



Action Plan for the encouragement and development of Social Economy in the Euro-Mediterranean Partnership

The Euro-Mediterranean Network of Social Economy (ESMED) priorities and proposals

On 5 April 2011, members of the Euro-Mediterranean Network of Social Economy (ESMED) organised the Conference “Ten years of Social Economy History in the Mediterranean. The Euro-Mediterranean Network of Social Economy (ESMED)”, which was held at the headquarters of the European Institute of the Mediterranean (IEMed), thanks to support from the Spanish Agency for International Development Cooperation (AECID).

This event was attended by 120 experts in matters related to the Euro-Mediterranean Partnership, as well as by representatives from organisations linked to Social Economy in Europe and in Mediterranean Member Countries, especially those countries which make up ESMED: Algeria, France, Italy, Morocco, Portugal, Tunisia and Spain.

The Conference included the participation and collaboration of a range of prominent individuals, amongst which we should highlight leading members of the Union for the Mediterranean Secretariat and well as those from the Spanish Ministries for Employment and Foreign Affairs.

On the basis of the debates held at this conference and the contributions of the different speakers and experts, the ESMED Network members are putting forward this Action Plan for the promotion and development of the Social Economy in the Euro-Mediterranean Partnership, with the aim of presenting those responsible at participating Institutions and Governments in said Partnership with **measures to increase contribution on the part of Social Economy enterprises and organisms to the social and economic development of the Mediterranean Basin and its peoples.**

1. Social Economy enterprises and organisms in the Mediterranean

1.1. Social Economy enterprises and organisms, which are present across all sectors and in all nations in the Union for the Mediterranean, will base their activities on the following principles:

- The primacy of the individual and the social objective over capital
- Voluntary and open membership
- Organisation involving a spirit of democracy
- The combination of the interests of members/users and/or the general interest



- The defence and application of the principle of solidarity and responsibility Autonomous management and independence from public authorities
 - The essential surplus is used to carry out sustainable development objectives, services of interest to members or of general interest.
- 1.2. COOPERATIVES, MUTUAL SOCIETIES, ASSOCIATIONS, FOUNDATIONS and other organisms that carry out economic and business activities whose working regulations fulfil the principles outlined above, are examples of this alternative form of enterprise.
- 1.3. In the seven countries in which the ESMED Network has members, there are in excess of **410,000 Social Economy enterprises and organisms** which generate **6.2m jobs**, a turnover of **558 millions Euros** and bring into association **134m people**.
- 1.4. The Social Economy contributes to development in the Mediterranean through:
- 1.4.1. The creation of **employment**, it being necessary for it to broaden its role in creating more jobs¹.
 - 1.4.2. The ability to promote **entrepreneurial spirit** through cooperatives and other forms of social economy, in particular among vulnerable individuals and those at risk of social exclusion².
 - 1.4.3. The **provision of basic social services** (education or health, for example) for all individuals³, driving self-organisation and the involvement of those who will benefit from the above, in those areas where public authorities cannot act.
 - 1.4.4. The carrying out of activities that will generate income which will drive **local development**, avoiding the desertification of rural areas and contributing to the development of disadvantaged regions and towns⁴.
 - 1.4.5. The development of economic activities which combine **efficiency, solidarity and competitiveness**, in sectors including banking, insurance, food distribution, pharmaceuticals and agriculture. These enterprises are also on the rise in sectors including healthcare, b2b services, education and housing.⁵

¹ Conclusions of the 7th Euro-Mediterranean Foreign Ministers' Conference. Luxemburg 2005.

² Final Declaration at the Euro-Mediterranean Summit for Economic and Social Councils and Similar Institutions. Alexandria, 2009.

³ Report: "Freedom of association in Mediterranean member countries". European Economic and Social Committee. Brussels, 2008.

⁴ European Commission Paper on the promotion of European cooperatives. COM (2004) 18.

⁵ European Commission Paper on the promotion of European cooperatives. COM (2004) 18.



In short, Social Economy allows for the creation of quality employment, the strengthening of social cohesion, both economical and geographical, the production of social capital, the promotion of an active citizenry and of solidarity, along with a type of economy that presents democratic values, and which places the individual in a preferential position, as well as supporting the promotion of sustainable development and social, environmental and technological innovation.⁶

2. Challenges facing the development of the Euro-Mediterranean region.

2.1. The creation of employment: a priority for all the countries in the Euro-Mediterranean Partnership.

2.1.1. There is a clearly identifiable difference between the demographic structures of EU-27 and the Mediterranean Member Countries (PSM in the acronym). While in the former the population is ageing at a high rate, PSMs present a clearly youthful profile, giving rise to an **excess in working-age population** which the labour market is not able to absorb, and which has negative repercussions on social cohesion, exclusion and poverty, in turn stimulating migratory flow.

2.1.2. According to information provided by the FEMISE (Euro-Mediterranean Forum for Economic Science Institutes) Network, it will be necessary to **create 34m jobs over the next 20 years in order to maintain current unemployment levels.**

2.1.3. The **labour market presents high unemployment rates**, reduced rates of official employment and very low labour participation on the part of women. According to the latest figures, the employment rate is poised at 42% compared to 64.6% in EU-27, and the unemployment rate across PSMs is as high as 11.9% (25.2% among the young, a characteristic shared by EU-27 countries). Furthermore, the rate of participation in the labour market on the part of women barely accounts for 24% (22 points lower than for men)⁷.

2.2. **It is necessary to generate an economic model which will reduce social inequalities.** The creation of a free trade area has not been enough to drive parity in levels of development between the north and south of the Mediterranean.

2.2.1. On a macro-economic level, PSMs have made a considerable drive forward in recent years, with growth rates generated exceeding the European average. If the crisis context in Europe has had repercussions on a slowing down of GNP growth, in the Euro-Mediterranean countries this has been less marked. However, in relative terms the growth has been insufficient to guarantee society's quality of life. **GNP (in PPS)⁸ still stands at 40% of the corresponding level across EU-27.**

⁶ European Parliament Resolution, 19 February, 2009, on social economy. 2008/2250

⁷ Source: World Bank, World Economic Outlook 2010

⁸ Per capita GNP by Purchasing Power Standard compared to the standard average across EU-27



- 2.2.2. The economic crisis is causing PSMs to undergo a drop in foreign investment of 31%, a fall in remittances (approximately 2bn Euros), a reduction in exports of 30%, and of goods' imports amounting to 23.8%.
- 2.2.3. Quality of life, measured in accordance with the United Nations' Development Programme's (UNDP) Human Development Index (HDI), which measures a country's average progress across three different dimensions, including enjoyment of a longer and healthier life, levels of education (literacy rate, adult literacy rate, gross rate combined of registration in primary, secondary and tertiary education systems, as well as the length of years of mandatory education), and the level of attainment of a decent quality of life (measured by the GNP per capita in international dollars), shows that in 2010 there were marked differences between the south (0.74⁹) and the values recorded in European countries (0.85).
- 2.3. We must ensure that there is a **framework for regional cooperation in the Mediterranean in the economic, social and political spheres**, in order to be able to make a combined proposal for solutions to global and shared challenges which affect our societies, for which it will be necessary to count on the participation of civil society organisations.
- 2.3.1. In the political arena, the ESMED Network considers it to be of the highest importance that the Euro-Mediterranean Partnership lends its support to those democratic reform processes in the countries of the South of the Mediterranean that facilitate:
- **Support for the establishing of democracies**, based on freedom, dignity and the respect for and safeguarding of Human Rights.
 - **The eradication of corruption and the abuse of power.**
 - The promotion of the application of **social policies that reduce inequalities and encourage the fair and equal division of wealth and resources.**
 - The promotion of **gender equality**, women's rights and participation in law and public policy, with greater access to employment and improved working conditions.
- These are necessary elements to ensure any economic development that will facilitate the formulation of policies that encourage social cohesion and improved quality of life for all citizens.
- 2.3.2. The ESMED Network feels that the European Commission is on the right track in its pledge to generate **growth and inclusive, sustainable economic development** which will improve, amongst other things:

⁹ Israel has been excluded in order not to distort the average



- Systems of training, especially for the young, in such a way that there is a greater balance between the productive and educational systems, thereby responding to market demands and driving entrepreneurial capabilities.
- Systems of healthcare and social cover for all citizens

All of these factors will help **the Euro-Mediterranean Partnership to develop a social dimension** in which the Social Economy, along with the rest of the social agents in civil society, should play a prominent role.

3. Measures to bring about greater involvement of Social Economy enterprises and organisms in the Euro-Mediterranean Partnership

3.1. The European Institutions and some of the Economic and Social Committees from countries in the Euro-Mediterranean region have recognised the importance of the Social Economy, and as such have put forward the following requests:

- 3.1.1. In order to compensate for the lack of investment and to broaden opportunities for economic and social development in regions that are not attractive to the foreign investor, it may prove of interest to encourage all types of collective business initiatives, within the social economy field, and as such the financial instruments that support Euro-Mediterranean cooperation should include mechanisms of technical assistance, the exchange of good practices, the creation of entrepreneurial platforms between both coastlines, and accompanying measures that will enable social economy enterprises to develop competitively in a globalised environment, given their impact on the creation of wealth and employment at a local level¹⁰.
- 3.1.2. The “social economy” dimension should be taken into account in the formulation of EU and national policies and EU programmes directed at development cooperation¹¹, in consideration of the capability to combat the factors of poverty¹².
- 3.1.3. Associations should be formed aimed at developing a strong social economy and civil society, and at cooperation and exchange with EU countries in those countries on the south coast of the Mediterranean¹³.

¹⁰ Report on the factors of competitiveness and social cohesion for the building of an integrated Euro-Mediterranean space. Economic and Social Councils of Spain, Algeria, Italy, Tunisia, Malta, Greece and Turkey.

¹¹ 2008/2250(INI). European Parliament. Resolution on Social Economy in Europe

¹² Document: "The social dimension of the relations between the European Union and the Mediterranean member countries", formulated by the European Economic and Social Committee and the Economic and Social Councils of Algeria, Italy, Israel, Greece, Tunisia and the representative Delegations of civil society from Egypt and Jordan. 2008.

¹³ Paper: "Associations between local and regional authorities and socio-economic organisations: contributions to employment, local development and social cohesion". Committee of the Regions. 2002



3.1.4. The systematic participation of Euro-Mediterranean civil society networks, including social economy, in the formulation of policies regarding the creation of employment and social infrastructures in the Mediterranean¹⁴.

3.2. Taking into account the fact that **it has become necessary to generate and promote all forms of enterprise, including those within the Social Economy, as a means to provide new quality jobs** in order that these be in accordance with the standards of decent jobs, the ESMED Network feels that States and Euro-Mediterranean programmes should promote a general support framework which makes it possible to:

- Reinforce the management capabilities of Social Economy enterprises and their productive processes through entrepreneurial training programmes, implementing policies that will make Social Economy SMEs stronger and more professional.
- Increase the access of Social Economy enterprises to financial resources through the creation of a financial instrument that would permit the development of the local economic fabric and through micro-financing.
- To improve support and advice services to Social Economy enterprises.
- To promote transnational technical and financial business cooperation between Social Economy enterprises from the south and north of the Mediterranean.
- To build up a legal environment which provides security, transparency and incentivization to SMEs and micro-enterprises, both in areas involving bureaucratic streamlining as well as corruption, both of which slow business growth.
- To promote the Social Economy's contribution to a more sustainable economic model, driving involvement in the creation of jobs in sectors such as renewal energy (solar energy) or encouraging the application of new techniques in the agro-alimentary field.
- To promote innovative Social Economy business models, in terms of workers' and beneficiaries' collective and participatory management of the enterprise, through flexible norms and legislative frameworks. The case of Spain's Social Economy Law could serve as a marker for other countries in the Union for the Mediterranean when establishing a general framework for Social Economy.

¹⁴ Euro-Mediterranean Summit for Economic and Social Councils and similar institutions. 2007. Athens (Greece)



- To channel women's existing presence in the labour market through cooperatives and small production and distribution networks¹⁵, taking into account that it is necessary to balance women's participation in the labour market.

3.3. The ESMED network proposes for each manager and each public Department involved in the Euro-Mediterranean Partnership a series of specific measures.

- **For those Governments participating in the Union for the Mediterranean:**
 - To include Social Economy enterprises in the debates and agendas of those events at which Euro-Mediterranean policy is defined, particularly at meetings of the Labour Ministers and the SME Euro-Mediterranean Charter.
 - To increase social cover for populations in southern countries through the promotion of complementary systems via mutual societies and social development associations.
 - To generate conditions that will facilitate dialogue and collaboration between public authorities and Social Economy organisations, ensuring these organisations' freedom and complete Independence with regard to public authorities. This is a core factor in driving the democratic process in PSMs, which will provide the public authorities with access to independent and representative interlocutors with which to establish channels of collaboration when creating policies that favour the Social Economy.
 - To integrate legally recognised Social Economy networks into representative bodies of authority where debate takes place such as, for example, the Economic and Social Councils.
 - To set up systematic contact points between Social Economy leaders in each respective country as a means not only of exchanging feedback, but also in order to generate technical support policies and projects, which will facilitate the formulation of Social Economy legislation and promotional norms.

¹⁵ The factors which facilitate women's access to socio-economic life and the strengthening of national development qualifications. Regional and Global. Italy's CNEL, along with CESE and France's CES, Tunisia, Palestinian Authority, Israel, Algeria and Spain, the delegation from the joint EU-Turkish consultation Committee



- **For the European Commission:**
 - To follow the recommendation of the European Parliament, including the Social Economy in development cooperation programmes with Mediterranean member countries. The Spanish case study may be one to bear in mind.
 - To support the drafting of regional Euro-Mediterranean and PSM-level studies into the situation of the varying forms of Social Economy, which would shed light on its statistical reality and potential to attain the objectives of the EU's cooperation with the Mediterranean.
 - To establish dialogue mechanisms with Social Economy organisations, enterprises and organisms in order to increase their participation in European Mediterranean support programmes within the European Neighbourhood Policy.
 - To lend support to Social Economy Networks which will allow these enterprises to participate as agents in civil society within the spheres of Euro-Mediterranean cooperation and also bilateral cooperation between the EU and its Southern associates.

- **For the Union for the Mediterranean (UfM) Secretariat:**
 - Taking into account the multi-sectoral character of the Social Economy, to establish channels of dialogue and cooperation with these enterprises and organisms, so they are taken into account when identifying, coordinating and implementing all UfM projects, especially Entrepreneurial Development initiatives.
 - To facilitate access to finance, especially to funds that will enable Social Economy enterprises to consolidate their growth.
 - To identify UfM projects which, as well as serving necessary large-scale infrastructures, also meet the more immediate local needs of PSM populations, with the Social Economy as an agent which can respond to demands such as housing, the consumption of basic goods, education, access to credit and more.

Taking into account the fact that the United Nations declared 2012 the International Year of Cooperatives, the members of the ESMED Network would like to propose that the Secretariat of the Union for the Mediterranean (UfM), its Member Countries, the European Commission as well as the rest of the EU Institutions come together in organising a Grand Euro-Mediterranean Cooperative Conference in 2012.