The Social and Solidarity Economy in Algeria

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Author’s contribution

The sole author designed, analysed, interpreted and prepared the manuscript.

ABSTRACT

The social and solidarity economy is rooted in the solidarity and mutualist roots, and traditions of the different territories of Algeria. Although it has today become a significant economic player. In addition to being a key economic player, it he social and solidarity economy has also become an engine for employment. Companies in the social and solidarity economy are also economically and socially innovative. Finally, these companies allow the development of economic activities that the territories need. They thus participate in a better distribution of the decision centers present in the territories. The result of this modest research Summarized as follows: It is time to activate traditional methods and embrace modern methods to embody the social and solidarity economy in Algeria (ESS).

Keywords: Social; solidarity economy; wakf; zakat; touiza; collaborative economy fair.

1. INTRODUCTION

The concept of SSE has emerged over the past forty years. Beyond the organizations it brings together, whose origins are old and various practices, it refers to a political project: to make the economy differently, The SSE innovates against the crisis. Its challenge: to show that we can combine economic performance and the defense of solidarity values. His promise: to give priority to people [1]. “Living together by doing it together” [2] "The Social Solidarity Economy undoubtedly represents a real opportunity for economic and social development in Algeria. It has long struggled to find its place due to the preponderant role of the State in the economy and the weak entrepreneurial culture. Since the 1990s, the Algerian associative movement has experienced a significant deployment thanks to the opening to freedom of association and the publication of the law of 1990. The economy For its part, mutual insurance is organized with the creation of the National Committee for Mutuals in 2010. The cooperative model is struggling to develop because it inherits a bad image. Nevertheless, some interesting initiatives demonstrate that the cooperative is a real path to future, especially in the agricultural sector.

When you cross the country, you come across concrete initiatives and new organizations (including associations) related to the social

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The social and solidarity economy is defined as a "third sector" complementary to the conventional economy, it rests on essential foundations in this case social and environmental utility, democratic and participative management, free membership, profit making economic viability and the mix of financing between private and public resources. This approach puts people at the center of concerns, aiming to create new relationships in society, an alternative carried by a vision of the economy that aims to be more honest and more ethical [3].

The Social and Solidarity Economy (ESS) brings together a set of structures that seek to reconcile social utility, solidarity, economic performance and democratic governance, with the ambition of giving our society more social cohesion.

These are partnerships, not capital, which operate collectively and democratically and which favor local territory [4].

2. The role of ESS:

Creator of wealth, bearer of potential in terms of activities and jobs, it can contribute to economic development both at national and local level.

The scope of the field of social and solidarity economy is multisectoral, the SSE can be present in almost all sectors of activity in various forms, namely associations, cooperatives, mutuals, foundations and social entrepreneurship.

The social and solidarity economy also assumes public service missions that the State is unable to exercise or that it exercises under conditions that are less effective and less favorable to users.

The SSE is very diverse and its definition fluctuates because there are both leading companies in the market economy and associations of very variable size.

For example:
- a boarding association an international association such as Emmaûs;
- a bank such as Crédit Coopératif;
- a building company bringing together 60 artisans in the form of a cooperative;

3. Characteristics of the ESS:

Three underlying values social and solidarity economy

**Equity:** "To each show their merit, to each according to their commitment"

**Equity ≠ Equality**

**Solidarity [5]:** Economic and solidarity-based initiatives act in solidarity with each other, and vis-à-vis promoters and beneficiaries of projects.
The actions carried out aim to strengthen solidarity, particularly between generations and between territories.

Solidarity establishes equity in the distribution of benefits and burdens and in the rights between the people who commit to it. It is part of the fight against all forms of discrimination.

**Transparency:** Economic and solidarity-based initiatives act transparently towards their employees, users and partners.

This transparency must extend in particular to the financial data of the structure and in particular to financial investments in the methods of executive compensation.

The ESS business or organization must be more than any "glass house" business

**4. The unifying values of the SSE:**

**Free membership [6]:** Free membership is one of the founding principles of the social economy: everyone is free to join and leave social economy organizations. As stipulated in article 2 of the Social Economy Charter: "The members, consumers or producers who are members of Social Economy companies freely commit themselves according to the forms of action chosen (cooperative, mutualist or associative) to take on their responsibilities as full members of the said companies. "open to everyone. The organizations are voluntary and open to all persons able to use their services and determined to assume their responsibilities as members, and this without discrimination based on sex, social origin, race, political allegiance or religion.

**Democratic power:** Democracy: Economic and solidarity initiatives act through organizations and projects, which allow everyone to express themselves, to be listened to, to be an actor in their social future.

These are democratic organizations led by their members who actively participate in establishing policies and making decisions. The men and women elected to represent the members are

**Economic participation:** Members contribute equitably to the capital of their organizations and have control over it. At least part of this capital is usually joint property Members usually only receive limited remuneration for the capital subscribed as a condition of membership.

**Autonomy and independence:** ESS allows independent self-help organizations, managed by their members. The conclusion of agreements with other organizations, including governments, or the research of funds from outside sources, must be done under conditions which preserve the democratic power of the members.

**Education, training and information:** Organizations provide their members, elected officers, managers and employees with the education and training required to effectively contribute to the development of the entity. They inform the general public, in particular young people and opinion leaders, about the nature and advantages of cooperation.

**Cooperation:** To provide better service to their members and strengthen the sector organization, the structures work together within local, national, regional and international entities. These are federal entities for advocacy and / or Economic Unions for mutualisation.

**Commitment to the community:** The structures contribute to the sustainable development of their community within the framework of orientations approved by their members. In addition to the positive externalities which they generate through their activity, the entities can act voluntarily to improve the framework of the community and join it in general interest.

**II. Algerian reality of the SSE:**

Unquestionably, the social and solidarity economy is anchored in the roots and traditions of solidarity and mutualism in the different territories of Algeria. So the challenge of structuring the SSE is major in Algeria.

**1. Traditionel methods Established in ESS:**

These mechanisms are based on citizens' initiatives and mutual aid networks and contribute to local development. They are coordinated by a central body, the djemaa, a sort of council of elders, which at the local level constitutes a body for consultation, arbitration, mediation in disputes and decision-making. This form of solidarity is rooted in the ethos of the Algerian people. It persists to the present day, even if it was partially taken over or reshaped by the state in 1962,
under the banner of socialist and participative development.

**A. Al-Twiza:**

The professor of history at Skikda University, Alaeddin Yahyaoui, defines “al-Tawizah” as a manifestation of social solidarity in traditional societies, during which members of the neighborhood or village periodically provide a service to a member of the group who belong to it, free of charge.

It is a group work, volunteer and solidarity among the people of the village, in order to contribute to the completion and management of work, often without financial compensation. According to researcher Alaeddin Yahyaoui, this solidarity form generates a feeling of belonging to the group, eliminates division, enhances cohesion of the small traditional community, and instills a spirit of cooperation between its members.

According to the perception of a professor of history at Skikda University, these manifestations carry profound social connotations, as they help bridge rifts and solve problems, strengthen families' bonds, reinforce the principle of cooperation and affection, and also develop the spirit of teamwork.

In Makhlouf's view, the solidarity of a group of persons for the benefit of a person from the group, in a voluntary manner, reflects a set of customs and traditions of tribal groupings, as it is a phenomenon prevalent in most parts of the countries of the region, and specifically in the Amazigh societies.

From here, Makhlouf concludes that the distinction is "a civilized solidarity act that reflects the social dimensions through grouping and the solidarity mechanism of all groups, and through both sexes."

This process works, in the researcher's perspective, to achieve opportunities for cooperation and interdependence and to provide assistance to those who need it, by agreeing on the distribution of roles and their exchange and how to do work.

In the estimation of Professor of Sociology at Mostaganem University, Farida Mashri, distinction is a form of solidarity, in which members of the traditional community contribute, automatically, to helping each other, unlike the modern society "that allocates organic institutions that perform this function."

In her interview with "Maghreb Voices", Meshari believes that traditional societies depend on the principle of "gift versus gift", as people do not depend on money for goods and services.

**B-Zakat:** funds in Algeria have become the focus of attention of economic analysts, and a source of widespread controversy as well. Some consider it an important alternative to finance the Algerian economy and help it overcome the difficulties it faces due to the decline in oil prices and the country's inability to diversify the sources in real terms, but can Algeria count on this source, while Zakat is not compulsory and does not join the state budget. It is hard to be that in the future. In light of the weakness of the confidence of many Algerians in the Zakat Fund?

In fact, Zakat generally plays a major economic role. It contributes to moving, transferring and circulating money between people and stimulating demand for products, which helps in moving markets, addressing economic stagnation and increasing investment in the economy, as it has an important role in addressing many crises such as poverty and unemployment, as it is one of the important pillars in supporting Social development within an integrated economic system.

On the economic level, Algeria lives in a whirlpool of crises. About 95% of revenues are still coming directly or indirectly from the energy sector, which made the country lose more than half of its foreign exchange earnings due to the decline in oil, as it tumbled from $ 60 billion in 2014 to $ 27.5 billion at the end of last year, and at the same time, about 83% of the productive fabric consists of small merchants or services, in contrast, the productive sector remains marginal, and represents less than 5% of the GDP, which undermines the country's chances of economic diversification

Hence the demands to include the revenues of the Algerian Zakat Fund in the budget of the country, which suffers from an expected deficit in the coming year that exceeds 20 billion dollars; With total public revenues estimated at $ 65 billion, and total expenditures $ 85.5 billion, will this measure have an economic benefit? [7]

**Zakat Fund:** It is a religious social institution operating under the supervision of the Ministry of
Religious Affairs and Endowments, which guarantees legal coverage based on the law regulating the mosque's foundation, and the fund consists of 3 organizational levels, namely: the grassroots committee that is at the level of each department, its task is to determine who is entitled to zakat at the level of each department; In addition to the state committee, which is at the level of each state, and entrusted with it the task of the final study of zakat files at the state level, and finally the National Committee, which is represented in the Supreme Council of the Zakat Fund.

During the past 14 years, the revenues of the Algerian Fund have multiplied several times, and achieved great success despite accusations from some of the existence of corruption in the organizational levels of the fund, according to a research paper for the professor at the Faculty of Economic Sciences, at Saad Dahlab University, Bliida, Mesdour Fares, an expert with the Algerian Zakat Fund, and one of the contributors to Establishing the fund, the fund relies on the distribution of Zakat on two parts: the first is for consumption, which is for destitute families who do not have the ability to work, and the second is for investment, and it is for families and individuals who are able to work, and this is only if the outcome in the state concerned exceeds a certain amount is determined every year, and it is devoted to finance small projects for different groups able to work on the basis of the good loan formula - an interest-free loan - with special facilities for repayment.

C-Alwaqf: Endowment in the language: it is confinement It is said: The house stood up in the sense of being locked up, and its collection: Endowments, and the endowment also means another meaning is the way (make it in the way of God

a) Idiomatic concept:

Jurisprudential doctrines defined the endowment with close definitions in terms of the purpose of establishing the endowment and its symbiotic role, except that they differed in the provisions related to it, towards the right to dispose of it, its recovery, the duration of the endowment, and other sub-juridic provisions. From among these definitions, we choose the following:

Endowment is the confinement of the eye, so it does not dispose of it by sale, mortgage, or gift, and it is not transferred by inheritance, and the benefit or yield that it verifies is spent on the endowment bodies according to the requirements of the endowment [8].

Ibn Qudamah defines him in the sense by saying: "locking up the original and spreading the benefit," and he notes from this definition that he did not collect the conditions of the waqf.

b) Types of endowment [9]:

❖ Charitable Endowment (General):

It is the endowment on the righteous side, which relates to the interests of all people in their countries, such as mosques, schools, ligaments, hospitals, and others.

The Holy Kaaba is considered the first general endowment, and the Messenger, may God bless him and grant him peace, is considered the first to establish the endowment in Islam and apply it in practice, as it stops what he has a charity for God Almighty.

❖ the private civil endowment:

What is meant by the endowment is on the family and offspring, so that the arrested person deserves the benefit of those who wanted the endowment by their relatives, whether it is a person or a specific group, and the private endowment is among the charity that Islam desires from relatives.

❖ The problem of the endowment role in economic development in Algeria:

The economic endowment does not mean freezing capital and national wealth and detaining it from economic use, rather it is an economic source that aims to generate continuous income, which meets the needs of the targeted people now and in the future.

The supposed role of the moratorium in the economic field:

The audited researcher in the economic movement over the years assures the endowment a presumed role in activating and reviving the economic cycle, especially in addressing one of the economic development goals that can be highlighted in the following elements:

Waqf has a role in the internal trade process, through real estate investment, where it is leased
Unemployment is considered one of the main impediments to development, and countries with various projects and trends seek to reduce them. The effects of unemployment are embodied in the large number of beggars, and in the severe suffering experienced by the unemployed. The role of the endowment in addressing this problem is highlighted by: What the endowment institutions use from the workforce in different fields, which contributes to creating a great demand for labor in society.

The endowment provides a lot of resources and covers a lot of expenses, pays a lot of difficulties in front of governments, as it does not have to foreign loans or give up its sovereignty through foreign aid and loans, because foreign aid is accompanied by many conditions and political and economic pressures that rob the will of Nation.

➢ The reality of the endowment’s role in the economic field and its incentive mechanisms: the real economic role currently played by the endowment properties does not exceed that of the traditional role in which it was often known, which is the financing of mosques and Qur’anic schools, or the use of their proceeds directly from the private party in the case of a private endowment, while public endowments are proceeded from proceeds with the public treasury, nor it is used from it not what is necessary to pay the expenses. Operations related to searching for and retrieving lost endowments, such as: expenses of studies and cases brought before the courts, or what is used to restore old buildings.

The new investments of the endowments are currently limited to what is being constructed from stores attached to mosques and Qur’anic schools. As for their exploitation, they are made by way of rent by mutual consent for housing, agricultural lands and stores.

Endowments in their traditional, fixed and transferred form cannot play a prominent role in the development process because they do not meet the requirements of economic growth and endowments in Algeria, so they are divided into fixed endowments of buildings, mosques, agricultural lands, and movables such as the Qur’an, manuscripts and books, and are subject to the waqf condition in terms of exchange. Benefit, whether it is atomic in relation to the endowment (family) or to the side of righteousness in relation to the endowment charitable.

In view of the increasing complexity of contemporary life, the Waqf Foundation is unable to play an effective role in the absence of a mechanism for converting suspended assets into a renewable wealth subject to the process of capital renewal.

This reality brings us directly to the mechanisms of stimulating endowment donation in order to urge members of society to donate to endowment organizations.

★ Endowment funds [10]:

It is a container in which suspended funds are used to purchase real estate, property, shares and various assets managed in the capacity of an investment portfolio to achieve the highest possible return within the acceptable amount of risk. Because all of this is an investment to achieve the return for the fund, as the fund is always expressed in the total value of its contents, which represents a monetary amount and this amount is the endowment and it is like the eye that has been locked in, and its money can be invested in the form of speculation and the company and so on, and the achieved profits and returns are disbursed according to Conditions of detainees, under government control, accounting control, and conscious glasses.

2-The New methods adopted:

In a new plural economy, where Algeria is facing the rapid diversification of its economy, the SSE has its place.

A. Collaborative economy:

Algeria is also starting to record "uberized" initiatives, particularly with the arrival of start-ups like Yassir and Cheetah Car (Transport), Nbatou (Housing) and Ostadh (Education). It must be said that exchange and sharing are well-established socio-cultural characteristics within our society. Nevertheless, there remains today the question of the development of these
companies in a local context of weakened confidence and restraint vis-à-vis new technologies.

B. Fair trade:

The latter has been defined as "a trading system whose objective is to achieve greater equality in conventional trade. The approach consists in using trade as a lever for development and reduction of inequalities, while ensuring the fair remuneration of producers. In addition to this economic perspective, there are ethical, social and environmental concerns which are not always unanimous, which do not require the intermediary of the States and the modification of national laws," explained the speaker. According to Mr. Asselah [11], in the margins of a symposium entitled "the cleanliness of our environment, a prerequisite for economic development", organized by the scientific and ecological association "Arc-en-Ciel" from the village Ait Frah, commune of Larbaa Born Irathen, at the Mouloud Maameri house of culture in Tizi-Ouou, Mr. Asselah, president of the said association gave a conference where he highlighted responsible and fair trade. "This trade essentially aims to put the peasant at the center of sustainable development, because it is he who exploits existing resources and produces, therefore, we must approach him to listen and raise awareness, by putting systems to assure him the flow and the marketing of his production ", adding that "it is necessary to know that the peasant is not aware that, to market his product especially abroad, it is necessary that the latter must go through a quality laboratory to be accredited and labeled ".

As a solution, Mr. Asselah, advocated "the creation of specialized cooperatives for each local product, such as olive oil, honey, crafts ... etc), which would help farmers who do not cannot manage to sell off all their production, by buying the stock from them, which would allow them to earn money and continue to produce, and the cooperatives will sell production slowly, a sort of guarantee for the peasants ".

C. Circular economy [12]:

It is a question of giving a place to the circular economy at the local and national levels through the sensitization of the decision makers and the promoters of projects on its importance, to develop its culture and to encourage innovation in the matter.

It is also a question of rationalizing the use of natural resources and developing renewable energies, developing the practices of sustainable agriculture and food, supporting sustainable construction and controlling urban expansion by devoting the model green and sustainable cities, improve integrated waste management and encourage upstream sorting.

The circular economy represents an economic model aimed at the production of goods and services by minimizing the consumption of raw materials such as water and energy, but also a significant reduction in waste through the limitation of the chains of materials. It thus makes it possible to remedy the negative impacts of the linear model which is based on unrestrained consumption of energy and water, which contributes to the increase in the production of waste and the waste of natural resources.

D. Solidarity finance:

Solidarity finance: finance invested in the social or solidarity economy Organizations involved in solidarity finance collect funds from people (natural or legal) who wish to give meaning to their money. To do this, savers subscribe to specific labeled savings products and ultimately agree to a lower return on their savings than if they had placed it on conventional savings vehicles. Thus, they link their savings to a solidarity approach.

Solidarity finance, brings together forms of savings geared towards financing activities which are not immediately profitable but which are socially useful.

In concrete terms, in 2017, almost 50% of the funds collected were dedicated to combating exclusion and supporting integration through employment. Then come social actions - care for the elderly or people with disabilities - and ecological measures of 18% and 16.5% respectively. The rest of the funds are mobilized to encourage entrepreneurship not only in France but also to developing countries, the developing countries.

In 2018, solidarity savings outstanding stood at 12.56 billion euros, an increase of 8.7%
compared to the previous year. Employee savings still account for more than half of total solidarity savings and continues to grow (€ 7.99 billion at December 31, 2018).

E. Green economy:

In Algeria, the green economy is seen as an axis of development capable of contributing to the diversification of the economy and the creation of jobs, two major challenges for the country. Indeed, in a context of low contribution of industry to economic growth (around 5%), increased investment in sectors / sectors of the green economy (renewable energies, energy efficiency, sustainable agriculture and fishing, management of water and waste, ecotourism, sustainable transport, eco-construction, medicinal plants, services linked to the environment, etc.), could improve the rate of industrial integration (currently around 10 to 15%) and promote local development, with an approach to rebalancing territories. The green economy is also a driver of technological progress, a fundamental element for improving the competitiveness of SMEs / SMIs, which are still too little open to innovations and to taking environmental sustainability into account. For this, the State must strengthen and widen the access of SMEs to support measures (financing, training, access to technical innovations) and upgrading, in order to allow them to take advantage of technical and market developments. The country has engaged

The country has embarked on a number of reforms and initiatives aimed in particular at diversifying the economy, improving the business climate, strengthening energy security, protecting the environment, developing green industries and promoting the territories. However, these initiatives need to be consolidated and better articulated as part of a national strategy to promote the green economy which promotes sustainable production and consumption patterns while contributing to the creation of wealth and jobs. Such a strategy should notably be underpinned by an approach based on local issues that can meet the challenges of environmental sustainability.

F. Eco-tourism [13]:

Clearly, this means tourism activities with a low impact, footprint on the environment that it is supposed to preserve by discovery while promoting the economic and social development of the regions concerned. It is generally organized for small groups because it favors education, information for visitors and more with an understanding of the functioning of natural environments and their interpretation.

The word ecotourism is certainly overused in Algeria but elsewhere it is used for commercial purposes. The term is used without restriction by operators and it is advisable to refer to associations and other competent bodies to identify offers that meet the real objectives of this mode of tourism. Ranked 118th in the world tourism ranking, Algeria would be in the top 10 of the most beautiful countries in the world and a privileged destination for a European tour operator.

Several experiments: They are initiated or followed by PAJE for the structuring of the ESS:

The PAJE program: The Youth Employment Support Program is part of the improvement of the efficiency and cross-sectoral coherence of the existing socio-professional integration support systems, in a participative approach undertaken between all the actors involved with a view to " lead to a strengthening of intersectoral and inter-partnership actions, including civil society.

The People's Democratic Republic of Algeria and the European Union signed in December 2012 a co-financing agreement of € 26 million, (of which € 23.5 million represents the European contribution and € 2.5 million the Algerian contribution) for the implementation of a support program for the development and implementation of national youth and employability policies for young people called the PAJE Youth Employment Support Program.

Lines of intervention:

- Support for the development of the Social and Solidarity Economy (ESS), creator of new activities and jobs; in particular through collective projects (cooperatives);
- Creation of a local proximity and reinforced support service, in each pilot wilaya with the Cap jeunesse experimental platform, promoting the construction of a successful entrepreneurial project (Entrepreneurship Service).

2. CONCLUSION

It is time to activate traditional methods, and embrace modern methods to embody the social
and solidarity economy in Algeria (ESS). From endowments, zakat, distinction, and poverty to fair trade and solidarity savings, through the field of environmental protection. All organizations in Algeria must reconcile economic performance with social benefit. The experts believe that it has become necessary to adopt a legal framework for the social economy, and to adopt a set of reforms for the benefit of cooperatives, associations and synergies, while reactivating everything that was successful in the distant and near past of traditional approaches, and trying to establish modern means with effective mechanisms To build a social and solidarity economy in Algeria on solid foundations. The peaceful demonstrations taking place in our country demonstrate the popular will to be more secure in managing the present and preparing the future.

Than, The primary results are, that The Social Solidarity Economy (ESS) is a recognized economic sector, creator of new activities and jobs, and innovative services.

In final conclusion, an economy of solidarity with participatory political and economic models; Appears as appropriate responses.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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