



CASES // R E P O R T

THE STATISTICAL OVERVIEW OF SOCIAL SOLIDARITY
COOPERATIVES IN PORTUGAL

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1. INTRODUCTION

The Social Solidarity Branch of the Portuguese Cooperative Sector comprises Cooperatives whose mission is to satisfy the social needs of their Cooperators, as well as to promote their integration and support, in particular by satisfying the needs of particular groups such as children and young people; people with disabilities; seniors; socially disadvantaged families and communities; situations of illness, old age, disability and/or serious financial need; access to education, training and professional integration.

Consequently, the Social Solidarity Branch plays a very significant role in social cohesion and ensures an enormous contribution to the quality of life of the Portuguese population, in particular of the most vulnerable groups. However, currently there is a lack of statistical studies oriented exclusively to this Branch, which, thus, does not allow to accurately know its characteristics and its position in the Portuguese Cooperative Sector.

In this sense, this report aims to analyze the state of the art of the statistical information available regarding the Cooperative Branch of Social Solidarity.

In fact, only two sources of information were identified which, although focused on different aspects, included information that could be associated with the Social Solidarity Branch. Namely, the Portuguese Social Economy Satellite Account (SESA), focused on indicators for the Social Economy, and a study by the National Confederation of Solidarity Institutions (CNIS), focused on the universe of Private Social Solidarity Institutions (IPSS), being important to note that both studies should be understood as providers of proxy information to the Social Solidarity Branch.

In turn, given the lack of information, in this report, for the first time, the information resulting from the CASES Accreditation Portal associated exclusively with the Social Solidarity Branch was processed. It should be noted that the information resulting from this Portal only refers to Cooperatives active in Mainland Portugal registered in 2017 and 2018 on the Accreditation Portal, and, therefore, does not constitute an exhaustive representation of all the Cooperatives existing in the country in those years.

However, this information allowed to carry out an unprecedented statistical review for the Social Solidarity Branch and is currently the most complete and current statistical tool for the observation and understanding of this Cooperative Branch¹.

¹ The Portuguese Cooperative Sector is organized in 12 branches, namely: Agriculture, Craft, Trade, Consumers, Credit, Culture, Education, Housing and building, Fisheries, Worker Production, Services and Social Solidarity. For reference see the Portuguese Cooperative Code: https://cases.pt/wp-content/uploads/2018/04/CCOOP_2017.-EN.pdf

2. SOCIAL ECONOMY SATELLITE ACCOUNT 2019

The Social Economy Satellite Account (SESA) arises from the need for knowledge and recognition of the economic dimension and the main characteristics of the various entities that form the Social Economy sector in Portugal, also constituting a valuable instrument to support the definition of public policies for the Sector. In this sense, SESA has been, since 2013, included in the Portuguese Social Economy Framework Law², according to which "*the creation and maintenance of a satellite account for the social economy, developed within the scope of the national statistical system*" must be ensured (number 2, article 6).

Although it is CASES legal responsibility to ensure the realization and maintenance of the SESA, under the terms of paragraph p), article 4 of Decree-Law no. 39/2017, of April 4^{th3}, since SESA is part of the National Statistical System (NSS), which is in turn the responsibility of the national statistical authority (INE, I.P.), successive cooperation protocols between the two entities have been carried out since 2011. Thus, INE, I.P., in partnership with CASES, has prepared since 2013 three editions of the SESA⁴ (2012 edition with 2010 data, 2016 edition with 2013 data and 2019 edition with 2016 data), which compile, within the NSS methodological and conceptual framework, the most relevant economic information of the social economy sector.

This information allows, not only to position the Social Economy Sector in the context of the Portuguese economy, but also to know various dimensions of this Sector, including information regarding the Cooperative Sector.

It is observed that, in 2016, the Cooperatives family was, in number, the second largest group within Social Economy, with 2 343 entities, which represented 3.3% of the Social Economy Sector.

In 2016, this group was responsible for, approximately, 13% of the Gross Value Added (GVA) and of the Compensation of Employees of the Social Economy and 11% of the Employees (Full-Time Equivalent - FTE), noting that all these variables increased compared to 2013, in particular the GVA, which increased 14.6% - **Figure 1**.

² Available at (only in Portuguese): <https://dre.pt/pesquisa/-/search/260892/details/normal?q=Lei+n.%C2%BA%2030/2013%2C%20de+8+de+maio>

³ Available at (only in Portuguese): <https://dre.pt/web/guest/pesquisa/-/search/106824980/details/normal?q=Decreto-Lei+n.%C2%BA%2039%2F2017>

⁴ Available at: <https://www.cases.pt/contasatelitedaes/>

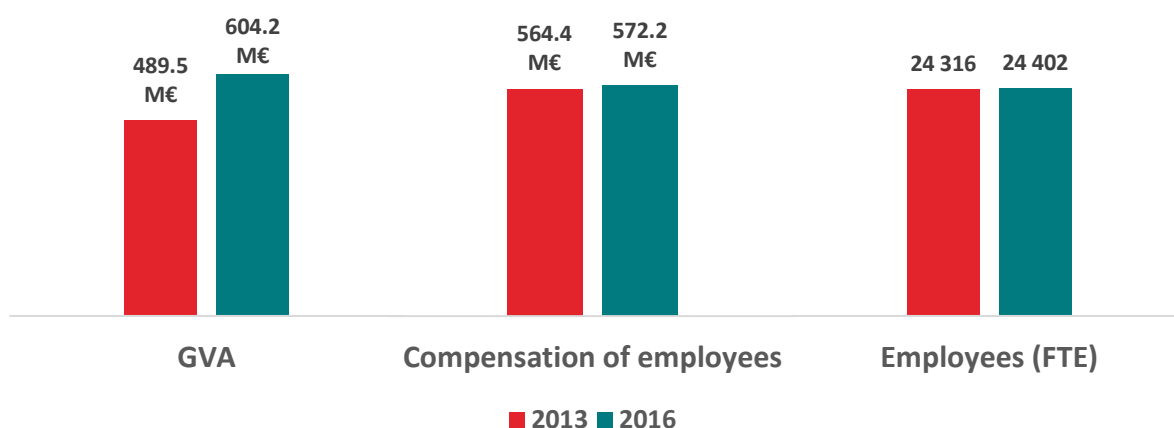


Figure 1 – Cooperatives GVA, Compensation of employees and Employees (FTE) according to SESA 2013 and 2016

However, SESA does not provide information for the Cooperative Sector considering its different branches, so it is not possible, through this statistical instrument, to isolate information only for the Social Solidarity Branch. Still, there are two ways to obtain close information, or proxy variables, to understand this Branch: the information derived from the International Classification of Non-Profit and Third Sector Organizations (ICNP/TSO) and the information for the IPSS group.

The ICNP/TSO, defined in the United Nations manual⁵ used by SESA as a methodological basis, categorizes a set of activities typically associated with entities within the perimeter of Social Economy, allowing them to be characterized with greater rigor and, simultaneously, establishing a relationship with other existing economic activity classifications commonly used in the NSS, namely the Portuguese Classification of Economic Activities - CAE Rev.3 (which corresponds with the International Standard Industrial Classification of All Activities - ISIC Rev. 4).

This classification is not, nor does it intend to be, fully comparable with the Cooperative Branches, but it presents several proximities. Thus, considering that most Cooperatives of the Social Solidarity Branch are classified within the activities of Human Health⁶ and Social Services⁷, this information can be seen as illustrative, even if in part, of this Cooperative Branch.

⁵ *Satellite Account on Non-profit and Related Institutions and Volunteer Work* – available at: https://unstats.un.org/unsd/nationalaccount/docs/UN_TSE_HB_FNL_web.pdf

⁶ The Human Health classification includes ambulatory health services, emergency medical response, medical and diagnostic laboratories, hospitals, nursing and residential care activities, among others.

⁷ The Social Services include child and youth services, services for the elderly and for people with disabilities, temporary shelters, emergency and relief services, refugees assistance, job counselling or training activities, among others.

That being said, in 2016 there were 212 Cooperatives whose main activity was Human Health or Social Services, which generated 2.9% of GVA in the Cooperative Sector and 11.9% of the Compensation of Employees - **Figure 2**.

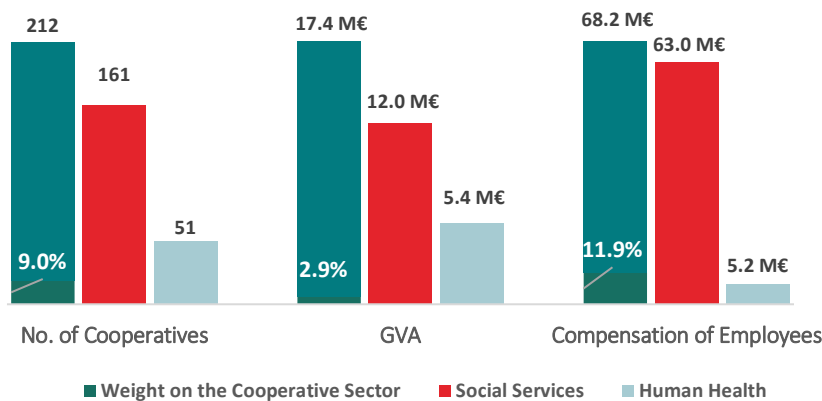


Figure 2 - Characterization of Cooperatives classified in Human Health and Social Services (ICNP/TSO), 2016

It should be noted that this data includes entities that are not part of the Social Solidarity Branch, as well as excludes several Cooperatives from that Branch that have been classified in other activities, for example, in Education Services.

Another proxy information contained in SESA refers to the calculations made for the IPSS. The vast majority of Cooperatives in the Social Solidarity Branch hold an equivalent status to IPSS⁸, so, although not all Cooperatives with this status belong to this Branch, the information regarding this group reflects with some degree of confidence the behavior of the Solidarity Cooperatives.

Despite representing in 2016 only 7.8% of the total number of Social Economy entities, which amounts to 5 622 organizations, the entities with IPSS status or equivalent were, in that year, responsible for more than half of the Compensation of Employees and Employees in the Sector. Furthermore, IPSS data revealed that, between 2013 and 2016, these entities reinforced their relative importance in the Social Economy Sector in almost all macroeconomic indicators - **Figure 3**.

⁸ There are other special status equally characterized in SESA 2019 with relevance to the Social Solidarity Branch, such as the Status of Non-Governmental Organization for the Disabled, but they constitute a smaller group of entities within the scope of the Social Solidarity Branch, which, in turn, makes them be less representative of the Branch as a whole. Furthermore, SESA only indicates the number of Cooperatives with these Status.

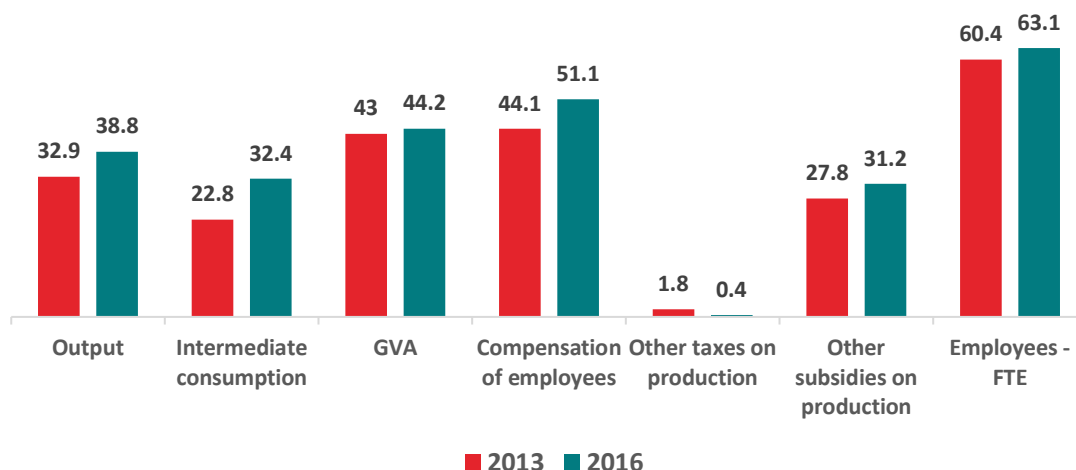
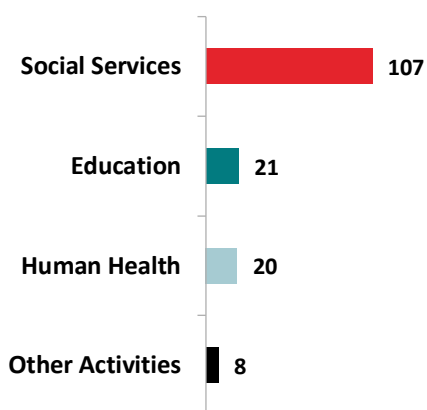


Figure 3 – Weight (%) of IPSS in Social Economy in 2013 and 2016



With regard to Cooperatives equivalent to IPSS, 156 Cooperatives with this special status were identified in 2016 by SESA, the majority of which were devoted to Social Services activities, followed by Education and Human Health - **Figure 4**.

It should be noted that SESA does not, however, provide disaggregated economic information for this group of IPSS.

Figure 4 – Cooperatives equivalent to IPSS by ICNP/TSO (No.), 2016

It is also important to note that the Portuguese SESA is an unprecedented project in international terms, due to its scope and versatility, which, despite being in the third edition, should be considered as a tool still under development that systematically seeks to accommodate the emergence of new realities and needs, with their consequent updates of concepts and methodologies. In this sense, this instrument may in the future include new dimensions such as, for example, that of Cooperative Branches.

3. CNIS STUDY

In December 2017, CNIS - National Confederation of Solidarity Institutions - published a study entitled "Importância Económica e Social das IPSS em Portugal"⁹ under Application N.º POISE-03-4639FSE-000007 of August 2nd 2016 by ATES - Área Transversal de Economia Social da Universidade Católica Portuguesa (Porto). This study compiled and analyzed the income statements and balance sheets of 2016 for a set of 565 IPSS in Mainland Portugal and Autonomous Regions, which represented 10% of the IPSS universe.

This study presents statistics for IPSS Income and Costs, Financial Ratios, Voluntary Work, comparisons with non-financial corporations and with for-profit entities providing social services, relationship with users in the provision of services and the contribution of IPSS to territorial cohesion, also constituting the first stage for the establishment of a Central Balance Sheet.

As mentioned about SESA, CNIS study also had no intention of studying Cooperatives in the Social Solidarity Branch. However, considering that the majority of the Cooperatives in this Branch are equivalent to IPSS, having, for this reason, great influence on any results obtained for the group of Cooperatives equivalent to IPSS, the CNIS study, namely, the calculation carried out for 14 Cooperatives with IPSS equivalent status, can be seen as a reference for the behavior of the Social Solidarity Branch.

Therefore, isolating the information of the study related only to Cooperatives, it is concluded that:

- There were 161 Cooperatives equivalent to IPSS in 2017, concentrated mainly in the district of Lisbon and Braga;
- Cooperatives equivalent to IPSS have the lowest percentage of user payments in total income - aggregate average of 16.81%. This means that, in 2016, for each euro that a user was able to pay to a Cooperative equivalent to IPSS, the latter had to complement the service provided with approximately 5 euros more;
- Employee Expenses accounted for more than 60% of the total costs of these entities (aggregate average), being the second highest value in the set of legal forms analyzed;
- Subsidies and donations from individuals and private entities in total Income weighed only 2.32% of total Income (aggregate average).

⁹ Economic and Social Importance of the IPSS in Portugal, available at (only in Portuguese): <http://rotass.cnis.pt/wp-content/uploads/2019/01/Livro-Importancia-Economica-e-Social-das-IPSS-em-Portugal-PDF.pdf>

4. CASES ACCREDITATION PORTAL

In operation since June 1st 2015, CASES Accreditation Portal is a digital platform for receiving information regarding mandatory communication acts, as defined by Art. 116 of the Portuguese Cooperative Code¹⁰, contributing to the dematerialization of the information sent by Cooperatives and the efficiency of its treatment.

This Portal also has the objective of securing, in a safe way, the process of requesting, validating and issuing the Cooperative Credential, a document proving the legal constitution and regular functioning of a Cooperative, being a fundamental instrument for obtaining technical and financial support from public entities.

As a consequence, in the fulfillment of the objectives described above, the Accreditation Portal also allows the collection of statistical information on the Cooperative Sector, making it possible to obtain information for the group of Cooperatives in the Social Solidarity Branch.

It should be noted that this Portal is intended exclusively for Cooperatives in Mainland Portugal, and Cooperatives in the Autonomous Region of Azores must send their information to DRAIC (Direção Regional de Apoio ao Desenvolvimento e à Competitividade) and Cooperatives in the Autonomous Region of Madeira should send their information to IEM (Instituto do Emprego da Madeira).

In this sense, the information presented here for the Social Solidarity Branch, and indeed all the information that can be extracted from the Portal, is not exhaustive, being, by inference, underestimated.

However, two separate studies by INE (with collaboration from CASES) concluded that there were 2 343 Cooperatives in Portugal in 2016 (SESA 2019) and 2 012 Cooperatives in 2018 (Questionnaire for the Social Economy Sector - 2018¹¹). Assuming that the total of Cooperatives in 2017 was among these numbers (which is extremely plausible), this means that the information in CASES Portal represents between 60% to 70% of the Portuguese Cooperative Sector.

In addition, the universe of Cooperatives considered in this report will tend to get even closer to the reality of active Cooperatives considering, on the one hand, that the most relevant cooperatives are accredited by CASES and that, on the other hand, the numbers determined by

¹⁰ Available at (only in Portuguese): <https://dre.pt/web/guest/legislacao-consolidada/-/lc/view?cid=107981176>

¹¹ Available at (only in Portuguese): <https://www.cases.pt/inquerito-ao-setor-da-economia-social-ises/>

the studies from INE include the Cooperatives based in the Autonomous Regions of Azores and Madeira, not included in the CASES Accreditation Portal.

Finally, it is important to note that filling in the information in the Accreditation Portal is the responsibility of the Cooperatives that register there and not all Cooperatives provide all the socio-economic data, which contributes to underestimating the results. Furthermore, despite the existence of control and validation mechanisms, some information may be subject to inaccuracies arising from the filling process of Cooperatives.

4.1. DEMOGRAPHY AND SPECIAL STATUS

In 2018, 174 Cooperatives from the Social Solidarity Branch registered on the Accreditation Portal submitted information, 11.7% less than in 2017. Despite this decrease, it appears that the number of Cooperatives that were accredited increased, with only 17.2% of Cooperatives in 2018 lacking a Credential - **Figure 5**.

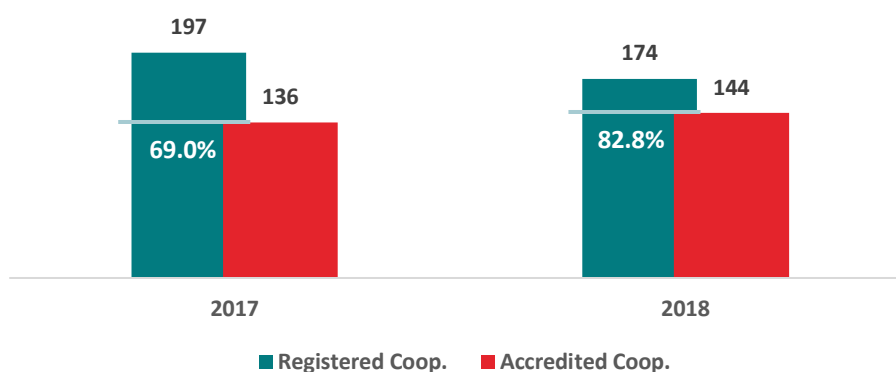


Figure 5 – Evolution of the number of Registered and Accredited Social Solidarity Cooperatives, 2017 and 2018

For the group of Cooperatives mentioned above, the Accreditation Portal made it possible to identify that, both in 2017 and in 2018, more than 85% of the Cooperatives in the Social Solidarity Branch were equivalent to IPSS, which reveals the importance of this status in this Branch. Also expressive is the special status of Non-Governmental Organization for the disabled (ONGPD), being revealed that in 2018 almost a quarter of Social Solidarity Cooperatives had this status - **Figure 6**.

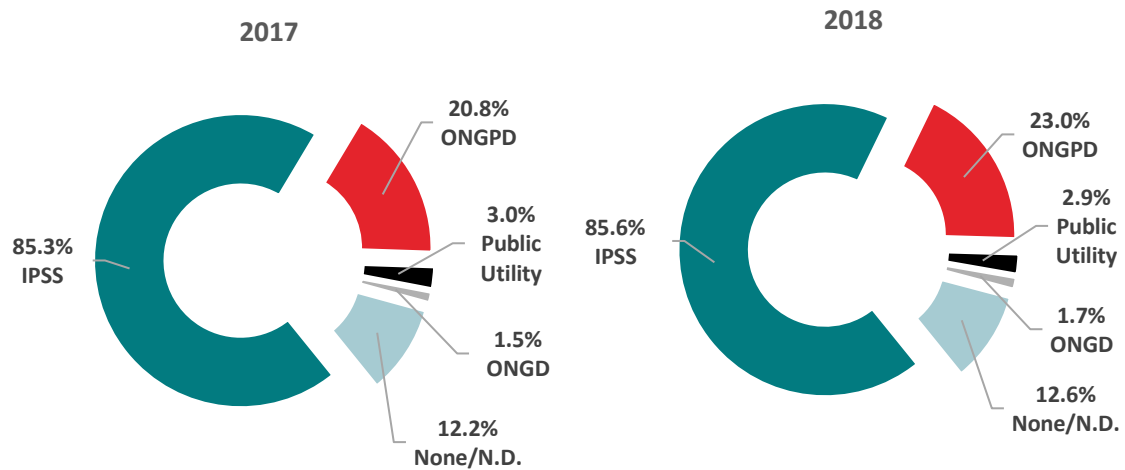


Figure 6 – Weight of different Special Status among the total of Cooperatives in the Social Solidarity Branch, 2017 and 2018

Considering the information on the date of establishment of the entities identified in 2018, it is possible to observe a strong impulse to the creation of Social Solidarity Cooperatives in the period immediately after the Carnation Revolution (1974), with a quarter of the Cooperatives of this Branch being created between 1975 and 1979. Despite a decrease in the establishment of Social Solidarity Cooperatives in the 1980s and 1990s, more than half of these Cooperatives were created after the year 2000, in particular between 2010 and 2018 (29.3%) - **Figure 7**.

In fact, the number of Cooperatives established in the last decade exceeds those that were established in the 1970s and which are still active. In this sense, it is possible to conclude that the Social Solidarity Cooperatives identified in 2018 are mostly young, which is reflected in an average longevity of 22 years (second lowest longevity in the Cooperative Sector in 2018).

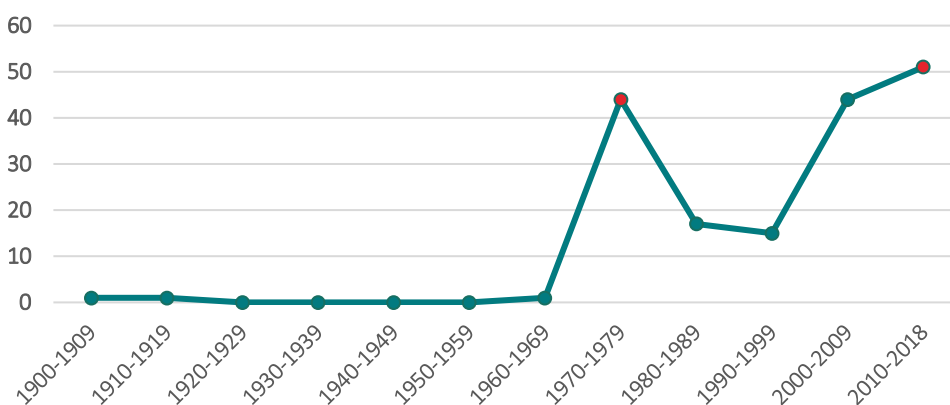


Figure 7 – Evolution of the date of establishment of the Social Solidarity Cooperatives that submitted information in CASEs Accreditation Portal, 2018

4.2. TERRITORIAL ANALYSIS

When considering the territorial distribution of Social Solidarity Cooperatives that were on the Accreditation Portal in 2018¹², it shows that they are present in all Districts although with special emphasis on Lisbon, Braga and Oporto (and generally on the littoral area). This is in line with the study prepared by CNIS, presented in **section 3** of this document, which included only cooperatives equivalent to IPSS - **Figure 8**.

However, considering the weight of the Social Solidarity Branch in the total of Cooperatives in each District, the presence of this type of Cooperatives becomes more relevant in some areas, in particular Aveiro and Setúbal - **Figure 9**.

Finally, considering the weight of the Social

Solidarity Branch per resident, there is a greater concentration in inland Districts, in particular Évora, where there are just over 3 Social Solidarity Cooperatives for every 10 000 residents - **Figure 10**. Although there is a smaller population in these districts (inland), as shown in **Figure 8**, these districts also have less Cooperatives, which points to a greater relative importance of the Social Solidarity Branch for the population living in those regions¹³.



Figure 8 – Social Solidarity Cooperatives per District, 2018

¹² The territorial distribution in 2017 is very similar, with only a slightly higher concentration in the district of Oporto (placing this district in second place)

¹³ Regarding the cooperative presence in inland regions, see CASES Report “Cooperativas em Municípios do Interior” (Cooperatives in Inland Municipalities), in which, among other aspects, it was concluded that in 2017 more than a fifth of the Cooperatives of the Social Solidarity Branch were based in inland municipalities (which typically have more demographic and economic challenges). Study available at (only in Portuguese): http://www.revista-es.info/pedroso_7.html



Figure 10 - Weight of Social Solidarity Cooperatives in relation to the total number of Cooperatives, per District, 2018

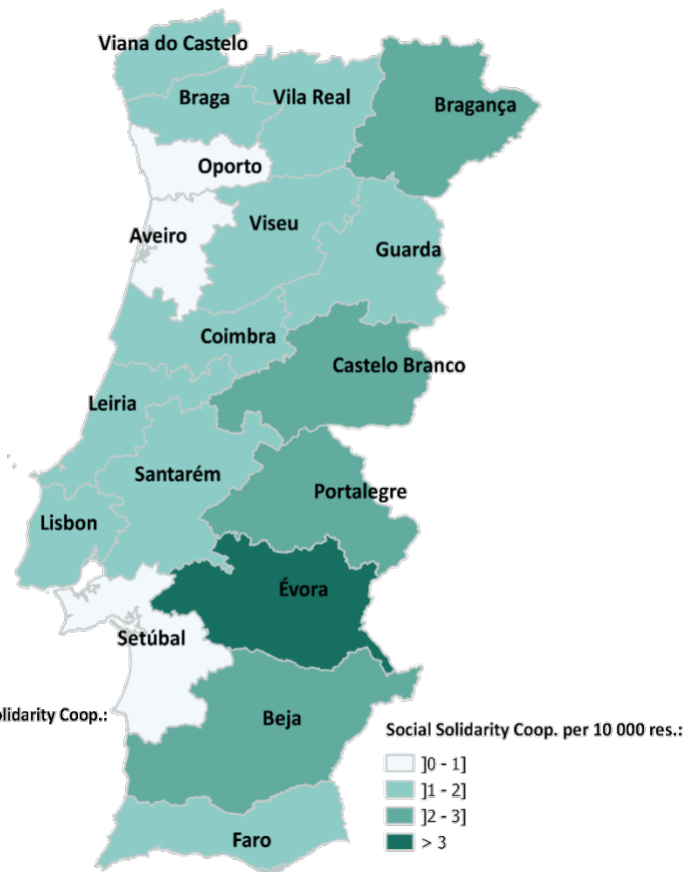


Figure 9 – Social Solidarity Cooperatives per 10 000 residents, 2018

4.3. MAIN ACTIVITIES

According to the main Portuguese Classification of Economic Activities - CAE (equivalent to ISIC Rev. 4) that these entities report, it appears that most Social Solidarity Cooperatives identified in 2018¹⁴ carry out activities related to Social work activities without accommodation, followed by Education and Residential care activities - **Figure 11**.

If the Social Support activities without accommodation are analyzed in more detail, there is a very significant weight of activities aimed at people with disabilities (which is in line with the existence of many Social Solidarity Cooperatives with the ONGPD status), followed by, with less expression, children and elderly assistance.

¹⁴ 2017 data follows a similar structure.

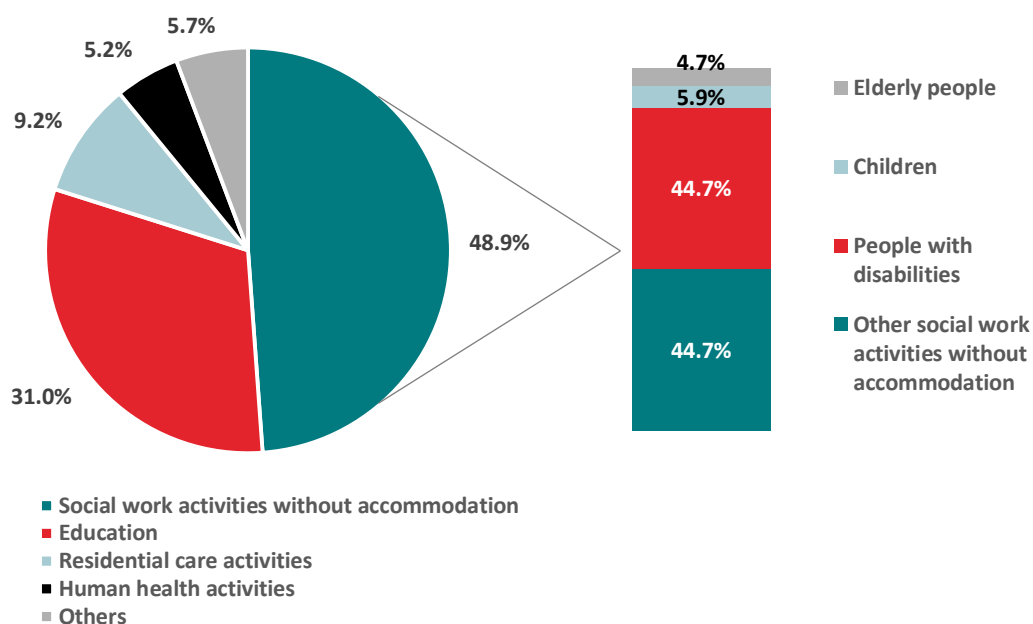


Figure 11 – Distribution of Social Solidarity Cooperatives by main CAE, 2018

It is important to note that the group of Other social work activities without accommodation, the second most representative subclass within the CAE of social work activities without accommodation, covers various activities of social development, inclusion and entrepreneurship, but also activities of many Social Solidarity Cooperatives that provide cross-cutting services to various vulnerable groups, including people with disabilities, children and the elderly.

In addition, it should be noted that this information corresponds only to the main CAE, that is, the same entity can carry out (and often does) activities relating to other CAEs, so this should be seen as first line information.

4.4. GOVERNING BODIES AND COOPERATORS

The Social Solidarity Branch was, both in 2017 and 2018, the second Branch with the highest number of individuals in Governing Bodies (12.7% and 15.3%, respectively). It was also, in both years, the Branch that concentrated the largest number of women in Governing Bodies, being observed that in 2018 more than a third of all women who held positions in Governing Bodies in the Cooperative Sector did so in the Branch of Social Solidarity - **Figure 12**.

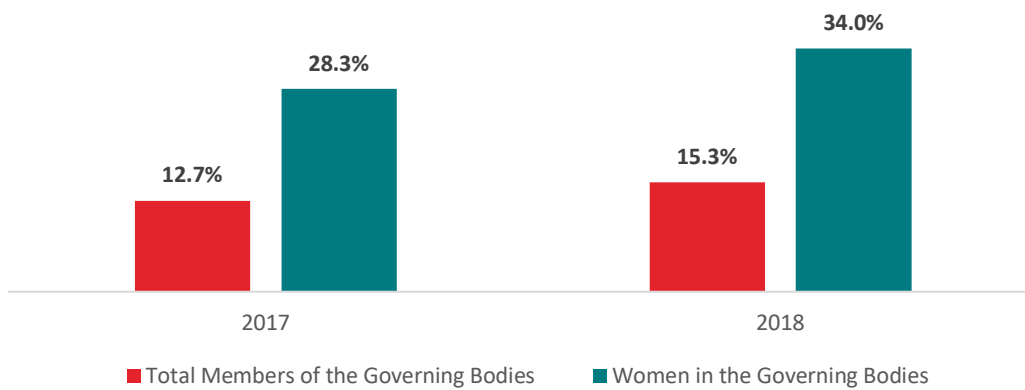


Figure 12 – Weight of members in the Governing Bodies of Social Solidarity Cooperatives in relation to the Cooperative Sector, by total and female gender, 2017 and 2018

Considering the composition of the different Governing Bodies, the predominance of women in the different functions remains, with the exception of the Supervisory Body - **Figure 13**.

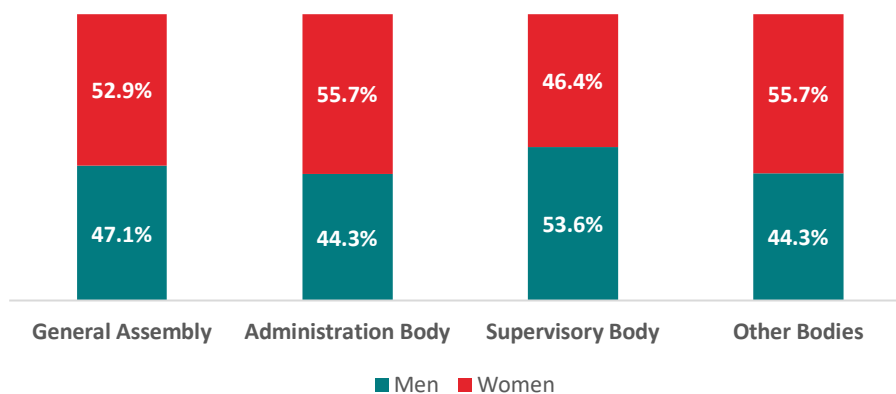


Figure 13 – Distribution of gender by different Governing Bodies, 2018

As for the total number of Cooperators, it is estimated that in 2017 and 2018, approximately 4 out of 100 Cooperators belonged to a Social Solidarity Cooperative, being mostly individual members.

4.5. EMPLOYMENT

In 2017 and 2018, the Social Solidarity Branch was the largest contributor to the Employment of the entire Cooperative Sector identified through CASES Portal, an importance that increased in 2018, when almost a quarter of all Employment in the Sector originated in this Branch - **Figure 14**.

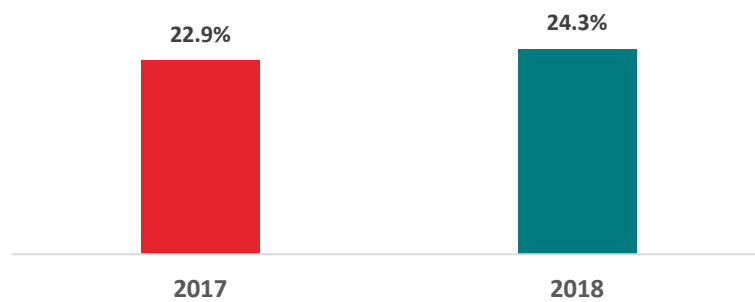


Figure 14 - Weight of Social Solidarity Cooperatives in the Employment of the Cooperative Sector, 2017 and 2018

On what concerns the characteristics of Employment, it is observed that in these Cooperatives there is a very significant weight of female Employment, which, in both years, was greater than 80% of the total Employment of the Branch - **Figure 15**. Although it is a slight difference, it is also noteworthy that the Cooperatives identified in 2018 have a higher proportion of female Employment.

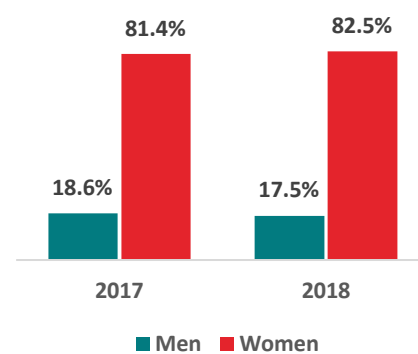


Figure 15 – Distribution of Employment in the Social Solidarity Branch by Gender, 2017 and 2018

In both years, workers were mainly concentrated in the age group between 45 and 64 years old - **Figure 16**. However, more than half of the workers are under the age of 45. It should be noted that the workers of the Cooperatives identified in 2018 are, compared to 2017, older.

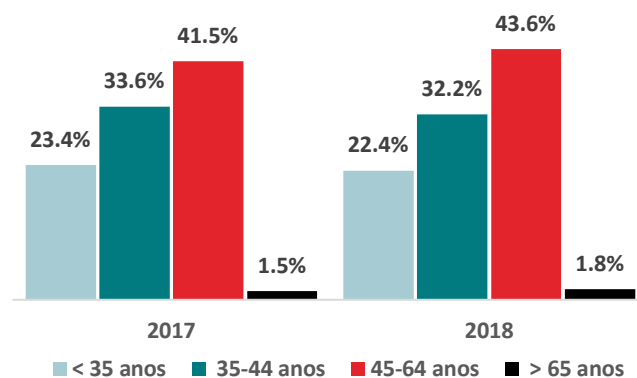


Figure 16 - Distribution of Employment in the Social Solidarity Branch by Age, 2017 and 2018

Regarding employees Level of Education, both in 2017 and in 2018, there is a greater concentration of workers at the highest levels of education, however, in both years, more than half of the individuals have below Tertiary Education - **Figure 17**. It should be noted that compared to 2017, 2018 has a higher number of employees with secondary or higher education

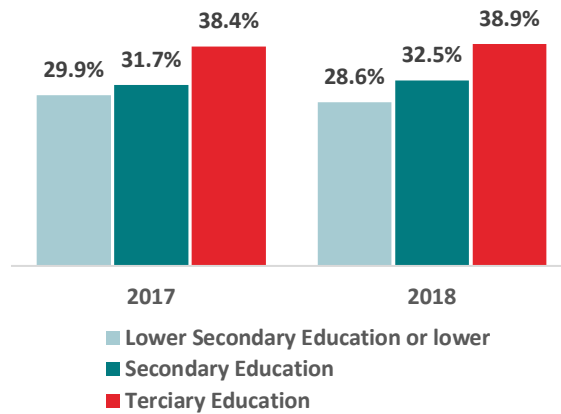


Figure 17 - Distribution of Employment in the Social Solidarity Branch by Level of Education, 2017 and 2018

Lastly, it appears that the majority of employees from Social Solidarity Cooperatives identified in 2017 and 2018 have an open-ended contract - **Figure 18**. This proportion of employees with an open-ended contract appears higher in 2018, as well as the incidence of employment contracts with other natures.

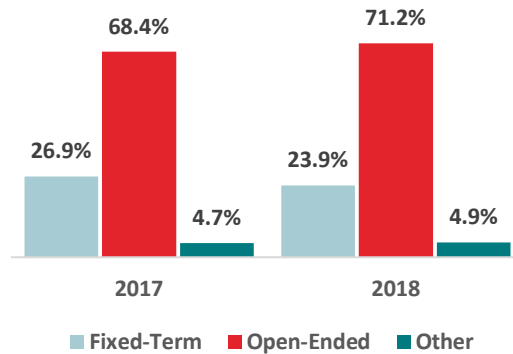


Figure 18 - Distribution of Employment in the Social Solidarity Branch by Level of Education, 2017 and 2018

4.6. ECONOMIC AND FINANTIAL INDICATORS

Based on the income statements and balance sheets of the Social Solidarity Branch Cooperatives identified for 2017 and 2018, it was possible to estimate the main economic and financial indicators and to understand the structure of Income and Expenses of these entities.

Thus, in the two years under analysis, it is observed that in the income structure of Social Solidarity Cooperatives, Operating Subsidies represented more than 66% of all Income and the Sale and Services Rendered only a quarter - **Figure 19**.

It should also be noted that, considering the total of Sales and Services Rendered and the total of Operating Subsidies of the Cooperative Sector in these years, the Social Solidarity Branch only contributed with 1.3% of the value of Sales, but outweighed every other Branch with regard to

Subsidies - almost half of the Operating Subsidies of the Cooperative Sector were concentrated in this Branch.

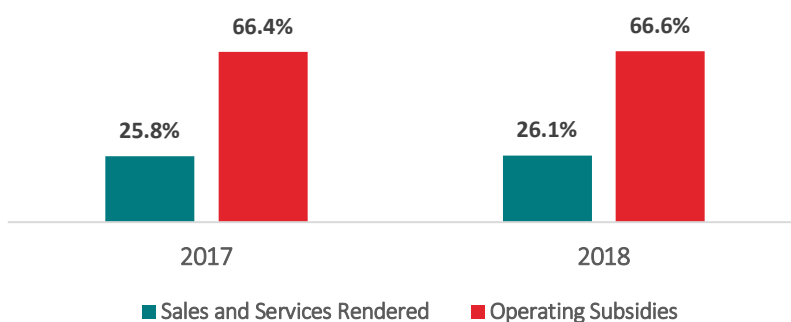


Figure 19 – Weight of Sales and Services Rendered and Operating Subsidies in total Income of Social Solidarity Cooperatives, 2017 e 2018

It can also be seen that Employee Expenses assume the greatest weight in the structure of operating costs of these entities in 2017 and 2018, representing more than 60% of expenses in those years¹⁵, followed by expenses with External Supplies and Services (ESS) and the Cost of Goods Sold and Materials Consumed (CGSMC) - **Figure 20**.

With regard to the relative position of this Branch in the expenses of the Cooperative Sector, these entities had, in both years, a small contribution to the CGSMC (0.3%) and even to the ESS (about 10%), but they assume a high importance in terms of Employee Expenses (just over 20% of the Cooperative Sector, third highest weight).

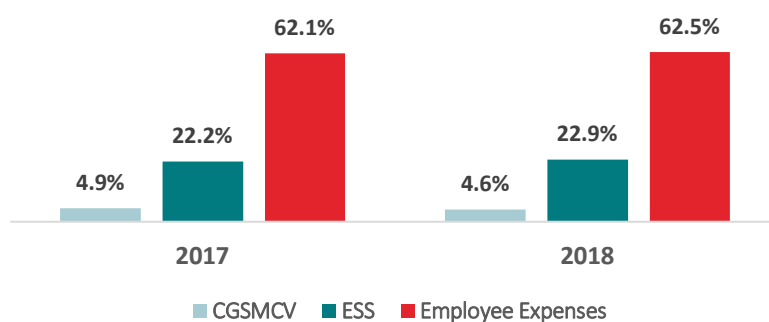


Figure 20 - Weight of the main spending items in total Expenses of Social Solidarity Cooperatives, 2017 e 2018

¹⁵ This value is also in line with the results of CNIS study, referred to in section 3 of this document, which focused, in part, on Cooperatives equivalent to IPSS.

Overall, the net results of these entities were positive, both in 2017 and in 2018, with a greater number of cooperatives with positive than negative results in both years, although it should be noted that in 2018 the number of cooperatives with negative results was higher - **Figure 21**.

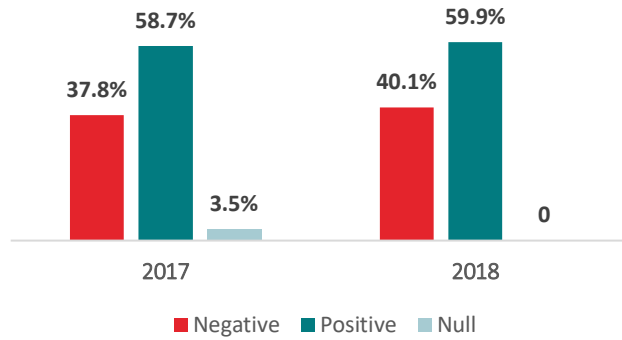


Figure 21 - Proportion of Social Solidarity Cooperatives by Nature of Results

Regarding the information extracted from the balance sheets of these entities, it is observed that most Social Solidarity Cooperatives, in 2017 and 2018, have good levels of Current Liquidity, are financially autonomous and solvable, and have low debt rates. In fact, it appears that these ratios compare favorably with the results for the Cooperative Sector as a whole - **Figure 22**.

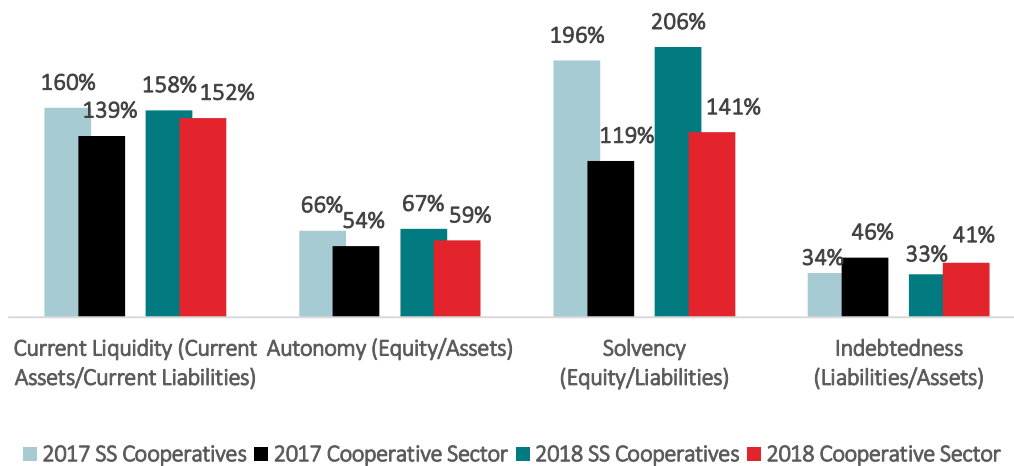


Figure 22 - Main financial ratios for Social Solidarity Cooperatives and the Cooperative Sector, 2017 and 2018

5. CONCLUDING REMARKS

Despite the scarcity of statistical data on the Social Solidarity Branch, the information that was possible to collect through CASES Accreditation Portal allowed to highlight some of the most characteristic elements of this Branch, which is so important in meeting the social needs of very vulnerable groups of Portuguese society.

CASES recalls that the quantity and quality of the information necessary for the completion of this report, and for the completion of similar reports, including those of other Branches, depends on the cooperation of the Sector when submitting mandatory communication acts, specifically by completing the various fields in the Accreditation Portal forms.

Thus, the Cooperatives that, in 2017 and 2018, submitted information on the Accreditation Portal had a fundamental role for a better understanding of the Branch to which they belong, contributing to the realization of an instrument that may prove useful in the definition of public strategies and policies for this group of Cooperatives, in particular, but also for the overall mobilization of the Cooperative Sector.



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