



# BRAZIL

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

In Brazil, the **National Solidarity Economy Department** under the Ministry of Labour and Employment, oversees solidarity economy policy. There are **20 461 solidarity economy entities**, with employment equalling **1 479 966 Full Time Equivalents** as of 2018.

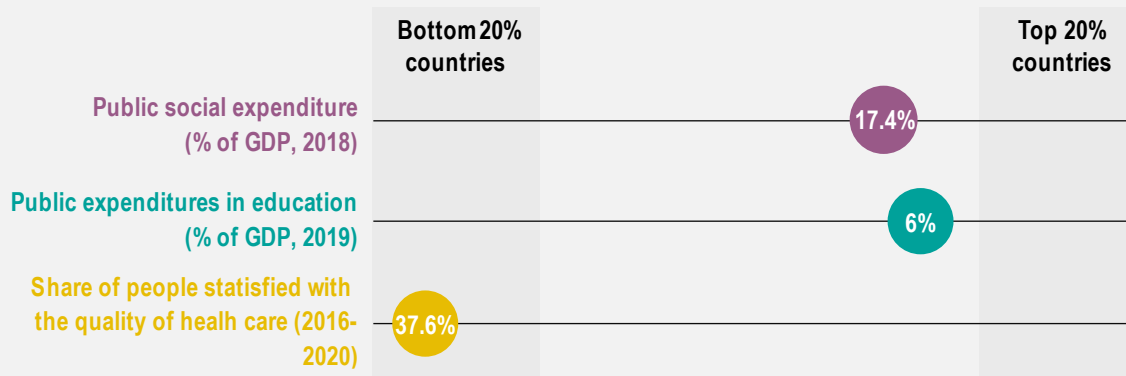
## SOCIO-ECONOMIC INDICATORS

Brazil is a federal country. It is an upper middle-income country with a high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
<b>Brazil</b>	USD 15 174	74.3%	29.3%	18.7%	0.481 / 1	12%	2.2 / 4
<b>OECD</b>	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Brazil refer to 2022, except for GDP per capita (2020), NEET (2020), poverty rate (2020), Gini coefficient (2011) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for OECD is an estimated value. See sources at the end of the document.

## Country position in selected social indicators



Note: Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

## SOLIDARITY ECONOMY ECOSYSTEM

### Definition of the solidarity economy in Brazil

The **solidarity economy** refers to the activities of **organizing production and commercialisation of goods and services**, distribution, consumption and credit, based on the principles of self-management; cooperation and solidarity; democratic and participatory management; equitable distribution of collectively produced wealth; integrated and sustainable local, regional and territorial development; respect of the ecosystems; preservation of the environment; valorisation of human beings, work, culture, with the establishment of egalitarian relationships that respect differences.

The **guiding principles** for the solidarity economy include:

1. democratic administration, sovereign assembly,
2. guarantee of free and voluntary membership,
3. establishment of decent working conditions,
4. development of activities in an environmentally sustainable way,
5. development of activities in cooperation between enterprises and networks of same nature,
6. search for community involvement, with the adoption of democratic and civic practices,
7. practice of fair prices, in accordance with the principles of fair and solidarity trade,
8. respect for differences and promotion of equality of rights among gender, generation, race, ethnicity, and sexual orientation,
9. transparency in the management of resources and fair distribution of outcomes,
10. support for effective participation of partners in strengthening their enterprises.

Note: Translation into English provided by the authors. For the original text, refer to the [Bill 6606/2019](#) (previously [Bill 4685/2012](#), Articles 2-3).

## Institutional frameworks



### Institutions

The **National Solidarity Economy Department (SENAES)**, part of the Ministry of Labour and Employment, is charged with coordinating interests and ensuring policies and actions to strengthen the solidarity economy. **Several other Ministries** also engage in solidarity economy support, such as the Ministry of Agrarian Development and Family Agriculture, the Ministry of Cities, the Ministry of Development, Industry, Trade, and Services, the Ministry of Environment and Climate Change, the Ministry of Agriculture and Livestock, the Ministry of Development and Social Assistance, Family, and Hunger Combat, and the Ministry of Integration and Regional Development, among others.



### Legal instruments

A law specific to the SSE does not exist in Brazil, while acts on specific SSE constituents are available. The **Bill No. 6606 (2019)** that provides the principles and guidelines of the **National Policy on Solidarity Economy** and establishes the National Solidarity Economy System is currently under consideration in the Brazilian parliament.



### Stakeholder engagement

The **Brazilian Forum of Solidarity Economy (FBES)** is the national authority in charge of the organisation, discussions, preparation of strategies and mobilisation of the solidarity economy movement in Brazil. The National Fair and Trade System (SCJS, in Portuguese), established in 2010, aims to promote and strengthen fair and solidarity trade in Brazil, and provides states, municipalities, the Federal District, economic solidarity enterprises, accreditation bodies and evaluation bodies, with the opportunity to join the SCJS voluntarily.

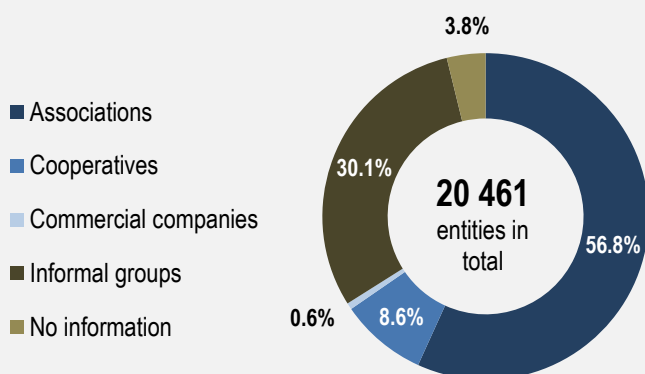
## Main figures

**20 461 solidarity economy entities** in total provided employment equivalent of **1 479 966 full-time equivalent (FTE)** in 2018. **Women represent 44% of employment** in solidarity economy. Most solidarity economy entities are **medium-sized**, with 10-249 workers.

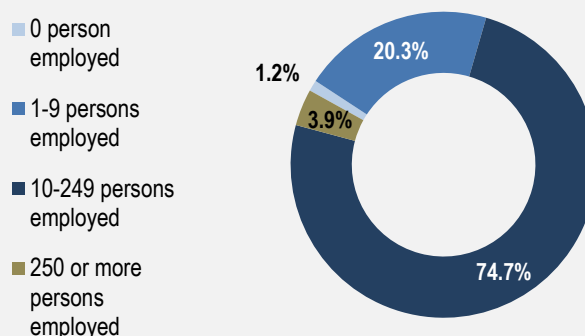
**SCOPE** Data on solidarity economy includes associations, cooperatives, commercial companies, informal groups and entities not classified elsewhere. Data are retrieved from the National Register of Solidarity Economy (CADSOL), which is currently under review and may imply future revisions in the current numbers presented here following the implementation of the new tool.

### SOLIDARITY ECONOMY ENTITIES

Number of solidarity economy entities (2018)

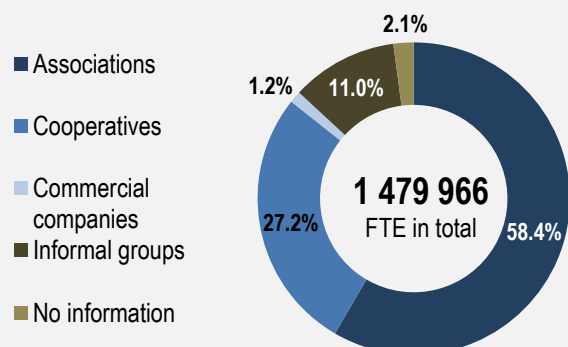


Number of social economy entities by size of employment (2020)



Employment in the solidarity economy (FTE, 2018)

### EMPLOYMENT

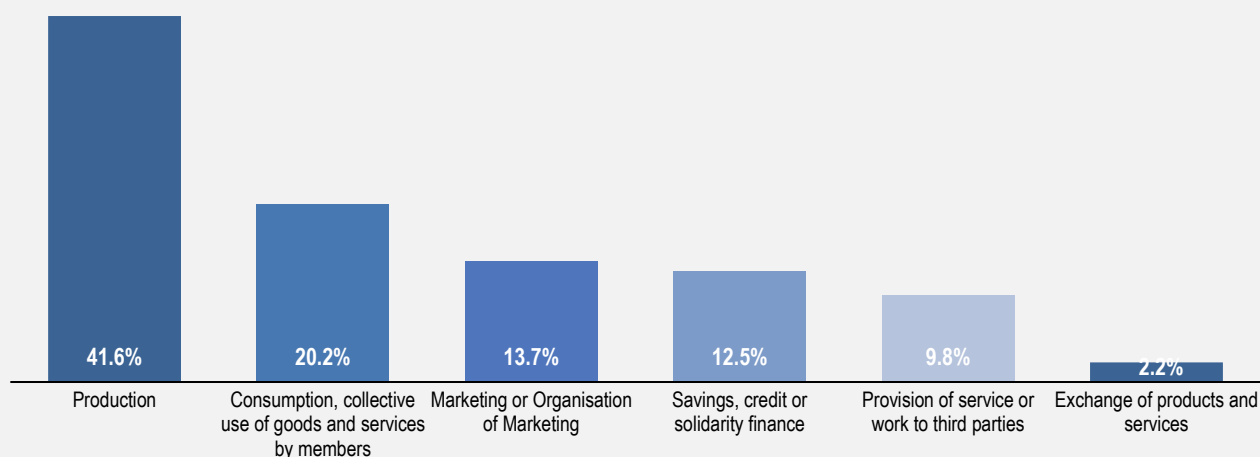


### Gender equity

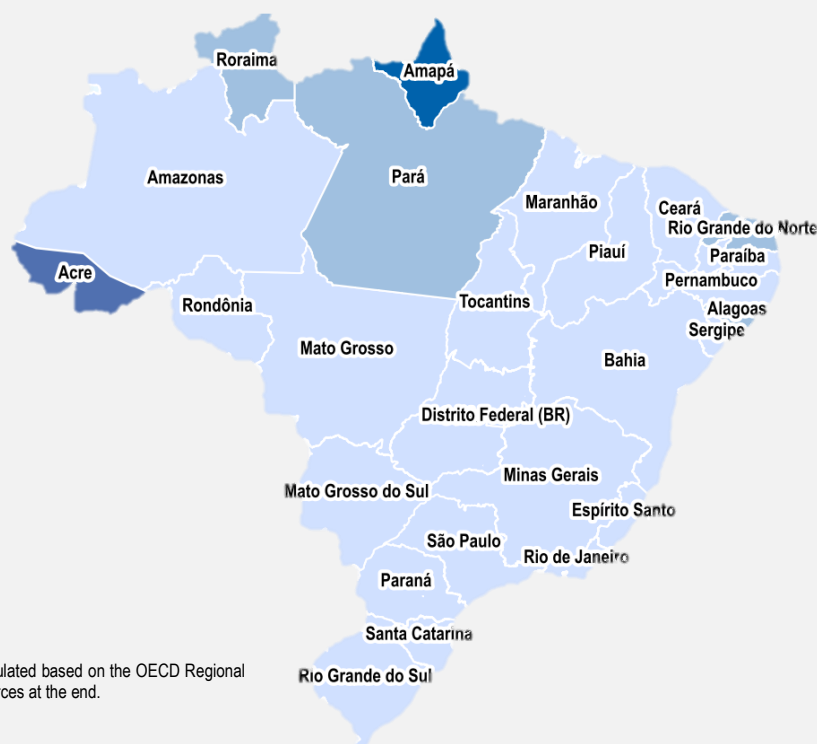
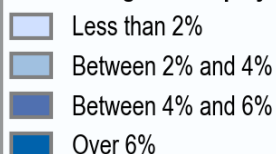


Women represent **44%** of SSE employment.

## Employment in the solidarity economy by sectors of activity (2018)



### Employment in the SSE as a share of regional employment (2018)



Note: Share of employment in solidarity economy in regional employment has been calculated based on the OECD Regional database. The latest available regional employment data for Brazil is from 2013. See sources at the end.

## Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE	Not available
For specific SSE entities at national level	<ul style="list-style-type: none"> <li>• General Law of Cooperatives (1971) – <a href="#">link</a></li> <li>• Federal Constitution (1988) – <a href="#">link</a></li> <li>• Law 9.637/1998 – Social Organisations – <a href="#">link</a></li> <li>• Law 9.790/1999 – Public Interest Civil Society Organisations (OSCIP) – <a href="#">link</a></li> <li>• Law 9.867/1999 – Social Cooperatives – <a href="#">link</a></li> <li>• Civil Code (2002) – Associations, Foundations, Cooperatives – <a href="#">link</a></li> <li>• Law 12.101/2009 – Nonprofit Organisations granted with a Certificate of Beneficent Social Assistance Entity (CEBAS) – <a href="#">link</a></li> <li>• Law 130/2009 – Credit Cooperatives – <a href="#">link</a></li> <li>• Law 12.460/2012 – Worker Cooperatives – <a href="#">link</a></li> <li>• Law 13.019/2014 – Civil Society Organisations – <a href="#">link</a></li> <li>• Complementary law n°187 (2021) – Certification of charitable entities and regulation of procedures relating to immunity from social security contributions – <a href="#">link</a></li> </ul>

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Brazil.

## Fiscal treatment



Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities	Fiscal treatment for contributors in the SSE
<ul style="list-style-type: none"> <li>• Under the Federal Constitution public authorities cannot tax educational, health, and social assistance non-profit private organisations. Tax immunity covers the organisation's assets, income and services relating to essential activities.</li> <li>• Tax exemptions are set out in federal, state, or municipal law. For example, under Law No. 9532/1997, philanthropic, recreational, cultural, or scientific non-profit organisations and/or civil associations are exempted from income tax and social contribution on net profits if they comply with certain requirements.</li> <li>• Value Added Tax (VAT) levied on products sold by non-profit social assistance entities is not payable if the economic result obtained is used for the development of the organisation's social purposes.</li> <li>• Tax immune entities with the CEBAS designation do not pay the National Institute of Social Security Tax (INSS), the Contribution for the Social Integration Program (PIS) and the Social Security financing (COFINS).</li> <li>• In terms of tax exemption, the Brazilian legal system provides specific constitutional provisions for cooperatives, as well as other forms of association. This federal directive is replicated at the state and municipal levels in the other federative units.</li> </ul>	<ul style="list-style-type: none"> <li>• Some states have full or partial tax exemptions on donations for non-profit entities.</li> </ul>

Note: The list above is not exhaustive.

## Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.

 Policy framework	 Guidance-based initiatives
<ul style="list-style-type: none"> <li>• <a href="#">National Strategy for Impact Investment and Social Business, Enimpecto</a> (2017) △ Ministry of Economy</li> <li>• <a href="#">Municipal Policy to Promote Impact Investment and Business</a> (2020) △ São Paulo City Hall</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Impact Investment and Business Committee</a> (2017) △ Ministry of Economy</li> </ul>

Note: Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement. Guidance-based initiatives deliver guidance on social impact measurement approaches, which are tailored to the specific needs of the social and solidarity economy.

## FURTHER READING ON THE SSE IN BRAZIL

[The International Comparative Social Enterprise Models – ICSEM: Solidarity Economy Enterprises in Brazil](#) | [ILO: Mapping the SSE Landscape in India and Brazil through South-South and Triangular Cooperation](#) | [Observatory of Social of Florianópolis OBISF](#) | [Otsuki and de Castro: Solidarity Economy in Brazil: Towards Institutionalization of Sharing and Agroecological Practices](#)

## DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; Poverty rate (after taxes and transfers, poverty line 50%) (OECD): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Poverty rate (Brazil), World Bank, [https://databankfiles.worldbank.org/public/ddpext\\_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global\\_POVEQ\\_BRA.pdf](https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_BRA.pdf); Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Rural population (Brazil): World Bank, <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS>; Stakeholder engagement for developing regulations: OECD Better Life Index; Public social expenditures: General government expenses in social benefits, in % of GDP, source IMF Government Finance Statistics; Government expenditure on education, total (in % of GDP) - source World Bank, World Development Indicators; Share of people satisfied with the quality of health care, average 2016-2020, source Gallup World Poll. Regional employment data are retrieved from OECD Regional database, <http://oe.cd/geostats>.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data have been provided by the Department of Urban Productive Inclusion/General Coordination of Solidarity Economy under the Ministry of Citizenship (which was responsible for the solidarity economy topic at the time data were collected). The SSE Enterprises included are those that were effectively analysed and approved by the local CADSOL registration commissions, passed through this sieve and received the Declaration of Solidarity Economic Enterprises with DCSOL. According to ordinance MTE 1,780 of November 19, 2014, solidarity economic enterprises must be registered in the National Register of Solidarity Economic Enterprises (CADSOL), which is part of the National Solidarity Economy Information System (SIES).
- Further information on the methodology followed in the country fact sheets can be found [here](#).

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