

# REFORMA INSTITUCIONAL DA ECONOMIA SOCIAL EM PORTUGAL (2010-2022)

## INSTITUTIONAL REFORM OF THE SOCIAL ECONOMY IN PORTUGAL (2010-2022)



Eduardo Graça

On the eve of Christmas 2008 I received a phone call from José António Vieira da Silva, Minister of Labour, inviting me to a conversation to be held immediately. Unfortunately, I was literally packing my bags for the Christmas holidays and the conversation was postponed for a few days, taking place even before the end of the year. It was not revealed to me what José António, the Minister, who I knew, and know very well from the days of the student and political struggles before and after April 25<sup>th</sup>, was coming to. The conversation was intended to invite me to assume the presidency of INSCOOP (Instituto António Sérgio do Sector Cooperativo, IP) [Institute António Sérgio of the Cooperative Sector], whose president, Canaveira de Campos, would leave office at the end of that year.

I accepted the challenge. In this way, I took on the task of directing the process of extinction of INSCOOP, IP and the creation of a new type of entity whose contours would be drawn throughout the year 2009.

This text aims not only to contribute in a modest, but also precise and concise way, to the history of the social economy in Portugal, concerning the institutions created from 2010 onwards, as well as the people who, from the end of 2008 to the present, have played a relevant role in this reform process. In this regard, I would like to point out how few testimonies have been given, over time, by the protagonists of the action in this very important area of our society's life.

I started my duties as president of INSCOOP, IP at the beginning of 2009 according to Order No. 4197/2009, of January 20, with effect from December 31, 2008. The position was uninominal and the chair where I was to sit was located at Rua D. Carlos Mascarenhas, Campolide, in

Lisbon. INSCOOP, IP had a long and venerable tradition of intervention in the cooperative sector, but it was depleted of resources, particularly in the area of personnel.

The extinction of a public body is not an exciting task, but in this case, it was carried out by complying with all the required steps and procedures, without drama or dispute. The State Budget for 2010 included funds for its operation in the first half of the year, discontinuing its activity and giving way to the new entity to be created in the second half of the year.

### COOPERATIVA ANTÓNIO SÉRGIO PARA A ECONOMIA SOCIAL (CASES)

The debate on the legal nature and organisational conformation of the entity that would succeed INSCOOP, IP took place throughout 2009 with the active participation of the offices of the Secretaries of State for Employment and Vocational Training, Fernando Medina and Valter Lemos, who succeeded each other in the Government. José António Vieira da Silva, was the Minister of Labour and Social Solidarity, who held these positions between 12 March 2005 and 25 October 2009. Curiously, or perhaps not, the essence of the conception and operationalization of the entity model that succeeded INSCOOP, IP took place in this time period, culminating in the publication of Decree-Law No. 282/2009, of October 7, which authorizes the constitution by the Portuguese State of the Cooperativa António Sérgio para a Economia Social, Cooperativa de Interesse Público de Responsabilidade Limitada [Cooperative António Sérgio for the Social Economy – Public Interest Cooperative with Limited Liability], "which brings together the State and entities of the cooperative sector and the social economy".

At the end of 2009, through Order No. 26623/2009 of 29 November, "the IIEFP<sup>1</sup> is authorized to subscribe 200 securities, with a unit value of €1000, with a total value of €200,000", with a view to constituting the public part of the share capital of CASES. Soon after, on February 1st, 2010, Order No. 2342/2010 was published, appointing António Beirão Freire Torres as the State's representative at the general assembly of CASES. In addition to the working relationship, I established a firm and lasting friendship with him.

From 2009 to the beginning of 2010, there were exchanges of opinions and formal and informal meetings with the leaders of private entities, representing the social economy sector, which would become part of CASES, in partnership with the State. I remember that, from the list of entities involved, the Centro Português de Fundações [Portuguese Foundation Centre] declined the invitation, and it was accepted by six other entities that came to sign the public deed of the

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<sup>1</sup> Instituto de Emprego e Formação Profissional [Institute for Employment and Vocational Training] (translator's note).

constitution of CASES, designated as "capital increase and amendment of statutes". In fact, by means of a public deed signed on 4 February 2010, six confederal entities in the social economy sector subscribed a holding of seventeen thousand euros, represented by seventeen securities of one thousand euros each. The share capital was thus increased from € 200 000 to € 302 000, establishing the association between the State and private entities representing the social economy sector.

The six entities that signed, at the premises of the Museu do Oriente [Orient Museum] in Lisbon, on February 4th, the public deed of constitution of CASES were the following, as well as their representatives:

ANIMAR (Associação Portuguesa para o Desenvolvimento Local) [Portuguese Association for Local Development] represented by Rogério Roque Amaro and Maria Clara Amorim Lourenço; CONFECOOP (Confederação Cooperativa Portuguesa, CCRL) [Portuguese Cooperative Confederation], represented by José Manuel Jerónimo Teixeira; CONFAGRI (Confederação Nacional das Cooperativas Agrícolas e de Crédito Agrícola, CCRL) [National Confederation of Agricultural and Agricultural Credit Cooperatives], represented by Francisco João Bernardino Silva and Aldina Baptista Fernandes; CNIS (Confederação Nacional das Instituições de Solidariedade) [National Confederation of Solidarity Institutions], represented by Lino da Silva Maia; UMP (União das Misericórdias Portuguesas) [Union of the Portuguese Mercies], represented by Carlos Alberto Correia Andrade; UMP (União das Mutualidades Portuguesas) [Union of Portuguese Mutualities], represented by Alberto José dos Santos Ramalheira, Pedro Maria Bleck da Silva and Luis Alberto de Sá e Silva.

The creation of CASES, according to the model of a public interest cooperative, also known as "régie cooperativa", was a bold innovation at the legal and institutional levels, insofar as it was given powers of authority for the cooperative sector and, later, for volunteering, with the State accepting to share the management of an institution, in all its attributions and competences, with private entities. The safeguarding of the reserve of public power lies in the State's possession of the majority of the capital as well as in the role of the State representative in the general assembly.

It should not be thought, however, that this was a consensual solution, first of all due to the natural reserves regarding the role of the State in its relationship with the social economy sector and, in particular, with the cooperative sector. To illustrate this potential reservation, I leave you with an excerpt from "Sobre o Espírito do Cooperativismo" ["On the Spirit of Cooperativism"], from 1958, one of the last writings of António Sérgio, the most distinguished cooperativist and Portuguese thinker of the twentieth century: "Nothing is mandatory in the cooperative sector. Most open to all, what is in him is voluntary, spontaneous, free. Governments will be able to give discreet assistance (by disseminating knowledge about cooperative societies; by enacting legislation

favourable to them; by assisting the development of banking institutions to finance cooperative enterprises) but without ever attempting the slightest interference in the progress and direction of cooperative societies. Cooperativism is a popular initiative in everything. All of it is built up by the activity of the citizens." The same could be said of associations, the organisational expression of free association, which constitute the largest number of social economy entities, regarding their relationship with the state!

### CONSELHO NACIONAL PARA A ECONOMIA SOCIAL (CNES)

The second structuring institution of the social economy sector, created in this period through the Council of Ministers Resolution No. 55/2010 of 22 July, is the CNES (Conselho Nacional para a Economia Social) [National Council for the Social Economy], as a "body for monitoring and consulting the government in the field of strategies and public policies for the promotion and development of the social economy." The representativeness of the sector was ensured and, subsequently, extended with the participation of all the most relevant representative entities of the sector. In addition, there are five personalities of recognized merit, as well as representatives of the governments of the Autonomous Regions of the Azores and Madeira and of the Associação Nacional de Municípios e Freguesias [National Association of Municipalities and Parishes].

In the period between the beginning of 2009 and July 2010, a profound reform of the social economy sector was thus initiated, both at the institutional level (which is the subject of this article) and at the legal and operational levels.

It is relevant to note that the process of creating these two institutions took place simultaneously with the worsening of the sovereign debt crisis that culminated, in April 2011, with the request for a bailout by the Portuguese government, which was followed by legislative elections, and the subsequent change of government. However, this reform process has proceeded without interruptions or changes in trajectory.

### CONFEDERAÇÃO PORTUGUESA DE ECONOMIA SOCIAL (CPES)

The creation of CASES and CNES, entities of a public nature, although participated by private entities representing the various "families" of the social economy, made the absence of an associative organization that brought them all together more sensitive.

Following a process of national debate in which the most relevant confederal entities of the Portuguese social economy participated, which took place from the end of 2016, until the final session of the National Congress of Social Economy, held on November 14, 2017, the Confederação

Portuguesa de Economia Social (CPES) [Portuguese Confederation of Social Economy] was formally created.

The 21st of June 2018 goes down in the history of the Social Economy in Portugal. On that day, the deed of incorporation of the Confederação Portuguesa de Economia Social (CPES) was celebrated. The event took place at the premises of the Sociedade Portuguesa de Autores (SPA) [Portuguese Society of Authors], at 6 pm on June 21, 2018, with the following founding members: ANIMAR – Associação Portuguesa para o Desenvolvimento Local; APM – Associação Portuguesa de Mutualidades; CNIS – Confederação Nacional das Instituições de Solidariedade; CONFAGRI – Confederação Nacional das Cooperativas Agrícolas e do Crédito Agrícola de Portugal, Ccrl; CONFECOOP – Confederação cooperativa portuguesa, Ccrl; CPCCRD – Confederação Portuguesa das Coletividades de Cultura, Recreio e Desporto [Portuguese Confederation of Culture, Recreation and Sports Collectives]; CPF – Centro Português de Fundações; UMP – União das Misericórdias Portuguesas; UMP – União das Mutualidades Portuguesas.

The nine founding entities of CPES represent, almost in its completeness, the universe of entities of the Portuguese social economy. What is the importance of this decision? In addition to being the result of a consensus between private partners who share common values and principles that work for and with people, it meant a step towards joining forces in respect of the autonomy and diversity of each of them, in favour of the public recognition of the social economy sector (or "cooperative and social sector" according to the terms of the CRP [Constitution of the Portuguese Republic]).

### CENTRO PARA A ECONOMIA E INOVAÇÃO SOCIAL (CEIS)

In this new institutional structure of the Portuguese social economy, it was necessary to create a structure that would allow, on a permanent and continuous basis, to take care of the professional training of its managers and workers. In order to pursue this objective, on January 11, 2022, the members of CNES signed the Agreement for Vocational Training and Qualification of the Social Economy, which constitutes a structuring commitment to a renewed public policy for professional training and qualification in the sector.

Among others, the commitment was made to ensure the participation of the Social Economy sector in the definition, implementation, and monitoring of vocational training programs, in order to achieve a coherent and effective response to the training needs of the sector, with a view to the transversal and permanent training of the entities that integrate it. This commitment was tangibly expressed in the creation of a Protocol Centre for Vocational Training dedicated to the Social

Economy Sector, called Centro para a Economia e Inovação Social (CEIS) [Centre for the Economy and Social Innovation].

The CEIS was established by Ordinance No. 302/2022, of December 21, which ratified the protocol for the creation of the Centre, granted between the Instituto de Emprego e Formação Profissional, I.P. (IEFP, IP) [Institute for Employment and Vocational Training], the Cooperativa António Sérgio para a Economia Social (CASES), the Confederação Portuguesa de Economia Social (CPES), the Centro de Estudos Ibéricos (CEI) [Centre for Iberian Studies] and the Instituto de Segurança Social, I.P. (ISS, IP) [Institute of Social Security].

It was assigned, as its central objective, the training of social economy entities, as well as the promotion of professional training, the recognition, validation and certification of skills, and the provision of services and technical support to entities within the scope of the social economy, and, at the end of 2023, it is in the structuring phase with the guarantee of having a budget, foreseen in the State Budget/2024, to support the activities to be developed that year.

After long years of stagnation, a new and permanent response has been created to promote the training and empowerment of workers and leaders in the social economy sector, which until now has been deprived of a public policy dedicated to it. I am pleased to highlight that this development is largely due to the commitment of the Minister of Labour, Ana Mendes Godinho.

### BRIEF CONCLUSION

An institutional reform of the social economy sector has thus been concluded, with well-founded expectations for its development and renewal in the near future. Each of these four institutions, although at different stages of maturation, has a solid legal framework and governing structures that promise, if the political will does not fade, a new era for the Portuguese social economy.