

The Euro-Mediterranean Network of Social Economy (ESMED)

Proposals for reinforcing  
**Social Economy**  
**IN THE MEDITERRANEAN**

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## 1. Introduction

In April 2011 the Euro-Mediterranean Network of Social Economy (ESMED) presented an Action Plan with proposals for the promotion and development of Social Economy in the Euro-Mediterranean Partnership (hereinafter the Plan; *attached in Annex I*)

Since then, Social Economy has acquired an increasingly prominent role in the Mediterranean, specifically “in fostering **economic growth**, **eradicating poverty**, building up **sustainable local development**, and **improving labour market access** and **decent working conditions** especially for women and young people, as well as for various categories of disadvantaged workers (Final Declaration of the 2014 Euromed Summit of ESCs and Similar Institutions. Nicosia, Cyprus).

Over the last five years, some of the measures provided for in the ESMED Plan have been implemented, which has led to the consolidation of Social Economy as a key agent of socio-economic development in the Mediterranean.

Building on the progress made, the ESMED Network presents a series of working proposals whose **general goal it is to generate an agenda in favour of Euro-Mediterranean Social Economy**, which is based on **three main objectives**:

- **To involve Social Economy and its representative organisations in European Commission and the Union for the Mediterranean initiatives aimed at Mediterranean socio-economic development**, especially those related to creating and maintaining employment as well as fostering entrepreneurial spirit, social cohesion and sustainable growth.
- **To contribute to generating a space for dialogue in order to foster and develop Social Economy in the Mediterranean through concerted action between the European Commission and the Union for the Mediterranean with the ESMED Network.**
- **To reinforce the organisations that represent Social Economy as a socio-economic agent in the Euro-Mediterranean Partnership which provides a response to the major challenges of the Mediterranean.**

## 2. Proposals presented to the European Commission for developing Social Economy in the Mediterranean

In this document ESMED identifies some high-priority areas for driving Social Economy as set out in the Plan from 2011, the progress that has been made in each high-priority and the working priorities that the Network proposes to increase development of Social Economy in the Mediterranean:

**2.1. To reinforce the management capacity of Social Economy enterprises and organisations, and their productive processes, through entrepreneur skills-education and training programmes, implementing policies that make Social Economy SMEs stronger and more professional.**

The ESMED Network considers very positive the two pro-Social Economy European Union-funded programmes in Morocco and Algeria<sup>1</sup> as well as the fact that the European Commission has included Social Economy as one of the working priorities of the Mediterranean cross-border cooperation programme within the European Neighbourhood Instrument 2014-2020<sup>2</sup>.

Furthermore, the 2014-16 Euro-Mediterranean industrial cooperation programme<sup>3</sup> provides for activities to encourage Social Economy SMEs and the Union for the Mediterranean in taking on board “social economy” dimension in their projects in favour of business development<sup>4</sup>.

ESMED considers that these advances should be consolidated and built upon, and as such is presenting the Commission with proposals to:

**2.1.1 Study the implementation of similar programmes to those being carried out to encourage the Moroccan and Algerian Social Economy in the rest of the southern Mediterranean countries,** inviting the European Commission and the Union for the Mediterranean to design them in coordination with organisations that represent Social Economy in beneficiary countries.

**2.1.2 Organise events or work sessions in collaboration with the ESMED Network to present the programmes funded by the European Union and the Union for the Mediterranean to develop Social Economy to their representative organisations,** with the purpose of raising awareness about best practices and the opportunities these programmes may provide both at Mediterranean level as well as that of various southern Mediterranean States.

## **2.2. Creation of Social Economy cooperation platforms from both sides of the Mediterranean.**

**The ESMED Network is the entrepreneurial forum for dialogue between the organisations that represent the Social Economies of Algeria, Egypt, Spain, France, Italy, Morocco, Portugal, Tunisia and Turkey.** It has been promoting cooperation between these organisations since 2000. This activity has contributed to raising the profile of this kind of enterprise and to supporting the launch of various initiatives to encourage the development of Social Economy.

The work carried out by ESMED has meant that today this network is the Social Economy’s representative organisation in the Mediterranean. The European Economic and Social Committee (EESC) recognises the ESMED Network as its interlocutor with the Euro-Mediterranean Social Economy. Furthermore, ESMED is a business organisation which is recognised as such by the other Mediterranean business organisations. The ESMED Network is one of the signatories of the “20+20 Declaration”, an initiative entered into by Mediterranean business organisations, putting forward proposals to reinforce the private sector in the Euro-Mediterranean Partnership. This declaration was promoted by ASCAME (Association of Mediterranean

<sup>1</sup> 2014 Programme titled “Appui technique aux operateurs de l’économie sociale et solidaire dans la Province d’al Hoceima (Morocco)” with a total of 400,000 Euros and the 2105 project titled “Structuration du secteur de l’économie sociale, solidaire et innovante et soutien au développement de l’entrepreneuriat des jeunes”, with 6m Euros.

<sup>2</sup> <http://www.enpicbcmec.eu/communication/european-commission-adopts-new-eni-cbc-med-programme-%E2%82%AC209-million-cross-cooperation-me>

<sup>3</sup> <http://ec.europa.eu/DocsRoom/documents/4176/attachments/1/translations/fr/renditions/native>

<sup>4</sup> Edile Project: <http://ufmsecretariat.org/edile-economic-development-through-inclusive-and-local-empowerment/>

Chambers of Commerce and Industry), and was signed in Barcelona in November 2015 by the ESMED Network along with organisations such as Eurochambers, UEAPME, BusinessMed and Afaemme<sup>5</sup>.

Taking its role into account, **ESMED's proposal to the European Commission and the Union for the Mediterranean is to:**

- 2.2.1. **Establish permanent channels of dialogue with the ESMED Network and its members**, with the purpose of increasing the level of Social Economy involvement in the initiatives and programmes aimed at reinforcing the private sector in the Mediterranean, such as, for instance, the initiatives of the Union for the Mediterranean in favour of business development and the call for proposals of the European Commission that support enterprises and investment partnerships in the Southern Mediterranean<sup>6</sup>.

It is as such that ESMED places a very high value on the experience initiated by the European Commission with Council EU-Tunisia for entrepreneurship, which is a mixed Council of Tunisian and European entrepreneurs brought together in 2014 by Commissioner Tajani in his mission to build growth in Tunisia and in which, at the initiative of the Commission, a representative of European cooperatives was involved.

- 2.2.2. **Invite the Network and its members to participate in the Euro-Mediterranean forums and spaces organised and promoted by the European Commission and the Union for the Mediterranean** in which Mediterranean business and socio-economic development are addressed.

### **2.3. To increase Social Economy enterprises' access to financial resources through the creation of a financial instrument.**

One key step has been the launching of COOPMED<sup>7</sup>, a financial instrument for Social Economy enterprises from the countries of the Southern Mediterranean. This instrument came about at the initiative of the French cooperative bank CREDIT COOPÉRATIF, and boasts the financial participation of the European Investment Bank (EIB)<sup>8</sup>. Furthermore, there are financial programmes supported by the European Union, the member States and the Union for the Mediterranean, and which Social Economy organisations and enterprises can, and should, take advantage of.

We therefore propose:

- 2.3.1 **The organising, in collaboration with the ESMED Network and its members, of events and seminars on the financial programmes and instruments to foster Social Economy, or those which might benefit these enterprises in Mediterranean countries.**

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<sup>5</sup> [http://www.entreprendre-mediterranee.com/imports/Declaration\\_20\\_20.pdf](http://www.entreprendre-mediterranee.com/imports/Declaration_20_20.pdf)

<sup>6</sup> EU Support to Business and Investment Partnerships in the Southern Mediterranean  
<https://webgate.ec.europa.eu/europeaid/online-services/index.cfm?ADSSChck=1466999512854&do=publi.detPUB&searchtype=AS&Pgm=7573838&zgo=35582&aoet=36537&ccnt=7573876%2C7573877%2C7573879&debpub=26%2F06%2F2011&finpub=26%2F06%2F2016&orderby=upd&orderbyad=Desc&nbPubliList=15&page=15&aoref=134909>

<sup>7</sup> [http://www.credit-cooperatif.coop/fileadmin/doc/communiqués\\_de\\_presse/2016/CP\\_CC\\_CoopMed\\_2602.pdf](http://www.credit-cooperatif.coop/fileadmin/doc/communiqués_de_presse/2016/CP_CC_CoopMed_2602.pdf)

<sup>8</sup> <http://www.eib.org/projects/pipeline/2013/20130555.htm>

**2.3.2 The drafting of informative brochures aimed at SMEs, identifying existing funding programmes in the Euro-Mediterranean region for Social Economy enterprises**, as is set out in the 2014-16 Euro-Mediterranean industrial cooperation programme<sup>9</sup>.

**2.4. To improve support and advisory services for Social Economy enterprises.**

Social Economy representative organisations and public State and regional Social Economy development departments have created support programmes for Social Economy entrepreneurs<sup>10</sup>. These services act at a local level, which enables them to get to know and identify the needs of Social Economy entrepreneurs and organisations such as cooperatives, development associations or community mutual associations.

The **ESMED Network proposal to the Commission and the Union for the Mediterranean is to:**

**2.4.1 Support these services, reinforcing their human and technical resources, financing their structures** through:

- The organisation of training seminars on European and national programmes to foster entrepreneurship among young people and women in the social economy, as provided for in the 2014-16 Euro-Mediterranean industrial cooperation programme<sup>11</sup>.
- Programmes to encourage the creation of employment in the Mediterranean, especially among the youngest workers and women, in the management of micro-financing and rural development.

**2.4.1 Training provided to business advisors from the European Commission “Europe Enterprise network”,** which has centres in Tunisia, Turkey and Israel, with the goal of **providing assistance in the processes involved in creating Social Economy enterprises, and supporting their globalisation.**

**2.5. Promote cross-border financial and business cooperation between Social Economy enterprises from southern and northern Europe.**

In May 2013 the French Social Economy enterprises MACIF and CREDIT COOPERATIF organised the MedESS event, which brought together entrepreneurs from various Mediterranean countries, mainly from France, Morocco and Tunisia, as well as from Algeria and Spain. The MedESS meeting was one of the few forums to have facilitated the joint meeting and collaboration of Social Economy entrepreneurs from the northern and southern Mediterranean.

It is as such that **the ESMED Network proposes that the European Commission and the Union for the Mediterranean** recognise the value of

<sup>9</sup> <http://ec.europa.eu/DocsRoom/documents/4141/attachments/1/translations/en/renditions/native>

<sup>10</sup> For example, the Moroccan Network of Social and Solidarity Economy (REMESS) has a local support network (<http://www.remess.ma/remess.php>), and the Moroccan Office for the Development of Cooperation (Odc), which is the public Department responsible for cooperative development, has offices in all of the country's regions. In Spain, the associative fabric is represented by the 28 organisations which make up the Spanish Social Economy Employers' Confederation, which has advice centres across the entire country (see [http://www.cepes.es/emprendedores/donde\\_informarse](http://www.cepes.es/emprendedores/donde_informarse))

<sup>11</sup> <http://ec.europa.eu/DocsRoom/documents/4176/attachments/1/translations/fr/renditions/native>

the possibility of **supporting the holding of business meetings between Social Economy entrepreneurs from the northern and southern Mediterranean and other enterprises from the countries in the region**, with the goal of fostering entrepreneurial cooperation. In this regard it is worth highlighting that the governments of Morocco<sup>12</sup> and Portugal<sup>13</sup> have held Social Economy fairs which might serve as benchmarks for this kind of fora.

**2.6. To build up a legal environment that provides security and transparency for Social Economy SMEs and micro-enterprises.**

The Mediterranean is one of the regions boasting the greatest number of countries with Social Economy Law in the world, and with specific policies to develop them. This is the case of Spain, with the Law 5/2011, Portugal with its Act of 2013, and France with its 2014 Act of Social and Solidarity Economy. In addition, Morocco and Tunisia are currently debating the drafting of Social and Solidarity Economy Laws. The fact that ESMED has representation in all of these countries has led the Network to get involved in the dissemination, throughout the Mediterranean, of the existing legislation in these countries, and to draft proposals for the configuration of legal frameworks that will encourage Social Economy.

To these ends our proposal to the Commission and the Union for the Mediterranean is for the **holding, with the ESMED Network, of an event or seminar in which to present member States of the Union for the Mediterranean and organisations representing Social Economy in these countries, with the progress being made to encourage Social Economy and the existing policies to develop it both in member States of the European Union and in associate Mediterranean countries.**

**2.7. To promote the contribution Social Economy makes to a more sustainable economic model, driving involvement in the generation of employment in sectors such as renewable energies (solar energy), or the application of new techniques in the agro-food sector.**

Social Economy has made scant progress in this area, although the ESMED Network puts great value on the support and funding that the European Union has given to this kind of project in Mediterranean countries<sup>14</sup>, or through the Union for the Mediterranean in areas of environmental protection<sup>15</sup> or water management<sup>16</sup>.

The Network feels that this is a line of work needing to be reinforced through the **launch of European Commission and the Union for the Mediterranean programmes specifically aimed at encouraging the participation of Social Economy from the northern and southern Mediterranean in reaching the 2030 Sustainable Development Goals.**

<sup>12</sup> <http://www.artisanat.gov.ma/fr/Salon%20National%20ESS>

<sup>13</sup> <http://www.cases.pt/comunicacao/noticias/cases-n/2072-portugal-economia-social-19-a-21-maio-fil-lisboa>

<sup>14</sup> One example is the development project for women's argan oil cooperatives in Morocco, which received the support of the European Commission:

[http://eeas.europa.eu/delegations/morocco/documents/more\\_info/newsletters/meda06\\_19\\_fr.pdf](http://eeas.europa.eu/delegations/morocco/documents/more_info/newsletters/meda06_19_fr.pdf)

<sup>15</sup> <http://ufmsecretariat.org/list-of-ufm-projects-and-initiatives/?catfilter=7>

<sup>16</sup> <http://ufmsecretariat.org/list-of-ufm-projects-and-initiatives/?catfilter=8>

**2.8. To drive innovative Social Economy business models, with regard to collective and participatory management, on the part of workers and beneficiaries in company management, through speedy regulations and legal frameworks.**

The countries of the Euro-Mediterranean region need to address their shared challenge of generating and maintaining jobs. The statistical data on Social Economy shows that it is withstanding the crisis better than other business models, and that it is contributing innovative solutions to enable workers at companies in crisis to keep their jobs by transforming enterprises in danger of disappearing into cooperatives. The European Commission supports this kind of initiative and has recently approved various programmes to encourage and study this type of “workers buy-out” transformation, having been carried out by cooperative organisations from different Member States.

European experience in the area of enterprise transformations stands as a benchmark for southern Mediterranean countries, which are showing greater interest in promoting Social Economy as a factor for growth and employment creation. To this end, our proposal to the Commission and the Union for the Mediterranean is to **provide Social Economy organisations from the southern Mediterranean with information on the results and tools for “workers buyout” in Europe**, by holding workshops with the ESMED Network in which to pass on the measures, advances and challenges that the “workers buy-out” processes are undergoing in Europe, with the purpose of transferring best practices and also supporting already-existing “workers buy-out” experiences in certain southern countries, as is the case of Algeria<sup>17</sup>.

**2.9. The drafting of studies, at a regional Euro-Mediterranean level and in Mediterranean countries, on the situation of different types of Social Economy, which would make it possible to learn more about their statistical reality and potentials for attaining the EU’s Mediterranean cooperative goals.**

Between 2011 and 2014 various reports on Social Economy in the Mediterranean were published:

- 2011: “Social Economy in the Mediterranean”, a report drafted by the ESMED Network<sup>18</sup> thanks to support from the Spanish Agency for International Development Cooperation (AECID).
- 2012: “The cooperative enterprise in the Mediterranean”, a report drafted by the ESMED Network<sup>19</sup> thanks to support from the Spanish Agency for International Development Cooperation (AECID).
- 2013: A report titled “L’économie sociale et solidaire au Maghreb. Quelles réalités pour quel avenir?”<sup>20</sup>, drafted by IPEMED (Institut de Prospective Économique du Monde Méditerranéen).
- 2014: A report titled “Économie sociale et solidaire : Vecteur d’inclusivité et de création d’emplois dans les pays partenaires

<sup>17</sup> <https://www.cairn.info/revue-geoéconomie-2011-1-page-133.htm>

<sup>18</sup> <http://www.cepes.es/files/publicaciones/63.pdf>

<sup>19</sup> <http://www.cepes.es/files/publicaciones/69.pdf>

<sup>20</sup> [http://www.ipemed.coop/adminIpemed/media/fich\\_article/1386003003\\_IPEMED\\_Economie\\_sociale\\_et\\_solidaire\\_Maroc\\_Alg%C3%A9rie\\_Tunisie.pdf](http://www.ipemed.coop/adminIpemed/media/fich_article/1386003003_IPEMED_Economie_sociale_et_solidaire_Maroc_Alg%C3%A9rie_Tunisie.pdf)

méditerranéens »<sup>21</sup> drafted by FEMISE (Euro-Mediterranean Forum of Institutes of Economic Sciences) thanks to support from The European Investment Bank.

These reports have contributed to raising awareness of the reality and situation of the Mediterranean Social Economy, its contribution to development in the region, and the challenges that they must face.

At the ESMED Network we feel it is necessary to continue to make progress on the drafting of documents and reports that bring the reality of this model of enterprise into the spotlight in the Euro-Mediterranean region. To be specific, the ESMED Network proposes to carry out the actions provided for in the 2014-16 Euro-Mediterranean industrial cooperation programme<sup>22</sup> to **improve governmental statistical sources regarding Social Economy enterprises**. These statistics are a fundamental tool for learning about the reality of these enterprises and their contribution to socio-economic development in the region, and thereby be able to design policies that will encourage their development.

**2.10. Support the Social Economy Networks that enable these enterprises to participate as active agents in civil society in the areas of Euro-Mediterranean cooperation, and also in bilateral cooperation between the EU and its southern associates.**

Social Economy enterprises and entities tend to be small and located in rural areas, which means they have limited resources to create organisations that represent their interests with the rest of the agents of civil society and the Public Administrations. Furthermore, these networks need to have sufficient resources to provide support and advisory services for Social Economy entrepreneurs.

The European Commission has included cooperative organisations as beneficiaries in certain support and reinforcement programmes for the civil society in the southern Mediterranean<sup>23</sup>. The ESMED Network places great value on these calls for proposals, and considers that this support **be extended to all agents of Social Economy with representative organisations**, such as local mutual societies or development associations as well as cooperatives and that, above all, support be lent to organisations that group together various forms of Social Economy at nationwide level, with these being a key factor in the profile and recognition of this kind of enterprise in each Mediterranean country.

**The members of the ESMED Network, which are all State organisations that represent Social Economy with a long experience in promoting the interests of social economy, put forward the proposal, to the European Commission and the Union for the Mediterranean, that a specific programme be launched, in collaboration with the ESMED Network, to reinforce Social Economy organisations in the Euro-Mediterranean region.**

<sup>21</sup> <http://www.eib.org/infocentre/publications/all/etude-femip-femise-economie-sociale-et-solidaire.htm?lang=fr>

<sup>22</sup> <http://ec.europa.eu/DocsRoom/documents/4141/attachments/1/translations/en/renditions/native>

<sup>23</sup> Programme d'appui à la Société Civile au Maroc 2015 y European Instrument for Democracy & Human Rights (EIDHR) and Civil Society Organisations & Local Authorities (CSO/LA) – Lebanon 2015

## Annex I

### **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 jobs<sup>24</sup>.
  - 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 exclusion<sup>25</sup>.
  - 1.4.3. The **provision of basic social services** (education or health, for example) for all individuals<sup>26</sup>, 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 towns<sup>27</sup>.
  - 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.<sup>28</sup>

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.<sup>29</sup>

## 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**

<sup>24</sup> Conclusions of the 7th Euro-Mediterranean Foreign Ministers' Conference. Luxemburg 2005.

<sup>25</sup> Final Declaration at the Euro-Mediterranean Summit for Economic and Social Councils and Similar Institutions. Alexandria, 2009.

<sup>26</sup> Report: "Freedom of association in Mediterranean member countries". European Economic and Social Committee. Brussels, 2008.

<sup>27</sup> European Commission Paper on the promotion of European cooperatives. COM (2004) 18.

<sup>28</sup> European Commission Paper on the promotion of European cooperatives. COM (2004) 18.

<sup>29</sup> European Parliament Resolution, 19 February, 2009, on social economy. 2008/2250

**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)<sup>30</sup>.

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)<sup>31</sup> still stands at 40% of the corresponding level 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 (0.74<sup>32</sup>) and the values recorded in European countries (0.85).

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<sup>30</sup> Source: World Bank, World Economic Outlook 2010

<sup>31</sup> Per capita GNP by Purchasing Power Standard compared to the standard average across EU-27

<sup>32</sup> Israel has been excluded in order not to distort the average

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:

- 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 level<sup>33</sup>.

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 cooperation<sup>34</sup>, in consideration of the capability to combat the factors of poverty<sup>35</sup>.

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 Mediterranean<sup>36</sup>.

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 Mediterranean<sup>37</sup>.

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.

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<sup>33</sup> 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.

<sup>34</sup> 2008/2250(INI). European Parliament. Resolution on Social Economy in Europe

<sup>35</sup> 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.

<sup>36</sup> Paper: "Associations between local and regional authorities and socio-economic organisations: contributions to employment, local development and social cohesion". Committee of the Regions. 2002

<sup>37</sup> Euro-Mediterranean Summit for Economic and Social Councils and similar institutions. 2007. Athens (Greece)

- 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.
- To channel women's existing presence in the labour market through cooperatives and small production and distribution networks<sup>38</sup>, 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

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<sup>38</sup> 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

generate technical support policies and projects, which will facilitate the formulation of Social Economy legislation and promotional norms.

- **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.**

# MEMBERS of the ESMED NETWORK

## FULL MEMBERS

### • EGYPT



#### ■ GENERAL CO-OPERATIVE UNION OF ARAB REPUBLIC OF EGYPT

**Contact information:**  
Building No,26 26 July street,  
Lebanon square,  
Al-Mohandesen El Cairo  
Tel. 201.223.17.24.56  
mafattah@rocketmail.com

### • SPAIN



#### ■ CEPES: Confederación Empresarial Española de la Economía Social

**Contact information:** Calle Virgen de los Peligros 3, 4º. 28013 Madrid  
Tel. 34. 91.593.04.12  
www.cep.es  
info@cep.es

### • FRANCE



#### ■ ESS France: Chambre Française de l'Économie Sociale et Solidaire

**Contact information:** 37, Rue Jean Leclaire – 75017 Paris  
Tel. +33.1.53.31.39.80  
www.ess-france.org  
e.verny@ess-france.org  
contact@ess-france.org

### • ITALY



#### ■ CONFCOOPERATIVE: Confederazione Cooperative Italiane

**Contact information:** Borgo Santo Spirito 78 – 00193 Rome  
Tel. 39. 06.68.00.01  
www.confcooperative.it  
confcooperative@confcooperative.it  
esteri@confcooperative.it  
bruxelles@confcooperative.coop



#### ■ LEGACOOP: Lega Nazionale delle Cooperative e Mutue

**Contact information:** Via Guattani 9 00161 Rome  
Tel. 39.06.84.43.91  
www.legacoop.coop/  
presidenza@legacoop.coop  
esteri@legacoop.coop  
bruxelles@legacoop.be

### • MOROCCO



#### ■ ODCO: Office de Développement de la Coopération

**Contact information:**  
13, Rue Dayet Aoua BP 1297 Rabat, Agdal, 10000  
Tel. 212.537.771.033  
www.odco.gov.ma/index.php?lang=fr  
odco@odco.gov.ma



#### ■ UNCAM: Union Nationale des Coopératives Agricoles Marocaines

**Contact information:** 360 Route de l'Oasis, Casablanca  
Tel. 212.522.99.27.80  
Alaoui29ma@yahoo.fr



#### ■ REMESS: Réseau Marocain de l'Économie Sociale et Solidaire

**Contact information:**  
Résidence Salwa 21, Immeuble 3, 2ème Etage, Appartement 4, Avenue Mohammed V, Tabriquet - Salé - Morocco  
Tel. (212) 5 37 85 64 97  
www.remess.ma  
remess07@gmail.com

### • PORTUGAL



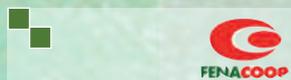
#### ■ CASES: Cooperativa António Sérgio para a Economia Social

**Contact information:**  
Rua Viriato, n.º 7, 1050-233 Lisbon  
Tel. 351.213.87.80.46./7  
www.cases.pt  
cases@cases.pt



#### ■ CONFECOOP: Confederação Cooperativa Portuguesa

**Contact information:**  
Avenida Santos Dumont, 57 - 2º Esq. 1050-202 Lisbon  
Tel. 351.213.87.80.46./7  
www.confecoop.pt  
confecoop@mail.telepac.pt



#### ■ FENACOOP: Federação Nacional das Cooperativas de Consumo

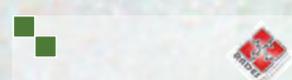
**Contact information:**  
Av. Santos Dumont, 57, 2º. Esq PT- 1050-202 Lisbon  
Tel. 351.218.12.35.25  
www.consumo-pt.coop/  
fenacoop@consumo-pt.coop

### • TUNISIA



#### ■ UNAM: Union Nationale des Mutuelles de Tunisie

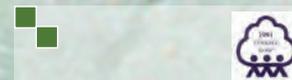
**Contact information:**  
11 Avenue Mounastir-1er etage- Bab Saadoun 1005- Tunis  
Tel. 216.71.572.098  
Fax. 216.71.573.971  
contact@mutuelledelasante.tn



#### ■ RADES: Réseau des Associations de l'Économie Sociale

**Contact information:** 52, avenue Habib Bourguiba, 2000, Le Bardo. Tunisia  
Tel. 216.98.34.14.75  
www.facebook.com/Reseau.RADES/  
reseau.rades@topnet.tn

### • TURKEY



#### ■ NCUT: National Cooperative Union of Turkey

**Contact information:**  
Nilgun Sokak No. 14/6 Cankaya 06690 Ankara, Turkey  
Tel. 90.312.425.95.23  
90.312.419.31.97  
www.turkey.coop  
tmkb@turkey.coop  
tmkb@tmkb.org.tr

## ASSOCIATE MEMBERS:

#### ■ C.C.M: Comité de Coordination des Mutuelles (ALGERIA)

**Contact information:** 37, Rue Mohamed Allilat. Kouba, Algiers  
mut.harmat@yahoo.fr

#### ■ MedESS Association

**Contact information:** 17 Place Etienne Pernet – 75015 Paris  
info@medess.org  
http://medess.org/

## SECRETARIAT OF THE ESMED NETWORK:

■ **Contact information:**  
Calle Virgen de los Peligros 3, 4º 28013 Madrid  
Tel. 34. 91.593.04.12  
euromed@cep.es