

Mapping the Contemporary Causes of Socioeconomic Inequalities in the Southern Mediterranean Countries (SMCs)

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Abstract

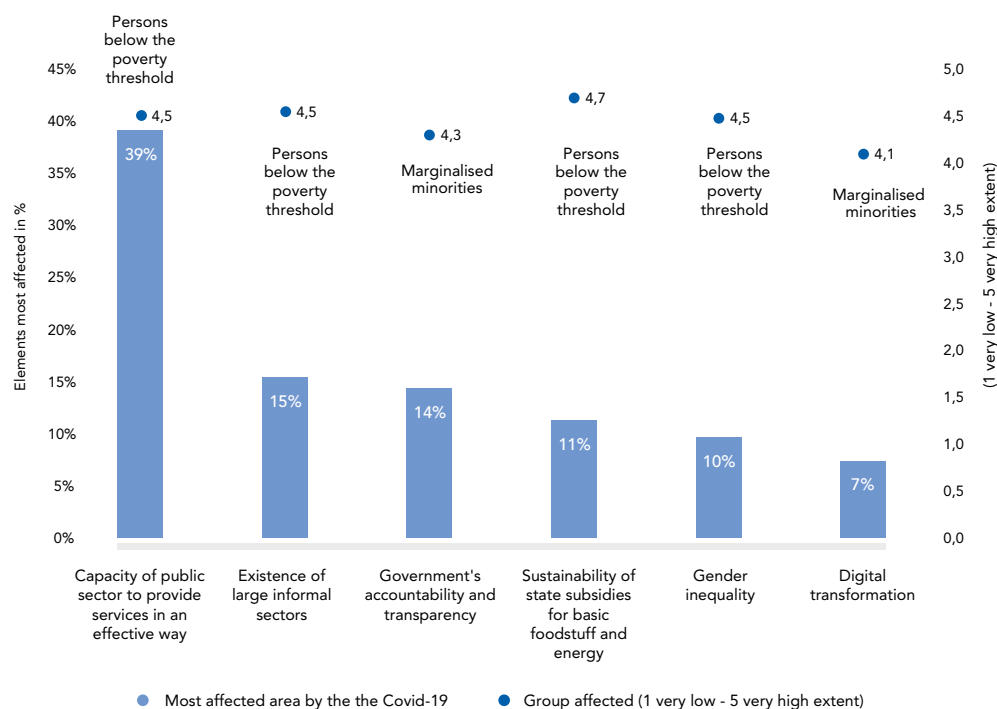
The European Institute of the Mediterranean (IEMed) within the framework of the project “EuroMeSCo Connecting the dots” launched the survey on “Towards more social justice and inclusiveness in the Mediterranean” to reflect on the social dimension of the New Agenda for the Mediterranean and on inclusiveness in the Southern Mediterranean Countries (SMCs). The survey targets respondents from the EU and SMCs, including policymakers, experts, and civil society representatives.

This brief paper critically reads some of the indicators mapped in the mentioned survey and places them in the regional, political and socioeconomic context. The paper focuses on contextualising the most visible causes of socioeconomic inequalities, as reported by the survey respondents.

Introduction

The Covid-19 pandemic exacerbated the preexisting socioeconomic inequalities in the Southern Mediterranean Countries (SMCs). In some cases, policy responses to the pandemic widened the inequities and disproportionately exposed vulnerable communities to adverse health and social outcomes. In fact, the lockdown measures in the SMCs did not consider the disruptive effects on labour market structures, income stability, food security, etc.

Graph 1: Q.3-Q.4 Covid-19 pandemic in SMCs: most affected area and most affected social group in each area



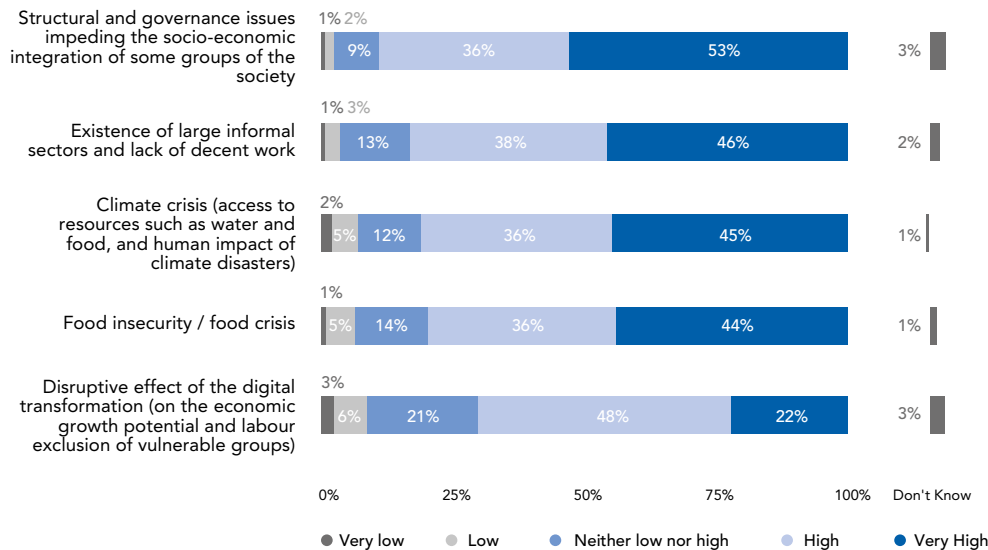
Source: Compiled by the IEMed based on the results of the 13th Euromed Survey

The European Union (EU) is playing a critical role in building fairer and more inclusive societies in the SMCs. To this effect, the new agenda has to be evidence-driven. Hence, the European Institute of the Mediterranean (IEMed) carried out a questionnaire of 24 questions, covering various issues of strategic importance, to bridge the multidimensional gap on social justice and inclusiveness. The thematic analysis underlines some of the key indicators contributing to socioeconomic inequalities in the SMCs.

Unjust Governance and the Most Vulnerable

Participants rated the “structural and governance issues impeding the socioeconomic integration of some groups in the society” as a top factor contributing to the lack of socioeconomic inclusiveness in the SMCs. In fact, collectively, 89% of respondents ranked this factor as very high (53%) and high (36%). This focus on the importance of integrating some groups underlines the deprivation of these groups from socioeconomic rights, which contributes to the construction of social exclusion perceptions (De Haan, 2000).

Graph 2: Q.1 To what extent do you consider that the following factors affect socio-economic inclusiveness in Southern Mediterranean Countries?



Arab regimes responded to 2011 uprisings not by embracing appeals for inclusive social contracts, but through the imposition of repressive-exclusionary social pacts.

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

In fact, the lack of social justice in the governance mechanisms led to exacerbated exclusion of the most vulnerable, which was one of the root causes behind the Arab spring. Research suggests that Arab regimes have responded to the threats posed by the 2011 uprisings not by embracing appeals for inclusive social contracts, but through the imposition of repressive-exclusionary social pacts in which previously universal economic and social rights of citizens are being redefined as selective benefits. These pacts are shown to represent a significant shift in economic governance and in state-society relations in the MENA region, which is evident in the growing institutionalisation of “contingent citizenship” as a framework for the organisation of state-society relations and the management of social policy (Heydemann, 2020).

Growing Informal Sector and the Lack of Decent Work

According to the International Labour Organization (ILO), almost 1.6 billion informal economy workers, who are part of the most vulnerable in the labour market, were significantly impacted by lockdown measures and/or working in the hardest hit sectors (Monitor, 2020).

In fact, people under 25 years of age constitute more than half of the population of the Middle East and North Africa. Unfortunately, unemployment among Arab youth remains the highest and fastest-growing worldwide, increasing from 19.5 to 23% between 2012 to 2020. Unemployment among young Arab women is more than twice

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than that of young men, reaching 42.1%. The situation has only worsened during the Covid-19 pandemic, given that 85.1% of young working-age Arabs were employed in the informal sector, the hardest hit by the crisis (Achdut & Refaeli, 2020).

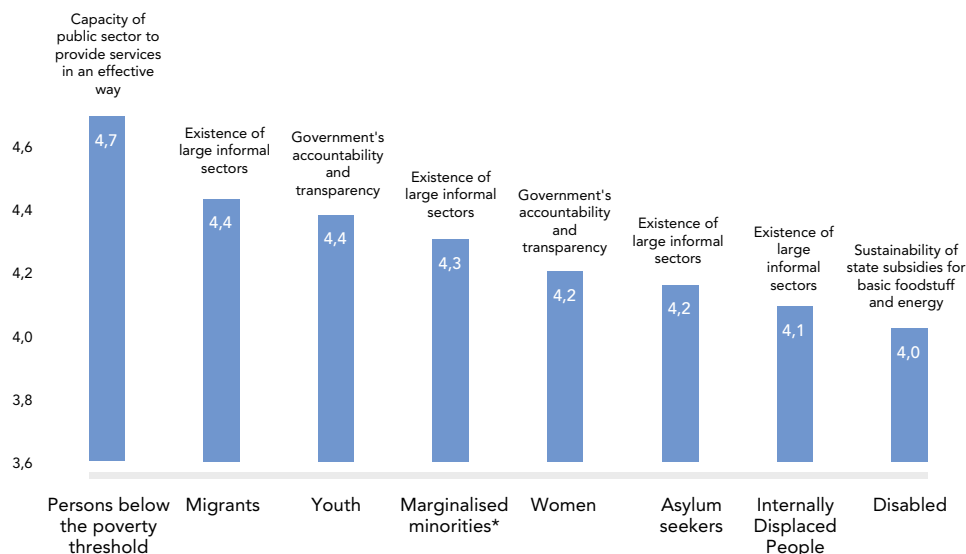
As per the respondents, the second contributor to the lack of socioeconomic inclusiveness in the SMCs is the existence of a large informal sector and lack of decent work (see graph 2). In fact, this is very much aligned with the typologies of contemporary challenges that SMCs face, according to recent literature. For instance, Covid-19 worsened the increase in the informal sector. Mothers are joining the informal sector in order to have dual-earner families. In addition, children have been forced in order to work to earn money and contribute to family income. Reports show increasing numbers of children who have abstained from going to school or dropped out altogether, often due to rampant poverty. Yet, this sector is not covered by any social protection schemes, which means that families struggle more and more to cope with poverty and hardship.

Climate Change and Food Security

In recent years, economic reform policies have included a sharp reduction of fuel, electricity and water subsidies in many SMCs, leading to many negative consequences and newly introduced coping mechanisms.

In general, there is a growing interest in human ecology – the intersection between human behaviour and environment in recent literature (Aref, 2022a). Respondents labelled “climate crisis (access to resources such as water and food, etc.)” as the third contributor to socioeconomic inequalities (see graph 2). In recent years, economic reform policies have included a sharp reduction of fuel, electricity and water subsidies in many SMCs. This led to many negative consequences and newly introduced coping mechanisms. For instance, leftover or used food markets emerged in countries such as Jordan and Egypt. At these places, the poor can buy food at reduced prices. These markets, which sell scraps of food, have become increasingly common in areas with people with low incomes. Often, the leftover food from restaurants and hotels are offered to families at a discounted rate, however many food items are unpackaged and have no information as to where or when they were made. Some customers have said that no matter the quality, they are in need of the low prices as they cannot afford to buy other food products.

Graph 3: Q.3-Q.4 Covid-19 pandemic in SMCs: social groups' most affected area
(Mean 1-very low, 5-very high)



*Marginalised minorities: categories developed from open-ended answers

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

The unprecedented rise in food prices has led some of the low income population to buy their daily needs of food products via the postpaid system, or the so-called popular "note." This system, known as shokok, is based on mutual trust between grocery store owners and residents in poor areas. As part of shokok, a shop owner archives either daily or weekly the merchant records of customer withdrawals on a note before collecting the cash at the end of each month. Nevertheless, the cut in subsidies and rising food prices have not only affected the poor. Many middle-class people cannot afford quality food due to the increase in prices and their depleted family savings. This has been exacerbated by economic hardship and the pandemic. This is particularly the case in Lebanon, where the lira (or pound) has lost most of its value, leading to higher costs of living. Lebanese people are reportedly cutting out meat from their diets or skipping meals. In Iraq, throughout the Covid-19 crisis, people have been forced to sell their furniture and personal items, just for the sake of buying food. Many Iraqis have lost jobs and the country lacks social protection measures (Aref, 2021).

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Digital Divide in Education and Increased Inequality

In the Euro-Mediterranean zone, within the space of just a few months, the global pandemic highlighted the profound disparity of responses and approaches to technology deployment and adoption, both within and across the two shores of the Mediterranean. The digital divide is emerging as a significant threat to the Barcelona Process' goal of bridging the gap in living standards for people living in the Euro-Mediterranean zone (El Kadi, 2020).

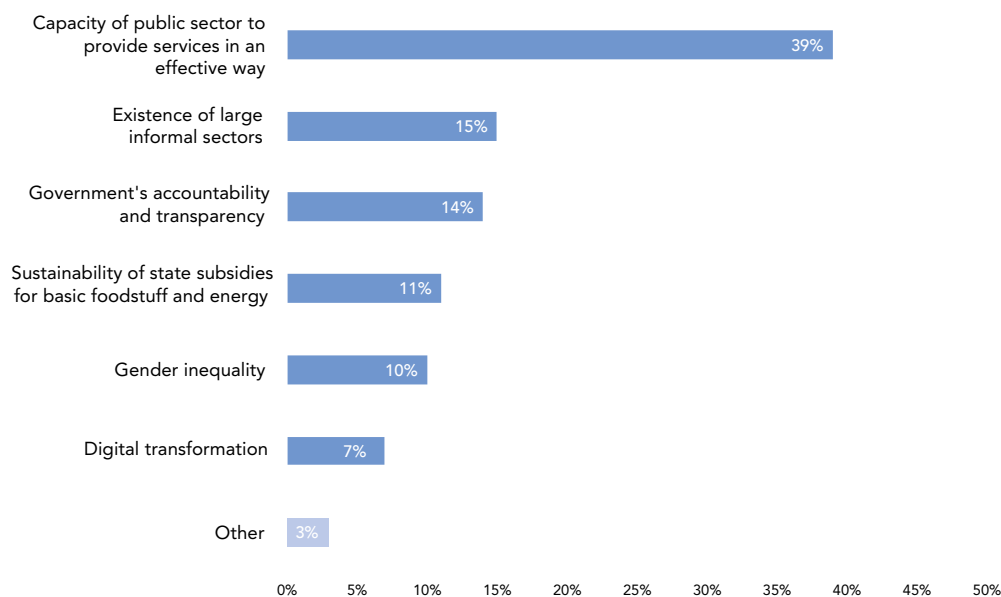
The last indicator, which according to the respondents contributes to the socio-economic inequalities in SMCs is the "disruptive effect of the digital transformation". In fact, the pandemic has made the situation even bleaker with the new educational setup, as not everyone has access to computers or the internet. The lack of technological infrastructure has meant that the poor are excluded from the online classes introduced by lockdowns (Aref, 2021).

For instance, in Jordan, the government tried to continue with online education using Darsak, a digital platform launched by the Ministry of Education. Forty-six percent of Jordanians could not have access to the website, a problem that primarily affected refugees, single-parent families, and those in informal settlements. About 44% cited challenges accessing the internet, while 22% from general households lacked a tablet or desktop, which means around 100,000 students are not engaged in online education (Aref, 2022b).

The Social Class and Healthcare

When survey participants were asked "To what extent do you consider that the following factors affect socio-economic inclusiveness in SMCs?", in their open comments, a number of respondents referred to "Health Care" as an emerging priority. Quality healthcare for all is an essential element in achieving fundamental social justice goals. The pandemic has highlighted the health inequities in the system. Research suggests that marginalisation and poverty are global risk factors that influence the spread, severity, or mortality of Covid-19. SMCs with disproportionately higher poor populations have had a higher number of Covid cases and mortalities.

Graph 4: Q.3 The Covid-19 pandemic has revealed/exacerbated vulnerabilities in SMCs. Which of the following has been most affected?



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

The fragile health sectors and the coverage gap of medical insurance generated an association between appropriate recovery and the upper class. Accordingly, access to quality care was exclusively for the rich. On the other hand, the poor had to rely on public health, which is often underfunded, understaffed and lacks sufficient resources. Moreover, in response to the rising prices of medicine in the region, people have turned to traditional medicine and herbal remedies instead. For instance, due to the loss of more than 90% of the Lebanese pound's value, there has been a shortage of essential medicines. The catalyst behind this was the ongoing national economic crisis in Lebanon and the state measures on removing subsidies on medicine. Pharmacies often lack basic medications for blood pressure and even painkillers and antibiotics (Aref, 2021).

In addition, people of low socioeconomic status were more exposed to Covid-19. Economically disadvantaged people are more likely to live in overcrowded and poor housing conditions, with limited access to personal outdoor space. Financially poorer people often have occupations that do not provide opportunities to work from home. This includes, but is not limited to, construction workers, supermarket and warehouse workers and also those in certain forms of public transport and bus drivers, whose tragic deaths we have already witnessed. Also, these groups faced an increased threat of unstable incomes as a result of Covid-19 and its aftermath (Patel et al., 2020).

Conclusion

The identified priority themes and affected groups should contribute to rethink, reshape and reprioritise the EU new agenda of sustainable development to the SMCs.

The Covid-19 pandemic underlined the pre-existing social and economic inequalities and disparities in the region. According to the body of knowledge in this regard and the responses of the IEMed survey, there are structural causes of these inequalities, such as a) the lack of appropriate governance that prioritise the most vulnerable, b) limited decent work opportunities and the growing informality in the labour market structures without social protection coverage, c) the complexity of climate change, energy price increase and food crisis, d) deprivation of "access" to technologies in a digitalised world and its impact on education particularly, e) the fragile public healthcare systems which results in quality recovery being associated with the upper class.

It is worth noting that in addition to these identified themes, respondents ranked the following groups as the most affected/most vulnerable: a) persons below the poverty threshold, b) migrants, c) youth, d) marginalised minorities, e) women, f) asylum seekers, g) internally displaced persons, and h) disabled (see graph 3).

In order to utilise this evidence; the priority themes and identified groups should contribute to rethink, reshape and reprioritise the EU new agenda of sustainable development to the SMCs.

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