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METHODOLOGICAL FOREWORD

Throughout the duration of this project, ongoing research was carried out into all possible sources of information on the subject « the Third system and employment ».

In spite of the fact that we consulted a number of national databases in search of studies or documents on the subject, we had great difficulty in finding any kind of documentation analyzing the contribution of Third system organizations towards creating, maintaining or requalifying employment in Portugal. When we realized this, we decided to use all the available information on the organizations and companies in the Third system, regardless of whether or not it analyzed employment.

The bibliography and documentation of this project therefore consist of monographs, (official and unofficial) statistics, articles published in magazines, public speeches by the heads of these organizations and legislation on them.

In the first stage, not counting legislation, we found 9 documents that we could use for this report. They have been listed in Inventory Nr 1. It is interesting to note that 4 of them are from 1998, 4 from 1997, and 1 was written in 1989. This goes to show that the interest in studying the Third system (or Social economy or the Third sector or ...) and its organizations is something that appeared only very recently.

We found other documents and studies along the way, but the same trend continued and they were all very recent, written in the last two years.

I

NATIONAL UNDERSTANDING OF SOCIAL ECONOMY/THIRD SYSTEM

The concept of the Third system, or of other terms conveying the same idea, has been debated a lot in Portugal recently. In this debate, while there are organizations or companies that are unanimously regarded as belonging to the Third system, the truth is that there are other organizations and companies that are not so easily accepted.

We chose to include in our report the companies and organizations that are generally recognized in Europe as belonging to the Third system and which we in Working Group 1 had accepted as being the basis for the Portuguese reports: co-operatives, mutual societies and associations. We had already decided not to include foundations in this report.

While taking this position, which would certainly make it easier to compare the reports from different countries, we had to take into account the specific nature of the situation in Portugal, when writing our report. And, in Portugal, it is not easy to separate co-operatives, mutual societies and associations, mostly because of the existence of the status of *instituição particular de solidariedade social* (IPSS) (private institution for social welfare).

The IPSS's are quite well-known and are becoming increasingly important in the Third system. The only problem we have found in analyzing them is the fact that they take on a variety of legal forms from associations, like the mutual societies and *misericórdias* (charitable institutions), to foundations. In other words, the only type of institution that does not have the status of IPSS is the co-operative. In spite of this variety of legal forms, the IPSS's are treated in all respects as being part of the same group, for example when it comes to signing contracts with the State or in terms of statistics. It would therefore be impossible for us to treat these institutions differently.

In spite of these difficulties, in this report, we have dealt with the mutual societies separately because of their specific nature, to enable us to compare them with data from other countries. It's the same case with the *misericórdias*, as we were able to obtain specific information about these organizations.

Finally, as the associations in Portugal are not limited to the IPSS, we have also made a brief analysis of other associations. In the case of what we refer to as « other associations », our analysis was made more difficult by the definition of a non-profit-making association. This concept includes a wide variety of different entities whose only common factor is that they are the result of the free association of a number of people for a certain purpose.

This report therefore covers the following organizations:

- Co-operatives;
- Private Institutions for Social Welfare (IPSS's);
- Mutual Societies;
- *Misericórdias*;
- Other Associations.

II

COMPONENTS OF THE THIRD SYSTEM

In this inventory, we found five types of organizations and companies operating in the Third system in Portugal. As we explained in Section Nr 1, these entities are not mutually exclusive. These organizations and companies are co-operatives, private institutions for social welfare (IPSS), mutual societies, *misericórdias* and other associations.

2.1 Co-operatives

Regulated by the Co-operative Code (Law no. 51/96 of 7 September), there are 2 835 co-operatives in Portugal (June 1998). They can be found in all sectors of the economy and according to the Co-operative Code are divided into the following categories: agriculture, handicrafts, trade, consumers, agricultural credit, culture, education, housing, fishing, industrial production, services and social welfare.

The co-operatives are non-profit-making but self-supporting and have a remarkable capacity for generating wealth. It has been estimated that in 1996 they achieved a turnover of EUR 4.09 billion (about 5% of the Portuguese GDP). Agricultural credit accounted for EUR 5 986 billion in deposits, and loans to a value of EUR 2 733 billion were granted.

It is estimated that the co-operatives currently employ 50 000 people (a little over 1% of the employed population in Portugal). Existing estimates cover employment between 1994 and 1996. Please note that these estimates were provided by INSCOOP to the ICA (International Co-operative Alliance) and are part of the publication « Statistics and Information on European Co-operatives » published by the ICA with the support of the DG XIII.

Starting with 42 787 employees in 1994, employment in the sector reached 45 082 employees in 1996. The growth rate was 1.3% in 1995 and 4.1% in 1996 which contrasts considerably with the growth rate of the employed population: in 1995 the number of people in employment in Portugal went down 0.7%, and grew only 0.7% in 1996.

The branches that contributed most to the sector were agriculture (38.6%) and education (19%) – at the time, the sector still included co-operatives that are today considered to belong to social welfare¹.

¹ This is why the table does not show social welfare, which was only formally created by the new Co-operative Code that came into force in January 1997.

Branch	No. E/94	No. E/95	No. E/96
Agriculture	17 851	17 508	17 416
Trade	3 632	3 814	3 935
Consumers	2 935	2 742	2 705
Culture	899	940	1 075
Education	6 407	7 146	8 557
Housing / Building	1 434	1 471	1 498
Industrial Production	2 973	2 876	2 852
Services	2 861	3 035	3 091
Agricultural Credit	3 182	3 223	3 389
Handicrafts (a)	86	76	74
Fishing (a)	527	495	491
Total	42 787	43 326	45 082

No. E: Number of employees

(a) Figure for the sample (no estimate possible for the whole branch)

Carneiro Miguel (1997), *The Cooperative Sector in Figures - 1994/96*, in *Boletim Informativo* INSCOOP, Lisbon.

These two branches show completely different behaviour, however. While agriculture shows a loss of labour with negative growth rates of 1.9% and 0.5%, in 1995 and 1996 respectively, education is clearly the branch with the greatest growth in this variable, with a growth rate of 11.5% in 1995 and 19.7% in 1996. This fact is not unconnected with the experience gained from the educational system in Portugal, embracing areas as different as special needs, pre-school, basic, secondary and higher education, since for the last twenty years we have seen the co-existence of public, co-operative and private non-co-operative establishments which have complemented each other in meeting the growing demand for educational services which are highly-skilled or specialized (in the case of special needs education). In this context, it is quite clear that the higher education co-operatives (the larger ones) have contributed to the improved quality of education in Portugal. In order to gain an idea of the size of these co-operatives it is worth noting that, in 1997, seven higher education co-operatives were among the 100 largest Portuguese co-operatives (in terms of their turnover) and, of these, six were among the top ten largest employers. However, as has been mentioned, the area of social welfare was only granted greater independence in 1997, with a special mention going to CERCI – Co-operatives for the Education and Rehabilitation of Maladjusted Children, which until this time were also included in the field of education. These are normally user co-operatives, whose associates are the parents of mentally-handicapped children, which seek to meet the very specific needs of a group of children and teenagers whose special needs are not catered for in the realm of so-called « normal » education.

In addition to these two, the branches that were employing more people in 1996 than in 1994 were, in descending order, culture, trade, services, and housing and building.

The number of employees in consumer and industrial production co-operatives went down.

While there have been problems with human resources in the co-operatives, like shortages of qualified personnel and low state contributions to costs (it is the social welfare co-operatives that

complain most of this problem), the recently launched PRODESCOOP (see Section Nr IV) may be able to play an important part in giving the co-operatives the human resource structures they need. For example, this program provides financial support for the direct creation of jobs (giving priority to hiring qualified employees) and special training programs.

With regard to headcount and turnover, the only available details are those which have already been submitted (for the period 1994-1996). Despite this, it is possible to gain an approximate idea of the development of the co-operative sector by analysing the number of co-operatives set up in each field in the period stretching between 1974 (revolution of 25 April) and 1993 inclusive.

Branch	1974	1976	1978	1981
Agriculture	401	466	1 073	1 050
Industrial Production	10	410	674	306
Housing / Building	40	73	120	177
Consumers	193	310	417	450
Agricultural Credit	132	132	133	171
Others	174	342	298	489
Total	950	1 733	2 715	2 643

H. Schwarz da Silva, Portuguese Co-operatives past and present between change and continuity, in *The Annual Records of Co-operative Studies 1994*, University of Deusto, Bilbao.

An extremely brief analysis of the previous table allows us to confirm the explosion in the number of co-operatives occurring in the years following the 25 April 1974, particularly agricultural and labour production co-operatives, that is to say, producer co-operatives. The number of co-operatives as a whole almost tripled between 1974 and 1978.

Branch	1986	1987	1988	1989	1990	1991	1992	1993
Agriculture	1 067	1 118	1 123	1 114	1 093	1 034	959	944
Handicrafts	22	30	43	48	45	45	45	45
Trade	82	88	88	88	83	73	67	65
Consumers	412	423	407	402	389	342	299	279
Agricultural Credit	208	217	217	231	231	233	234	231
Culture	142	205	252	280	277	264	248	250
Education	116	145	147	160	158	154	157	158
Housing / Building	293	333	357	393	395	412	424	435
Fishing	56	43	47	46	44	34	35	32
Industrial Production	168	178	175	167	163	153	145	136
Services	244	359	439	471	462	431	415	415
Total	2 810	3 139	3 295	3 400	3 340	3 175	3 028	2 990

INSCOOP (1987-1998), *Commercial Records of the Co-operative Sector ...*, Lisbon.

After 1978 there was a change at the heart of the Portuguese co-operative sector, with the gradual emergence and increasing importance of user co-operatives.

2.2 Private Institutions for Social Welfare (IPSS)

By definition, these are non-profit-making institutions set up by private citizens with the purpose of fulfilling their moral duty to provide mutual welfare and justice, provided they are not administered by the State or a local authority (Statute Law no. 119 enacted on 25 February 1983).

As we said in Section Nr 1, they may take a number of legal forms:

- social welfare associations;
- associations of social volunteers;
- mutual societies;
- social welfare foundations;
- *misericórdia* sisterhoods.

Of the 2 992 IPSS's (May 1996), generally speaking, we can say that 73% are associations, while the others are foundations.

Of the associations, 120 are mutual societies (1994) and will be studied separately later.

The IPSS's are basically involved in social services (although they do operate in other areas, like health for example) which is an activity that the State has been gradually moving out of. In 1995, 93% of the existing social service institutions were IPSS's (*Direcção Geral Acção Social*, 1996).

They work mainly with children and young people, the elderly, families, the community, the disabled and rehabilitation.

As far as funding is concerned, the IPSS's are supported by the State by means of co-operation agreements and management agreements and occasional grants. In fact, given the essential role played by the IPSS's in providing social assistance, about 70% of the total spent on social services is given to the IPSS's (*Silvestre*, 1997).

The amount payable to the IPSS's in return for their services is fixed every year in an agreement with the unions representing the institutions or by ministerial order, after the unions have given their opinion.

With a total of less than 9% of volunteers in 1994, the percentage of personnel working for IPSS's per area was as follows (*IGFSS*):

- Children and young people - 57%
- The elderly - 32%
- Families and the community - 7%
- The disabled and rehabilitation - 4%

The developments in the number of paid employees in IPSS's between 1987 and 1995² were as follows (UIPSS):

	1987	1988	1989	1991	1992	1993	1994	1995
No. employees	14 36	18 61	25 140	28 242	33 537	35 895	41 269	44 213
Annual variation rate		29.6%	35.1%	12.3%	18.7%	7.0%	15.0%	7.1%
Variation rate 95/87								207.8%

The number of entities registered as IPSS's changed as follows over the same period³:

	1987	1988	1989	1991	1992	1993	1994	1995
No. IPPS'S	1 46	1 6	1 864	2 227	2 442	2 619	2 739	2 919
Annual variation rate		14.5%	11.2%	19.5%	9.7%	7.2%	4.6%	6.6%
Variation rate 95/87								99.4%

The main conclusion we can draw from analysing these tables is that, while the number of IPSS's doubled from 1987 to 1995, the number of employees more than trebled. This means that, on one hand, the demand for their services has meant the appearance of new IPSS's every year, and on the other hand that the IPSS's are employers par excellence and are able to generate new jobs at a much faster rate than other organizations.

In 1996 there were as many as 2 992 IPSS's and today they are estimated to employ about 50 000 people (about 1% of the total employment).

In spite of this scenario, the IPSS's are currently experiencing some problems with human resources. There are basically two main problems. The first is that of financing their human resources. As they have to deal with increasingly complex problems, like AIDS and substance abuse for example, they need to be more and more highly qualified and qualifications are expensive. As a result, there is a high rotation rate for this type of personnel in the IPSS's as they only stay with these institutions until a better-paid job comes along, with the civil service for example. The second problem is relations between paid employees and volunteers. This is

² There is no data for 1990.

³ For the sake of comparison with the table above, we decided not to include the data for 1990.

because the volunteers are very keen to help the institutions but lack the technical knowledge demonstrated by the « professionals ». The way to solve this problem is for the institutions to be able to offer their volunteers the necessary training.

2.3 Mutual Societies

These are IPSS's, whose main purpose is complementary social security and health.

With their own code, (Statute Law no. 72 enacted on March 3 1990), the 120 mutual societies existing in 1994 are increasingly recognized as playing an essential role in complementing the social security systems. It is estimated that today they have about 700 000 members and that about 1 million users benefit from their services.

Between 1991 and 1996 the employment structure of the mutual societies changed considerably as the table below shows.

	1996	1995	1994	1993	1992	1991
Paid employees	1 078	1 133	1 105	1 261	1 190	1 157
Annual variation rate	-5.4%	3.1%	-12.4%	6.0%	2.9%	-%
Women	701	705	639	685	641	581
Women's employment rate	65.0%	61.9%	57.8%	54.3%	53.9%	50.2%

The number of people employed by mutual societies went from 1 157 in 1991 to 1 078 in 1996. This corresponds to a fall of 6.4% and this year-to-year evolution is difficult to explain.

It is important to note the substantial increase in the number of women employed by mutual societies. In 1996, they represented 65% of the total number of employees. It is likely that this trend will continue because, if we analyse the employment structure by sector and by gender, we find that, in 1998, employment in the health and social services sector is dominated by women, who hold about 81% of the jobs (INE, 1998).

2.4 Misericórdias

The *misericórdias* have existed for 500 years now.

They are associations with both a religious and secular status. Their essential purpose is to practise good works of a practical and spiritual nature and foster the public worship of God. They are administratively independent and enjoy the trust of their benefactors. Historically, they have always benefited from the protection of the Church, the Monarch and the State.

Their practical activities consist of providing assistance in the fields of health and social aid, in their most varied forms.

It is estimated that, excluding health, the *misericórdias* employ 13 081 people plus 147 volunteers in mainland Portugal (data from 1993). Of these, 5 259 are employed in aid to the elderly and 2 583 in assistance to children and young people. The latter are by far the most important in terms of employment. In the health sector (including Madeira and the Azores), the *misericórdias* employ 731 people plus 31 volunteers (*União das Misericórdias Portuguesas*, 1995).

2.5 Other Associations

The concept of a non-profit-making association is highly generic and includes a number of entities whose only common factor is that they are organizations created by people who have decided to get together to pursue a particular purpose.

This is why the IPSS's are associations, the mutual societies are associations, most of the fire brigades are associations, etc, etc.

Therefore, at this point, we will only mention some of the types of associations that have not already been mentioned, without going into too much detail. We will concentrate on those on which we were able to gather some information.

Non-profit-making institutions are regulated by Statute Law no. 47344 enacted on 25 November 1966 (Civil Code), articles 167 to 184. Some of the associations existing in Portugal are as follows:

- social welfare associations;
- associations of social volunteers;
- mutual societies;
- *misericórdias*;
- associations for local development;
- fire-fighters' associations;
- associations for the defence of the environment;
- professional associations.

As far as employment is concerned, we will only study the fire brigade associations, recreational and cultural associations and associations for local development.

The participation of volunteers is important in all these types of associations.

2.5.1 *Fire-fighters' Associations* (statistics - INE, *Estatísticas do Ambiente*, 1996)

The 406 fire-fighters' associations represent about 90% of all the Portuguese fire brigades. Around 43 000 people serve in the fire brigades in Portugal, and about 3 000 of them are women.

If we extrapolate on the basis of the representation of the associations (90%), we can conclude that they employ almost 39 000 people. However, if we take into account that almost all the associations are **volunteer fire-fighters' associations**, we can see that most of the people working for these associations are volunteers. Most of the paid employees are not fire fighters and there are no more than 10 000 of them in these associations.

2.5.2 *Cultural and recreational associations* (statistics - INE, *Associações Culturais e Recreativas*, 1995)

The 3 266 cultural and recreational associations have 40 754 people working for them. 36 654 (90%) are volunteers and 4 100 (10%) are paid employees. The activities in which they are involved are mainly music, dance, cultural events, defence of the country's heritage and theatre.

2.5.3 *Associations for local development* (statistics - ANIMAR, *Guia das Iniciativas de Desenvolvimento Local*, 1998)

ANIMAR's idea when conducting this study was to characterize the 400 local development initiatives in Portugal, not only the associations.

The first conclusion they reached was that 92.1% of the 164 researched have a legal status generally accepted as belonging to the Social economy sector: non-profit-making association – 79.3%, co-operatives – 6.1% (included in the statistics of co-operatives), foundations – 5.5%, *misericórdias* – 1.2%. The remainder are public corporations (4.3%), public limited companies (1.2%) and others (2.4%).

As far as employment is concerned, the organizations were only asked about volunteer work. The results obtained were that 49.4% of the 164 entities interviewed had volunteers. The annual number of hours devoted to volunteer work were 100 to 500 hours for 50% and 500 to 3 000 for 33% of those that have volunteers. ANIMAR therefore concluded that volunteer work constituted an important contribution to the life of the associations, in particular those whose members are private individuals.

III

SUPPORT ORGANIZATIONS

Most of the organizations supporting the Third system institutions are the unions, federations and confederations that represent them.

There are 84 higher category co-operatives (1996), that is, co-operatives in the form of confederations, federations and unions. Portuguese co-operatives belong to two federations, CONFAGRI and CONFECOOP. Agricultural co-operatives belong to the former and the rest to the latter. The capped structures of Portuguese co-operatives are affiliated to various federations, through which many hundreds of co-operatives are linked together. As representatives of the co-operatives, the federations take on the role of the main intermediaries of the Portuguese Government in co-operative-related issues (and their respective spheres of activity). They also represent the co-operative sectors overseas, namely in European Community institutions and in other international bodies. As regards employment, it should be stressed that CONFAGRI, through two of its associates, negotiates corporate employment regulations, in its capacity as an employer. Both CONFAGRI and CONFECOOP are also active in the area of job skills, promoting and organizing training programmes and study visits.

The IPSS's belong to and are represented by the IPSS union.

In turn, the *misericórdias* belong to and are represented by the *União das Misericórdias*, while the mutual societies belong to and are represented by the mutual associations.

In terms of strategy, they have clearly chosen to create structures with critical mass, especially with regard to the number of members and their resulting influence and negotiating power, in particular in relation to public authorities. It is interesting to note the efforts that have been made in the last few years by most of these structures to adopt as active members other structures that transcend national boundaries.

Going back to the co-operative sector, INSCOOP (*Instituto António Sérgio do Sector Cooperativo*), a public institute created in 1976, has played a very important role in the development of the sector. The institute's importance is recognized to such an extent that, for example, the law that creates and regulates PRODESCOOP (see Point 4.1.2), a very recent program supporting employment in co-operatives, gives INSCOOP an essential role in implementing the program.

IV

PUBLIC POLICIES

Some public measures were found supporting the Third system, both regarding direct support of employment and incentives to employment by intervention in economic activities.

4.1 Measures directly supporting employment

4.1.1 *The Social Labour Market (Council of Ministers Resolution no. 104/96)*

As it includes a number of different measures making up active employment policies (for which the Ministry of Labour and Welfare is basically responsible) and as it may benefit most of the « forms of Social economy », we will first address the measure called the Social Labour Market, which is clearly a measure directly supporting employment.

This measure is intended to develop a social labour market as a permanent means of combating unemployment. That is, it has a dual objective: on one hand finding jobs for the unemployed and on the other hand satisfying social needs unsatisfied by the normal market, by providing social support to families and schools and enhancing the country's natural, urban and cultural heritage.

Combining these measures against unemployment, especially those aimed at social services, may foster employment in many organizations and companies in the Third system, many of which are involved in social activities. There is, after all, a reason why the structures representing the organizations of the Social economy are members of the commission created to develop the initiatives in this resolution.

However, in spite of the potential demonstrated by the social labour market in combating unemployment and developing social support in Portugal, some problems still have to be solved. The most important one is that fact that no document has yet been drawn up identifying the needs in terms of social services and facilities in the different regions of the country to make sure they go where they are most needed.

4.1.2 *PRODESCOOP (Order no. 52-A/99, of 22 January)*

Continuing on the subject of measures directly supporting employment, we will now look at a recent measure launched by the Ministry of Labour and Welfare, which is the only one currently aimed at a specific type of Third system organization.

This is PRODESCOOP, a national measure launched to foster the creation of new co-operatives by providing support in the field of employment and training, to encourage the co-operatives to expand their activities, to allow existing co-operatives to modernize and to make the co-operative sector more competitive.

With a budget of PTE 1 billion (EUR 4 687 979), it promotes jobs for the unemployed in existing or emerging co-operatives, mainly by donating funds.

The creation of workposts for the unemployed is supported by non-refundable subsidies index-linked to the national minimum wage. These subsidies are greater when the beneficiaries are newly-formed co-operatives.

As there is a basic incentive for each workpost created, this incentive is enhanced according to certain conditions, for example when a co-operative creates and fills a position with someone who is unemployed; either long-term unemployed; handicapped or highly skilled.

« First-degree » co-operatives (established or newly-formed) may receive support for up to twenty new jobs, whilst « higher-degree » co-operatives (only new ones) may be supported in up to two jobs. In both cases, the employer co-operative is obliged to maintain each position created for a minimum period of three years.

Another important benefit for the co-operatives is investment (greater in the case of newly-formed co-operatives) in the form of an interest-free repayment loan.

The co-operatives are eligible for bonuses if the employees they employ as part of this measure become members. This support may turn out to be very important in increasing the number of members in the co-operatives providing jobs.

4.2 Measures encouraging employment by intervention in economic activity

4.2.1 Co-operative Tax Status (Law no. 85/98, of 16 December)

On 1 January 1999, a measure enacting positive discrimination for the co-operative sector came into force, with the idea of using taxation policy (Ministry of Finance) as a means of strengthening the co-operative sector in Portugal.

This measure recognizes the specific nature of co-operatives and adapts a number of taxes to these specific aspects. These taxes are Corporate Income Tax (IRC) and Property Tax. This law also covers income received by members and adapts some of the rules on personal income tax to co-operatives.

It is hoped that this adjustment in taxation in favour of the co-operatives will contribute indirectly to creating and consolidating employment in co-operatives.

NB: in terms of taxation, the IPSS's also benefit from positive discrimination. However, these measures are not grouped together in one single law.

4.2.2 Status of the Private Institutions of Social Welfare (Statute Law no. 119 enacted on 25 February 1983)

Finally, we will look at the status of the IPSS's. Although it dates back to 1983, it is clearly a measure in which the IPSS's are identified as special entities in the provision of social and health services complementing or sometimes even replacing those provided by the State.

The contributions made by the IPSS's in providing these services, the management of the facilities involved and the remuneration received by the State are all laid down in contracts signed every year. In the field of social services, about 70% of the state's total costs are allocated to the IPSS's (*Silvestre, 1997*).

We can make a positive evaluation of this measure 16 years later, as can be seen in Point 2.2 – IPSS's, covering the number of IPSS's and the number of employees working for them. However, they continue to demand more support, especially in terms of employment, so that the institutions can pay their qualified staff more competitive salaries, i.e. salaries more in line with those paid by the civil service.

GENERAL CONCLUSION

In general terms, the different organizations in the Third system are employers par excellence. Proving this is the increase in the number of employees with these organizations in recent years, way above that in the Portuguese economy as a whole. Using the example of the IPSS's, the number of employees trebled between 1987 and 1995 even though the number of IPSS's « only » doubled. In the case of the co-operatives, between 1994 and 1996, the number of employees went up by 5% in spite of the slight drop in the number of active co-operatives. There are currently estimated to be 50 000 people working for co-operatives and another 50 000 employees working for IPSS's (including mutual societies and *misericórdias*). Together, they represent about 2.2% of the people employed in Portugal. Although there are not many data on the number of people employed by all the other associations in the Third system, when they are counted, we are sure to find that the number of employees in the Third system has grown by some tens of thousands.

Volunteer work is also very important for the activities of many of these organizations. However, in some activities, the volunteer spirit is not necessarily a guarantee of a good performance. Many volunteers will be the first to admit this as they are faced with complex situations like having to provide support to HIV carriers or drug addicts. This is one of the factors that may lead to a increasing number of professionals in these organizations.

There are, however, other reasons for us to think that the Third system will become even more important in the labour market in the next few years.

Very recently, important measures have been launched providing for positive discrimination for these institutions and for direct support to the creation of jobs with these organizations. One of the factors contributing to this state of affairs is the state's recognition (and that of the users themselves) of the importance of the Third system in complementing or even replacing the public services and facilities in many of their traditional roles, in areas such as special services, social security, health and education, to mention just a few.

In the case of the co-operatives, we must recognize the importance of the position of many employees who are beginning to discover co-operatives as a way of overcoming the precarious nature of employment.

VI

ANNEXES

1 - Population - Employment and unemployment in Portugal

	1994	1995	1996	1997	Variation		
					94/95	95/96	96/97
Total population	9 839 600	9 846 800	9 865 700	9 877 500	0.1%	0.2%	0.1%
Working population	4 773 000	4 754 300	4 788 900	4 854 500	-0.4%	0.7%	1,4%
Employed population	4 449 200	4 415 900	4 444 900	4 530 400	-0.7%	0.7%	1.9%
Unemployed population seeking first job	55 400	63 600	71 600	64 700	14.8%	12.6%	-9.6%
Unemployed population seeking new job	268 400	274 800	272 400	259 400	2.4%	-0.9%	-4.8

2 - Gross Domestic Product

	1995	1996	1997
GDP at current prices (billion euros)	77 438	82 172	89 365

3 - Employment in Third system organizations

Types of organizations	Employees		Organizations	
	Number	Year	Number	Year
Co-operatives	50 000	1998	2 835	1998
Agriculture	38.6%			
Trade	8.7%			
Consumers	6.0%			
Culture	2.4%			
Education + Social Welfare	19.0%			
Housing / Building	3.3%			
Industrial Production	6.3%			
Services	6.9%			
Agricultural Credit	7.5%			
Handicrafts + Fishing	1.3%			
Private Institutions for Social Welfare - IPSS	50 000	1998	2 992	1996
Mutual Societies	1 078	1996	120	1994
<i>Misericórdias</i>	(a) 13 990	1993	398	1998
...				
Other Associations				
Fire-fighters' Associations	(b) 39 000	1996	406	1996
Cultural and recreational associations	(c) 40 754	1995	3 266	1995
Associations for local development			400	1998
...				

(a) 178 are volunteers

(b) 29 000 are volunteers

(c) 36 654 are volunteers

VII

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