



PORTUGAL

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Portugal has a **Social Economy Framework Law (2013)**. In 2020, **73 851 social economy entities** employed **241 371 people**, accounting for **5.0%** of total employment.

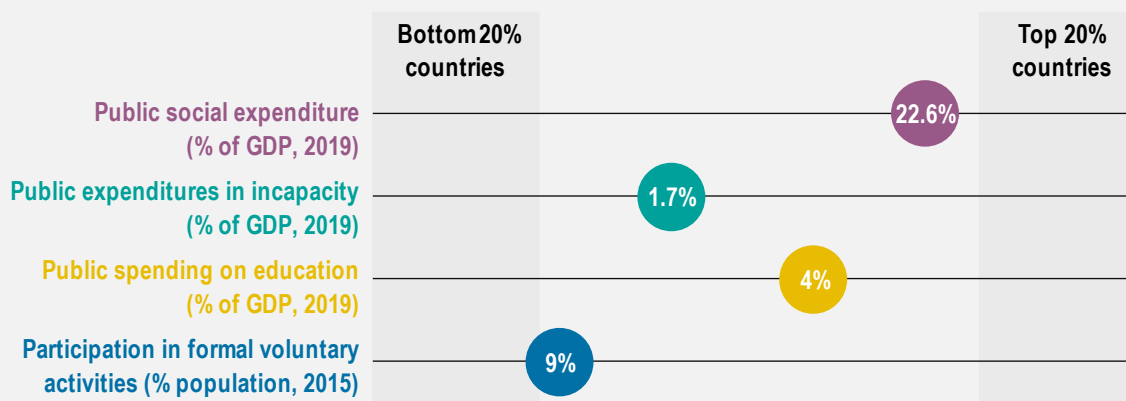
SOCIO-ECONOMIC INDICATORS

Portugal is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
Portugal	USD 41 873	77.6%	14.0%	12.8%	0.327 / 1	30.7%	1.5 / 2
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Portugal refer to 2022, except for NEET (2021), poverty rate (2020), Gini coefficient (2020) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for Portugal is a provisional value, for OECD is an estimated value. See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL ECONOMY ECOSYSTEM

Definition of the social economy in Portugal

The **social economy** refers to the **set of economic and social activities** freely undertaken by certain entities. These activities aim to **pursue the general interest** of society, either directly or through the pursuit of the interests of its members, users and beneficiaries, when socially relevant.

Social economy entities act in accordance with these **guiding principles**:

- Primacy of people and social objectives
- Free and voluntary membership and participation
- Democratic control by their members
- Conciliation between the interests of members, users or beneficiaries and the general interest
- Respect for the values of solidarity, equality and non-discrimination, social cohesion, justice and equity, transparency, shared individual and social responsibility and subsidiarity
- Autonomous and independent management of public authorities and of any other entities outside the social economy
- Allocation of surpluses to the pursuit of the entity's purposes in accordance with the general interest, without prejudice to respect for the specificity of the distribution of surpluses, proper to the nature and substratum of each social economy entity.

The **following entities** are part of the social economy:

- Cooperatives, mutual associations, Holy Houses of Mercy (*misericordias*), foundations, private institutions of social solidarity, associations with altruistic purposes acting in the cultural, recreational, sports and local development scope;
- Entities covered by the community and self-managed sub-sectors, integrated under the terms of the Constitution into the cooperative and social sector;
- Other entities endowed with legal personality, which respect the guiding principles of the social economy.

Note: Translation into English provided by the authors. For the original text and complete definition, please refer to the [Social Economy Framework Law \(2013\)](#), Articles 2, 4-5.



OECD
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Economy Ecosystems

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Institutional frameworks



Institutions

The **Ministry of Labour, Solidarity and Social Security** is responsible for matters relating to the social economy. Together with Statistics Portugal, the António Sérgio Cooperative for Social Economy (CASES) produces the **Social Economy Satellite Account** which provides the most relevant information concerning the social economy.



Legal instruments

Portugal has a **Social Economy Framework Law (2013)**.



Stakeholder engagement

The António Sérgio Cooperative for Social Economy (CASES) is an overarching **partnership body including the government and the main umbrella organisations**. It promotes the strengthening of the social economy sector.

Main figures

73 851 social economy entities operated in Portugal in 2020, employing **241 371** people, which accounted for **5.0% of total employment**. **Human health services** had the highest share of employment in social economy (33.1%). **Women represented 72.5% of social economy employment** in 2018.

SCOPE The Social Economy Satellite Account (SESA) was developed by the António Sérgio Cooperative for Social Economy (CASES) and Statistics Portugal. The statistical scope is defined in accordance with the Social Economy Framework Law and includes cooperatives, mutualist associations, Holy Houses of Mercy, foundations, community and self-management subsectors, and associations with altruistic goals.

SOCIAL ECONOMY ENTITIES

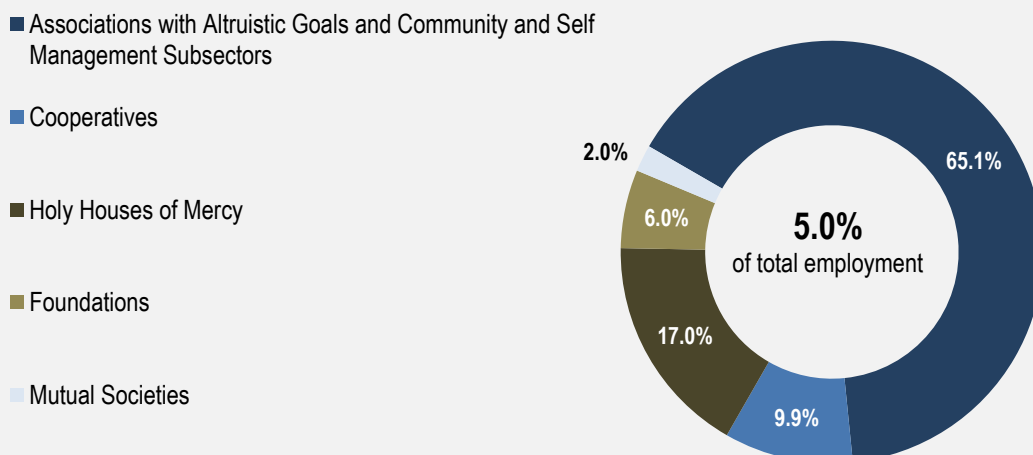
Number of social economy entities (2020)



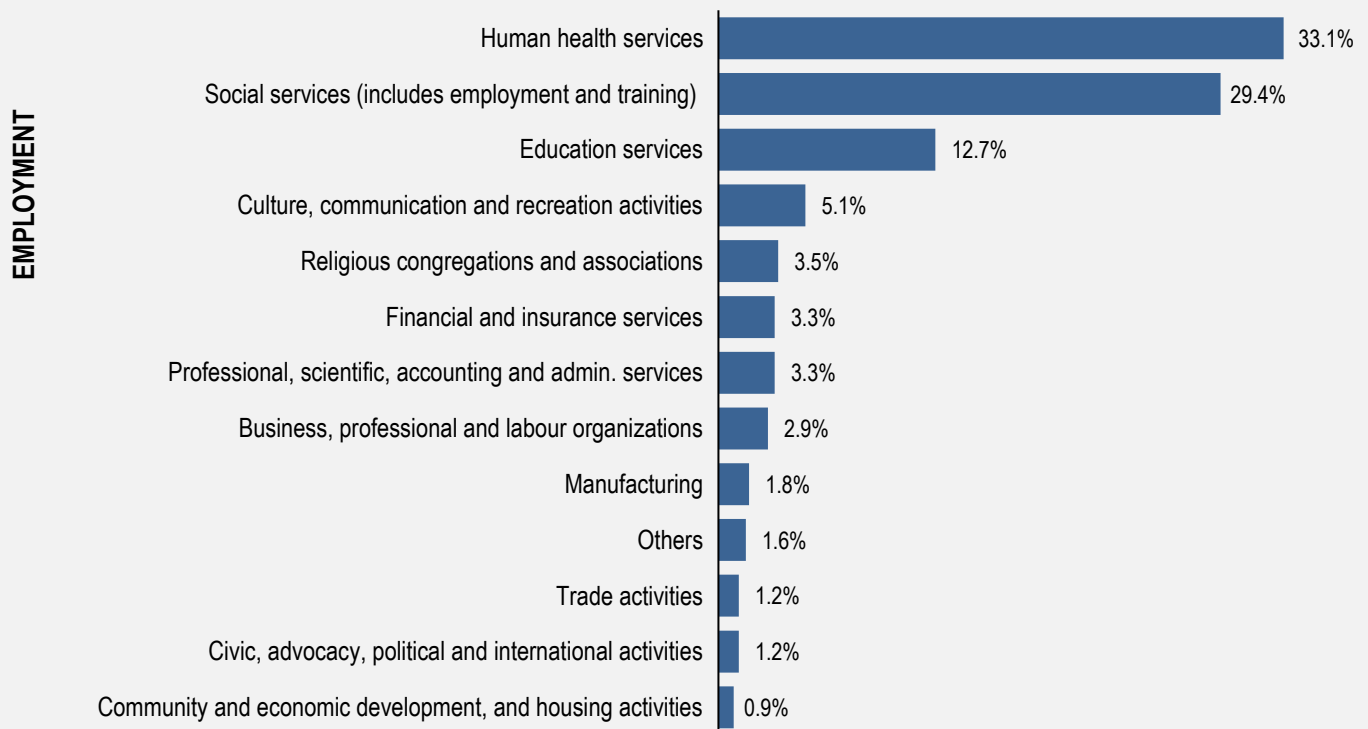
Employment in the social economy (headcount, 2020)

Total employment in social economy (2020):
241 371

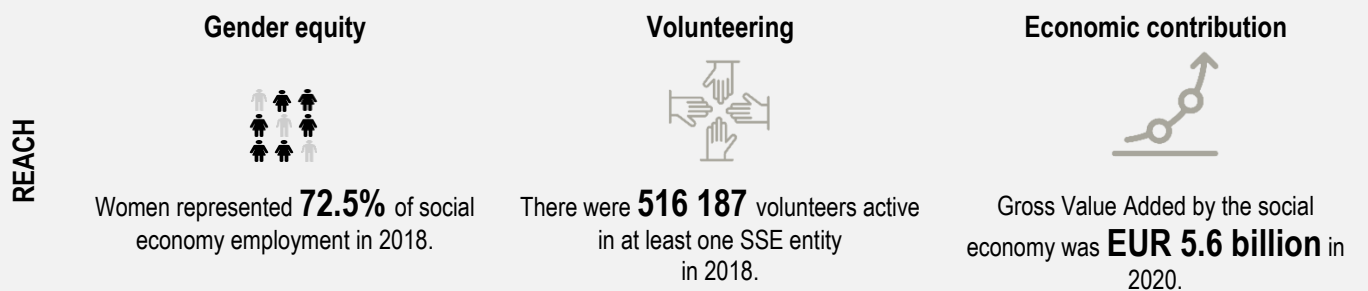
EMPLOYMENT



Employment in the social economy by sectors of activity (2020)
(Main broad sections of ICNP/TSO - International Classification of Non-profit and Third Sector Organisations)



Note: Others include transportation and storage activities; environmental protection and animal welfare activities; accommodation, catering and food services; agriculture, forestry and fishing; philanthropic intermediaries and voluntarism promotion; real estate activities; activities not elsewhere classified; and others.



Note: The indicator on women employment refers only to employees with a contractual employment relationship, thus excluding members of the governing bodies of social economy entities.

Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	<ul style="list-style-type: none"> • Social Economy Framework Law (2013) - Link
For specific SSE entities at national level	<ul style="list-style-type: none"> • Decree-Law 7/98 (1998). Social Solidarity Cooperatives - Link • Framework Law on Foundations (24/2012) - Link • Law on Private Institutions of Social Solidarity (IPSS) (172-A/2014) - Link • Cooperative Code (2015) - Link • Decree-Law on Mutual Associations (190/2015) - Link

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Portugal.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities

- Private Institutions of Social Solidarity enjoy several exemptions, namely exemptions from business tax, Value Added Tax (VAT), property tax and donation-based income.
- Associations, cooperatives and foundations are exempted from business taxes and VAT for the provision of public-benefit related services.
- Cooperatives are exempt from business tax if their mission relates to agriculture, consumption, culture, housing and construction, and social solidarity. Cooperatives from other branches of the cooperative sector are also exempt from business tax as long as 75% of the workers are cooperative members. Cooperatives also enjoy exemptions from municipal taxes and real-estate taxes.

Fiscal treatment for contributors to the SSE

- Income tax deduction for cash donations made by individual donors may reach up to 25% of the amount donated under certain conditions.
- Corporate donors may benefit from tax deduction for donations to state-supported foundations or for endowment of private foundations pursuing social or cultural aims. They may also benefit, up to a limit, from tax deduction for donations to Private Institutions of Social Solidarity, associations or cooperatives pursuing social, cultural, sporting, environmental or educational aims.

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.



Evidence-based initiatives

- [One Value Database](#) (2020) △ Portuguese Government with Calouste Gulbenkian Foundation

Note: Evidence-based initiatives help produce and disseminate impact evidence to raise awareness on the social and solidarity economy as a whole, and to reduce the cost of accessing data for single and particularly small-sized entities.

FURTHER READING ON THE SSE IN PORTUGAL

[Euclid Network](#), [ESLIDER Portugal](#), [Católica Lisbon School of Business & Economics: Portuguese Social Enterprise Monitor 2020-2021](#) | [Estudo de Impacto Social das Fundações Portuguesas 2021 \(Study on the Social Impact of Portuguese Foundations 2021\)](#) | [Importância Económica e Social das IPSS em Portugal: Central de Balanços \(2016, 2017 e 2018\) \(Study "Economic and Social Importance of IPSS in Portugal: Central Accounting \(2016, 2017 and 2018\)](#) | [Diagnóstico das ONG em Portugal \(Diagnosis of NGOs in Portugal\)](#) | [The statistical overview of Social Solidarity Cooperatives in Portugal \(2017-2018\)](#) | [A Economia Social numa visão plural \(The Social Economy in a plural overview\)](#) | Garrido: [Uma história da Economia Social \(A history of Social Economy\)](#) | Garrido and Pereira: [A Economia Social em Movimento \(Social Economy on the move\)](#) | [Women in the Portuguese Cooperative Sector](#) | [European Commission: Social Enterprises and Their Ecosystems in Europe Portugal Country Report](#) | [EU Social Economy Gateway - Portugal](#)

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; Poverty rate (after taxes and transfers, poverty line 50%): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Stakeholder engagement for developing regulations: OECD Better Life Index, <https://www.oecdbetterlifeindex.org/#/111111111111>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc_scp19], based on the 2015 EU-SILC ad-hoc module.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data were provided by Statistics Portugal's Unit for Satellite Accounts and Quality Assessment of National Accounts, National Accounts Department based on the 2019-2020 data of the Social Economy Satellite Account.
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



Centre for Entrepreneurship, SMEs, Regions and Cities
Local Employment and Economic Development (LEED) Programme
Social Economy and Innovation Unit



Visit our website:

<https://www.oecd.org/cfe/leed/social-economy/>



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