



MEXICO

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Mexico's **National Institute for Social Economy (INAES)** oversees and coordinates social economy development. There were **15 705** economic units that are part of the social and solidarity economy (SSE). The economic and productive units of the SSE provided approximately **4.4 million jobs** in 2018, accounting for **10% of total employment**.

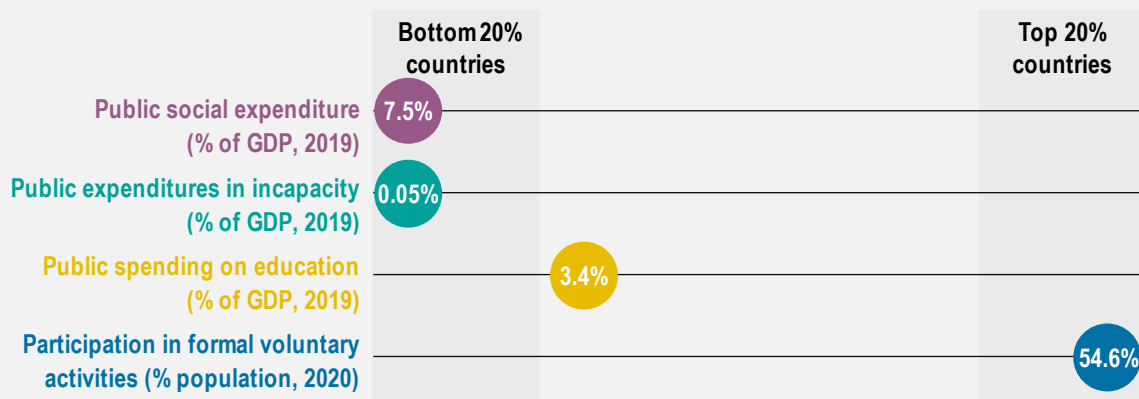
SOCIO-ECONOMIC INDICATORS

Mexico 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
Mexico	USD 21 332	64.7%	20.9%	16.6%	0.420 / 1	36.2%	3.2 / 4
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Mexico refer to 2022, except for NEET (2021), poverty rate (2020), Gini coefficient (2020) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita data are estimated values. See sources at the end of the document.

Country position in selected social indicators



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.

SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

Definition of the social and solidarity economy in Mexico

The **social sector of the economy** is the sector of the economy referred to in the eighth paragraph of article 25 of the Political Constitution of the United Mexican States. This functions as a **socio-economic system** created by **socially owned organisations**, based on relations of solidarity, co-operation and reciprocity, privileging work and the human being, formed and administered in an associative manner, to **satisfy the needs of its members and the communities** where they develop.

Organisations of the social sector must follow the following **principles** in their internal organisation:

- Political and religious autonomy and independence; participatory democratic regime; self-management form of work; interest in the community.

They must guide their actions in the following **values**:

- mutual aid, democracy, fairness, honesty, quality, justice, plurality, shared responsibility, solidarity, subsidiarity, transparency, trust, self-management, and social inclusion.

The Social Sector of the Economy includes the following forms of social organisation:

- communal farmlands (**ejidos**); **agrarian societies**; **workers' organisations**; **cooperatives**; **enterprises** that are majority or exclusively **owned by the workers**; mutuals, social solidarity societies, agricultural insurance funds, and
- in general, all forms of social organisation for the production, distribution and consumption of **socially necessary goods and services**.

Note: Translation into English provided by the authors. For the original text and complete definition, please refer to the [Law on the Social and Solidarity Economy \(2012, last amended in 2019\)](#), Articles 3-4,9-10.

Institutional frameworks



Institutions

The **National Institute of Social Economy (INAES)** implements the policy of promotion and development of the social sector of the economy in the country.



Legal and policy instruments

Mexico's **Social and Solidarity Economy Law (2012)** defines the aims, principles and values of the SSE and regulates the integration and operation of its different entities (except mutuals that are regulated at the subnational level). Subnational laws regulate their promotion and encouragement. In 2021, the **Programme for the Promotion of the Social Economy** (Programa de Fomento a la Economía Social, PFES) 2021-2024 was approved.



Stakeholder engagement

Nodes for the promotion of the social and solidarity economy (NODESS) are voluntary territorial alliances made up of three or more local actors, including an organization from the social sector of the economy, an educational institution and local governments (in most cases), with the aim of developing SSE ecosystems and implementing place-based solutions to collective needs. The **National network of NODESS** has the participation of INAES, the Ministry of Public Education, public and private universities, as well as subnational governments.

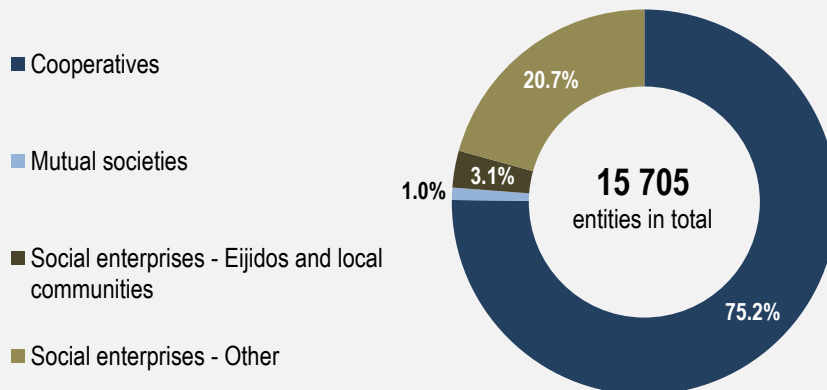
Main figures

15 705 economic units that are part of the SSE entities. The economic and productive units provided **almost 4.4 million jobs** in 2018, accounting for **10%** of total employment. **Women** represented **19.2%** of employment in the social and solidarity economy. SSE contribution to GDP was **1.6%** in 2018.

SCOPE Data on the SSE are provided according to the national definition and scope defined in the 2012 Social and Solidarity Economy Law. In Mexico, there is no administrative register of social and solidarity economy entities. The data on GDP and employment include information from the national account system as well as censuses and surveys. The referred number only includes data from the economic census. The total number of agricultural and livestock production units is currently unknown.

Number of SSE economic units (2018)

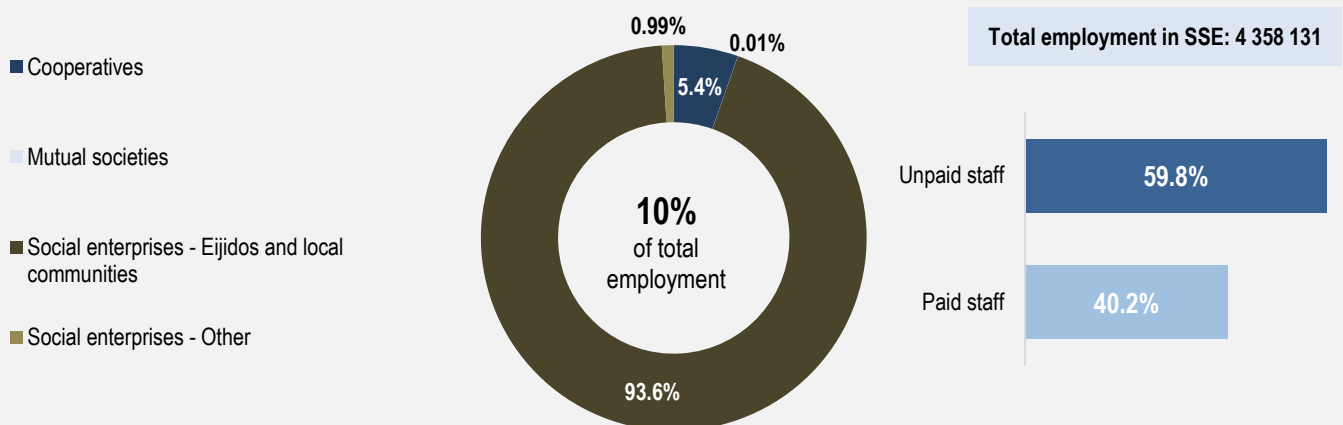
SSE ECONOMIC UNITS



Note: The number of SSE entities refer to the number of economic units that are part of the SSE. The 15 705 economic units are obtained from the economic censuses in Mexico. The productive units are captured by the agricultural information sources (including the National Agricultural Survey) and were not considered due to the size of the sample of these sources.
Note: There are 162 economic units registered as mutual societies.

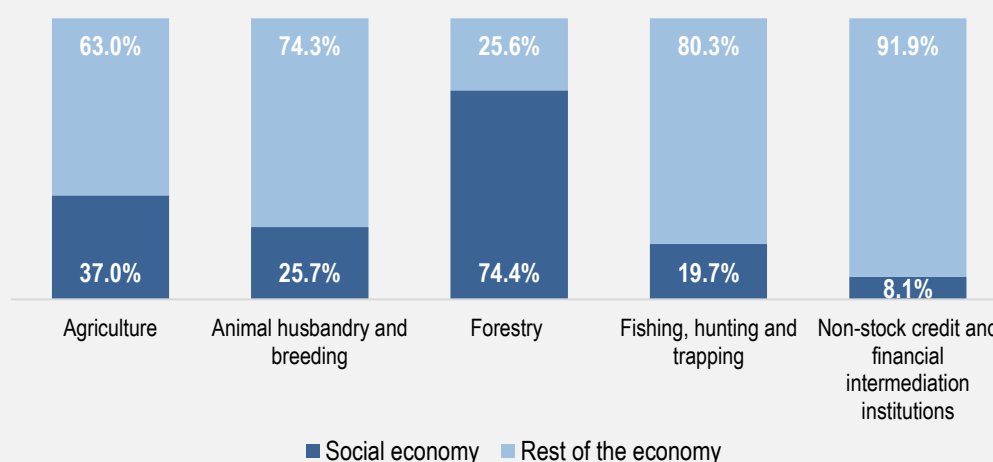
SSE employment (headcount, 2018)

EMPLOYMENT



Note: There are 162 economic units registered as mutual societies in 2018, providing 2 060 jobs. The information on paid/unpaid staff is retrieved from the National Institute of Statistics and Geography of Mexico (INEGI).

Participation of social economy in total GDP by sectors (2018)



Note: The information on the share of SSE in national GDP and the sectoral breakdown as well as the pay-status of employed people in SSE entities have been retrieved from the National Institute of Statistics and Geography of Mexico (INEGI).

REACH

Gender equity



Women represented **19.2%** of SSE employment in 2018.

Economic contribution



The GDP generated by SSE entities was MXN 354.7 billion in 2018, which accounted for **1.6% of total GDP**.

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

- Social and Solidarity Economy Law (2012, latest revision in 2019) – [link](#)

For specific SSE entities at national level

- General Law of Cooperative Societies (2009) – [link](#)
- Law to Regulate the activities of cooperative societies of savings and loans (2009) - [link](#)
- Law of Social Solidarity Societies (1976) - [link](#)
- Law of Agricultural and Rural Insurance Funds (2005) – [link](#)
- Agrarian Law (2012) - Ejidos, Communities, Rural Production Societies, Rural Associations of Collective Interest – [link](#)

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

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

- The national tax regime (income taxes) is different for each type of ESS entity, while the subnational tax regime (property taxes) does not establish differences.
- Consumer cooperatives, savings and loan cooperatives, and mutuals are exempt from income tax, subject to certain conditions. Agrarian companies have favourable tax treatment.

Fiscal treatment for contributors to the SSE

- *Not available.*

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

- [Programme for the Promotion of the Social Economy 2021-2024](#) (2021) △ Government of Mexico



Evidence-based initiatives

- [Social Economy Satellite Account \(Cuenta Satélite de la Economía Social\)](#) (2013 and 2018) △ National Institute of Social Economy (INAES), National Institute of Statistics and Geography (INEGI)



Capacity support

- [Poverty measurement and evaluation of social development policy](#) △ National Council for the Evaluation of Social Development Policy (CONEVAL)

Note: Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement. Evidence-based initiatives help produce and disseminate impact evidence to raise awareness on the social and solidarity economy as a whole, and to reduce the cost of accessing data for single and particularly small-sized entities. Capacity support initiatives offer dedicated funding or training from specialised intermediaries and mobilise networks of expertise and other resources.

FURTHER READING ON THE SSE IN MEXICO

[National Institute of Social Economy \(INAES\)](#) | [Sistema Nacional de Capacitación y Asistencia Técnica Especializada \(SINCA\)](#) | [Grupo de Investigación en Cooperativismo y Organizaciones de la Economía Social y Solidaria \(GICoops\)](#) | [Centro Internacional de Investigación de Economía Social y Solidaria](#) | [Laboratorio de Innovación Económica y Social](#) | [The Hunger Project México](#) | [Agenda Coop](#) | [Mildred Daniela Berrelleza-Rendon and Cristina de la Cruz-Ayuso: Solidarity Economy in Mexico: Towards an alternative based on intercooperation and mutual support](#) | [Martha E. Izquierdo Muciño: Economía Social en México](#)

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 Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; 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>; Stakeholder engagement for developing regulations: OECD Better Life Index, <https://www.oecdbetterlifeindex.org/#/111111111111>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc_scp19], based on the 2015 EU-SILC ad-hoc module.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data were provided by the National Institute of Social Economy (Instituto Nacional de la Economía Social - INAES) based on the National Institute of Statistics and Geography of Mexico (INEGI). In Mexico there is no administrative register of social and solidarity economy entities. Data on GDP and employment include information from national account system as well as censuses and surveys. The referred number only includes data from the economic census. Total number of agricultural and livestock production units is currently unknown.
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



OECD
Global Action
Promoting
Social & Solidarity
Economy Ecosystems

Centre for Entrepreneurship, SMEs, Regions and Cities
Local Employment and Economic Development (LEED) Programme
Social Economy and Innovation Unit



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