



# Regulatory and legal framework of the Social Solidarity Economy (SSE) and ecosystem in Portugal

## MedTOWN Project

Co-production of social policies with social and solidarity economy actors to fight poverty, inequality and social exclusion.



**QUESTIONNAIRE PROJECTS PHASES AND LOCAL PARTNERS. MEDTOWN PROJECT. 3rd LOT.**

**DEMONSTRATIVE ACTION. Name:** Agroforestry of Bela Flor and Time Bank of Campolide  
Campolide - Lisboa - Portugal

**MUNICIPALITY, REGION AND COUNTRY ACTION:**

**BRIEF DESCRIPTION OF CONTEXT:**

The Parish of Campolide is located in the City of Lisbon, in the central-western area, bordering a vast forested area, the Monsanto Park, which is Lisbon's main "lungs". It encompasses a heterogeneous territory, with middle and upper-middle class areas and Municipal Housing neighborhoods, where the most disadvantaged populations live. The neighborhood where Agrofloresta is located is precisely a Municipal Housing neighborhood and there is also a Housing Cooperative.

With Time Bank, the aim is precisely to encompass people from different social classes, interconnecting them through its services. offered and demanded.

**ARRAY TO BE FILLED IN:**

Nº	ASPECTS TO BE REPORTED	ACTIONS	OTHER ACTIONS/ DISCLAIMERS	OTHER DISCLAIMERS
1	<b>Existing applicable SSE legislation</b>	Basic Law on Social Economy (n. 30/2013 - 08-05-2013). There are also specific laws and codes for each legal figure - 1) Cooperatives; 2) Mutual Societies; 3) Associations; 4) Foundations – as specified below:  1) the Cooperatives Code, <u>Decree-</u>	The Social Economy is considered in the Constitution as one of the forms of Economy of the country, especially in Articles 61, 80, 82, 85, 89, 165 (lines r and x) and 288 (line f) [N.A.: <i>please consult <a href="#">here</a> the corresponding articles</i> ]  The “cooperative and social sector” is	The concept and designation of Solidarity Economy was not considered in the Basic Law on Social Economy (30/ 2013), only that of Social Economy.

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	<p><u>Law n.º 454/80</u>, updated in the <u>Law n.º 119/2015</u>, of August 31<sup>st</sup>;</p> <p>2) the Mutual Associations Code, <u>Decree-Law n.º 72/90</u>, updated in the <u>Decree-Law n.º 59/2018</u>;</p> <p>3) The Law for not-for-profit Associations, firstly established by the Decree-Law n.º 47344, Civil Code of 1966, later reformed and expanded by several acts of legislation, concerning various types of Associations (cf. <a href="#">here</a> many examples)</p> <p>4) Framework Law of Foundations, in <u>Law n.º 24/2012</u></p> <p>[<i>Note of Authors: corresponding hyperlinks to each law in the <u>underlined text</u></i>]</p>	<p>considered a <i>tertium genums</i>, along with the public and the private sectors, distinguishing the different property of the means of production. As an endgoal, the Republic of Portugal wilfully promotes the realisation of economic, social and cultural democracy and the deepening of Participatory Democracy (Art. 2 of the Constitution).</p>	
<p>2 <b>Purpose of the regulation</b></p>	<p>“In the development of the provisions of the Constitution regarding the cooperative and social sector, it establishes the general bases of the legal framework of the social economy, as well as the measures to encourage its activity in accordance with its own principles and purposes.”</p>		
<p>3<sup>1</sup> <b>Consideration-Theoretical Definition SSE (According to regulation)</b></p>	<p>"Social economy is understood as the set of economic-social activities, freely undertaken by entities (...), which aim to pursue the general interest of society, either directly or by pursuing the</p>		<p>As mentioned, Solidarity Economy was not considered (neither as a concept, nor as a term) in the Law, although it was</p>

<sup>1</sup> Necessary for making comparative terms of equivalent concepts



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		interests of its members, users and beneficiaries, when socially relevant."		proposed by left-wing parties in the opposition.
4	<b>Scope of application of SSE legislation</b>	National	Private (non-profit)	Social Economy is included in the Constitution, as Social and Cooperative Sector. Various subsectors (cooperative, communitarian, self-managed and solidary) are regulated in the Constitution, Civil Code, and other legal frameworks.
5	<b>Stakeholders Involved SSE</b>	Cooperatives, mutual societies, associations, foundations, Santas Casas da Misericórdia (a specific type of organisation in the Portuguese case) and parish social centres (managed by local churches)	The entities mentioned, with the support and partnership of the Central and Local State	
6	<b>Existence of Concrete Figures SSE Sector?</b>	Concrete Social Economy figures are those mentioned as stakeholders and some of them have promoted Insertion Enterprise, within their scope.	In general, they are regulated by the Basic Law of the Social Economy and by the specific laws and codes of each legal figure (the Cooperatives Code, for cooperatives, the Mutual Associations Code, for mutual societies, the Associations Law, for associations and the Framework Law of Foundations, for foundations). There is also specific legislation for Insertion Enterprises	In Portugal, the legal entity of Social Companies does not exist yet
7	<b>Administration - competent legislative</b>	The Assembly of the Republic is responsible for approving the Laws on	They operate at a national level	

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<b>body SSE</b>	the Social Economy and the Government is responsible for defining and approving the corresponding Decrees-Law and Regulations		
<b>8 Administration - competent executive body SSE</b>	The Government (the Ministry of Employment and Social Security) and the courts.	At national level and with the power to decide on support and authorisation of activities and initiatives and to condemn in cases of non-compliance	
<b>9 Administration - competent supervisory body SSE</b>	There is a Social Economy Council and a "Régie Cooperativa" (i.e. a public-private Cooperative), called CASES (António Sérgio Social Economy Cooperative), which includes representatives of the main Social Economy families, and whose mission is to accompany, frame, supervise and stimulate the Social Economy organisations of the country	They act at national level and their competences are: monitoring, framing, supervising and encouraging the Social Economy	
<b>10 Certifications/Register of SSE Actors</b>	All Social Economy organisations must be legally formalised as Cooperatives, Mutual Societies, Associations, Foundations, Santas Casas de Misericórdia or Parish Social Centres and, consequently, registered in the National Registry of Collective Persons and are then accounted for in the Social Economy Satellite Account of the National Statistics Institute	The National Registry of Collective Persons and the National Statistics Institute are public services, regulated by their own laws and regulations.	
<b>11 Measures promoting or fostering SSE</b>	Social Economy entities benefit from some tax reductions and other contributions and also from a more favorable credit system, framed by CASES	"Social economy entities benefit from a more favorable tax status defined by law" (article 11 th. - Basic Law on Social Economy). The CASES Microcredit System, which also	There are also other benefits, such as exemptions in the discounts for Social

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		benefits Social Economy organizations, is defined by its own regulation	Security and state subsidies for Social Economy organisations, which have responses in social areas, such as support for the elderly and children or the disabled
12	<b>Other SSE-related legislation</b>	There is nothing of note to report	There is nothing of note to report
13	<b>Possibility to create new SSE legislation</b>	There is RedPES . Portuguese Solidarity Economy Network, which is trying to extend and adapt the legislation to the specific characteristics of Solidarity Economy, trying to get the support of the Left parties. An alternative Law for Social and Solidarity Economy has already been proposed but it was not approved in the Parliament. We have been and are involved in these attempts.	At national level.
14	<b>Possibility to amend existing SSE legislation SSE</b>	It requires a proposal, with support from political parties, and approval in Parliament, which is not easy	At national level. It should be noted that the first Portuguese Solidarity Economy Network was created in 2000 in the Autonomous Region of the Açores, where Solidarity Economy was politically recognised by the Regional Government, but without creating its own legislation.
15	<b>Possible implementation of (new or amended) SSE legislation</b>	It requires a proposal, with support from political parties, and approval in Parliament, which is not easy	At national level. It should be noted that the first Portuguese Solidarity Economy Network was created in 2000 in the Autonomous Region of the Açores, where Solidarity Economy was politically

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		recognised by the Regional Government, but without creating its own legislation.	
16 <b>Problematic Identification/implementation of SSE regulations</b>	The biggest problem is the recognition of the Solidarity Economy as specific and different from the Social Economy, and therefore the move to a legal and institutional approach to the Social and Solidarity Economy, and not only to the Social- Economy.	The problem is that the big Social Economy lobbies do not want to accept the novelty and specificity of the Solidarity Economy	
17 <b>SSE legislation and other legislation applicable to the Demonstration Action (Concrete Project)</b>	The Demonstrative Action involves a local authority, which does not depend on SSE legislation, community dynamics, of an informal nature, which also do not depend on SSE legislation, and some partners from the Social and Solidarity Economy, which are framed generically by SSE legislation, but without specific implications.		
18 <b>Other matters and policy areas linked to SSE</b>	The areas most closely related to SSE are Employment Policies, Social Policies, Environmental Policies and Territorial Policies	The areas most closely related to SSE are Employment Policies, Social Policies, Environmental Policies and Territorial Policies	
19 <b>Other issues to highlight</b>	Issues considered relevant to the SSE regulation: democratic management, energy options, gender policies, environmental criteria, policies supporting the Commons (commoning the organisational, productive and management processes).		

## **CHALLENGES & RECOMMENDATIONS:**

The main challenge is to make Solidarity Economy recognized in its own characteristics and specificities and in the innovations it brings, in comparison with Social Economy. Consequently, this recognition must be translated into legislation, which includes Solidarity Economy.

It is recommended that the RedPES - Portuguese Solidarity Economy Network, together with the universities that research and teach in this area (mainly ISCTE-IUL and the Faculty of Economics of Coimbra University), promote initiatives so that there may be party proposals in this sense and so that there may be local authority policy measures that support Solidarity Economy.

## **MEASURES TO BE IMPLEMENTED:**

The main measure to be taken is to adapt the legislation to the existence of the new reality, which is the Solidarity Economy. For this, it is necessary that some parties also assume this role.

In addition, it is necessary to reinforce the measures to support the financing of these organisations and initiatives, in more favourable conditions, and also the exceptional measures of tax and social security contribution reductions.

## **OTHER INTERESTING SUGGESTIONS/NOTES:**

It would be interesting to be in contact, as a collective Project, with the reflections, debates and initiatives of RIPESS - Europe (Intercontinental Network for the Promotion of Social and Solidarity Economy) and with XES - Catalan Network of Solidarity Economy, namely with its Annual Solidarity Economy Fair.

## **IDENTIFIED CONFLICTING ISSUES (if any)**

Nothing to point out.



**EXAMPLES OF ACTIONS DEVELOPED IN THE FIELD OF SSE IN THE COUNTRY, REFERENCES AND HOW THEY HAVE BEEN DEVELOPED (if any):**

There are several experiences of Solidarity Economy, linked to Permaculture and Synthropic Agriculture, in various rural regions, especially in the South (for example, Montemor-o-Novo, Herdade do Freixo do Meio and Terra Sintrópica). Despite the fact that all of them are undertaken in predominantly rural territories of the country, their experience is extremely valuable to us, given the objectives, the means of co-production and management and the partnerships they have developed with local public authorities.

There are also 25 experiences of Time Banks in Portugal, in several regions, all of which are framed and supported by GRAAL (Association of Social and Cultural character), with whom we are in permanent contact.

