

Inclusive Economies

This section of the EuroMeSCo Euromed Survey focused on the promotion of inclusive economies, job creation (including a specific question on job creation for migrants and refugees in SMCs) and on strengthening the social economy.²

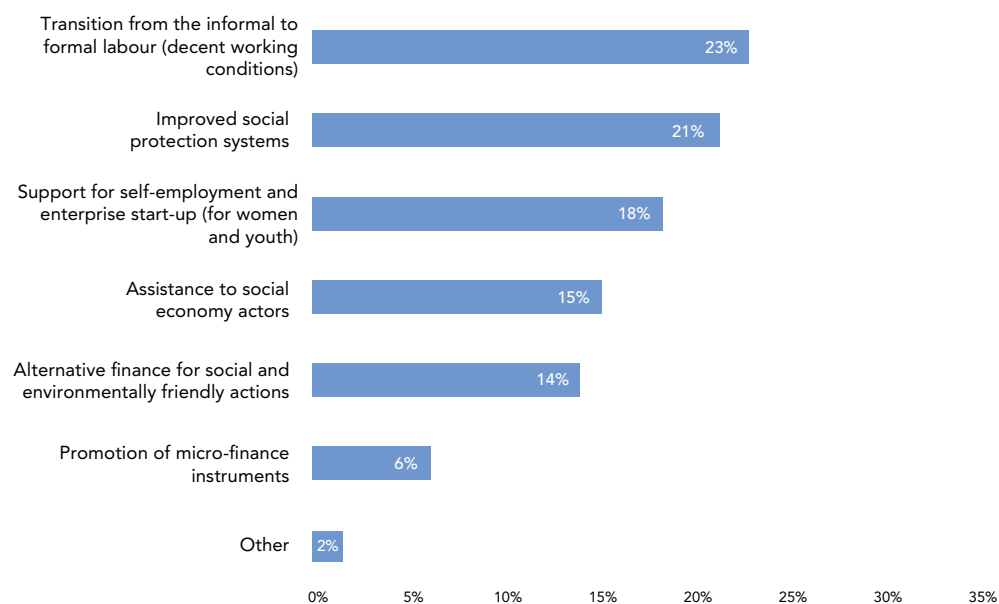
Main findings:

- Cooperation to foster inclusive economies should prioritise the transition from the informal to formal labour (which is linked to decent working conditions) and the improvement of social protection systems.
- Almost a half of respondents considered that investing in quality education systems and training skills is key to promoting job creation.
- Specific cooperation on job creation for refugees and migrants in SMCs should prioritise capacities and skills recognition, regularisation and access to formalised jobs.
- An overwhelming majority of answers considered that the social economy has to be strengthened as a key agent for social and economic reconstruction.
- EU-SMCs cooperation priorities to strengthen social economies should be a combination of enhancing the financial ecosystem, supporting capacity building and promoting public policies in favour of the social economy.

2. Defined as “an economy encompassing businesses, organisations and different legal entities that aim to systematically put people first, produce a positive impact on local communities and pursue a social cause”.

Question 7 aimed at identifying EU-SMCs cooperation priorities in promoting inclusive economies. Results show that almost one fourth of respondents (23%) think that cooperation should prioritise the “Transition from the informal to formal labour” (which is linked to decent working conditions), very closely followed by the “Improvement of social protection systems” (see graph 8). The third priority, gathering 18% of the answers, was “Support for self-employment and enterprise start-up for women and youth”. However, these priorities change when results are broken down by geographical origin (graph 9) and institutional affiliation (graph 10).

Graph 8: Q.7 What should be the main EU-SMCs cooperation priority in promoting inclusive economies?

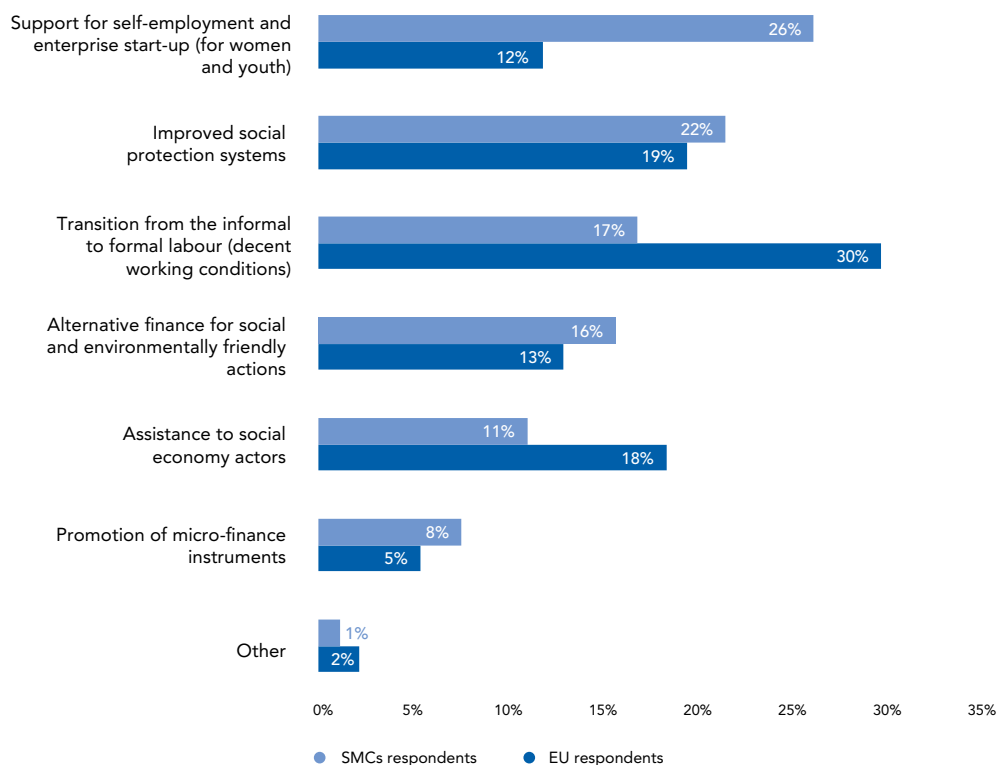


Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

A breakdown of answers shows that for SMCs respondents and civil society respondents, the first priority should be “Support to self-employment and enterprise start-up for women and youth” with around a quarter of the answers (graphs 9 and 10). While one third of EU respondents considered that efforts should put the “Transition from informal to formal labour” at the forefront. Experts also considered this option as an important priority however, “Improved social protection system” obtained a slightly higher percentage of answers (see graph 10). The pattern of answers was also different when looking at results from policymakers, who emphasised “Alternative finance for social and environmentally friendly actions”.

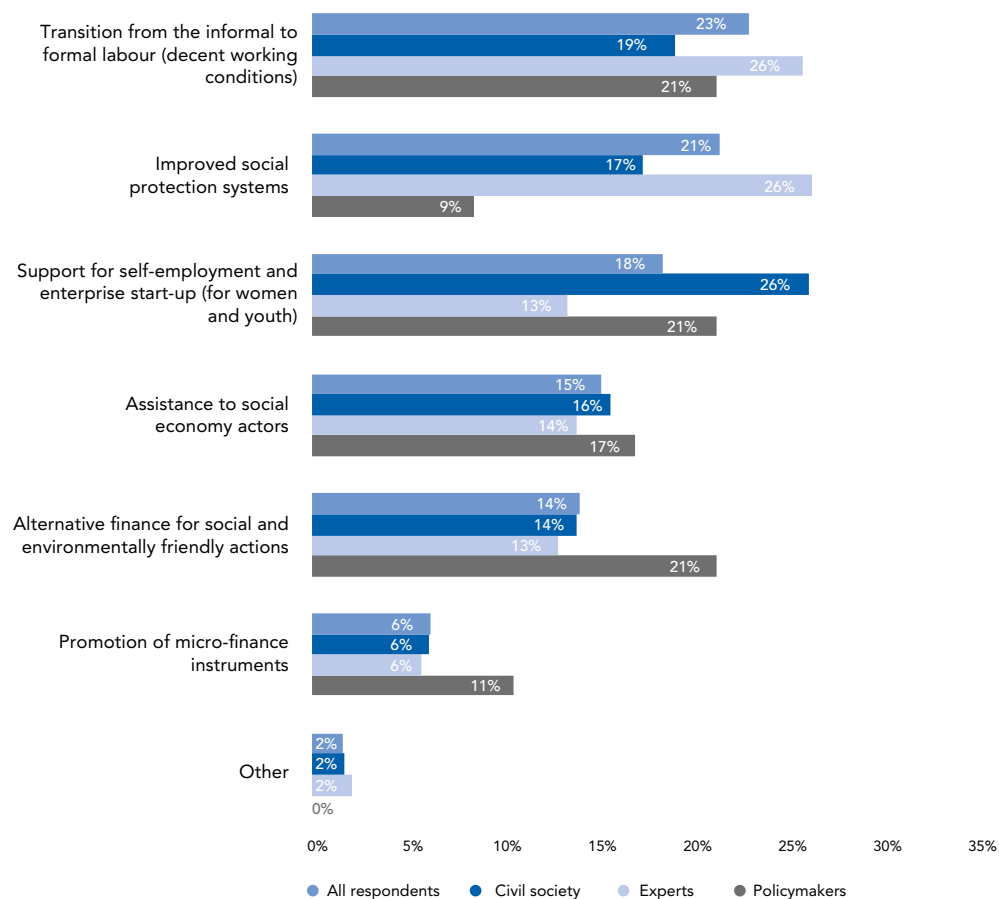
Interestingly, the percentage on transition from the informal labour to formal showed by SMCs respondents (17%, third priority) presents a rather differentiated opinion when zooming in on the sub-sample between Maghreb (23%, second priority) and Mashrek respondents (8%, fifth priority).

Graph 9: Q.7 What should be the main EU-SMCs cooperation priority in promoting inclusive economies?



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

Graph 10: Q.7 What should be the main EU-SMCs cooperation priority in promoting inclusive economies?



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

Open comments pointed to the need to simultaneously cooperate in different areas as they complement each other:

The priority should be implementing economic reforms and policies at the public level given that measures focused on non-state actors will not eventually succeed if the public environment is not conducive. For instance, supporting self-employment or start-ups will not have a long-term impact if those entrepreneurs cannot get permits from public institutions to set up their businesses. Any policies related to this will entail tackling corruption in public bureaucracies (to increase public trust in them, and hence, public participation in politico-economic processes) and strengthening service delivery as well as social protection systems.

— Spanish respondent

The transition to formal work is likely to include all of the other areas listed. In Algeria, informal work constitutes more than 40% of the employed population, therefore a significant loss for social security. If opportunities for self-employment and transition to stable and safe jobs arise, significant economic changes will take place.

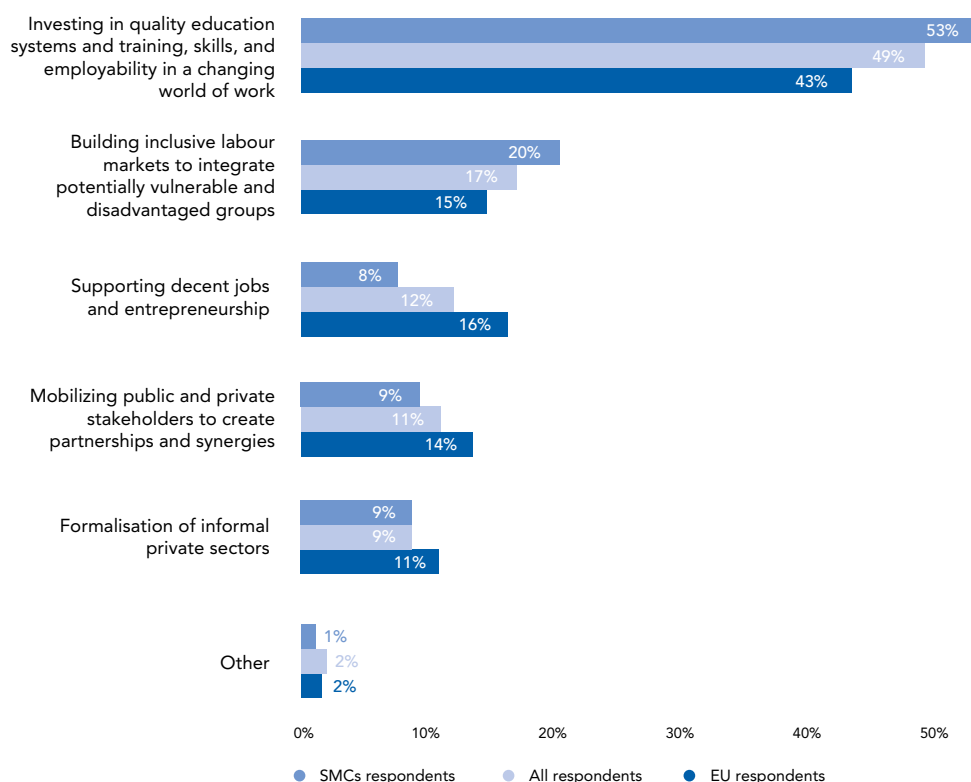
— Algerian respondent

All the proposed options are relevant and interlinked but if the transition to a formal labour is the main tool to guarantee decent working conditions this should primarily lead to inclusive economies. But the transition shall rely on improved social protection systems and decent working conditions will apply also to the social economy actors, etc. The self-employment is complementary to decent working conditions, not only an alternative option.

— Italian respondent

Question 8 focused on cooperation to promote job creation and almost a half of respondents considered that the first option to be prioritised should be investing in “Quality education systems and training skills”. The second priority for respondents was “Building inclusive labour markets” (17%). A breakdown of results by geographical origin showed a nuanced picture as SMCs had higher percentages for the two first priorities, while the second priority for EU respondents was “Supporting decent jobs and entrepreneurship”, followed closely by “Building inclusive labour markets” and “Mobilising public and private stakeholders to create partnerships and synergies” (see graph 11).

Graph 11: Q.8 What should be the main EU-SMCs cooperation priority to promote job creation?



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

In the open comments, some respondents elaborated on their answers:

Formalization entails addressing key labour market structural imbalances in SMCs, linked mainly to institutional deficiencies. If such imbalances could be addressed, job creation potentials could significantly improve in the region.

— Egyptian respondent

Decent working conditions would not only make for a fairer and more inclusive society but would also limit to a considerable extent the movement of people from one country to another.

— Spanish respondent

Most of the SMC's economy is centralised in one or two cities, with the rural areas being left without any viable economy initiatives, the pandemic relieved the cities from the congestion for a period of time, as citizens went back to their hometowns and villages (during the work from home period) and found barely any viable infrastructure for a good economy that will help them stay there.

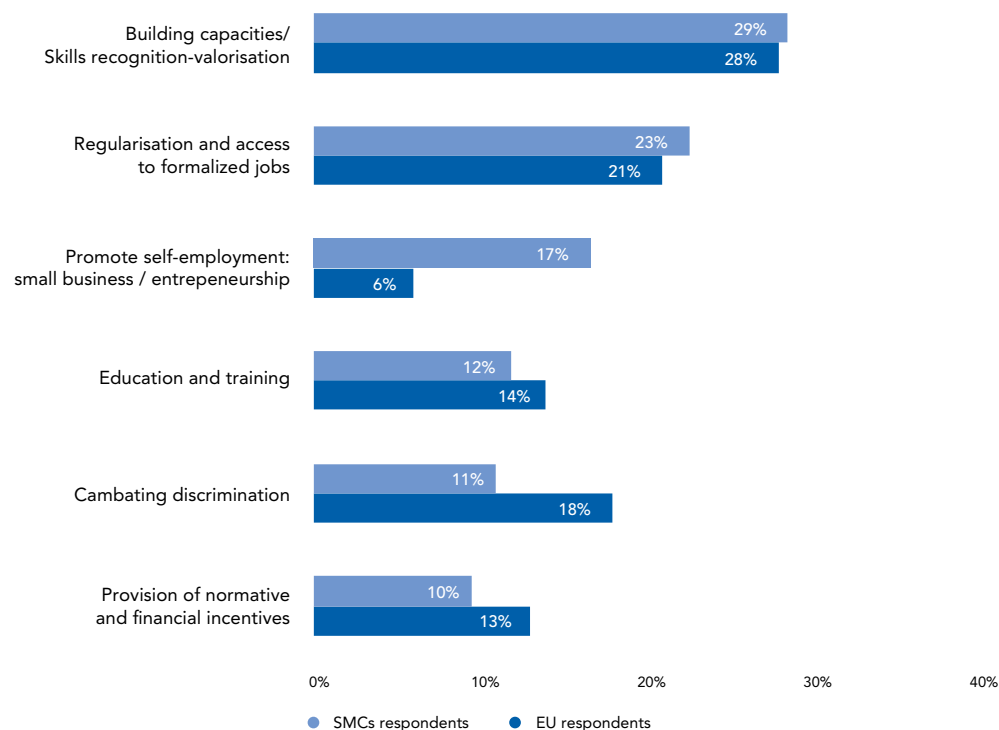
— Lebanese respondent

All the above should be priorities. Building inclusive labour markets would be particularly important to activate the talents of the currently inactive labour force.

— German respondent

Question 8b was an open-ended question, linked to the former but with a specific focus on priorities for job creation for refugees and migrants in SMCs. First cooperation priorities were related to building capacities and skills recognition-valorisation (28% of the answers) followed by the regularisation and access to formalised jobs (22%). While the importance of these two priorities was shared among respondents both from north and south of the Mediterranean, the third option was different (see graph 12). EU respondents considered that combating discrimination was the third one, while for SMCs respondents the third option showed a clear priority for the promotion of self-employment.

Graph 12: Q.8b In your opinion, what should be the EU cooperation priority for job creation for migrants and refugees in SMCs? (Categories developed from open-ended answers)



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

In the open-ended answers, respondents identified areas of improvement and formulated alternative options:

An integrated approach that brings opportunities and benefits for both refugees and local populations and encourages cooperation between the two groups.

— Lebanese respondent

First, I think that the EU should join forces in order to help in the stability of the region and stop all actions of violence against civilians. Security is a main issue in the region. Secondly, it is very important to support the education of refugees and migrants. Thirdly, work is needed to improve health conditions and to promote small businesses between refugees and host communities.

— Finnish respondent

Encourage employers to recruit migrants by covering the social costs of employment (tax declarations, social insurance, employment costs).

— Tunisian respondent

First, ensuring that migrants and refugees are properly documented and possess the needed permits allowing them to work in the formal sector and access opportunities in line with their training and skills (and not just low-skilled and poorly paid jobs that “locals don’t want to do anymore”).

— Spanish respondent

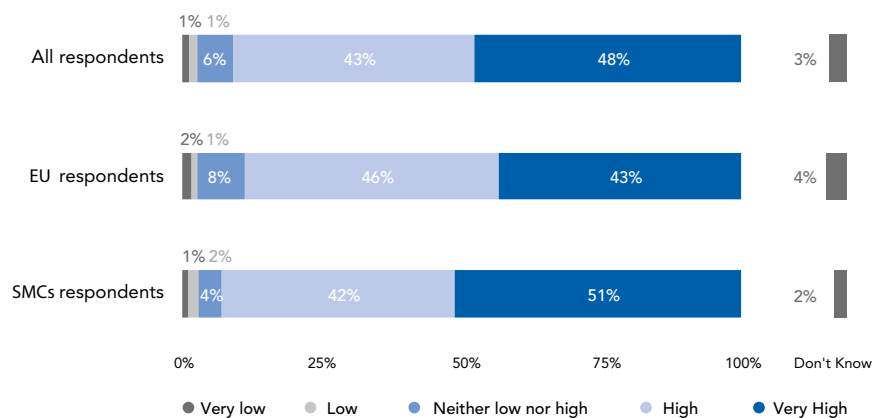
Expanded programmes that include all refugees, migrants, and even young people, to train them in the trades of the labour market, and then offer programmes to help them open their own projects through grants.

— Jordan respondent

Question 9 and 10, focused on social economy, described in the questionnaire as “an economy encompassing businesses, organisations and different legal entities that aim to systematically put people first, produce a positive impact on local communities and pursue a social cause”. Question 9 was on the importance of strengthening the social economy and Question 10 asked for EU-SMCs cooperation priorities to enhance it.

There was a vast majority (slightly higher for the case of SMCs) of answers considering that the social economy has to be strengthened as a key agent for social and economic reconstruction (see graph 13).

Graph 13: Q.9 To what extent is it important to strengthen social economy actors as a key agent for social and economic reconstruction?



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

Respondents explained the benefits of a strengthened social economy:

These actors are the ones who own the initiatives to achieve socio-economic inclusion, and the associated tools that help in developing societies.

— Egyptian respondent

Social economy actors can promote sustainability, diversity, inclusion, and equality goals more efficacious than any other type of business.

— Greek respondent

Strengthening social economy actors will increase capacity in connecting service providers and recipients across countries.

— Palestinian respondent

Others developed on how the role of social economy could be strengthened:

Some regulation could help create jobs, improve the economy and take some pressure off the public sector. Transparency and good governance are prerequisites for it to be efficient.

— Lebanese respondent

Countries should recognize the social economy and build supportive regulatory frameworks, enhance access to capital by creating incentives for funding, taxation, and investment, enable access to relevant markets by making public and private procurement channels more inclusive, recognize the social economy by collecting, measuring and visualising social impact data, promoting role of women entrepreneurship in the social economy and investing in education and research.

— Italian respondent

The actors of the social economy remain poorly organised although a Superior Council of Civil Society has been installed. A deep knowledge of this economy is necessary before any action.

— Algerian respondent

It depends on the extent of space the State is allowing for these groups to play an effective role (not a cosmetic) in advocating for changes, reforms and organic initiatives.

— Jordan respondent

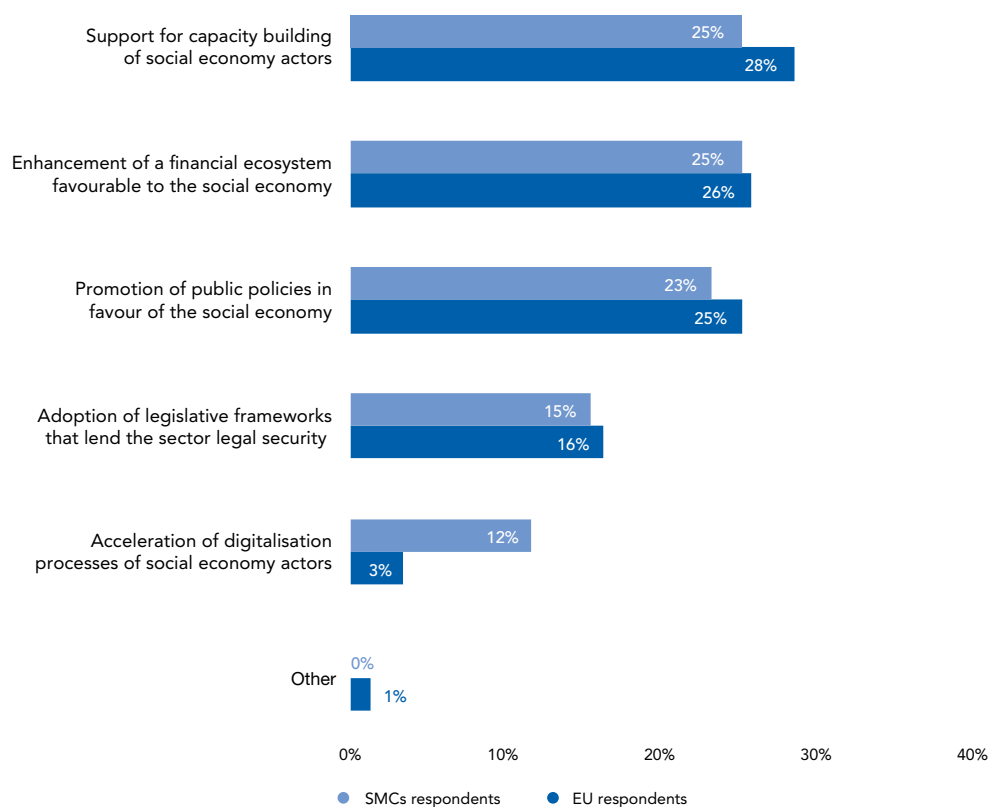
And what should not be done when supporting social economy:

The actors of the social economy should, in no way, compensate for the absence of a Welfare State. Wanting to subcontract social and economic reconstruction, actors of the social economy would only serve to increase inequalities and weaken the State in its protective role.

— Lebanese respondent

Those who answered positively to Question 9, that is high (43%) or very high (48%), had a follow-up question on EU-SMCs cooperation priorities on social economies. The three first options obtained a similar percentage (25%). A breakdown of results by geographic origin revealed the same order of priorities (see graph 14). SMCs respondents gave more importance to the "Acceleration of digitalisation processes of social economy actors".

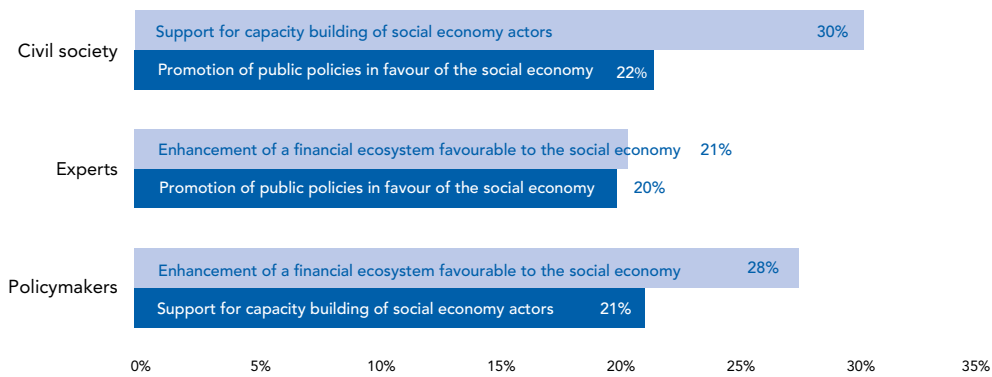
Graph 14: Q.10 What measure should be the main EU-SMCs cooperation priority in promoting social economy?



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

The order and percentages of priorities varied when comparing the answers of experts, civil society and policymakers. One third of civil society respondents considered “Support for capacity building of social economy actors” as first option, while experts chose “Enhancement of a financial ecosystem favourable to the social economy” (21% of the answers). This was also the first priority for policymakers with a higher percentage 28% (see graph 15).

Graph 15: Q.10 What measure should be the main EU-SMCs cooperation priority in promoting social economy?



Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

Open comments underlined the importance of legal frameworks and the potential of digitalisation:

A proper legal framework is essential to ensure good governance for enterprises / businesses / organisations and to protect them from being attacked, also to ensure better efficiency in serving the public.

— Lebanese respondent

The priority should focus on two critical policy levers that can help unlock the potential of the social economy, namely legal frameworks and social impact measurement, while considering the entire policy ecosystem as a framework.

— Maltese respondent

If digitisation plays a prominent role in reaching the goals of the social economy, this role is to embody the principle of equal opportunities because, in my view, digitisation reduces many costs and social disparities, especially the costs of education and higher education.

— Algerian respondent