations that integrate it, so as to project them together without distortion in the legal order, and thus to make it acquire stability, perennity and clarity. Secondly, in addition to this legally defined territory, there must be an open space crossed by socio-economic practices that can be integrated into the social economy, a periphery in permanent interaction with the central core. In the Portuguese case, it should be noted that, under the terms of the law, entities that take the form of a cooperative, those that are foundations and a part of those that take the form of an association are included in the social economy. It also covers both entities of a communitarian nature and companies operating in self-management. The entry into force of a Social Economy Framework Law (LBES) began by dividing the right and the left in the Parliament. In fact, even during the second government of José Sócrates (in 2011), when the PS<sup>2</sup> no longer had an absolute majority, but the right was a minority, the Parliament rejected with the votes of the entire left the proposal for an LBES presented by the PSD<sup>3</sup>. This same proposal was presented again in the following legislature, under the government of Passos Coelho, when the right already had a parliamentary majority. In essence, the draft in question was initially an obvious echo of the Spanish Framework Law, published in March 2011, but whose preparatory work had long been known. However, the apparent imposing unilateralism that could be feared was not confirmed in the committee stage debate, where the right-wing majority was available for an open discussion and generation of consensus around the paths that lay ahead. But this openness was even more significant and fruitful, as it was combined with the formal involvement in the process of a range of relevant interlocutors from civil society, be they institutions or personalities. And so it was possible to greatly improve the text under debate and to reach consensus on proposals. Naturally, this made it much easier for the final version of the LBES to have obtained unanimous parliamentary approval. And so a structuring articulation was created in the legal order that helps to drain into the common legislative space the valorisation of the experiences of the social economy present in the CPR, facilitating its institutional anchoring in the European context. Its juridical-political legitimacy was thus strengthened, solidifying and enhancing its irradiation, and giving consistency to its involvement in a broader social metamorphosis.

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<sup>2</sup> Socialist Party (translator's note)

<sup>3</sup> Social Democrat Party (translator's note)



**8. The Basic Law on the Social Economy says nothing about social enterprises, which have received a lot of attention from the European Union and in some legal systems have been the subject of specific legislation. What factors explain the interest in social enterprises today?**

The interest aroused by this type of company has multiple and, in some cases, contradictory motivations. This is complicated, moreover, in the context of the European Union, with the heterogeneity of its acceptance by the legal systems of the various countries, aggravated by the fluidity of the very notion of enterprise in terms of law. Moreover, this interest cannot be divorced from the growing emphasis attached to the social economy as problematic, dynamic and variegated. In fact, given the richness, specificity, and political and legal relevance of the social economy approach in the Portuguese case, it is not prudent not to consider the very issue of social enterprises in its context, placing its conceptual design and even its nature in this context. From the outset, the way in which our Constitution focuses on some of the constellations of the social economy should be valued, bearing in mind that this impact has greatly influenced the way in which these constellations have come to be part of the galaxy of the social economy. Since the first version of the CPR (1976), most of the components of what is now the "social economy" in Portugal were explicitly addressed to a relevant set of normative messages. In successive constitutional revision processes, this perspective has been further matured. And so a solid constitutional basis was generated for the anchoring of the social economy in the Portuguese legal order. Let us recall, as the most relevant examples, the constitutional norms that have to do with cooperatives, IPSS<sup>4</sup>, local communities, mutualism and associativism. These various normative approaches strengthen and express, to a large extent, the important place that the social economy occupies in the constitutional project that is embodied in our Republic. This synergy, between the matrix of the CPR and the shaping logic of the social economy, also has an important expression in the centrality that democracy has in both cases. The CPR assumes as its horizon a political, economic and social democracy. The social economy is a democratic symbiosis of the economic and the social. Both are part of an emancipatory process impregnated by a democratic culture. At the same time, the CPR embraces a pluralistic vision of the economy with a public sector, a for-profit private sector and a cooperative and social sector, animated by a direct protagonism of citizens who do not have profit as an objective in their organized collective activity. And it clearly identifies this pluralism as one of its structuring characteristics. Of course, the corollary of this pluralism is the diversification of organisational forms that give the various sectors different lives. And if we consider that all these organisational forms are sufficiently structured and perennial to be able to be seen as enterprises, it

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<sup>4</sup> Private Institutions of Social Solidarity (translator's note)

will be natural that we project the economic pluralism of the CPR into a corresponding pluralism of legal-enterprise forms, into business pluralism. We will thus have private enterprises, public enterprises, and cooperative and social enterprises. This business pluralism was, in fact, expressly assumed in legal studies as a natural consequence of the April Constitution. At first, it gave rise to the emergence of a category of enterprises that transcended the public/private sector dichotomy, which had essentially a cooperative tone. Later, that breadth increased. And today, the cooperative and social sector, and by extension the social economy, corresponds to social enterprises, a category that shares the business universe with private and public companies. Therefore, since social enterprises are the organisational expressions of the social economy, they necessarily include cooperatives. And so, it can be said that the leading role of the social economy is shared by two types of social enterprises, cooperatives and social enterprises proper. From all this, it follows that it is only the result of an ideological prejudice that only for-profit private enterprises are regarded as enterprises. And much less to consider that its typical legal form – the commercial company – is anointed, in the abstract and in itself, with a universal vocation that enables it to be the best legal solution for collective protagonism in any type of economic activity. On the contrary, in line with the vision that the CPR projects, it is most likely that outside of economic activities with a for-profit logic, the commercial company is not the most appropriate legal form. Or at least, it is not so in a general and abstract way, although it may be so in very exceptional cases, due to infrequent particularities. For all these reasons, in the light of the Portuguese-constitutional legal framework, the most defensible thing seems to be that social enterprises are enterprises covered by the social economy and only those enterprises. Other paths, in addition to the risk of fragmenting the social economy or some of its constellations, being able to be a mere expedient to channel public funds destined for the social economy to capitalist enterprises, being able to be an impulse to decharacterise and trivialise the social economy, are real foreign bodies in the Portuguese legal context; and they are the protagonists of strategies to combat the social economy that are unethical, illegitimate and, if we look closely, perhaps even illegal.

Thus, it seems more prudent and more fruitful to consider as a starting hypothesis that, in the Portuguese case, social enterprises are the entities that make up the social economy and only these. If there are initiatives, neither public nor private, that do not fit into this space as it exists at present, the apparently most fruitful path will be the establishment of a new legal figure, capable of generating a corresponding legal normative space that embodies its nature, its characteristics, and its objectives. Of course, it will only make sense to go down this road if the initiative in question cannot, in the light of the Portuguese legal system, be regarded as belonging to the social economy or to the cooperative and social sector enshrined in the Constitution. Social enterprises were not

subject to an autonomous legal consideration in the LBES (Social Economy Framework Law), but this hypothesis was considered during that legislative process, concluded in 2013, and was ultimately rejected. There are those who view this negatively because they understand that an opportunity to create an even more favourable environment for social companies has been lost. However, I do not think that any convincing arguments have been put forward in favour of that view. In fact, the perspective that sees social enterprises as the materialization of the social economy is dominant in Portugal. This position, as we have seen, is in harmony with the path taken by legal-political regulation since the April Revolution, as well as with the relative importance and profile assumed among us by the entities that may be considered as such.



**LISBON, 1999**

Congress of Portuguese Cooperatives – opening of the 2nd Thematic Session  
with a speech by Rui Namorado

**9. In the year in which we celebrate the 50th anniversary of the April Revolution, what are the consolidated achievements of cooperativism and what are the challenges that this movement is called to respond?**

Let's start with the essentials. Let us underline, as a strategic achievement of cooperativism, its leading role in resisting the predatory sequelae and horizon blockages inherent to capitalist-type societies. A resistance that, in addition to being a conquest, also has in its continuity, perhaps the greatest challenge of cooperativism. But its active involvement in the social metamorphosis leading to post-capitalism tends more and more to inscribe in its very nature a deep imbrication in the social economy. It is thus a question of participating in a wide-ranging struggle against human suffering, towards an emancipatory horizon, seen as the ultimate democratic resonance of freedom and equality.

And so, in the end, perhaps the most effective consolidation of the achievements of cooperativism is the strength of the social movements that lead it. The same can be said of the social economy as a whole. From a more limited perspective, an important achievement is the place that cooperatives occupy in the CPR. Firstly, its specific place as an autonomous sub-sector; Secondly, its implicit but clear integration into a social economy recognized by the constitutional project as a relevant differentiated dynamic of social development. Cooperative development, as a range of public policies, must therefore be projected into the future by valuing two levels: the belonging of cooperatives to the social economy and their autonomous dynamics as one of its constellations. That is, to see the cooperative movement as a constellation of the social economy, making its empowerment within its own specificity the way to assert itself as one of the constellations of the social economy galaxy. It is therefore necessary to put the autonomy of cooperativism on the horizon as a way of being that belongs to the social economy. This is a challenge whose robustness is in itself an achievement. An equally important challenge, both in itself and in the context of the social economy, is to stop any business isomorphism rooted in the absolute prominence of the corporate model inherent in for-profit private enterprises, either as an absorbing paradigm or as a single model. Both at the strict cooperative level and within the framework of the social economy, it is also necessary to give centrality in its horizon to the involvement in the instituting process of a State of Social Transformation; and to do so in the context of local development. More than a challenge, it is an ethical imperative to assume, as a way of being of its entities and its members, a humanistically qualifying civic activism, giving special emphasis to their involvement in the fight against the consequences of climate change. In the same way, without forgetting as a strategic signal the imperative of dignifying work in general, it is an important aim

to give new relevance to consumer rights, in the context of permanent attention and a careful re-examination of the imperative of a new frugality, a new philosophy of consumption, in the context of the post-growth issue.