

## **Social economy and solidarity-based economy: Benefit societies, poverty alleviation and micro development in America and Africa**

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The actuality finds us “in a context of crisis of civilization, in which the neoliberal model dominates and is the frame where poverty, situations of exclusion, discrimination, and vulnerability of human beings’ rights appear or break out again. People who see their social guaranties infringed in a time when they are most proclaimed”<sup>1</sup>. In these times of crisis, when we have to face risky situations, creativity and innovation are required to generate not only alternatives to fulfil needs, but also spaces where to contribute to the development of potentialities.

Benefit societies are an alternative which provides the possibility of creating and recreating answers to poverty increase.

Mutual benefit societies can be defined as “non profit organizations created by a group of people inspired in solidarity with the objective of providing reciprocal assistance in the face of eventual risks, and of assisting people in their material and spiritual well-being by means of periodical contributions” <sup>2</sup>. They are associations and not economic societies, because they do not aim an economic profit, but service-provision, developing social interest activities in a continuous form.

Worldwide, the job of benefit societies, is ruled by different values such as: voluntary membership, democratic organization, independence from private and public power, avoidance of discrimination, economic contributions according to the services provided, social capitalisation of the surplus, education on social and mutual issues, and integration for development.

In many developing countries of the world; mutual benefit societies, as part of the Third-Sector, constitute a means for the impoverished middle class to have access to certain services. That is why they are mainly constituted by those who their accessibility to private services is impossible, and who are not benefited by the meagre resources provided by the State, which are generally destined to more desperate situations of extreme poverty.

Along the recent history of American countries, we can find in the economic depression of 2001 occurred in Argentina, a significant case in which benefit societies, as part of the Third-Sector, became a means to fight poverty and lack of services provided by the State.

In this context of national crisis, the case of *Asociación Mutual de Protección Familiar (Mutual Association for family Protection) (AMPF)*, corroborates the statement that solidarity-based economy is, still in the worst economic and social situations, the valid

<sup>1</sup> Melano, María Cristina “Un trabajo social para los nuevos tiempos”, Ed. Lumen Humanitas; Bs. As. 2001; pag. 27.

<sup>2</sup> Ley N°20.321, Orgánica de Mutualidades, art. 2. República Argentina.

alternative to overcome people's misfortune and degradation; going through one of its major periods of growth.

Also, in the same context, and with the objective of promoting and strengthening the responsibility of mutual assistance in benefit societies of America, in 2004, AMPF promotes the creation of the Organización de Entidades Mutuales de las Américas (*Organization of the Benefit Societies of the Americas*) (ODEMA), an international organization with a profile of solidarity, with international reach that nowadays has 54 member organizations from 17 different countries across America.

The very successful Argentine experience was widely spread throughout the Americas, and generated, in countries affected by similar problems, a strong interest in the African mutual benefit societies movement. As a result, and with the technical assistance required by those African countries to ODEMA, the Unión Africana de la Mutualidad (*African Mutuality Union*) (UAM) was created. Both international organizations are working together in the interchange of training and services in common.

Through the description of these experiences, you can foresee our support to the idea that the benefit society system is a valid tool based on solidarity, work and suitability, that concretely fulfils the needs of the most unprotected societies.

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