

Transnational report on the impact of employment policies on Social and Sharing Economies

Executive Summary

Introduction

The YOUTHShare project aims to provide solutions for the reduction of youth unemployment and inactivity across regions of the Mediterranean EEA, especially in the coastal and island regions of Greece, Italy, Spain, and Cyprus. The present report analyses the relationship between Social and Sharing Economy policies and the rate of NEETs at the age group of 25-29.

Following an extensive literature review and the analysis of a range of research data, including a survey, from the four countries under study, the report performs an impact assessment of contemporary policies concerning Social and Sharing Economies upon youth unemployment. On that purpose, integrated methodology exploring the socio-spatial structures has been employed (Figure 1).

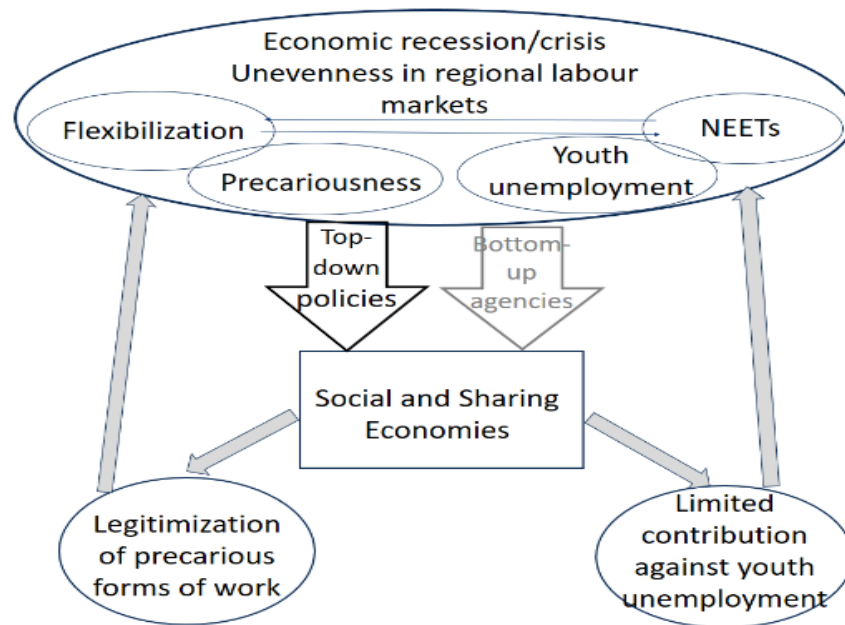


Figure 1. Main hypothesis schema: A tentative mechanism explaining the phenomena at hand

Social and Sharing Economy

The impact of Social and Sharing Economies upon the society, the economic activity and the employment, especially the employment of young people and NEETs, is potentially substantial.

The idea of Social Economy evolved as a reaction to global problems and, in particular, in the framework of the idea of the so-called “de-growth” which leans towards non-market exchange and social currencies. Despite of the sector’s history and composition of a variety of companies and

organizations, it lacks an internationally accepted definition. Social Economy was identified in France in the late 1970s, from the National Liaison Committee for Mutual, Cooperative and Associative Activities (CNLAMCA). CNLAMCA defined it as "the set of organizations that do not belong to the public sector, operate democratically with the members having equal rights and duties and practice a particular regime of ownership and distribution of profits, employing the surpluses to expand the organization and improve its services to its members and society". However, the broad spectrum of definitions for Social Economy includes many distinguishing features and different forms. This lack of accuracy and clarity further complicates the content or the classification of Social Economy activities, generates a lack of consensus on the concept and hampers its development.

The ideas of non-ownership and redistribution of goods or intangible assets constitute the principles that specify the emerging notion of Sharing Economy. The concept is fostered by new Information and Communication Technologies (ICT), making the related use of services highly accessible, flexible, and easy to share. The development of this idea evolved as a response to the 2008 international financial crisis. Sharing Economy lacks a specific definition or the outline of an economic discipline. It is rather identified through a set of terms. In that respect, the fundamental pillars of Sharing Economy are: (a) the concept of access to assets over ownership; (b) the existence of an internet-based peer-to-peer technology (i.e., of a platform); and (c) the separation of the outputs of work from their delivery in specific time and space. Thus, we recommend the following definition, as covering adequately the broad spectrum of the sector: "The Sharing Economy system is predicated on some kind of scalable technology, which brings large networks of people together and matches them to the goods or services they need".

Research Findings

The analysis of our research data regarding Social Economy in MED EEA, identifies wide differentiations in the results among the study areas both at national and regional levels. The

disparities emerge at the number of entities, the number of employees and the economic sectors of the Social Economy activities (Figure 2). Among the study countries, Spain holds the higher rates in several indexes related to the Social Economy and constitutes a relatively successful case of the sector in Europe. Contrariwise, the share of the Social Economy in national economy in terms of production and employment appears quite weak for Greece and Cyprus. The study conducted by the YOUTHShare project demonstrates that the Social Economy's expansion, across the countries in focus, has led to an increase in job numbers within the sector, albeit relatively minor within the context of the national employment markets. In Spain and Italy, however, the pertinent shares are notable (6.05% and 6.22% respectively) demonstrating the differential development case among the countries under study.

The research data highlight also the diversity of social enterprises across the study regions. Primary and secondary data analysis reveal that no particular type of social enterprise or scope of activity has dominated the sector.

On the other hand, what emerges from data analysis is the lack of clear connection between social enterprises and employability programs in most of the Mediterranean countries. In that respect Social Economy cannot be considered as the sole solution to youth unemployment and other social problems. However, the prospect of social economy and the development of social enterprises provides an opportunity for self-employment, since enterprises operate through activities compatible with their members' and employees' abilities and needs. In addition to the above, the involvement in Social Economy is also vested with various socio-politico-ecological, financial and operational advantages (e.g. democratic decision making). In that framework, the further development of the Social Economy depends on the re-evaluation of the current policies. Most of the respondents of the research believe that further development of the sector in all four countries is possible but at the same time they note the insufficiency and inefficiency of public policies towards that goal (Figure 4). The research identifies as the main obstacles that the entities of the Social Economy face are financial, which are inevitably connected with the current policy framework.

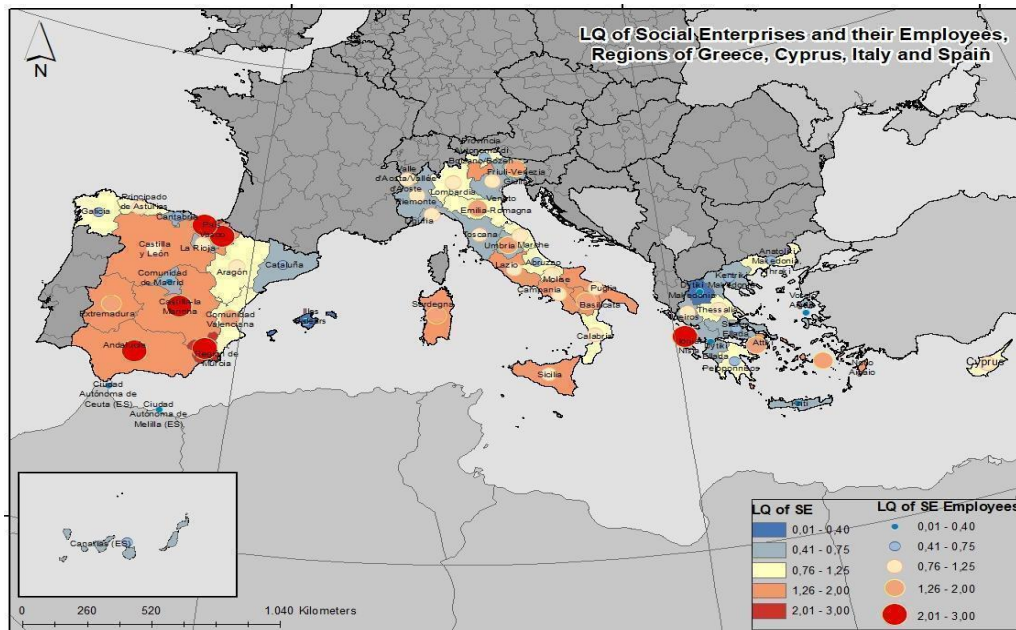


Figure 2. LQ of social enterprises and their employees in Greek, Spanish, Italian regions and Cyprus

Source: Compiled by the authors, based on data from Eurostat, ELSTAT, ITSTAT & INE

The research data regarding the Sharing Economy in the regions under study reveal that its growth rates vary among the study regions and the EU-28 countries (Figure 3). Spain and Italy belong to the seven largest Sharing Economy markets in the EU. The sector in Greece assumes a significant share in the national Economy, performing above the EU-28 average, whereas in Cyprus, the Sharing Economy's participation in the national Economy remains limited. Regarding employment, the percentage of persons employed in Sharing Economy, in the studied regions, diverge significantly from the EU-28 average particularly in the sectors of Accommodation and Transport. More specifically,

50% of the total employees in Sharing Economy in Greece, Cyprus, Italy and Spain are occupied in the Accommodation sector (29% in EU-28). On the other hand, only 11% of the employees in Sharing Economy are occupied in Transport sector (32% in EU-28).

Despite the significant growth rate of the Sharing Economy and the increase of actors supplementing their income through the exploitation of available resources, a large percentage of the general population is still unaware of the pertinent opportunities. The available research data indicate lack of knowledge on what sharing platforms are and how they are used.

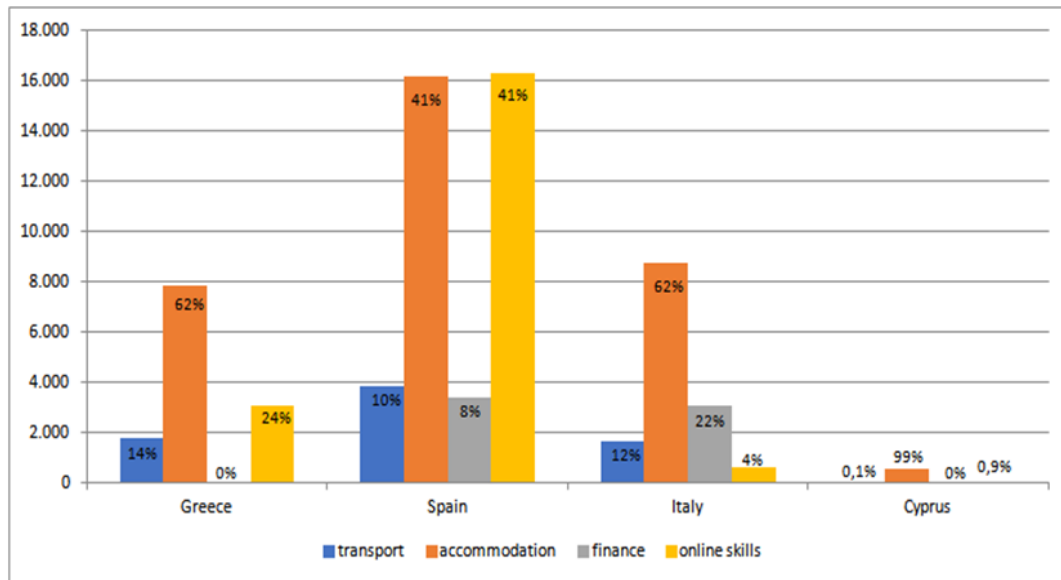


Figure 3. Individuals (%) employed in Sharing Economy enterprises per sector in study regions.
Source: Compiled by the authors, based on data from Eurostat, ELSTAT, ITSTAT& INE

Do you believe that the existent public/state policies contribute to the development of Social Economy enterprises and of Social Economy in general?

29 responses

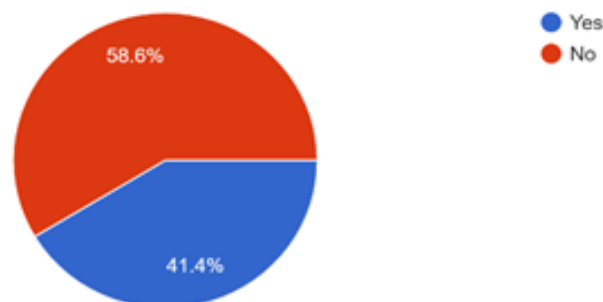


Figure 4. The percentage (%) of the asked social enterprises that believe the existing public policies contribute to the development of the sector.

Source: Compiled by the authors, based on data from YouthShare research

Impact assessment

The impact of Social and Sharing Economies upon youth unemployment is approached through the critical reading of the current public policies and the examination of path dependency of the concepts within the study regions. The main drivers that boost the growth of Social Economy have their roots in bottom-up experiments generated by groups of citizens, in search of new forms of services and employment. The national and European public policies, being the most significant

promoting factors in the study regions, consider Social Economy sector as the best way of tackling poverty and making local communities economically self-sufficient. Beside that scope, however, the reality is that the same policies recognize the sector as a solution for cost-effective welfare, rather than a radical alternative. A more critical reading of the existing policies would reveal that the present legal frameworks in the study countries, make no direct reference to

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NEETs. Indeed, as already shown the research data analysis indicates that the Social Economy expansion accounts for only small job increases and opportunities that remain marginal for disadvantaged groups of people, such as NEETs. Therefore, the Social Economy sector doesn't deviate from the general trend of the disadvantaged groups' low employability.

The Social Economy policies fail also to effectively convey the merits of the sector to its actual implementation. The Social Economy experience is, formally, regarded as both rewarding and empowering. Nevertheless, actors not involved in the sector as such consider it as merely an evolutionary stepping-stone to the formal growth-oriented Economy. This is largely shared by the majority of social enterprises that are based on profit-driven models. In reality, however, the Social Economy presents some social merits, like care, social participation, the opportunity to work at one's own pace or without undue pressure and exploitation of skills and abilities from management, that are not equivalent to those that prevail in the market economy and other bureaucratic organizations. The Social Economy practices that emerged before or amidst the crisis have the potential to consolidate bottom-up initiatives and strengthen social power through democratic decision making as a response to social problems.

The regulatory framework of Sharing Economy is still trying to catch up with its rapid and sudden growth. As a matter of fact, the existing framework regarding short term rentals via sharing platforms appears to be not stable enough. The countries under study, generally, have no coherent regulatory systems in place for Sharing Economy and short-term rentals operating through sharing platforms. In cases that there is such framework, its

promotion is not successful, and people are unaware of its existence. The lack of such framework is even more critical, considering the significant impact of sharing platforms on the operation of short-term rentals. In that respect the lack of regulatory framework complicates the estimation of the impact of Sharing Economy and short-term rentals upon employment. Despite that fact, and by taking into consideration the transformation of the accommodation sector, it appears that short-term rentals have not yet been able to increase employment opportunities massively. The accommodation owners themselves provide mainly the services offered. This may not be the case in areas with intense touristic development, where specialized companies also offer such services. Therefore, the sector appears to only provide employment opportunities in the form of self-employment. In that respect it appears that most people entering this sector do not prioritize the social objectives of the Sharing Economy, as their primary goal is profit.

Drawing upon the findings of the report, our main policy recommendation is that the cohesive strategies and integrated policies that MED EEA regions and countries need should promote feasible employment growth and support quality employment through appropriate regulations preventing excessive precariousness and increase welfare and security. Such strategies should be also more inclusive by taking into account the interests of various social actors, including the youth. After all, Social and Sharing Economies are not a viable solution to youth unemployment and inactivity if the younger individuals that participate in such economies do not receive living wages and decent employment arrangements.

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