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List of acronyms

EOs – Employers Organizations

SDGs – Sustainable Development Goals

MSMEs – Micro, Small and Medium Enterprises

UfM – Union for the Mediterranean

ILO – International Labour Organization

UNIDO – United Nations Industrial Development Organization

OECD – Organisation for Economic Co-operation and Development

WB – World Bank

ETF- European Training Foundation

GIZ –The German International Development Agency

USD – United States Dollar

CCIABML – Chamber of Commerce Industry Agriculture of Beirut and Mount Lebanon

ICT – Information & Communication Technology

IFC – International Finance Cooperation

ITC – International Trade Center

NGOs – None Governmental Organizations

BSOs – Business Support Organizations

UN – United Nations

UNDP – United Nations Development Program

Background

This paper is based on the interventions and discussions held during the first phone webinar organized by BUSINESSMED in partnership with the Union for the Mediterranean-UfM in the framework of the 25th Barcelona process.

On top of the famous crisis that hit in 2008, the world now is witnessing another global crisis that is ruining the dreams and ambitions, translated through a daily reflection of miserable faces, deceiving statistics, drastic measures and more restrictions. It is a global crisis with different severe social, economic and environmental impacts combined with the decline of political situation particularly in southern Mediterranean countries. This new reality generated a growing and urging need to increase the digitization services and making recovery plans. Thus, it is important to look into the real actions on the ground in the Southern Mediterranean countries, and challenges faced by Business Support Organizations, EOs and representatives of the private sector as key job creators, and to check into SDGs as solution for transforming the private sector and connecting business initiatives in response to the COVID-19 in terms of employment, employability and sustainability of MSMEs.

This comes at a time when the World Economic Forum revealed that many of the human skills that we deem essential today will be completely irrelevant in 5 years' time¹, leading the whole world to usher into a state of despair. This pandemic hit hard the majority of the global, and some parts of it harder than others, such as countries with vulnerable economic structures, high debt exposure, with high dependency on Chinese and far eastern supply chains, with low spending on healthcare and security to the end of the long list, bearing in mind that the impact will persist in 2021.

Furthermore, the pandemic has deepened the socio-economic disparities between individuals, mostly those from the poorer end of the spectrum who are likely to be in the informal sector or those with a single skill who work for a non-strategic sector who were not able to re-skill or upskill over the past 5 years. Now that the whole world awakens to the immensity of what it has lost and what is it still to lose even more, and the need for a transition to a low carbon economy became evident. As for the private sector, companies find themselves obliged to follow one of the three approaches, 1) reformed, 2) restructured, or 3) removed. The World Economic Forum confirms that companies that are likely to succeed in the horizon of the pandemic are those who combine agility with flexibility². Flexibility to adapt and to be able to absorb the shockwaves of the current crisis, and agility to be able to adjust to the new supply chain models that will be reconfigured in the wake of the pandemic and its aftermath. The investment in digitalization and new technologies is no longer a matter of choice, it became a matter of fact for companies for their survival.

UfM activities in the Covid-19 time

In the time when the world economy is losing opportunities, some economic sectors usher the way and pave the road into a post-pandemic recovery. Digital technologies and tech solutions would be among the most relevant sectors including new energies,

¹ World Economic Forum, The Future of Jobs Report 2020, October 2020

² idm

project management, healthcare and health care technologies, risk assessment and insurance, online education, etc. This will not alienate entire models for economic approaches such as Social Economy, Creative Economy and Blue Economy where most of the sectors are expected to be created.

In terms of skills for the future, UfM got many recommendations from various organizations such as ILO, UNIDO, OECD, WB, ETF focusing on a set of skills that include, but are not limited to entrepreneurship, data literacy, coding, cross-cultural management, digital and blue skills, etc. UfM has moved since day 1 of the COVID-19 pandemic, to adapt its world program and its series of priorities in a way to be conducive to a post-pandemic recovery, hence the need to revisit the private sector strategy that is two-fold 1) to support and empower the private sector companies, 2) but also to make sure to engage them in the sustainable and human development efforts in the region. It will keep promoting job creation and SME support and contributing to a culture of entrepreneurship while promoting employability and skill development in the region- MED for jobs- the Mediterranean initiative for jobs- launched in Tunisia in 2013. Fully fledged pipeline of 13 label projects benefitting over 100,000 beneficiaries in the region mostly youth and young people and women and supporting over 800 MSMEs. The Second edition of stakeholder's dialogue for jobs is scheduled to begin in November 2020.

The private sector assumes a bigger role in the post-pandemic recovery, but for it to fully realize this role it has to be empowered and accompanied and in a way usher in what would benefit the region in terms of compliance with the SDGs and the UN Agenda. The UfM Secretariat has been very active in promoting digital transformation in the region as a way to unlock resources and mobilize capacities and facilitate the business doing not only in the North but also in the South and the East. UfM has been also very active in promoting South-South and triangular operation modalities, whereby it is actively engaged in promoting knowledge transfer for some of the leading countries in the digital transformation, in the social economy and creative economy field such as Estonia and Slovenia. It is also working on technical trainings to which there can be a transfer of knowledge and concrete outcomes to countries in the North and the East such as Algeria in terms of e-governance, Egypt, Morocco and Tunisia in terms of trainings on rules of origin and great liberalization, only to name a few examples.

Employment and job creation and the post-pandemic aftermath are obviously among UfM most pressing priorities. UfM has a strategic partnership with GIZ- the German Development Cooperation, it is also working on schemes for the private sector organizations in the region. MSMEs are the main vehicle and engine of job creation in the region; however, UfM is looking into smart, inclusive, responsible and sustainable job creation, it has been focusing on the promising sectors such as the Green Economy, Digital Economy, Blue Economy, Social Economy.

[A sustainable resilient recovery after COVID-19: challenges ahead](#)

The Lebanese case: In Lebanon, the escalating outbreak of Covid-19 came amidst a critical turning point, whereby the economic and financial downturn, added to the devastating blast of Beirut port, had significantly afflicted the entire society and economic sectors. Hence in the absence of comprehensive support schemes, MSMEs

have been compelled to reduce their activities if not to shut down completely with negative consequences that have deterring effects on employment. Moreover, the value of the Lebanese Pound has drastically declined against the USD, and the depreciation has exceeded 4 times its original value which impeded the purchasing power of the Lebanese households and engendered high inflation and severe recession.

In order to assess the effects of the economic crisis of Covid-19 on Lebanese businesses, CCIABML inquired on how the member enterprises encountered the results of the crisis. Two surveys were launched for this purpose in collaboration with ILO and IFC. The inquired information targeted MSMEs operating under the main economic sectors, namely Construction, Food and Beverages, electronics, retail/sales, chemicals, textiles, ICT and hospitality services. Covid-19 confinement measures caused severe disruptions in the construction, retail and hospitality sectors. In contrast, other services have benefitted specifically those related to ICT, e-Commerce, on-delivery services and video games. This alteration leads to modification in the working conditions in terms of remote means and methods which causes basic challenges in relation to the internet connectivity and working ethics.

In fact, the success of online working tools and procedures are directly dependent on the efficiency of the internet network and the level of discipline and commitment from the workers' side. The main challenges resulting from Covid-19 are also related to the cash flow, decrease in demand, the limited supply of raw materials, increase and input prices, inactivity of business partners. The full operation of businesses was highly constrained due to the restriction of movements of workers and goods. The lay-off rate of employees varies according to the sectors where tourism, retail and hospitality sectors are among the main hit, while ICT, e-Commerce were the least affected. The financial impact of Covid-19 was associated to the extent of disruption of business operations and the reduced revenues or sales. As to the needed recovery, MSMEs suffered from the absence of public funding, relying thus on their own funding like cash or grants.

The effect of the crisis on MSMEs is especially severe because of the higher levels of vulnerability and low resilience related to their size. This is particularly alarming as they are the economic backbones of job providers. In view of supporting them in overcoming the crisis and its effect, public measures are urgently needed. These include the provisional exemption or suspension of taxes, social security contributions and public utilities fees, incentives for recruiting unemployed youth or fresh graduates, subsidized loans, tax reductions for investors and business angels who invest in equity funding and electronic exchange platforms.

To cope with the development of the Covid-19 outbreak, CCIABML has implemented preventive measures and awareness campaigns in collaboration with the Red Cross. It adapted its working schedules in order to support exporters, raised funds to secure USD 1 million to provide free of charge masks. It also participated in the government planning Committee to set up the disaster risk management plan facing Covid-19. Following the Beirut blast, the Chamber has mobilized USD 1 million fund as a contribution to support the recovery of the MSMEs. Hence the Chamber took in charge replacing broken glasses of shops and MSMEs. However due to the extent of the incurred damage and the growing demand for support, the Chamber launched a new

platform called 'Beirut donation' to raise additional funding to assist the remaining MSMEs stroke by the disaster. In the same context, the Chamber contracted a consulting firm specialized in loss valuation to assist damaged MSMEs in obtaining due compensation from their insurance companies by assessing the actual value of damaged properties as per the insurance claims.

CCIABML in collaboration with IFC which will launch a series of webinars tackling the road to resilient workplaces during Covid-19 and the trauma resulting from the Beirut blast. These initiatives will stress on the role of the employers. These can reconcile seemingly conflicting roles ensuring employee productivity while giving employees space to ensure their mental wellbeing.

Malta case: Like many other countries, the Maltese government has adopted several measures to prevent the spread of Covid-19 among the society, some of which have obviously lead to major consequences on companies.

- 1) Mandatory closure of companies such as restaurants, hairdressers and retails, paving the way for online/delivery services. The government has introduced Covid-19 wage supplement assisting employers in covering salaries of some of their employees.
- 2) Ban of mass events which led to the cancellation of bookings, affecting not only event planning itself, but also marketing and advertising companies, accommodation, as well as food industries.
- 3) Closure of the airport which led to less tourists, cancellation of bookings, hotels, closure of museums and heritage sites.
- 4) Closure of schools which had a direct impact on companies given that parents find themselves compelled to stay with their children at home/telework. Therefore, the government has issued a scheme to assist parents in taking care of their kids.
- 5) Vulnerable persons including people above 65 years old and those suffering from various vulnerabilities including disabled are not allowed to go to work which causes major issues in identifying skilled technical staff.
- 6) Repatriation of Third Party Nationals/ no permit renewals: given the shortage in skilled technical labour in Malta, employers tend to resort to foreign workers which is no longer possible in this case, causing major gap in the industries.
- 7) Unstable situation which engenders unmotivated employees leading to low productivity and state of despair. This can in many cases create tension and stress at the workplace.

Three surveys have been carried out, the latest one having been issued in September, showing that 81%of the employees faced loss and failure in businesses. The survey was answered by 250 employees which is deemed to be a fair representative sample. Redundancies are low in Malta. 81%of companies have not made any redundancy, this is mainly due to the schemes and grants provided by the government.

Some of the solutions and best practices that are being used during Covid-19 that proved to be successful.

- 1- Some of the companies had to introduce some changes in the working conditions (reduced working week, use of vacation leave, unpaid leave, assignment of different duties to employees).
- 2- Setting up of e-Commerce platforms: this is seen as a huge leap for Malta. In fact, very few businesses have the e-Commerce platform in Malta, barely 3%. This has changed due to Covid-19 practically in all of the sectors from Supermarkets to other shops. Those that have everything set up in place benefited greatly. Those who haven't were forced to shut down and rebuild themselves bit by bit.
- 3- Other firms had to seek to adapt or die; like a small bakery for instance was forced to shut its doors when the Covid-19 cases rose drastically; when other decided to resort to a taxi company to distribute healthy meals. This sets the example of a successful company.

These solutions and best practices continue to be adopted post-Covid-19.

- 4- Malta has also focused on local tourism replacing its foreign tourists with local ones, preparing affordable weekend packages at very competitive prices.
- 5- Some museums and heritage sites have turned completely virtual, preserving thus financial benefit through memberships.
- 6- Many companies have worked on updating their employees' skills, updating their agendas; while skilled employees are active as mentors in the market. Furthermore, the government has introduced online courses for the upskilling of their employees.
- 7- Mental health awareness: our association is liaising with NGOs working on mental health, employers offering therapy to their employees.

The survey demonstrates that most of the companies require at least a year to recover. 60% of survey respondents have postponed their investment projects, sustaining the current workforce. Reclosing of schools due to the increase of the Covid-19 cases: the latter are compelled to shut down which will force parents to telework (increase quarantine leave).

Malta EOs and BSOs kept businesses informed of the latest info through mass mailing and social media. They created the Covid-19 Employers handbook including all info that employers need to have, all the schemes, how to access it, mitigation measures to be followed by workplaces. They organized webinars, creating a number of Frequently Asked Questions- FAQs and prepared TV programs on Covid related topics, and collected information to test business performances and test redundancies. They discussed the subject matter with different stakeholders and this allowed them to lobby with government

Covid-19 and its impact on Sustainable Development Goals

International level. The situation during Covid-19 is represented by a drop on foreign direct investment expected to drop further by more than 30% in 2020. Based on this track record, the involvement of the private sector is crucial to meet the SDGs by 2030. There is a need to mobilize growing resources and lots of them need to be channeled towards sustainable development in a speedy manner. Some SDGs have indeed suffered from the pandemic such as SDG 1 on poverty, SDG 2 on hunger, SDG

3 on health, SDG 4 on education, SDG 5 on violence against women rising in their countries and all these relate to decent work.

The UN-UNDP has initiated several actions against Covid-19. An SDG Business Forum was launched and the private sector global facility has been announced. UNDP together with UN Global Compact and the National Chamber of Commerce joined forces with DHL, Microsoft and PWC to help communities better recover from the pandemic. UN Agencies, particularly UNDP will be working with companies to keep food supply chains moving, including a partnership with Ethiopian Airlines on logistics for all countries requiring further food logistics.

Another initiative 'the SDGs impact standards' which lists a set of practices that organizations can apply to help build a more inclusive sustainable and resilient world. These standards will provide common language and best practice guidance to integrate impact management into business and investment practices. The first SDGs Pact Standards for enterprises is available for public consultation on the UNDP website until mid-December 2020.

On 'Human Rights' and 'Due Diligence', a self-assessment for businesses was launched by UNDP tackling ways to transform and assess the human rights situation. Given that Covid-19 will hit the human rights sector, this due diligence document will provide businesses with a potential list of actions that allow for a rapid evaluation and assessment on what are the impacts of Covid-19 on human rights and the situation of decent work. This is linked to the list of actions based on the human rights treaties, ILO fundamental conventions and all the UN work-related documents.

Business call to action (BCtA) is an inclusive global business platform with more than 257 members present in 73 countries aiming at accelerating progress towards the SDGs by challenging companies to develop inclusive business models that engage people at the base of the economic pyramid (BoP).

Tunisia Level, In Tunisia the situation has been assessed during the first quarantine period March- April 2020. A study also was conducted with the Ministry of Economy to come out with recommendations. The UN has also launched a business call to action with Oxfam in order to assess the situation of SMEs. They have partnered with banks among which Al Baraka bank to identify ways to finance the SDGs and some of the related activities. They are also trying to develop digital solutions with GSMA network, a network of 400 mobile enterprises working on using digital solutions and sharing them widely with citizens and users worldwide.

The UN has also partnered with CONNECT, the business employer organization in Tunisia to develop the 'Mikias', a barometer that enables decision makers improve their perception of business environment in the country and monitor the evolution of the state of health of Tunisian SMEs. They have also launched a huge advocacy campaign on the social and solidarity law that is now in place, and the law on independent entrepreneurs. Furthermore, gender issues and working with women entrepreneurs are at the heart of the UN work. Also the informal sector facing growing issues and becoming common in Tunisia, it is very crucial to link it to the formal sector.

The Private sector role in addressing the challenges imposed by Covid-19

The private sector did not take the Covid-19 seriously which led to disastrous consequences at the economic level and the private sector itself. The situation forced the PS to resort to a survival mode to be able to maintain a certain level and amount of activities. It has also led the governments to subsidize the economic activities directly and indirectly which is a double-sided sword having positive and negative effects at a time.

In this context, digitalization imposed itself despite its negative and positive effects as well. The PS witnessed a very fast shift as in 4-5 months, companies as well as employers' organizations had to change their working methods. What was meant to be done over a period of 5-10 years was implemented in the course of 4-5 months.

Three major decisive questions are running in the heads of Employers' organizations and that affect the PS planning to a large extent:

- 1) When will the pandemic end?
- 2) Which economic activities will stop existing? Will the economic and financial systems remain the same?
- 3) What will be the economic system after the pandemic?

Until concrete answers will be available, and when addressing the challenges from the private sector perspective, it should be taken into consideration that these challenges differ depending on countries' conditions and specificities which obviously are different, and that 60% have easily switched their type of work thanks to digitalization. Yet what can be done with hard work? What solutions can be put in place to ease 'hard workers' life? In the MED area, MSMEs constitute 90% of the total number of companies and up to 70% 80% of the total economic activities. These are the most affected by COVID-19 not knowing how to cope with the pandemic, a reason why the majority have decided to shut down.

The most effective way to address these challenges is by maintaining sustainability through adjusting to the new model by:

- a) Coexisting with the pandemic;
- b) Rethinking the model out of the box, avoiding just survival modes;
- c) Keeping a positive and optimistic thinking (look at enlarging any opportunity rather than opting to a shutdown seen as a surrender); always try to turn challenges into new opportunities.
- d) Invention and creativity (looking into new products, activities and tools, etc.);
- e) Invest in R&D in taking the SDG into consideration (finding the real answers through positive responses);
- f) Sharing of expertise without however re-inventing the wheel;
- g) Building alliances at the level of sectors and employers' organizations themselves;
- h) Seeking synergies and complementarities;
- i) Less competition, more cooperation;
- j) Pushing for PPP;
- k) Asking for facilitating measures and not subsidies from governments which will have drastic financial consequences in the long term;

- l) Abiding by the green and blue economies' rules;
- m) Re-organizing the sectors, companies and employers' organizations on social responsibility schemes and maintaining good safety and health levels at the workplace as it might take time to identify remedies for the Covid-19.

The role of digital tools in the post-Covid-19 recovery plans

Covid-19 is impacting every single aspect of our life but the focus will be on what comes beyond Covid-19. This is nowadays a one-billion-dollar question. What is the percentage of consumers that are not going back to normal after the pandemic, in their purchasing and shopping priorities? This question also applies to remote working. According to E&Y consumer index³, the answer is 69%. This means there is a huge change in the way of consumption, which will impact the companies that will have to adapt to serve those consumers.

Kate Lister, the President of Global Workplace Analytics says, 'Our best estimate is that 25-30% of the workforce will be working from home multiple days a week by the end of 2021', the genie is out of the bottle and it's not likely to go back. Some of the changes are here to stay. These are related to shopping, working and learning habits and so much more. This is why absolute urgent actions are needed. Businesses and companies should fully be aware of these changes and ready to embrace them for quite some time. Part of the solution is 1) accelerating and succeeding at Digital Transformation, 2) reach the next normal sooner.

Digital transformation refers to the continuous process that aims, for an organization, to fully integrate digital technologies into all of its activities to sustain its economic efficiency and growth. By 'organization', we hear companies, business associations but also governments, countries and individuals such as parents who need to be digitally aware. Parenting today, notably in the Covid-19 era is no longer like it was 30 years ago. Digital transformation is not necessarily related to business given that the concept is larger and wider, from the individual levels to countries and cultures.

When talking about 'Digital Transformation', it challenges the business model which the majority of companies stick to as they have a tendency to fear change feeling safer in their own bubble and comfort zone. There is a need to find new ways and streams to bring more income to the company. For instance, if we sell a product online, we might need to train people on how to use it, we will definitely need the online delivery service, this is to say we need to align the new income streams with new digitized customers. Also, digital transformation needs to be customer centric. This applies not only to companies, but also to governments where the customer is the citizen. It is obvious that we are heading towards smart cities which will become customer centric in the sense that they will take care of their people, their mental health, etc. Another important aspect is working on people's readiness, hence their digital skills. It applies to companies because now more than ever people are ready to consume new technologies, use online tools and platforms and this is a huge opportunity. It is true that people did not take advantage of the industrial revolution to take advantage of the technological revolution and develop their digital skills by

³ Future Consumer Index: How to capture the real e-commerce, Kristina Rogers and Andrew Cosgrove, 22 October 2020; https://www.ey.com/en_lb/future-consumer-index

using new technologies; they are now being driven to do so due to the pandemic outbreak which kind of compelled them to follow this path. People need to consider upskilling and reskilling in the case of some jobs' disappearance. We keep hearing here and there that new emerging technologies are leading to a complete destruction and fading of some jobs which is somehow true. However, we should keep in mind that this situation led to the creation of new job opportunities. The sooner companies and countries understand and absorb this shift, the more they will be able benefit from it.

How acquiring digital skills can be crucial and important for companies? This is vital. Millions of people and a significant number of businesses lack the essential digital skills they need. Actually, some small businesses deem training their employees on acquiring digital skills costly which compels them to seek financial support from the government, but companies do not have to always rely on governments' support. In fact, companies do have potential pool of skilled coaches and employees capable of providing training. These can be turned into trainers capable of training their colleagues having a common vision, collaboration and goal to expand the company's turnover, without however being confined to a simple survival mode that will no doubt impede any potential and will of business expansion. First failures should never trigger us to surrender. We should keep using new methods until we succeed in finding the ones that allow us to create new income streams.

The world is facing an alarming digital skills shortage. It is important to acknowledge that this is not in any sense a consequence of the pandemic. This was meant to happen one day or another. What is in need to know is that Covid-19 outbreak accelerated digital skills shortage. Any country/company should absorb this challenge and take advantage of it to digitally upskill their employees which will have tremendous impact on its turnover.

Companies, businesses and people should 'Think Digital First!' For individuals they should strive to have their meetings online through digital platforms. Companies should be thinking on ideal ways to provide online delivery services. Hence people should never be afraid of adapting to and benefiting from the 'digital world', 'the Covid-19 recovery plan will be digital'.

Conclusions and Recommendations

On Digitalization

Digital transformation is no longer a matter of choice, it is rather a matter of fact.

The aim of digitally transforming companies is not to integrate digitalization in every single aspect of life or in all businesses, it is rather to take advantage of new technologies, and when it comes to hard work it is already being impacted by artificial intelligence that is a technology that actually brings deep changes in any industry it enters. Therefore, some of the hard work will be automated, whereby some will be transformed. Soft workers' jobs are no longer limited to online jobs; they have been transformed even though they are not doing hard works. Furthermore, some of the

creative work (handicraft, etc.) that machines don't do cannot be automated because the human touch in this work is not replaceable.

When Covid-19 hit, most companies were not prepared for such a crisis, not only MSMEs but even the organizations and governments. Companies, at all levels, have understood that having reskills to survive and drive into the 'new normal' is the only way to go. In fact, companies that do not change their practices, vision, culture and mindset, that are not digital ready or able to educate and reskill their workforce will have competitive disadvantage over others, and this rule on small medium and large companies.

Regarding textile or handy professions, it will not be easy to make this shift and it cannot be done in some subsectors. In terms of hospitality services such as hotels, restaurants and tourism that are major sectors in South Med countries digital transformation will not easily be integrated, but they have to work on this target. Digital transformation is indeed a concept that will be widely used in the future, but the transition will not be as easy in the region.

The question that crosses everybody's mind, notably employers' associations among others: is the dismissal of staff due to the pandemic? In other words, are employees being fired from companies because Covid-19 imposed new working methods that did not require a high number of staff? The Answer are not known for these questions. The problem is that governments are not following the digital transformation and digital tools that companies are putting in place to the service of their citizens. This leads to going back to bi-partite social dialogue which should be held with social partners (private sector and employees) before getting to the tripartite dialogue and involve the government to listen and explore ways of changing all these measures and laws in the southern countries. In Europe for instance and more particularly at the European Commission they are nowadays using new interactive digital platforms where even signature of contracts can be made.

'The business with digital' is a new concept, how employers' organizations can do international business together? As example 'the business country desk', an online tool BUSINESSMED has been working on for years; this is a business to business-B2B- online tool. It is well known that the majority of the countries are having bilateral investments- FDIs. It is thus extremely important for the private sector in terms of digitalization to do the business to business online.

Last year UfM held the first UfM conference fully dedicated to digital transformation in Estonia-leading a cutting-edge initiative in adopting this transformation. As a concrete follow up to this Conference, UfM have programs and e-government technical training that will be provided by the Estonian and the experts, facilitated technically and financially through their partnership with GIZ and the logistical support of UfM Secretariat. This triangular form on modality of cooperation is very conducive to a real transformation in the region, but the political will and vision should be there. This should be the first of a series of workshops and technical trainings exactly to help Southern and Eastern countries to start slowly but surely integrating this digital mindset into the cushion of doing business and even the cushion of governance. It is true that it is not always easy and it can be mostly costly, hence the

need of a digital structure and digital skills in place. Countries should think of this as a return on investment rather than an additional financial burden.

The cost of digitization can be high in terms of hardware and reskilling, by thinking about the cost of non-digitization that economies have to value that of digitization. The labor market shortage is large in terms of digital skills, BSOs should keep working with academia and research institutions to address the industrial needs, and should offer training. Adaptation will be a major key word in this process.

The first wave of investment in any new technology, be it digital or not, is usually the most expensive as this requires building the needed infrastructure and creating a conducive environment. As technologies are mainstreamed and the process is streamlined, the cost per addition goes down. This is a normal curve for the cost benefit in any investment in a new technology. It might thus be expensive at the beginning, yet it must be considered not in terms of the absolute figure but rather on the return on investment which is to facilitate trade, contribute to regional integration, create jobs and opportunities, generate out of the box solutions, innovation and creativity, unlock much potential and unleash many resources that otherwise are not tapped.

Around 70% of digital transformation projects around the world fail and this is no easy task. One of the major reasons is definitely not related to technologies or any financial issues but rather to the human factor, to people resisting to change because they are afraid of losing their jobs. Whether it is Covid-19 or digitization, some use it as a pretext to dismiss people and go all the way towards a full automation of Businesses. This is why raising awareness and talking about digital transformation is a must. It evolves around transforming business models, updating oneself, or else die and see other startups from different parts of the world taking advantage of the situation.

Investing in people is the key in allowing companies to survive and grow as nothing can be done without the workforce. If people lack this feeling of belonging to the company they work for, they will not be able to perform properly which will have repercussions on the company's turnover. It is the right time to invest in the digital infrastructure including labor force and digital skills in view of changing the mindset and lobbying for this digital transformation that we should be seen in the region.

It is obvious that the COVID-19 pandemic has indeed exacerbated the business world that was no doubt not well prepared to absorb its shockwaves. Thus, it is the ideal moment to accelerate digital transformation seen as a global project that is meant to happen. We need to accelerate the process, and with the current skills gap, education and continuous learning is all what needed to help people upskill or gain new skills-reskills in order to adapt to the new market needs, and this is something that was supposed to happen. COVID-19 is in no way responsible for this defect and imbalance, it only accelerated what was supposed to happen in 5 years' time from now.

This process induces changes at all levels, it will not be easy to change people and habits, the notion of culture is highly important, having these diversified cultures in the south and east Mediterranean region will make it hard to have a unified formula.

But, as we are facing an awkward situation never seen before in the life and history of the world, particularly that changes tapped into quasi every single aspect of our way

of living including daily routine, working conditions, civilization, etc., it should be acknowledging that digitization will be the solution in the coming future.

On Social Dialogue

Social Dialogue is a tool that can help the process of transformation. Employer's organizations although they have enough challenges to handle on their own but now is the time to really rethink the model of doing business and the modality of conducting the dialogue.

In South Med Countries, employers and workers, Trade union and Employers' Organizations have to consolidate their voices through social dialogue, to start with the bi-partite dialogue involving trade unions and employers, and then with programs like SOLID to involve civil society partners. Social dialogue also implies SDGs, women empowerment, investment, dialogue between employers' organizations, trade unions and governments and civil society in view of bringing recommendations and common vision to the government

Employers Organizations should facilitate the way and discuss with the government and industries to identify problems and how best to overcome them. As part of a global market, the private sector cannot limit its thinking at the national level.

On MSMEs, Employers Organizations, UfM, SDCs

It is indeed a matter of agility, preparedness and full speed action to alleviate the burden on MSMEs in terms of financial and human resources shortages. UFM's mission in supporting MSMEs could play a major role through true concrete initiatives and projects targeting practical actions, and by providing support to employer's organizations to better understand the current situation and have the required platform and tools to embark into digitalization in a smooth and softer manner, and to be aware of the human right consequences, given that this whole situation is namely affecting people who require growing support and awareness about how to cope with the pandemic, particularly that it may last until the end of 2021.

The Business world is witnessing a very fast change. Lots of companies were already struggling when the pandemic hit very hard, which required a very quick action. Business Support organizations are trying to support their members as far as possible, providing information, regular updates, etc. Yet, national governments and international organizations should keep supporting what employers organizations are unable to provide on their own.

It seems that some of the habits such as remote working/teleworking that occurred due to the pandemic will become part of the way of living even after this phase is over, which might in any case offer a convenient and flexible option to people in general on the long run.

We can easily say that the world is in time of war fighting the pandemic, and in such times, technologies and new models flourish and the private sector should take the lead and boost the economies.

Mental health goes hand in hand with 'culture' because these two concepts are interrelated, particularly that we are frequently faced with different cultural problems.

Also, the notion of 'cooperation' is very important. Indeed, we need less competition and more cooperation. This is what have been missed and this is one of the reasons why the region missed the Barcelona process because each country is working on its own way with different kind of donors and stakeholders all over the world. Unfortunately, these countries tend to compete instead of cooperating together. The 'Agadir agreement' is a flagrant example where Maghreb countries compete rather than work together towards a same goal and a unified global solution. Whereby through exchange of know-how and expertise we can reach a common vision.

It is difficult to talk about fighting poverty, enhancing equity, decent work and all of SDGs without having economic growth. There is a severe economic crisis, and this has a disastrous impact on SDGs and the 17 pillars. There is a need to work for helping MSMEs enhance their resilience and survive otherwise it is useless and irrational to talk about SDGs. There needs to be a sort of international rescue plan, whereas in such kind of crisis, international funds that help countries overcome the crisis are deemed essential. Countries like France and the US allocate billions of USD to support their MSMEs. This is unfortunately quite absent in the south-east Mediterranean region.

There are lot of words about EUROMED and the types of cooperation, but in fact there are a very little in terms of projects and initiatives compared to the growing needs, there are scattered initiatives but with no central plan.

The region has been suffering for years from political turmoil with resulting major impact on economies which is highly reflected on MSMEs deepening thus their vulnerability. This is where the EU, UFM have a role to play by allocating additional funds within a comprehensive strategy and action plan.

At national level, governments have not allocated funds to support MSMEs. People seem to be focused on fees exemptions instead at a time where MSMEs are in crucial need of support particularly in the aftermath of Covid-19 in order for the companies to survive.

The public-private dialogue is to take place where the public and private sectors should cooperate rather than compete. SDGs such as poverty, education, culture are not issues affecting the society alone, but they also affect the workplace as well. Recognizing social responsibility is key, looking after the employees, their performance, productivity, motivation, ensuring they work in safe places. The point on facilitating measures rather than having subsidies is also primordial.

Business and employers' organizations should push for grants, to have e-learning platforms for employees, and sustainability at that level is key for the post-Covid-19 period. Adapting to change, moving forward, working on re-engineering their business strategies and operations modes, moving from face to face to online or blended courses. Businesses need to embrace this change and to rethink the models.

Throughout history, when civilizations and people faced cognitive crisis, those who survived are those whose culture, knowledge and cooperation helped them survive the challenge. If this is not considered at the level of business sectors, countries and humanity, we will be facing disasters. Therefore, cooperation, rethinking business models and joining efforts in encountering crises, added to positivity and proactivity of course, are key solutions to go on.

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