Cooperativism in Portugal and Spain from the Dictatorships to European Integration, 1940-2006

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1. — Introduction

Our purpose is to present a general comparative overview of the cooperative sector in the Iberian Peninsula from 1940 onwards. The political and historical, as well as economic, parallelisms between the two countries, Spain and Portugal, are an interesting reference point. Such a time gap enables a very fascinating overview of the evolution of the cooperatives as it includes the period of the dictatorships and the transition to democracy as well as European integration. Despite, some minor differences these periods are almost coincident. Going back in history, both countries share similar cultural influences; were pioneers in the expansion from the 15th century onwards; and had vast colonial empires maintaining to this day political, economic and cultural ties with their former colonies.

In more recent times, whereas Portugal became a Republic in 1910, Spain remains a Monarchy, despite a fairly short period as a Republic in the 1930s; both countries lived through right-wing dictatorships: Portugal under Salazar and Caetano (1926-1974) and Spain after the end of the Civil War (1936-1939), under Franco, until his demise in 1975; both countries joined the European Economic Community in 1986, and in 2002 discarded their monetary units to adopt the European currency unit.

Owing to their geographical location, but chiefly due to political choice, both countries have lived for many years in isolation in relation to each other, to the rest of Europe and the world at large. The changes of the mid 1970s in both countries, with the Carnations’ Revolution in Portugal and Franco’s death in Spain, promoted a political opening that would affect irreversibly the ways of life within their boundaries and encouraged major changes in their international relations, including their neighbourly commercial and political affairs with each other. These coincidences are appealing for the analysis of general trends. Otherwise, Portugal and Spain display also huge differences. Spain is much larger than Portugal and it has a rather more complex political and administrative as well as economic structure and has several autonomous regions within its continental space and Mediterranean and Atlantic islands under its administration; Portugal has no autonomous regions within its continental space and the only autonomous regions with a special status are currently the Atlantic islands of Madeira and Azores.

For all this reasons our attempt to compare the cooperatives in Portugal and Spain since the 1940’s appeared a sound exercise enabling to explore both similarities and disparities.
However, while in the Spanish case the data is rather easy to gather, as it is available on-line through the Instituto Nacional de Estadística (National Institute of Statistics) going back to the 1933, in the Portuguese case this proved to be a major task as the data are dispersed and not easily accessible. Thus, we were unable to find sound details for the whole of the period under analysis in the Portuguese case. This difficulty in the gathering of data in Portugal has been noted by Costa who claimed in 1961 that neither the official sources nor the cooperative organizations provided data for a consistent analysis of the sector (Cf. Costa, 1979: 43). Dealing with consumption cooperatives, Granado also mentioned analogous difficulties experienced by her and other authors (Cf. Granado, 1998: 54). Similarly, Carneiro commented on the “great difficulty in finding any kind of documentation analyzing the contribution of Third system organizations towards creating, maintaining or requalifying employment in Portugal.” (Carneiro, 1999: 3). Despite these obstacles we persistent in our intent even if acknowledging that it would be challenging to find data conducive to establish parallels between the two countries. As in the Portuguese case the available data seems to be more consistent from the mid-1970’s onwards our paper will provide as much detail as possible for earlier periods but will display an inevitable bias for the last 30 years, starting at a major turning point: the demise of the Franco and the fall of the Salazar/Caetano dictatorships in the mid 1970’s.

The way the Iberian dictatorships envisaged cooperatives was similar. On the whole both countries embarked on a corporative model within a State controlled economy. The State attitudes towards cooperatives varied depending on the sector of activity. Thus, for instance, while cultural cooperatives were regarded with distrust by the authorities, the agrarian cooperatives were even encouraged, when not established under the auspices of the State.

With the onset of democracy (in Portugal through the Carnations’ Revolution in 1974, and in Spain with the death of Franco in 1975), the cooperative model experienced a period of expansion in Portugal owing to State incentives framed within the adoption of a Socialist style framework. The challenges posed by the entry of both countries in the European Economic Community in 1986 and the opening of the Iberian Peninsula to the global markets has reflexes in the cooperative sector and on the economy as a whole. Our aim is to present an overview of the dynamics of cooperativism in Portugal and Spain in what concerns absolute numbers of cooperatives, number of members, and the patterns of variation according to the various sectors of activity.
This paper has three parts. In the first one we analyse the situation of the cooperatives in the 1940s with the data available concentrating in farming and agricultural credit institutions, considering that sample as illustrative of the economic structure of both countries where the agrarian sector was particularly relevant. The second takes as its starting point the data for 1976, reflecting the inheritance of the State models where autarchy and the control of the economy were major characteristics, at a point in time when the processes of overture and adaptation to the new social and economic realities begun to take shape. Lastly, we will study the changes and also the responses of the Spanish and Portuguese cooperativism to the challenges posed by globalisation and the integration in the European Economic Community.

Our major purpose is to explain, as a transversal axis, the development of the cooperatives both in what concerns the number of the enterprises and in number of members and their relation to the changes in the models of economic growth of Spain and Portugal. In that sense, we expect to find important variations in the orientation of the productive activities as a result of the transformations in the economic structure of the two countries.

2. — The Iberian cooperativism in the context of a centrally controlled economy

Prior to the analysis of the figures concerning the Iberian cooperative movement we will present briefly the evolution of the most relevant facts of the history of cooperativism. In the case of Portugal the Cooperative sector dates back to the late 19th century. Portugal was the second European country to recognise the importance of the cooperatives in the law through the Lei Basilar, coined by Andrade Corvo and passed in the Parliament in 1867 (Cf. Costa 1978: 16). According to Godolphim, the first popular associations in Portugal date back to 1848 however the Sociedade Artistas Lisbonenses was created in 1838 and a few other mutualities were founded around 1840. During the final years of the 19th century the cooperative movement continued to thrive. Between 1834 and 1839 were created about 9 associations, 21 between 1841 and 1849, around 70 between 1850 and 1859 and a further 88 in the following decade. (cf. Costa, 1978: 19).

During the first Republic (1910-1926) the political support to the cooperatives encouraged the expansion of the sector and particularly the consumption cooperatives whose objectives included the control of prices, the improvement of the quality of the products, and to challenge the black market. By 1926, there were in Portugal 336 cooperatives (Cf. Granado, 1998: 53). The abhorrence of the New State (1926-1974) to the cooperative sector had strong
political overtones. Most cooperatives were associated to the workers’ movement and were seen as potential spaces for the spreading of dissident ideas that could pose a threat to the regime. The first sign of hostility of the dictatorship towards the cooperatives was the Decree-Law nº 22513, of 12/05/1933 which excluded from tax exemptions all the consumption cooperatives that did not deal exclusively with their members (Cf. Almeida, 2005:57).

After the World War II the cooperative movement, inspired by António Sêrgio, experienced a period marked by the endeavours to rehabilitate itself through the publication of the Boletim Cooperativo (Cooperative Bulletin) in 1951 and the organisation of a general congress, the Reunião Magna, in 1956. The New State produced several laws to counter such moves. (Cf. Almeida, 2005:57). Despite the efforts of the New State to stifle the cooperative movement there was, throughout, attempts to generate new associations. As the dictatorship approached its sudden demise another decree-law (520/71), was published, especially directed against the cooperatives related to cultural activities and education by requiring that their articles of their constitutions to be approved by the local government representatives (Governo Civil). Failure to submit to such rule implied the closing of the cooperative. A movement of refusal by the cooperatives led to the closure not only of the cooperatives that did not comply with the law but also of many others. (Cf. Notícias da Amadora, 15/4/1004).

As for the history of cooperativism in Spain, it has its origins a few years later with the creation of the Cooperative Rochadle in 1884. The first cooperatives of consumption arose, as expected, in the most industrialised areas of the country, more specifically in Catalonia.\(^1\) It was Fernando Garrido Tortosa, an exiled Republican leader, and author of the first texts about cooperativism published in Spain in 1864, the ideologue of Spanish associativism.\(^2\) The contributions of Joaquín Abreu, Piernas Urtado and Salas Antón are also worth mentioning. Spanish cooperativism arose in the most industrialised regions as a labourers’ alternative to aggressive capitalism and the need to minimise the costs of essential products required for industrial workers’ daily subsistence. In 1887 was published the first legal norm mentioning cooperatives, the Ley de Asociaciones (Associations’ Law) referring to cooperatives of production and consumption.

\(^1\) The first cooperatives of consumption in Spain were created in a clandestine form in Catalonia and Valencia. The most emblematic was the Económica Palafrugellense established in Gerona in 1865.

\(^2\) Some of his most significant works were: Historia de las asociaciones obreras en Europa ó Las clases trabajadoras regeneradas por la asociación, Salvador Manero, Barcelona 1864, 2 volumes, and La cooperación: Estudio teórico y práctico sobre las sociedades cooperativas de consumo y producción en Inglaterra y otros países, y especialmente en Cataluña. Imprenta de Oliveros, Barcelona, 1879.
In the agrarian sector the influence of the Catholic Church was decisive, in fact it was with the Catholic Agrarian Syndicates that the development of agrarian cooperativism started, fostering the creation of Cajas Rurales (rural banks), as well as unions and federations of cooperatives. The Law of the Farming Syndicates of January 1906 established a legal turning point by which the farming cooperatives existing at that time gathered in order to take advantage of the tax benefits and other hand-outs contemplated in the law. Between 1906 and 1933 more than nine thousand Farm Syndicates were in operation in Spain (Cf. Garrido, 2007: 186), although their activity was short lived. As a consequence of the Civil War (1936-1939), the number of cooperatives and members was reduced in more than 50% in relation to 1924 (Cf. Juliá & Segura, 1987:61).

With the arrival of Francoism the Cooperatives’ Law (Ley de Cooperativas) of 1942 was published derogating the Law of September 1931, starting a new period of Spanish cooperativism, henceforth subjected to the same forms of political control as the remainder of the economic institutions, hindering the participative dimension, essential in this kind of enterprise. The law configured a model of cooperatives dominated by a State superstructure, the Obra Sindical de Cooperación (Syndicates’ Cooperation Institution) and imposed a very ambiguous arrangement from the economic perspective, separating the mercantile dimension from the search for profit, representing an important restriction to the development of cooperativism in Spain.

### Table 1 – Farm Cooperatives in Portugal and Spain, 1947-1976 (annual intakes)

<table>
<thead>
<tr>
<th>Decades</th>
<th>Portugal</th>
<th>%</th>
<th>Spain</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947-1956</td>
<td>163</td>
<td>16,56</td>
<td>1,855</td>
<td>35,00</td>
</tr>
<tr>
<td>1957-1966</td>
<td>169</td>
<td>17,17</td>
<td>2,221</td>
<td>41,93</td>
</tr>
<tr>
<td>1967-1976</td>
<td>652</td>
<td>66,26</td>
<td>1,220</td>
<td>23,03</td>
</tr>
<tr>
<td>Total</td>
<td>984</td>
<td>100,00</td>
<td>5,296</td>
<td>100,00</td>
</tr>
</tbody>
</table>

Source: Portugal: INSCOOP, 1980: 89; Spain, INE, Anuarios Estadísticos, Ministerio de Economía y Hacienda. Compiled by the authors.

At a glance the statistics available indicate that the development of the cooperative farming sector in Spain and Portugal during the dictatorships moved at a different pace. Whereas Portugal appears to have experienced a relatively slow growth in the sector between 1947 and 1966 but a huge increase in the following decade, Spain had a peak on the decade of 1957 to 1966 but then experienced a relative decline. In the Portuguese case this increase may be explained by the efforts to modernise the country under the auspices of the Planos de
Fomento (Foment Plans) and their impact on the agricultural sector. If we analyse the dates of creation of farming cooperatives we will verify that it was in the 1960 that many of them were established under the auspices of the Ministries for the Economy and for the Corporations. The farming cooperatives, and to a large extent the agricultural credit ones, were seen as part of the New State’s strategies during the dictatorship in sharp contrast with the cooperatives in other economic sectors. The turning point is statistically observable: from 169 cooperatives in the previous decade to 652 in the decade between 1967 and 1976. According to Machado de Almeida, whereas in 1929 there were only 12 agricultural cooperatives, by 1974 there were 401. In sharp contrast and for the same years there were, respectively, 175 and 178 consumption cooperatives and all the others (including credit, housing, fisheries, production and diverse) amounted to 178 in 1926 and 356 in 1974. (Cf. Machado de Almeida, 2005:57).

Table 2 – Evolution of agricultural credit cooperatives in Spain and Portugal, 1950-1976 (accumulated totals)

<table>
<thead>
<tr>
<th>Year</th>
<th>Portugal</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cooperatives</td>
<td>Members</td>
</tr>
<tr>
<td>1950</td>
<td>132</td>
<td>------</td>
</tr>
<tr>
<td>1960</td>
<td>149</td>
<td>69.000</td>
</tr>
<tr>
<td>1970</td>
<td>144</td>
<td>64.679</td>
</tr>
<tr>
<td>1976</td>
<td>142</td>
<td>56.817</td>
</tr>
</tbody>
</table>

Sources: Portugal, INSCOOP (1980: 155) relating solely to agricultural credit. Spain, INE, Anuarios Estadísticos, Ministerio de Economía y Hacienda. Compiled by the authors.

Between 1947 and 1976, according to the Spanish statistics, a total of 5,296 new farming cooperatives were registered in the Ministry for Agriculture. Their participation for the period under analysis shows a clear tendency for growth until 1976, indicative of the considerable weight of the agrarian sector in the Spanish economy, and a decline from then onwards, coinciding with the crises of the agricultural model based on traditional farming methods. This tendency in the Spanish case is similar to that of other neighbouring European countries and represents a constant growth in both the economic and the social dimensions of these entities. For instance, the average number of members per cooperative, at the national level,

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3 The Foment Plans (Planos de Fomento) were launched in 1953 with the duration of five years each. These plans, among other projects to improve the country’s economic performance, aimed at increasing agricultural production through increasing the use of chemicals, the establishment of an irrigation plan, and encouraging the use of machinery.

4 It is interesting to note that Portugal did not have an Agriculture Ministry since the 1940’s. The strong emphasis on the corporative model integrated farming affairs in the Ministry for Economy while the Ministry for the Corporations oversaw many aspects of the organisation of the structures associated to the economic and social activities.
changes from 81 in 1947 to almost 350 in 1967 (Cf. Juliá & Segura, 1987: 63), with the inherent consequences in the economic activity, above all for the most common types of cooperatives in the agrarian sector, those engaged in supplies and commercialisation.

The Spanish and Portuguese Agricultural credit cooperatives had their origins in the institutions of the communal granaries (designated as pósitos in Spain), very active during the whole of the 18th Century, and which, in the Spanish case, experienced throughout the 19th century attempts to be transformed into Agricultural Banks or of reorganisation conserving their original credit functions (Cf. Martínez Soto, 2007: 517), with the main objective of protecting farmers from usury, connecting later with the mutual and cooperative movement arising in Europe. At this time the ideas of Raiffeisen and Schulze Delitzsch begin to spread giving place to the proliferation of Rural Banks and Popular Banks remaining active in the whole of Europe to this day. The Raiffeisen ideas were introduced to Spain in the beginning of the 20th century through the publications of Joaquín Díaz de Rábago between 1891 and 1893. The first agrarian credit cooperative was established in 1891 by Nicolás Fontes Álvarez de Toledo in Murcia (Cf. Martínez Soto, 2003: 121). Others followed suit such as in 1901 in Amusco (Palencia) by the initiative of Luis Chavez Arias, whose model was adopted later by the Confederación Nacional Católica Agraria (Agrarian Catholic National Confederation). The legal setting for this development was the Ley de Sindicatos Agrícolas y Pósitos (syndicates and communal granaries law) of the 20th January 1906, and in a very special way, the agrarian catholic syndicalism.

Demonstrative of the strong growth of credit cooperativism are the following figures for 1906: 42 cooperatives; 1926: 501 and 1973: 1,146 cajas rurales (rural banks) (Cf. Font & Conde, 2003: 47). Once the Civil War ended, in 1939, the publication of the Ley de Desbloqueo (unfreezing law) affected all the financial assets of credit institutions, including the deposits and the balances of the current accounts. It was a law for the “defeated” with the objective that the “Nuevo Estado” (New State) could control and reduce the monetary offer at the expense of the deposits and contracts of the entities that were in the Republican zone (Cf. Lacomba & Ruiz, 1999: 372-375). Some agricultural credit cooperatives of smaller

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dimensions were hugely affected since the law contemplated the freezing by the Bank of Spain of the operative accounts (Cf. Román Cervantes, 1996: 446).

According to the data from the Spanish Instituto Nacional de Estadística (National Statistics Institute), in 1944, the first year for which there are data available, there were in operation in Spain 299 rural banks and credit cooperatives. This figure reflects the feebleness of the Spanish credit cooperativism in the first years after the war. Six years later a probably more exhaustive recount registers 1,181 entities, which corresponds to a growth of 74.68% a tendency that continued to increase throughout the fifties. Notwithstanding, it was in the sixties that the boom of the rural banks took place, with a total of 2,282 cooperatives. Thus, the deployment takes place from 1962 onwards, the credit cooperatives are fully recognised as financial entities, according to the Ley de Bases de Ordenación del Crédito y de la Banca (fundamental law for the regulation of credit and banking). In this decade a large number of Provincial Rural Banks, Popular Banks and also professional banks such as the Caja Laboral (Laboural Bank), Caja de Ingenieros (Engineers’ Bank), Caja de Caminos (Ways Bank) (Cf. Font & Conde, 2003:47). The colophon to the legislative normalisation is the Royal Decree 2860/1978, establishing in definitive the juridical regime of the credit cooperatives.

In the Portuguese case, the most relevant credit cooperatives were those associated to the Caixas de Crédito Agrícola Mútuo (Mutual Agricultural Credit Banks) and Mutualities associated to various professional sectors. In both cases the State control was evident, either to the corporative institutions associated to farming or through the vertical unions.

3. — Towards the democratisation of the cooperative structures

In Portugal, with the demise of the dictatorship, following the coup of 25th April 1974, the cooperative sector was liberated from the restrictions imposed during the New State. The ideals of the cooperative movement, based on free association, were promptly recovered. The mood of the times was favourable for such a form of economic organisation which was advocated by most parties and supported through legislation by successive governments. With the liberties conquered with the Carnations’ Revolution all forms of association, including cooperatives, experienced a huge expansion. The existing laws were completely inadequate and the State responded with several legislative measures to accommodate the new

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6 That was the case of the Sindicato Agrícola, Cajas de Ahorro y Montepio Rural de Pozo Estrecho (Murcia), which experienced a decline of their assets from 1,236,025 Pesetas to 762,552 Pesetas, that is 61.69 % of the capital.
realities. The investment in the sector was expressed in the efforts to coordinate the sector, expressed in the Decree-Law 349/75 which created the *Comissão de Apoio às Cooperativas* (Commission for the Support of Cooperatives) a forerunner of the INSCOOP – *Instituto António Sérgio para o Sector Cooperativo* (Cf. Almeida, 2005:57). Created, in 1976, as a public institute, it was initially directly dependent on the Presidency of the Council of Ministers.\(^7\)

The Portuguese legislation and the Constitutional text adopted in 1976 established the relevance of the cooperatives.\(^8\) Additional legislation guaranteed a wide range of benefits for the cooperative sector, particularly in what concerns tax benefits. The connection between socialism and cooperativism was evoked. Portugal, according to the Constitutional text Portugal was heading towards a socialist society.\(^9\) The chapter on the economic principles, in article 80, contemplated the “development of socialist relations of production”, which included associations and enterprises managed by the labourers. Some of these enterprises were created as a result of the occupations by the labourers of their places of employment to be transformed into self employment and self management economic units. This was the case with the land seized during the Agrarian Reform process as well as several other enterprises in a wide range of sectors of activity. The trend was the control of the means of production in order to generate and/or secure employment.

The *Código Cooperativo* (cooperative code), Decree-Law 454/80 published on 9\(^{th}\) October 1980,\(^10\) regulated all aspects of the cooperative sector but it has been subjected to several alterations being replaced by the Law 51/96 of 7\(^{th}\) September 1996, itself altered many times. Similarly, in Spain it was necessary to wait for the arrival of democracy to witness the introduction of the first relevant legislative changes and the recognition of the cooperatives as active enterprises according to the *Ley General de Cooperativas* (General Law of Cooperatives) of 1974. The article 129.2 of the Spanish Constitution of 1976 proclaimed specifically that the public powers would promote the diverse forms of participation in the

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\(^7\) Decree-law 902/76 of 31\(^{st}\) December. The INSCOOP is currently ruled by the norms established by the Decree-law 63/90 of 20\(^{th}\) February and is part of the Ministry for Labour and Social Security.

\(^8\) For a detailed analysis of the cooperatives in the Portuguese Constitution see Marques, 1983.

\(^9\) The Preamble of the 1976 Portuguese Constitution states: “The Constituent Assembly affirms the Portuguese people’s decision to defend national independence, guarantee fundamental citizens’ rights, establish the basic principles of democracy, ensure the primacy of a democratic state based on the rule of law and open up a path towards a socialist society, with respect for the will of the Portuguese people and with a view to the construction of a country that is freer, more just and more fraternal.”

\(^10\) For a critical and detailed analysis of the Cooperative Code see Namorado, 1983.
enterprises and the access of the workers to the means of production, encouraging cooperative societies. It supposed constitutionally the inclusion of the cooperatives in general and, in particular, those of labour, labourers’ societies and other forms of co-management and collective self-employment.

Considering the data on table 3, it is necessary, notwithstanding, to analyse first the existing cooperative structure in Portugal and Spain and, henceforth, compare the two cases. Both the distribution of the number of cooperatives in Portugal and the number of their members may be seen as representative of the productive structure of the country at the end of the dictatorship. A predominance of cooperatives in the agrarian sector, in which 38% of the enterprises and 37% of the labourers in 1976 were devoted in the primary sector, is consistent with the overall tendency of the country. In 1970, in the country as a whole, 30% of the population was engaged in agriculture and in some districts it was well above that proportion. In the Beja district, for instance, 63.4% of the active population was employed in the farming sector (Cf. Barros, et alli. (1981[1979]:28).

In the Portuguese case the 1960s were marked by a strong rural exodus due to several factors. On the one hand the belated industrialisation of the country created attractive poles of employment in the industries mostly in the littoral areas, especially in the Lisbon and Setúbal axis. Furthermore, the onset of the colonial wars, lasting from 1961 until 1974, produced fundamental changes in the economic and social structures of the country. Almost simultaneously legal migration to European countries, such as France and Germany, was encouraged by the State through international agreements, and illegal migration was in part a consequence of aspiration for a better life and a way for young men to escape conscription as cannon fodder to the colonial wars. The decline of the male population had left the country in a situation of deep imbalance. In very rough terms, the agrarian sector was market by familial minufundia and microfundia, north of the Tagus River, mostly left to the care of the elderly, women and youngsters, and latifundia in the South, increasingly mechanised and still dependent on day labourers and huge seasonal variations in the employment patterns. The Carnations’ Revolution and the consolidation of democracy, contemporary of the petrol crises, high inflation and the decolonisation process, were marked by political and economic instability.

The number of existing cooperatives in 1976 appears to confirm the prevalence of farming (37.8%) in the Portuguese cooperative sector. Within the Agrarian Reform process several labourers’ collectives were formally cooperatives but it is not clear that all of them are shown
in the statistics as early as 1976 as most were not officially registered by then. The same was the case of cooperatives created after the Carnation’s Revolution in other economic sectors. Thus the pattern of the 1976’s statistics is probably a reasonable indicator of the cooperatives at the end of the dictatorship. The success of some farming sectors reinforced the cooperative option; this is unequivocally the case of milk wine and olive oil production. The association of small producers in these sectors was beneficial both for the organisation of production and for the transformation and distribution of the produce. The consolidation in higher level cooperatives promoted the establishment of well known brands with commercial visibility and high turnovers that are relevant both in the national and in the international markets.

Table 3 – Number of cooperatives and members by economic activity in Portugal and Spain, 1976 (accumulated totals)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Portugal</th>
<th></th>
<th>Spain</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Coops</td>
<td>% Members</td>
<td>Coops</td>
<td>% Members</td>
</tr>
<tr>
<td>Farming</td>
<td>1,073</td>
<td>37,83</td>
<td>5,049</td>
<td>30,71</td>
</tr>
<tr>
<td></td>
<td>563,760</td>
<td>36,17</td>
<td>245,000</td>
<td>15,21</td>
</tr>
<tr>
<td>Industrial</td>
<td>674</td>
<td>23,76</td>
<td>3,106</td>
<td>18,89</td>
</tr>
<tr>
<td></td>
<td>497,010</td>
<td>31,89</td>
<td>486,380</td>
<td>30,07</td>
</tr>
<tr>
<td>Consumption</td>
<td>417</td>
<td>14,70</td>
<td>1,481</td>
<td>9,01</td>
</tr>
<tr>
<td></td>
<td>333,600</td>
<td>21,40</td>
<td>223,901</td>
<td>13,90</td>
</tr>
<tr>
<td>Credit</td>
<td>133</td>
<td>4,68</td>
<td>1,647</td>
<td>12,94</td>
</tr>
<tr>
<td></td>
<td>60,000</td>
<td>3,85</td>
<td>45,432</td>
<td>2,82</td>
</tr>
<tr>
<td>Housing</td>
<td>120</td>
<td>0,42</td>
<td>4,371</td>
<td>26,90</td>
</tr>
<tr>
<td></td>
<td>14,900</td>
<td>1,01</td>
<td>596,470</td>
<td>37,03</td>
</tr>
<tr>
<td>Others</td>
<td>419</td>
<td>14,77</td>
<td>783</td>
<td>1,86</td>
</tr>
<tr>
<td></td>
<td>88,960</td>
<td>5,70</td>
<td>13,200</td>
<td>0,82</td>
</tr>
<tr>
<td>Total</td>
<td>2,836</td>
<td>100,00</td>
<td>16,437</td>
<td>100,00</td>
</tr>
<tr>
<td></td>
<td>1,558,230</td>
<td>100,00</td>
<td>1,610,383</td>
<td>100,00</td>
</tr>
</tbody>
</table>


The comparative analysis of the cooperative sector in Portugal from 1976 to the present shows a decline in all sectors with the exception of the categories "housing” and “others”. The explanation for the increment in the housing cooperatives is the result of the dynamics of the housing market in Portugal. High prices in the housing market, both for tenancy and for sale, have helped to expand the cooperative sector, in particular among the lower middle class in an attempt to counter the speculative spiral in land prices and the increasing construction prices. As for “others”, they include a tendency to the establishment of 2nd and 3rd degree cooperatives (Unions, Federations and Confederations) and cooperatives in sectors least represented traditionally, such as handicrafts and cultural activities. Whereas education and instruction cooperatives (including schools and nurseries, among other) experienced a boom straight after the Carnations’ Revolution, the 1980s saw the onset of several private Universities that adopted the cooperative model. The decline of consumption cooperatives is, in both countries, the result of changing shopping patterns and of the availability of cheap
products in large supermarket chains and the generalisation of the “Chinese shops”, particularly from the late 1990s onwards.\textsuperscript{11}

Also in Spain the number of cooperatives as well as the number of members reflected a complex reality. Although the farming cooperatives were more numerous the same is not the case in what concerns the number of members because the industrial and housing cooperatives are those with larger participation. Contrary to what would be expected, agriculture did not represent the most attractive sector for associationism in those years marked by the crisis of traditional agriculture to which we must add the international energy crisis. This is consistent with the decline of the participation of agriculture in the GDP of Spain from 18.4\% in 1964 to 5.3\% in 1987 (Cf. García Delgado & Muñoz Cidad, 1988:123).

As for the cooperatives committed to industry, although in a lesser number in the Portuguese case, they engaged a significant number of members in both countries, adding to almost 32\%, in the Portugal and 30\% in Spain, indicating the relevance of this type of cooperatives as suppliers of employment, precisely in the years when the economic crisis derived from the high petrol prices hit particularly hard industrial labour. Contrasting with Portugal, in Spain the number of members of the industrial cooperatives surpasses that of the farming cooperatives. In the Portuguese case, almost half a million members participate in cooperative and solidary entrepreneurial projects and at a distance, a long distance, were the remainder of the activities, including those related to credit, such as the savings societies.

Notwithstanding, the initiatives for the construction of new housing in association are the most exceptional in the Spanish case. They represented 26.59\% of the active cooperatives in 1976 but they stand out because they concentrate 37.03\% of the members, whereas in Portugal they were incipient both in the number of cooperatives and the number of members. The expansion of the housing market in Spain started with the development period of the sixties supported by the Plan de Estabilización Económica (Economic Stabilization Plan) of 1959 which would affect all productive sectors (Cf. Fuentes Quintana, 1980:94). The advantages to the members were being able jointly purchase land at cost prices and then supervise the process of construction of the houses, an attractive alternative in a conjuncture of strong rise in energy prices and its impact on inflation.\textsuperscript{12}

\textsuperscript{11} Pluricoop occupied in 1996 the 10\textsuperscript{th} place among the food distribution enterprises in Portugal but it represented only 1\% of the sales volume (Cf. Granado, 1998: 51/52).

\textsuperscript{12} According to the INE, the index of consumption prices (ICP) changed from 7.30\% in 1972, to 26.40\% in 1977. Until 1984 the Spanish ICP would not go below two digits, reaching 19.00\%. www.ine.es
We chose 1976 as the turning point for our diagnostic of the Iberian associativism, precisely because both Iberian countries coincide in their periods of democratic transition and thus this point in time represents the cooperative inheritance of the long periods of autarchy model.

The associative movements maintain important differences, not so much in what concerns the distribution by productive activity but in what concerns the degree of cooperative concentration. In the case of Portugal only 2,836 enterprises, that is to say 14.71% of the active cooperatives, congregated 49.17% of the total of the members. That is to say that a few Portuguese cooperatives engaged almost the same number of members as the total of the Spanish cooperatives corresponding to 85.3% of the country’s enterprises.

Thus, the Spanish cooperative movement was more fragmented, with smaller cooperatives and, in that sense, with lesser managerial capacity. In our view, and taking on board the processes of entrepreneurial concentration impelled by a greater internationalisation of the economy and competitiveness of the markets, the Portuguese cooperatives were larger in size, at least in some of the sectors, and, in that sense, were better prepared for the challenges implied in the entry to the EEC.  

4. — Iberian cooperativism in the European integration process and economic globalisation

Important changes in the world economy, in particular the globalization of the markets of commodities and manufactured products, have pushed enterprises to develop new competitive strategies. The need to reduce costs and preserve profitability has resulted in changes in enterprise scale and location. While mergers, re-equipment, and strategic relocation of selected activities have allowed certain advantageously positioned firms to prosper, many small and medium-sized companies have been negatively affected. This includes many enterprises belonging to the social economy sector — co-operatives among them.

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13 According to the EEC’s Louët report of 1983 (see table 4), the two countries maintain the same magnitude, that is to say, the same tendency, of the seven previous years. Although there is a substantial increase in the number of members, doubling the figures for 1976 (we do not know what the statistical criteria for the calculation were), the same inertia is maintained in what concerns the number of cooperatives and their participation in the ensemble of the EEC. Spain concentrates 15.98% of the total of the enterprises and Portugal 2.81%. Notwithstanding, as for the number of members these countries account for 5.99% and 4.97% respectively. That is, both countries maintain their cooperative structure.

14 Several references as well as publications analysed the challenges of the cooperatives’ responses to a more globalised world. In the 1990’s proliferated in Europe, the United States of America and Canada studies that analyse, even if sometimes only from a sectorial perspective, this subject, see the works by Stefanson, B and Fulton, M (1997); Belo Moreira, M (2001); Gray, T (2001); Hackman, D (2001); Fairbairn, B and Russell, N (2004); Coleman, W (2004).
Spanish and Portuguese co-operatives have been confronted with the direct or indirect effects of an increasingly global and competitive trade and investment environment. Co-ops serving regional and national markets, and those trading internationally, have been aggressively challenged by companies able to offer quality products at low prices. Cooperatives active in diverse sectors (e.g. agriculture, finance, transportation, and consumer retailing) have faced rapid and pervasive changes to which there are no easy answers.

This expansion and intensification phase of world capitalism, which started during the 1980s, has been characterized by the opening of national economies, the increase of international commerce, expanded international trade and financial markets, the deregulation of the markets, the intensive use of technology, the application of new technologies, spatial reorganization of production, and measures to increase the flexibility in the modes of production. In this context, co-operative enterprises in Spain and Portugal have considered and adopted a range of strategies designed to promote organizational sustainability. In many cases, these strategies have resembled the initiatives taken by their corporate competitors. In other instances, given the particular mandates, principles, legal limits, and loyalties of the co-operatives, such responses have been precluded or have been modified in important ways and meant the adoption, by the enterprises of the social economy, of diverse strategies for their survival in an utterly hostile environment.

Many Spanish and Portuguese cooperatives, including some of the most dynamic and competitive ones, have sought economies of scale in production and marketing through concentration — by mergers, acquisitions, and strategic partnerships. In some cases they have created second tier organizations to provide specific services to existing co-operatives active in the same industry or sub-sector. Cooperatives have attempted to adopt new technologies and managerial structures, without violating the principle of equal treatment of members.

Iberian cooperatives, of smaller size, saw themselves immersed in a scenario of international competitiveness from where they were progressively pushed out by private enterprises that offered better quality products at more competitive prices. The cooperatives of the agrarian sector, those of consumption, of industrial production, transports and credit, found in globalisation a process of internationalization of the modes of production and commercialisation for which they were not prepared.
Table 4 – Cooperativism in the E.E.C.’s twelve countries in 1983

<table>
<thead>
<tr>
<th>Country</th>
<th>Number Coops</th>
<th>%</th>
<th>Members (thousand)</th>
<th>%</th>
</tr>
</thead>
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<tr>
<td>Belgium</td>
<td>353</td>
<td>0,28</td>
<td>1.135</td>
<td>1,84</td>
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<tr>
<td>Denmark</td>
<td>2.269</td>
<td>1,85</td>
<td>1.691</td>
<td>2,74</td>
</tr>
<tr>
<td>West Germany</td>
<td>10.547</td>
<td>8,64</td>
<td>13.800</td>
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</tr>
<tr>
<td>France</td>
<td>25.000</td>
<td>20,48</td>
<td>15.000</td>
<td>24,32</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6.053</td>
<td>4,96</td>
<td>10.593</td>
<td>17,17</td>
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<tr>
<td>Ireland</td>
<td>903</td>
<td>0,74</td>
<td>718</td>
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<tr>
<td>Italy</td>
<td>45.000</td>
<td>36,87</td>
<td>8.346</td>
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<td>125</td>
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<td>31</td>
<td>0,05</td>
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<tr>
<td>Holland</td>
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<td>1,51</td>
<td>2.768</td>
<td>4,48</td>
</tr>
<tr>
<td>Greece</td>
<td>6.983</td>
<td>5,72</td>
<td>822</td>
<td>1,33</td>
</tr>
<tr>
<td>Spain</td>
<td>19.500</td>
<td>15,98</td>
<td>3.700</td>
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<td>Portugal</td>
<td>3.438</td>
<td>2,81</td>
<td>3.066</td>
<td>4,97</td>
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<tr>
<td>Total E.C.C.</td>
<td>122.024</td>
<td>100,00</td>
<td>61.670</td>
<td>100,00</td>
</tr>
</tbody>
</table>


It is necessary to identify the situation of the Spanish and Portuguese cooperativism at the time of the adhesion to the EEC, precisely at a time when the impact that the integration implied for the social economy enterprises started to be noticed. It represented the first test in increasingly more competitive and globalised economies such as the European ones.

In the Spanish case, the integration in the EEC had an unequal effect depending on the type of activity of the cooperatives. The cooperatives devoted to agriculture with an agro-export vocation were those that adapted more swiftly to the European normatives. As for the data in table 4, of the total of cooperatives, 38% were in the farming sector with 481.017 members.\(^{15}\)

We are thus in the presence of an important primary sector in the Spanish cooperative universe. The EEC Regulation 1035/72 established the role of the organisation of farming producers as regulators of the agricultural market and these organisations were essentially constituted as cooperative societies. The Spanish farming cooperatives were prepared for the integration in the EEC, since around 80% of the value of the production was geared to Common Market. In this sense the incorporation only increased the demands for a fast adaptation of the productive and commercial structures, undertaking a path similar to the one that the majority of the European cooperatives had undertaken long before consisting, basically, in the concentration and integration of several cooperatives with the objective of complementing production, facilitate the relationship between cooperatives, create new services, and undertake joint investments.

\(^{15}\) I.N.E, Anuarios Estadísticos, Ministerio de Economía y Hacienda.
According to 1998 data, the existing 5,528 Spanish farming cooperatives had a total of 1,247,300 members and engaged 54,500 workers.\textsuperscript{16} Immediately after Germany with 2,957,000 in the number of members, Spain occupied the second position followed by France with 1,100,000; Greece, 738,600; and Portugal, with 558,000 members as the countries with wider associative representation in the agrarian sector.

The data in table 4 indicate that both Portugal and Spain were positioned in the middle rank of the countries with greater cooperative potential. As for the number of entities, it was in Italy, followed by France and in third place Spain with almost 73.33\% of the total of the enterprises of the social economy sector in operation within the Europe of the 12. At a distance were Greece, West Germany and Portugal. However, when we analyse the number of members we find some surprising results. For instance, Germany with only 8.46\% of the cooperatives concentrated 22.37\% of the members and the United Kingdom with 4.96\% of the cooperatives had 17.17\% of the members. However, in the case of Portugal with only 2.81\% of the cooperatives had 4.97\% of the members a percentage that exceeds Spain at the associationism level in absolute terms. Thus, in the Portuguese case it corresponds to an average of 892 members per cooperative whereas in Spain the corresponding average is much lower with only 189 members. Spain had in the first years after the entry into the EEC a problem with its cooperative structure due to its excessive fragmentation.

Despite the differences between the Iberian countries, when we analyse the annual figures for new cooperatives, we verify that in the case of the Spanish farming cooperatives as well as in the Portuguese ones, there is a tendency towards the organisation in larger units. As we will discuss later, the process of managerial concentration in 2\textsuperscript{nd} degree cooperatives or higher, is a phenomena that took place in both countries from the 1980’s onwards as a response by the 1\textsuperscript{st} degree Iberian cooperatives to a more competitive and demanding farming produce market. The tendency to increase in size was the response by Iberian associativism to European integration, requiring more potent enterprises, able to compete with their continental counterparts and to integrate the diverse processes of farming, husbandry, and commercialisation\textsuperscript{17}.


\textsuperscript{17} Both Spain and Portugal reduced in the 1990’s the number of cooperatives. Portugal changed from 1,107 in 1997 to 1,172 in 1999, whereas Spain shows a decline from 4,283 enterprises in 1997 to 3,918 in 1999. See Juliá y Server, 2003: 477.
In Spain, the Cooperatives law 27/1999 produced the most important legal innovations needed to enable these organisations to obtain a greater connection to the market. Issues such as the easing of the bureaucratic process of constitution, reduction of the number of members required, variation of the percentage of profits, enabling the sharing as return of the extra-cooperative profits, and so on, that is, a propitious context for the expansion of the cooperatives was created both in the national and in the international arenas. The recent successes of the Spanish cooperatives in the agrarian, industrial, transports and other sectors demonstrate that our associative organisations have been able to respond adequately to the challenges of globalisation.

Graph 1 – Comparison of the participation of the Portuguese cooperatives by economic sector 1976 and 2006 (%)\(^\text{18}\)

![Graph 1 - Comparison of the participation of the Portuguese cooperatives by economic sector 1976 and 2006 (%)](image)


The Graph 1 shows the changes in the number of cooperatives by economic sector in Portugal. The decline in numbers echoes, the Spanish case, with the consolidation of smaller cooperatives into larger ones, and the decline in some sectors is a consequence of the dynamics of the economy, partly as a result of a rather more competitive market. This explains, for instance a relative decline of the consumption cooperatives and of credit cooperatives. The increase in the housing sector reflects the State policies for the sector, on the one hand, and the urgent need to improve living conditions for the population, on the

\(^{18}\) Note: 1976: In others are included mutualities. 2006: Under the heading “industrial”, so as not to distort the series and to enable comparison we included the cooperatives relating to services, production, handicrafts and commercialisation. Others include fisheries, education, social solidarity, unions and federations.
other. In the 1970s the scarcity of housing in the urban centres was considerable and the cooperatives aimed at providing decent accommodation for the poorer sectors of society. As time went by, the cooperatives became also attractive to the middle classes faced with speculation and high prices in the market. The liberalisation of associationism following the Carnations’ Revolution encouraged the constitution of cooperatives in sectors that were, until then, little represented, including those concerned with education, culture, handicrafts which had been regarded as subversive under the new State. Considering, as we do, that the numbers for 1976 provide a fairly accurate picture of the existing cooperatives at the end of the New State it is not surprising to verify that the growing sectors are precisely those discouraged and despised by the dictatorship and that, conversely, the democratic regime encouraged.

**Graph 2 – Comparison of the Spanish cooperatives by economic sector 1976 and 2006 (%)**


The patterns of the data in graph 2, for the Spanish case, are the evidence of the connection between the social economy enterprises and the economic activity. The tertiarisation, and even quaternisation, process of the Spanish economy has intensified from the 1980’s onwards.

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Note: 1976, In Others are the fisheries cooperatives. 2006: In Farming are included those collectivised under the agrarian reform and run by the labourers. To avoid distortion of the series, under Industrial, taking on board the new classification of the labour statistics bulletin of the Ministry for Labour and Social Solidarity of 1985, in the Social Work cooperatives we include those of industrial production, teaching, transports, fisheries, handicrafts. Under “others” are insurances, health and instruction.

To clarify the definitions between teaching and educational cooperatives, the Law of 1987 defines teaching cooperatives as those that develop teaching activities in whatever level as modalities, whereas education cooperatives are those that enable youth to access practical knowledge of the entrepreneurial techniques and organisation and that associate students to one of more teaching centres. The Law of 1999 unified the teaching and educational cooperatives without any distinction.
and has as its point of departure the start of the crisis of the traditional agriculture in the 1960’s. The proof of this is the important decrease of the Spanish active population engaged in agriculture from 35.7% in 1964 to 16.3% in 1987. (Garcia Delgado & Muñoz Cidad, 1988:122). In 1976 the farming cooperatives, followed by the housing cooperatives, summed more than 55% of the active cooperatives in Spain, those dedicated to industry (including transports) touched 18%. Far below were the credit, consumption and fisheries cooperatives.

The panorama changed radically twenty years later, not solely due to the changes in the collection of the data by the Ministerio de Trabajo y Seguridad Social (Ministry for Labour and Social Security) — under the heading of cooperatives of associated labour were the handicrafts, teaching, fisheries, industries, and transports — but also because the profits in the industrial activity are achieved through the appearance of new enterprises of the social economy established due to the demands of the labour market, and the economic activity in general, and, furthermore, due to the significant decline of the housing, credit and consumption cooperatives. The associated workers cooperatives were a good instrument to minimise the effects of increasing unemployment as a consequence of the energetic crisis of the late 1970s and early 1980s. Between 1976 and 1980 a total of 3,200 industrial cooperatives were created, of those, 40% were established in 1980 however this type of enterprises also experienced expansion. According to CECOP (European Confederation of Workers Cooperatives) between 1975 and 1983 the number of societies rose from 8,000 to 22,000 and the number of workers increased from 261,000 to 771,000 (Cf. Morales Gutierrez, 2003: 154). As for the farming cooperatives the data confirms what we have maintained throughout the paper: a tendency for concentration in larger units.

Before concluding this analysis dedicated to Spain, we would like to comment on how the number of member by economic sector evolved. We believe that one of the great contributions of cooperatives to the labour market is a huge capacity to generate employment. Solidary, mutualist, employment where workers and members are the owners of the enterprises bringing, in the majority of the cases, not only assets of production and capital, but also work, time and perspectives for the future. Graph 3 shows the evolution of the number of members in a crucial period for the Spanish economy, contemplating the entry to the European Economic Community, 1982-1986, until the consolidation of the integration with its effects in the changing of the cooperatives’ structure. Furthermore, this period, includes two laws on cooperatives at national level, the Ley General de Cooperativas (cooperatives general law) of 1987 and the Ley de Sociedades Cooperativas (cooperative societies law) 27
These were years of strong restructuring of the sector and of adaptation of the normative to the demands of the market. The Law of 1999 consolidates for the first time the cooperatives as enterprises, referring to the efficacy and profitability inherent to their entrepreneurial character. It is considered that the historical values of cooperativism, as a response by the “civil society” to the constant and innovative economic constraints, are compatible to the ultimate ends of the associate which is the economic profitability and the entrepreneurial success.

For the period under study, the members of the 2nd degree cooperatives, transports, teaching and fisheries, by order of importance, were those which experienced the greater expansion. The most dynamic and competitive Spanish cooperatives, choose to respond initiating processes of concentration in larger units, 2nd grade of higher, investing through this decision on the incorporation of new technologies in the production processes, as well as undertaking a reorganisation of the management to make it more efficacious, not forgetting the fundamental principles of the cooperative movement: the equality of the members.

Graph 3 – Cooperatives' members by economic activity in Spain, 1982-2001

Sources: 1982-2002: Boletines de Estadísticas Laborales, Ministerio de Trabajo y Seguridad Social. Compiled by the authors.

We could not conclude without first providing a general panorama of the geographic distribution of the cooperatives in Portugal and Spain. The details that we are commenting
henceforth are important in the sense that they reflect, in a way, the historical tendency in what concerns the location of the associative enterprises and actions of mutual support. Furthermore we would like to identify the areas of the Iberian Peninsula where the initiatives of the social economy take place and to ascertain whether they have a relation with the most dynamic areas from the social and economic points of view. In some cases, because the industrial development encouraged labourers’ associations to create consumption cooperatives, in others, because the agricultural context and the selection of some products, recommended the solidary cooperative format and in others still, because unemployment fostered the association of workers. For both Spain and Portugal, the cooperatives’ maps below indicate the degrees of associative concentration.

Map 1 – Cooperative’s density 2005 (by Autonomous Communities)

Source: Ministerio de Trabajo y Asuntos Sociales. Registro de Sociedades Cooperativas (Compiled by the Authors)

The Map 1 has a numerical reflexion in Table 5 where we provide detailed data concerning the regional weight of the cooperatives in Spain by sectors of economic activity. These figures, originating in the Ministry for Labour and Social Affairs, inform of the cooperatives registered in the social security State department in 2005.
By order of importance there is Andalucía is the one with higher percentage of cooperatives in relation to the national whole, with 26.25%, followed by Catalonia, with 15.77%; the Valencian Community with 10.62%; Castile and Leon 6.81%, Castile La Mancha 6.71% and Murcia with 5.93% and, then, the regions of Madrid, the Basque Country and Galicia, all with above 4% of the total of the cooperatives. The remainder of the provinces are on the whole far behind with much lower levels of participation.

Delimited the national distribution it is pertinent to comment the data by types of cooperatives. It is evident that those of associated labour are the most numerous, concentrating 62.18% of the total of the active cooperatives in Spain, followed by the agrarian and animal husbandry cooperatives with 22.32% and much farther below the remainder of the economic activities. Almost insignificant are the cooperatives in the health sector and, similarly to the Portuguese case, fisheries which is rather surprising in countries with a large coast line.

The Cooperatives of labour present extremely high values in three autonomous regions: Andalucía, Catalonia and the Valencian Community. Arrived to this point we should ask about the success of the cooperatives of associated labour and, above all, the type of activities they engage in. This category is characterised by its flexibility and the facility at the time of

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20 Work: workers' associations; Cons: consumption; Hou: Housing; Far: farming; Com: common work of land; Serv: services; Fish: Fisheries; Tran: Transport; Health; Han: handicrafts; Edu: Education; Cred: Credit; Others.
constitution, being able to embrace all types of cooperative activities. It is a self regulatory type of society in which the protagonism corresponds to their labouring members, independently of the participation in the society’s capital. According to 2003 figures, obtained through the social economy database of the Ministry for Labour and Social Affairs, 2.60% were devoted to agriculture, 18.07% to industry, 18.00% to construction, and 61.33% to the services sector. The rise in services and the degree of tertiarisation of the economy justify the predominance of this type of associative enterprise in consonance to the transformation of the economic structure of Spain.

As for the autonomous communities where the agrarian sector is stronger, even more so if we add the figures of the farming cooperatives to those of the cooperatives of collective cultivation of the land, are Andalucía, followed by Castile and Leon, Castile La Mancha and the Valencian Community are the most significant regions in what concerns the concentration of farming cooperatives. The distribution of the first degree farming cooperatives at municipal level where the Mediterranean area (Valencia, Catalonia, Murcia and the Balearic Islands) followed by Navarra, the Basque Country, La Rioja and Aragon, concentrate the highest density in the number of cooperatives. A second group is formed by the municipalities belonging to Andalucia, Castile La Mancha, Castile and León, Extremadura and Galicia. These are the cooperatives located in the wine, olive oil, fruits and vegetables producing regions where we find a larger concentration of enterprises.

The regional patterns for the distribution of the cooperatives in Portugal, illustrated in map 2 and detailed in table 6, is consistent with the of population density in the various regions of the country. The ongoing rural exodus, initiated in the 1960s, led to a huge regional imbalance in population distribution and a consequent bias in the economic activity patterns, favouring the littoral areas and in particular those around the two main cities in the country, Lisbon and Oporto. Not surprisingly these are the regions where we find a higher concentration of cooperatives. As for the economic activities represented in each of the regions the farming sector is present in all of them whereas some sectors are seriously underrepresented or inexistent in some regions.

With the exception of the Federations and Confederations (by their essence fairly few) the fisheries sector is in both Iberian countries the one with feebler numbers throughout. Whereas

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21 http://www.mtas.es/Empleo/economia-soc/BaseDedatos/CoopConstituidas03.
22 Cf. Observatorio Socioeconómico del Cooperativismo Agrario Español (OSCAE)
we would not expect to find any in non littoral areas it is rather surprising that there is none in the Azores Autonomous Region and only 1 in the Madeira Autonomous Region. All the other regions bordering the Atlantic Ocean and Santarém (by the Tagus River, with no direct access to the Atlantic Ocean) have at least one cooperative related to fisheries but always in fairly small numbers, the highest being Faro but, even then, with only 6 cooperatives.

Map 2 – Cooperatives’ density 2006 (by districts)

Source: INSCOOP, Anuário Comercial do Sector Cooperativo 2007/08, p. 7 (adapted)

The Housing sector, is, as it would be expected is most relevant in the major urban areas, and especially in Lisbon followed by Oporto, where pressure for housing and high land prices is most evident, but with a huge gap between them, respectively 260 and 92 cooperatives, and far behind, Faro (in the Algarve) and Setúbal. On the whole the most urbanised areas have cooperatives in all sectors of activities but tend to have higher concentrations of economic sectors other than the primary sector. Thus, the presence of the farming sector cooperatives is particularly high in Santarém, a highly irrigated and very productive area bordering the river Tagus, located within the sphere of influence of Lisbon which constitutes an important market for these products as well as a gateway for distribution. The most relevant sectors within agriculture in the country as a whole are those associated to diary products, wine, and olive oil. Although not identifiable in the data the pharmaceuticals sector is very relevant accounting for some of the largest cooperatives in Portugal, particularly in what concerns financial returns.
Lisbon and Oporto also display the higher values for education which is a reflex of the country’s population imbalance. Besides the schools of all grades this prevalence may be explained by the concentration of cooperative institutions for higher education in these cities. The second and third level cooperatives also tend to concentrate in the major cities, independently of the type of economic activity, with the exclusion of those associated to farming in all their variants.

Table 6 – The Portuguese Cooperative Sector in 2006 (Regional density by sector of activity)²⁴

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Lisbon, the macro-cephalous capital of the country is unbeatable in almost all sectors (827 cooperatives) and even when compared with the strongly industrialised region of Oporto the number of cooperatives (371) is more than twofold higher. Thus, the pattern of the distribution of the cooperatives in Portugal impinges on the general pattern of the country, both in what concerns population distribution and economic activity in general.

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²³ Some of these higher education institutions, created in the context of the boom provoked by the massification of higher education, had branches in provincial capitals but their headquarters were in the major cities. Several laws demanded the academic autonomy of the branches and required adequate staffing by duly qualified teachers, forcing several of them to close. Some of the private/cooperative universities have been recently involved in widely broadcasted scandals that affected the whole sector and, as a consequence, their already feeble reputation became associated with malpractice and criminal activities, including, allegedly, money laundering. Others simply had to merge or close down due to students’ declining numbers.

²⁴ Far: farming; Han: handicrafts; Com: commercialisation; Cons: consumption; Cred: Credit; Cul: culture; Edu: Education; Hou: Housing; Fish: Fisheries; Prod: production; Serv: services; Sol: solidarity; Uni: Unions; F&C: Federations and Confederations.
5. — CONCLUSION

This comparison of the Iberian cooperative sector, even if not exhaustive, intends to be a contribution for the understanding of the political and economic dynamics of both countries. The disparities in the statistical criteria of each country and the difficulty to access the data, particularly in the Portuguese case, has presented throughout a major problem to a consistent and detailed the comparative analysis.

The Portuguese cooperative sector as a whole represented in 2005 around 8.8% of the GDP (Cf. Sardinha & Carvalho, 2007: 34) whereas in 1996, according to Carneiro, it was estimated that their contribution for the GNP was about 5% and that the cooperative sector employed fifty thousand people “a little over 1% of the total employed population” (Carneiro, 1999: 5). In Spain, the contribution of the cooperatives and other forms of social economy in the Spanish economy in 2002 implied 1,894,696 jobs, 46,466 enterprises, and a turnover of 69.962 million euros (Cf. CEPES, 2002). With the data for 2007, employment increased to 2,400,000 people, and number of enterprises grew to 51,500, of which 39% are cooperatives. The volume of the turnover reached 10% of the GNP and generates 14% of the total active employment created in the country\(^25\).

This data highlight the importance associationism had and has in the economies of Portugal and Spain not only as institutions that participate very actively in the gross formation of capital but also, and in our view more importantly, as generators of employment. The social dimension is, precisely, the justification of these enterprises that occupy the most relevant place, in moments of cooling and recession of the economies as the ones we are living nowadays. Cooperative forms of mutual support, collaboration, trust and solidary action are particularly suited for periods of contraction and adjustment of the labour markets.

Further to this, the action of the governments, of the public institutions, played as we demonstrated a crucial role in the regulation of the cooperatives through national legislation. In the cases of Spain and Portugal, the search for equilibrium between giving flexibility to the associative enterprises to encourage them to intervene with criteria of efficiency in the markets, and the maintenance of the cooperative principles of solidarity has been one of the most significant characteristics.

\(^{25}\) Data obtained from the report by the CEPES — Confederación Empresarial Española de la Economía Social (Spanish Social Economy Entrepreneurial Confederation) presented don the 19th May 2008 in Valladolid in the Seminar “La economía social como motor de creación de empleo” (The social economy as a motor in the creation of employment) coinciding with its General Assembly
As a result of the whole period analysed, this increase in the economic relevance of the cooperatives is still strongly marked by the prevalence of the farming cooperatives in Portugal even though other sectors, such as housing, services, culture, consumption and education, including higher education, became increasingly relevant. Notwithstanding, in the Spanish case, the associated labour cooperatives devoted to services surpass the farming cooperatives and are rather more important than all the other sectors.

Although there are some relevant affinities in the Iberian recent history that have reflexes in the way the cooperative sector developed there are also differences that account for diverse patterns of distribution of the cooperatives within these countries, the distinct prevalence of cooperatives per sector and the impact in the economy of the country in terms of the GDP; the dissimilar participation in associations, and so on. We would suggest that these features are the result of political options to encourage (or not) the cooperative enterprises. Thus, quite apart from other factors and despite a relative political consonance the two countries adopted different strategies and, hence, achieved distinct results.

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