

THEMATIC ARTICLE

The dignity of work and the social economy in Portugal

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The article aims to provide a sociological analysis of how the social economy in Portugal structures labor relations. Defining itself as an economy centered on people and not on capital, the social economy claims an active role in the search for social justice and decent work for all and in its contribution to the democratization of the economy. However, the enormous diversity of forms through which it presents itself requires a more detailed analysis of the labor relations within each of these forms and particular attention to the diversity of the contexts in which they developed. For pragmatic reasons, the analysis focuses only on Social Economy organizations and not on those of the social and solidarity economy since there is a lot of information regarding those, and they represent a very relevant sector in Portuguese society due to their function, capacity for employment, and dynamism. The methodology combines information from qualitative studies with results from surveys carried out in organizations. The conclusion reveals the existence of a set of difficulties in recognizing equal dignity to the work of members and wage earners: on the one hand, due to a double process of adverse inclusion of organizations in the market economy and its institutionalization through state policies; on the other hand, due to excessive and unworthy use of salaried work in carrying out the tasks of organizations, without any participation or incentive in their management.

Keywords: Work relationships. Work statutes. Labor participation. Social economy.

*A dignidade do trabalho e a Economia Social em Portugal**Resumo*

O artigo tem como objetivo analisar sociologicamente como a economia social em Portugal estrutura as relações de trabalho. Definindo-se como centrada nas pessoas, e não no capital, a economia social reivindica um papel ativo na busca pela justiça social e pelo trabalho digno para todos, contribuindo para a democratização da economia. No entanto, a enorme diversidade de formas por meio das quais ela se apresenta exige uma análise mais detalhada das relações de trabalho em cada uma dessas formas, bem como uma atenção especial à diversidade dos contextos em que se desenvolveram. Por motivos pragmáticos, a análise se centra apenas nas organizações da economia social, e não nas da economia social e solidária, uma vez que, em relação às últimas, há muita informação, e elas representam um setor muito relevante na sociedade portuguesa, em razão de sua função, da capacidade de emprego e do dinamismo. A metodologia utilizada combina informações resultantes de estudos qualitativos com resultados de pesquisas com organizações. A conclusão revela um conjunto de dificuldades no reconhecimento de igual dignidade ao trabalho de associados e contratados. Isso se dá, de um lado, graças a um duplo processo de inclusão adversa das organizações na economia de mercado e sua institucionalização por meio de políticas de Estado; de outro, em razão de uma utilização excessiva e pouco dignificadora do trabalho assalariado no desempenho das tarefas das organizações, sem qualquer participação ou incentivo na sua gestão.

Palavras-chave: Relações de trabalho. Estatutos de trabalho. Participação laboral. Economia social.

*La dignidad del trabajo y la economía social en Portugal**Resumen*

El artículo tiene como objetivo un análisis sociológico de la forma en que la economía social en Portugal estructura las relaciones laborales. Al definirse como una economía centrada en las personas y no en el capital, la economía social reclama un papel activo en la búsqueda de la justicia social y del trabajo digno para todos, contribuyendo a la democratización de la economía. Sin embargo, la enorme diversidad de formas a través de las cuales se presenta requiere un análisis más detallado de las relaciones laborales dentro de cada una de estas formas y también una atención particular a la diversidad de contextos en los que se desarrollaron. Por razones pragmáticas, el análisis se centra solo en las organizaciones de la economía social y no en las de la economía social y solidaria, ya que hay mucha información al respecto, y representan un sector muy relevante en la sociedad portuguesa, debido a su función, capacidad de empleo y dinamismo. La metodología utilizada combina información proveniente de estudios cualitativos con resultados de encuestas realizadas a organizaciones. La conclusión revela la existencia de una serie de dificultades para reconocer la igual dignidad en el trabajo de asociados y contratados: por un lado, debido a un doble proceso de inserción adversa de las organizaciones en la economía de mercado y su institucionalización a través de políticas de Estado; y por otro, por un uso excesivo e indigno del trabajo asalariado en el desempeño de las tareas de las organizaciones, sin participación ni incentivo alguno en su gestión.

Palabras clave: Relaciones de trabajo. Estatutos de trabajo. Participación laboral. Economía social.

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INTRODUCTION

By defining itself as an economy centered on people, and not on capital, the Social Solidarity Economy (SSE) claims an active role in the search for social justice and decent work for all. In fact, this condition of assuming itself as an economy based on associated work constitutes one of its most prominent distinctive features, as it contributes to the democratization of the economy. This is not an easy goal to achieve, since we live in a world dominated by an economic and social system based on individualism, competition, and the accumulation of profits. It is therefore worth reflecting on the strengths and weaknesses of SSE, in order to face the challenges that it proposes to strengthen its condition as an alternative in labor relations, taking advantage of the gaps and opportunities that the capitalist economy provides.

In this regard, it is important to keep in mind the very redefinition of this economic system not only based on innovation and creativity, but also on the generation of new and increasingly complex forms of work and labor relations. Moreover, one must consider a supposed balance between benefits for those who innovate and protection for everyone: workers, consumers, and companies. Under the name of social market economy, the objectives of sustainability and competitiveness that have always marked it are maintained.

As labor markets become more fluid, with a growing percentage of workers not knowing in advance when or where they will work, incompatibilities emerge within national social protection systems, which are based on the possibility of making a clear distinction between the status of “employed” and “unemployed” (Comité Económico e Social Europeu [CESE], 2016).

Amidst a period of significant uncertainty and precariousness in labor relations, which also affects SSE organizations, the focus on the dignity of work has gained considerable attention in the public sphere, necessitating urgent political responses. In the European Union, since 2007, Parliament has initiated efforts to “promote decent work for all” (2006/2240 INI), following the declaration by the United Nations Economic and Social Council on July 5, 2006. In Portugal, the government has recently adopted an agenda for decent work, outlining four main objectives: combating precariousness, enhancing the value of youth employment in the labor market, fostering a balance between professional and personal life, and strengthening collective participation and workers’ involvement (Law No. 13/2023).

It makes perfect sense to analyze to what extent SSE organizations, in their vast diversity, are able to escape this scourge and follow models of labor relations that dignify work and prioritize the well-being of people. However, the broad designation of SSE includes the “old” Social Economy (SE), with a long tradition of public and institutional recognition, alongside the “new” Solidarity Economy, which has emerged more recently, in part due to dissatisfaction with the excessive institutionalization and loss of political strength of the former, which has not always manifested peacefully. This is the case in Portugal, where the solidarity component of SSE is poorly recognized, both institutionally, in terms of legal framework and public policies, and in terms of public opinion, due to the presence of a firmly established SE with strong state recognition. A recognition that largely stems from the role that SE organizations have played, both as a substitute for a welfare state that has been liberalizing, and as an economic sector. Despite vying for a distinct place in the market, SE organizations end up becoming an enclave within the mixed Market-State system, by placing excessive focus on the organizational dimension and on the business isomorphism.

The acknowledgment of a social and cooperative sector in the 1976 Democratic Constitution not only provided the SE with an explicit, robust, and independent legal framework, but also established a principle of protection and encouragement for its growth. More recently, in 2013, the SE was defined by Law No. 30/2013, as the collection of economic-social activities carried out freely by cooperatives, mutualist associations, “misericórdias”, foundations, private social solidarity institutions, associations with altruistic purposes operating in cultural, recreational, sports, and local development spheres. Furthermore, entities covered by the community and self-managed subsectors, integrated under the terms of the Constitution in the cooperative and social sector, alongside other entities endowed with legal personality that adhere to the guiding principles of the SE are also included in the SE database. The last two restrictions – having legal personality and being included in the SE database – encompass numerous informal activities undertaken by groups that organize themselves, either spontaneously or in a more structured manner, to address needs that neither the State nor the market adequately fulfill.

The most spontaneous, innovative, and democratic initiatives, those difficult to frame institutionally, were left out, and the Solidarity Economy became the common name for these traditional or emerging forms that could not be framed by the SE.

Emerging in Europe in the 1980s, the Solidarity Economy is the product of a triple crisis, not only economic (the exhaustion of the Fordist accumulation model and the financial crisis of the State; the rise of neoliberalism with deregulation and privatization), but also of values (discipline and respect for hierarchies, social discriminations, consumerism that led to May 1968) and environmental (Rachel Carson's *Silent Spring*, 1962; Meadows Report, 1972; Brundtland Report, 1987). The Solidarity Economy aims to restore the democratic and transformative dimension of democratic associationism from the first half of the 19th century. Rooted in practices of participatory democracy and shared resource management, it also adds an environmental dimension, guided by respect for nature and the sustainability of life. Almost simultaneously, the Solidarity Economy emerges in Latin America, albeit with different contours, more oriented toward job creation and income generation, and strongly identifying with popular and community economies. Like its European counterpart, it proposes a systemic, transformative, and post-capitalist agenda.

In Portugal, the Solidarity Economy combines initiatives in which the predominant motivation is the creation of work and income for the poor population with other initiatives where the motivation is to face the crisis of the social state, the devaluation of work, and the degradation of quality of life.

Many of these forms have deep historical roots – such as community work, peasant mutual aid, grassroots solidarity initiatives, rural or urban mutualism, various forms of associated labor, or self-managed production. Others are more recent, emerging more or less spontaneously from critical situations experienced by the most vulnerable segments of the population, as they seek to organize responses that the market and the State fail to provide. Additionally, there are those that serve as alternative solutions to the capitalist economy: conceived and developed within counter-hegemonic organizations and social movements, inspired by critical reflections on capitalist economy and society, often associated with environmentalist, anarchist, or socialist movements.

Recognizing the distinctions between the Solidarity Economy and the SE, it is crucial today to identify their complementarities. By striving to strengthen democratic solidarity – not only based on rights and public redistribution, but also on egalitarian social bonds – it is logical to explore synergies between the social and solidarity economies. This exploration aims to bolster the position of both sectors in relation to the State and the market, enhancing their social and political legitimacy.

Returning to the theme of decent work in the SSE, the following sections seek to characterize labor relations within the various modalities into which these organizations are divided. As far as possible and according to the associative universe of each organization, this article distinguishes their associated work – including managerial work, salaried work, voluntary work – and the relationship with the users or beneficiaries of the services offered by the organizations. For strictly pragmatic reasons, relating to the scarcity of information sources, the enormous heterogeneity of initiatives, and the relative practical invisibility of the Solidarity Economy (Hespanha, 2019), the analysis will only focus on SE organizations. More statistical information is available on these organizations, as they represent a sector widely recognized in Portuguese society due to their function, employment capacity, and dynamism.

LABOR RELATIONS IN SOCIAL ECONOMY ORGANIZATIONS

One domain in which the differences between SE and Solidarity Economy are particularly noticeable is the structure of labor relations.

On the side of SE organizations, there seems to be a progressive “businessification” of their activity in the sense that the production of goods and services is increasingly aimed at a broader market than the universe of members. Moreover, their cooperation with the State in the implementation of public policies is reducing the autonomy of organizations and functioning of their activity.

On the side of the Solidarity Economy, the diversity of organizations is much greater, involving a universe ranging from grassroots solidarity practices, often poorly structured or informal, to autonomous initiatives of groups of citizens, linked by close relationships. They organize themselves to respond to needs that neither the State nor the market satisfy or for the

use of common goods, both material (natural resources, urban spaces, housing, amenities) and intellectual or virtual (free access to intellectual production, self-government of digital information, free software, wikis). In any case, self-management seems to be the principle that governs the solidarity mode of management, in any of its modalities. However, it has two sides: on one hand, collective deliberation must be autonomous, despite external interferences; on the other side, collective decision-making involves the participation of each and every member. The self-managed project, breaking with long-established labor relationship practices, is not easy to implement in a market economy environment and, therefore, is not immune to the risk of erosion that it often criticizes.

In the realm of organizational labor relations, there exist three broad components, disregarding specificities inherent to each category: associative, managerial, and salaried work. Additionally, there is a fourth component tangentially related to them through solidarity and citizen participation, comprised of volunteer workers and citizen beneficiaries or users of the organization.

Associative work should ideally serve as the nucleus of the organization and propel its activities, as it is through the collective efforts of members that the association's objectives are realized. However, this dynamic does not always manifest in SE organizations. Increasingly, the goods and services produced by the organization are directed toward third parties, and work within the organization is carried out by third parties, whether on a salaried or voluntary basis.

Directive and managerial roles, initially meant to play a supporting role for the organization's functionality, are assuming an increasingly vital and independent position. This shift may stem from the authority asserted by elected leaders or the technical expertise wielded by managers. However, their strategic influence over members' decisions and control over information can potentially undermine the democratic fabric of the organization. As stated in an old adage, "democracy cannot be conceived without organization, but organization can contribute to the weakening of democracy" (Laville, 2018, p. 223).

Salaried work, in many ways, stands in contrast to the ethos of SE organizations and has long been a subject of debate within cooperatives. For some workers, their employment conditions are precarious and offer no tangible benefits under the cooperative framework, while for others, it provides a solution to unemployment. This issue of wage labor within cooperatives diverges from the principles outlined by the International Cooperative Alliance, despite decades of deliberation on the matter. Alternatively, the tradition of economic democracy views the employment relationship itself as untenable, advocating for workers' self-management, as seen in worker cooperatives and self-managed associations.

In certain facets of the SE, voluntary and unpaid work may coexist with paid employment, alongside beneficiaries or users of services provided by organizations that remain within the sphere of human relations. These elements must be considered in the overall assessment.

When examining the various categories of SE organizations – cooperatives, mutual societies, associations, and foundations – diverse combinations of these components emerge. The objective, therefore, is to analyze these frameworks across the primary modalities, with a particular emphasis on cooperatives, whose nearly two-century history underscores their adaptability to evolving economic landscapes.

Cooperatives

Understanding work as human activity to solve problems, and not as "salaried work" or employment, all cooperation involves a mutual effort to achieve common goals, which we can designate as acts of cooperation or cooperative acts (Namorado, 2013, p. 16). For the International Cooperative Alliance, it is "mutual aid of people who voluntarily join together to meet their needs in economic, social, and cultural areas".

Worker cooperatives (referred to in Portugal as production cooperatives) are those that best realize the ideal of democratizing the economy and emancipating the wage worker. Inspired by the principles of Rochdale, they are defined by the goals of creating jobs and income to improve the quality of life of the members, dignifying their work, enabling democratic self-management, and promoting development. The relationship of these workers with their cooperative is different from both conventional wage labor and self-employment. The founding pact of the worker cooperative includes a "cooperative work agreement" that enables workers to receive, in advance, a portion of the cooperative's annual income based on their contribution to collectively agreed-upon purposes. It is no longer profit maximization that prevails, but rather other objectives such as free choice of work and autonomy to decide, investment in education and training, or the development of their communities of origin. In turn, more participatory management and a more egalitarian ideology give workers greater freedom to solve

problems in the workplace. Despite efforts to mitigate capitalist pressures, worker cooperatives remain vulnerable to market forces, influencing factors like input procurement costs or product selling prices (Neto, 2006). Additionally, numerous cooperatives, initiated and controlled by capitalist entities or former employers, may exploit cooperative structures to reduce labor costs, essentially masking outsourcing practices (Piccinini, 2005).

In consumer, marketing, housing, credit, and service cooperatives, employment dynamics often mirror those of capitalist firms, with competitive wages and products manufactured at minimal labor costs, excluding workers from profit-sharing opportunities. According to Paul Singer, for an enterprise to embody solidarity, there must be no dichotomy between labor and capital, meaning that consumer cooperatives employing salaried labor may not align with the principles of the Solidarity Economy unless workers attain full membership status (Singer, 2002, p. 84).

Efforts to reconcile differences between consumer and worker cooperatives, as proposed by Georges Fauquet (1979), hinge on integrating the dual roles of cooperatives – as both economic entities and associations of people. However, their economic function, geared toward surplus creation for members, heavily depends on prevailing market conditions.

The inherent engagement with the market – whether in procuring production inputs, hiring labor, securing credit, or marketing products – necessitates a relative adaptation to market dynamics, including adherence to market prices. This often results in what is termed business isomorphism, wherein cooperatives and other SE organizations are compelled to conform to market-centric standards for legal, financial, accounting, managerial, and technological purposes to access certain benefits or regulatory compliance.

It is crucial to recognize that the viability of these organizations extends beyond financial metrics, encompassing social and environmental solidarity goals (França & Eynaud, 2020). These goals lead to an openness of organizations to all interested parties, especially those who work in the organizations and those who benefit from their actions. This inclusive and democratic dimension of SSE management aligns with principles of self-management, cooperative management of common resources, and democratic associations, integral to economic democracy.

Mutual aid associations

Mutual aid associations, also known as mutual societies, serve the purpose of providing social security and health benefits to members and their families through regular contributions. Originating from pre-capitalist times, they played a pivotal role in laying the foundation for modern social security systems and workers' rights movements since the Industrial Revolution. In Portugal, mutual societies flourished in the late 19th century, but faced great difficulties during the prolonged Salazar dictatorship, which displayed a clear hostility toward the mutualist movement.

Following the restoration of democracy in 1974 and the constitutional recognition of health and social security rights, mutual societies seemed to wane in significance. However, with the emergence of new social risks and the State's evolving role in social protection, mutualist initiatives resurged in the 1990s (Quelhas, 2001, p. 147). Currently, there are 102 registered mutual associations in Portugal, comprising approximately 0.1% of all SE organizations and contributing 8.1% to the total Gross Value Added (GVA) of these organizations. According to the União das Mutualidades Portuguesas, they boast over 1 million members, benefiting around 2.5 million individuals through their services and activities (União das Mutualidades Portuguesas [UMP], 2023). In terms of employment, mutual associations account for 2.1% of the total SE employment (Instituto Nacional de Estatística, & Cooperativa António Sérgio para a Economia Social [INE] & Cooperativa António Sérgio para a Economia Social [CASES], 2016).

Historically, mutualism operated as “a closed circuit, rooted in a tradition of mutual aid, serving as bastions of democracy and solidarity” (Namorado, 2013, p. 44). However, contemporary mutual associations face challenges, with some losing the strong member interaction characteristic of traditional mutualism (E. Santos, 2020). Instead, they prioritize defending against stiff competition from private institutions, particularly in healthcare and insurance, resulting in increased reliance on wage labor and the role of job creation.

The new Code of Mutual Associations acknowledges the growth of associations and members, but highlights issues in organizational size and governance, leading to less democratic functioning. It introduces measures such as term limits for association body members, enhanced member participation, and stricter eligibility criteria for association body members (Decree-Law No. 59/2018). Additionally, larger mutual associations are subject to special financial supervision based on their economic scale.

In terms of membership and labor relations, mutual associations distinguish between members, beneficiaries, management staff, salaried employees, voluntary workers, and non-member service users. A recent study recommended leadership training and professionalization to facilitate more efficient and democratic decision-making, citing demographic and educational disparities among management personnel (Carvalho, 2022). Internal communication improvements and adherence to legal requirements for volunteers' insurance coverage were also recommended, because, among other reasons, 74.7% of senior management members were over 64 years old, 79.3% were male and 61.0% did not have a degree or higher degree (Capucha 2021, p. 35). The vast majority of these directors carried out their duties voluntarily (81%) and without an exclusivity regime (83%), with 32% accumulating roles in other SE entities.

Regarding paid work, statistics from 2019 indicate that mutual associations employed 5,327 individuals, with a majority being women, predominantly holding permanent contracts (Carvalho, 2022, p. 61). However, there were instances of workers earning only the national minimum wage. Despite legal mandates, a significant portion of mutual associations did not provide insurance coverage for volunteers or implement measures to balance workers' professional and personal lives.

Regarding voluntary work, the same source reported that in around 70% of mutual associations, volunteers were not covered by personal accident and civil liability insurance, despite this being legally required by the Volunteering Basic Law. Likewise, 69.2% of mutual associations admitted that they had not taken measures to reconcile workers' professional and personal lives, 24.6% adopted flexible working hours, and 15.4% granted the possibility for workers to dedicate part of their working day to resolving personal issues (Carvalho, 2022, p. 34).

Private social solidarity institutions

Private Institutions of Social Solidarity (IPSS) are non-profit legal entities, whether denominational or not, established by individuals with the aim of providing support to vulnerable populations, such as children, the elderly, people with disabilities, and families in need, as recognized by the State. What defines an IPSS is not its legal structure, but its operation under cooperation agreements with the State to deliver services within the framework of social policies. Despite their autonomy, the State prefers to delegate the implementation of these policies to institutions. The sector encompasses various organizations, including charities, mutual societies, foundations, and other non-governmental entities, collectively referred to since 1996 as the social and solidarity sector.

According to the 2016 Social Economy Satellite Account (CSES), there were 3,000 such institutions employing 63,000 workers. These organizations are dispersed across the country and are typically small-scale, with an average of around 20 employees. Staffing typically consists of governing body members, often volunteers without remuneration, technical professionals aligned with the institution's social mission, and low-skilled assistants.

However, there are concerns regarding the management and labor practices within IPSS. The governing bodies often lack specialized qualifications and tend to remain in office for extended periods, fostering a vision of solidarity work that can sometimes downplay workers' rights (Monteiro, 2020, p. 124). This can manifest in various ways, such as unpaid overtime, disregard for rest periods, delayed payments, or inadequate salary adjustments, as evidenced during the pandemic. Despite the essential nature of their work, employees in these roles may not receive the recognition and respect they deserve (Santo & Faria, 2022).

The workforce within IPSS is diverse, comprising a wide range of professions with varying levels of compensation, predominantly female, and often attracting low-skilled workers. Addressing these labor issues requires a holistic approach to ensure fair treatment and recognition of the invaluable contributions made by workers in caring for vulnerable populations.

Self-managed organizations

Self-management is the most advanced form of direct democratization of the economy. Understood as a way of developing an economic activity based on associated work, in which fundamental decisions must be taken by the collective, self-management establishes a new type of social relations based on solidarity, egalitarianism and collectivism.

In the context of capitalist market economies, self-management tends to emerge in situations of acute economic crisis, in which companies are forced to close down their activities, suffer significant and unjustified disinvestment or are abandoned by their owners. Very strong in Latin America, especially in Argentina, Brazil, Uruguay and Venezuela, the sector of companies recovered by workers also exists in several European countries, such as Spain, where workers managed to legalize their ownership, often with the support of public policies that recognized and supported this recovery.

This is what happened in Portugal in the second half of the 1970s, following the Carnation Revolution, in which forms of collective action multiplied to respond to workers' aspirations for a more democratic and participatory management model. The legislation created to resolve the situation of companies in crisis allowed the Government to appoint administrative committees for those "situations of seriously negligent conduct of business activity" on the part of employers (art. 1 of Decree-Law No. 660/1974). It is estimated that, between 1974 and 1978, there were more than 900 self-managed companies (Barreto, 1977, p. 692; Varela & Rajado, 2018, p. 12).

If this rich experience gave rise to many self-managed recovered companies, in the following decades a large part of them was lost due to the tense relation they maintained with the capitalist economic model, which became to be reinforced by Portugal's accession to the European Economic Community. Moreover, the pressure from political power to convert self-management into a form of State capitalism, through the nationalization of these companies hastened the end of the self-managed model (M. Santos et al., 1976, p. 59). The Constitution of the Republic maintained the norm that recognizes the self-management of means of production (Constituição da República Portuguesa, 1976, art. 82º, 3), but the numbers of self-management cases are residual (only a few dozen).

The literature on the self-management model tends to highlight the difficulties and limits of self-management and workers' autonomy in an adverse economic and political context. In a nutshell, limitations to this form direct democracy respect various aspects of work relations and market pressure, such as the size and heterogeneity of the collectives, the lack of time to participate in debates and deliberations, little compensation for the work, the effects of individualism on egalitarian rationality (Mothé, 2009, p. 26), the commodification of self-produced goods and services, their dependence on the self-regulated markets alongside with the fragility of popular solidarity markets (Faria, 2018, p. 80) and the lack of technologies adequate to kind of knowledge specific to the associated work (Tiriba, 2009).

This situation, however, must be complemented by the insufficiency of support promised by the State, essential for the economic viability of less efficient companies, and by the longstanding uncertainty regarding the property rights over companies recovered by workers (Spognardi, 2019, p. 595).

Community-based organizations

In Portugal, community-based organizations play a significant role in managing lands collectively owned by local communities. Traditionally, these lands were used for essential activities such as livestock rearing, wood harvesting, and other subsistence needs. However, modern pressures, including technological advancements and industrial demands, have led to increased interest in using these lands for various commercial purposes, such as renewable energy projects, mining, and industrial agriculture.

Designated in Portugal as "baldios", communal lands are located mainly in the mountainous areas of northern and central Portugal, occupying around 6% of the country's surface. They are used for raising livestock, harvesting brushwood and firewood, or other vital resources for the survival of residents. In addition to the land, mills, ovens, threshing floors, dams, and channels for irrigation water, other means of collectively owned production include beehives, herds, and breeding animals.

This type of communitarian economy existed throughout Europe until the process of "desamortização" that began in the late 18th century, under the pressure of economic liberalism ideas. In most European nations, communal lands were divided and distributed among the commoners or integrated into public property by legal imposition. In Portugal, the communitarian

use of “baldios” was considered early on by jurists as a case of mortmain. For this reason, many “baldios” were appropriated by the powerful local elites or divided by legal imposition throughout the 19th century. These attacks to communal land generated a fierce defense of their rights by local communities. Today, the north and center of Portugal, as well as Galicia, remain the last stronghold of communitarian property. Since 1976, immediately after the Carnation Revolution, the use and management of “baldios” by communities have been regulated by the law that decreed their return to communities that previously used them. This law institutes a democratic, participatory, and egalitarian management system whereby shared communities often guarantee good use of “baldios” with benefits for everyone.

The living conditions of the communities have undergone significant changes, affecting their connection with communal land. Nowadays, the communal economy has transformed considerably because community survival no longer relies solely on the utilization of “baldios” as it did in the past. This shift poses challenges to community land management, as it introduces new risks and conflicts with local populations. The risks come from the used technologies (such as windmill farms and photovoltaic stations for electricity production, or base station antennas for diffusion of wireless signals) that may cause damage to the health of people living nearby. Damage to the environment and landscape may also be caused by different reasons: intensive plantations for the production of cellulose or textile fiber, mineral extraction (e.g. lithium) for industrial purposes, radical sports, hunting, and mass tourism. Conflicts involve differences amongst commoners regarding risks and rewards of external investment in the “baldios”. While some communities opt to lease the land for economic development, others prioritize preserving community heritage and promoting local well-being. Effective management strategies balance economic opportunities with social and environmental considerations, ensuring that the benefits accrue to the entire community.

Despite regulatory safeguards against land alienation, pressure from large corporations often leads to abusive practices and land encroachment. Community-led initiatives aim to harness the economic potential of these lands, while safeguarding local interests and promoting solidarity among mountain communities. By reinvesting profits into community development projects, such as infrastructure improvements and social amenities, these organizations foster social cohesion and empower local residents.

For members of the community, good management of common land, in addition to protecting community heritage, facilitates improvements from which everyone can benefit: opening/maintaining/rehabilitating roads, bridges, fountains, churches, and others; civic centers for recreational or cultural activities; social facilities aimed especially at children and elderly; sports and leisure equipment; awards and incentives for community students; distribution of firewood among the population. Experience has shown that, where villagers have few direct benefits from using “baldios”, the redistributive role of management by governing councils can keep people interested in maintaining these lands and ensure a relatively high level of social cohesion in communities.

Having made this excursion through the most important categories of the SE, it is important to take into account some problems in labor relations when comparing these categories. In the Portuguese case, the 2016 Social Economy Satellite Account (CSES) and the 2018 Social Economy Sector Survey (ISES), both organized by the National Statistics Institute (INE) and the António Sérgio Cooperative for the Social Economy (CASES), allow us to understand in some detail the condition of labor relations in the SE. These relations, broken down by each of their components, encompass: cooperatives, mutual associations, “misericórdias”, foundations, community and self-managed subsectors (SCA), associations with altruistic purposes (ACFA). Based on this information, it is possible to better characterize labor relations in SE organizations in Portugal and evaluate how the principle of the primacy of people is implemented in practice. Some of the findings that can be achieved in this way are summarized below.

A very high burden of salaried work

In 2016, salaried employment accounted for 99.4% of the workforce in SE entities, slightly lower in cooperatives at 97.8%. Meanwhile, “misericórdias” and ACFA together comprised two-thirds of the salaried workforce in the SE sector (see Table 1).

Table 1
Employment and remuneration, by Social Economy categories (2016)

	Total	Paid	Unpaid	
	N	N	N	%
Cooperatives	24,940	24,402	538	2.20
Mutual Associations	4,842	4,842	0	-
“Misericórdias”	39,452	39,445	7	0.02
Foundations	14,151	14,113	38	0.27
Associations with altruistic purposes ACFA	152,598	151,779	819	0.54
Communitarian and self-management sectors	305	305	0	-
Total employment in Social Economy	236,288	234,886	1,402	3.03
Total employment in National Economy	4 419,870	3 839,523	580,347	15.12

Source: INE and CASES (2016).

Lower average wages compared to the national average

Despite the prevalence of salaried employment, the average remuneration within SE organizations is lower than that of the national economy. On average, remuneration in SE entities corresponds to 86.3% of the national average, with significant dispersion across different groups of entities. Mutual associations, which focus on service and credit activities, offer the highest average remuneration among SE groups, followed by cooperatives and foundations. However, even these higher remuneration levels remain below those of the national average. Conversely, organizations within the solidarity sector, such as ACFA, including “misericórdias” and IPSS, offer the lowest average remuneration (see Table 2).

Table 2
Level of average salaries, by Social Economy categories (national average salary = 100)

Cooperatives	110.0
Mutual Associations	205.5
“Misericórdias”	66.0
Foundations	101.1
ACFA	82.6
Community and self-management subsectors	58.4
Social Economy average	86.3
National average salary (all sectors)	100.0

Source: INE and CASES (2016).

Limited influence of workers and citizens on organizational improvement

According to ISES 2018, SE organizations are most often inspired to rethink their management practices through participation in academic or professional events, ranging from 29.8% at ACFA to 66.8% at “misericórdias”. Only cooperatives draw inspiration from their own members. However, the opinions of users or beneficiaries carry little weight (ranging from 9.8% to 13.8%), while those of salaried workers are even less influential (between 3.5% and 8.5%).

Table 3
Sources of inspiration for management practices, by Social Economy category
(in % of total organizations in each category)

	Most mentioned		Cooperators/ associates	Users/ beneficiaries	New managers and workers
	Cooperators/ associates	Academic or professional events			
Cooperatives	31.0		31,0	13.4	3.5
Mutual Associations		49.5	16.5	12.1	4.4
“Misericórdias”		66.8	13.3	10.1	8.5
Foundations		48,3	10.5	13.8	8.4
ACFA		29.8	23.8	9.8	4.4

Source: INE and CASES (2020).

Performance bonuses and promotion of salaried workers are rare

Across various sectors of the SE, some organizations have implemented individual performance award programs to recognize outstanding contributions by their employees.

However, there is a great disparity in the utilization of performance bonuses and promotions to compensate for lower salary levels or recognize the quality of work. Cooperatives and “misericórdias” tend to offer the highest amounts of performance bonuses (22.9% and 21.9%), while promotions are more prevalent in cooperatives and foundations (63.1% and 37.1%) (see Table 4). In terms of merit awards, the numbers are more favorable.

Table 4
Organizations and workers with awards or promotions, by Social Economy category
(in % of total organizations in each category)

	Organizations that have awarded individual performance	Workers awarded for merit	Promoted workers
Cooperatives	22.9	63.2	31.7
Mutual Associations	18.5	66.7	26.3
“Misericórdias”	21.9	84.7	63.1
Foundations	18.1	68.4	37.1
ACFA	8.1	44.0	20.7

Source: INE and CASES (2020).

Social economy organizations as agents for implementing active employment policies

Since the establishment of the European Employment Strategy in 1997, numerous social solidarity institutions, particularly IPSS and “misericórdias”, along with public institutions, have been incentivized to implement active employment policies aimed at enhancing workers’ employability. These initiatives prioritize a focus on workers’ capabilities, rather than solely addressing the causes of unemployment, as seen in occupational programs (POC) and, later, Employment-Insertion Contracts (CEI+) (Antunes, 2019, p. 105). Employment-Insertion Contracts (CEI+), in particular, targeted unemployed individuals facing specific challenges, such as long-term unemployment, disabilities, age over 45, former incarceration, or victims of domestic violence. Promoting institutions received monthly financial support from the State to accommodate these individuals for up to one year, with monetary assistance ranging from 432.39 to 648.81 euros, covering only insurance costs.

However, the current assessment of these programs is largely negative due to their low direct employability rates, discriminatory practices compared to regular workers within the institution, and insufficient investment in training and monitoring for the unemployed individuals participating in these programs.

CONCLUSION

The examination of labor relations across various sectors of the SE reveals a host of challenges in fostering an economy that prioritizes people over capital, as envisioned by the SE's mission. Broadly speaking, these challenges can be attributed to two primary factors.

Firstly, SE organizations often find themselves inadvertently entangled in the capitalist market dynamics they seek to transcend, or they become institutionalized by the State through direct agreements or public policies. Market hegemony manifests in various forms: i. unequal exchanges of goods and services – such as devaluation of labor-intensive goods and services or the product of reciprocal and unpaid work – which can happen more in certain branches of cooperatives, in the social and solidarity sector of IPSS and “misericórdias”, and in mutualities; ii. commodification of use values – crafts, popular culture, mutual aid, and care – which may happen in certain forms of local associations or in the areas of care in IPSS and “misericórdias”; iii. the invisibilization of other economies, as in the case of the common lands; and iv. the imposition of capitalist market norms and practices (business isomorphism) across SE entities.

Additionally, the institutionalization of SE organizations by the State, whilst intended to maintain autonomy, often results in rigid management structures that stifle innovation and adaptability to changing contexts. As the State withdraws from direct implementation of social policies in areas like health and education, it imposes regulatory frameworks on these organizations, constraining their ability to experiment or adapt.

Secondly, there are discordant practices within SE organizations themselves, contrary to the principle of prioritizing people. These practices include a high ratio of workers to organization members, below-average salary levels, limited use of incentives like bonuses and promotions, and minimal involvement of workers in organizational management. Particularly troubling are the conditions within solidarity sector organizations, where low pay, job insecurity, and gender disparities prevail.

Furthermore, it is concerning that these organizations, tasked with providing care and support to vulnerable populations, often lack mechanisms for regular input from the people they serve or consultation with local communities. This disconnect between social organizations and their communities exacerbates the perception that these entities are out of touch with community needs (Hespanha, 2000).

In conclusion, addressing these challenges requires a reevaluation of the relationship between SE organizations, the State, and the communities they serve. By prioritizing the dignity and voices of both workers and beneficiaries, these organizations can better fulfill their mission of social solidarity and community support.

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Pedro Hespanha: Conceptualization (Lead); Investigation (Lead); Writing- original draft (Lead); Writing- review & editing (Lead).

DATA AVAILABILITY

The entire dataset supporting the results of this study was published in the article itself.

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