

**Call for Papers for an incoming issue the *Maghreb-Mashreq* journal<sup>1</sup> has dedicated to the topic: “Executives and entrepreneurs in middle-income economies: the place and dynamics of the middle class in the MENA region”.**

*Forthcoming in June-September 2023.*

**Variety and commonalities of the MENA region.**

The Middle East and North Africa (MENA) region comprises ten main countries belonging to the geographical area of Mashreq (Egypt, Iraq, Jordan, Lebanon, Palestine and Syria) and the Maghreb (Algeria, Morocco, Tunisia and Libya). Among these countries, a few are emerging economies, whereas others (Libya, Syria and Iraq) are lagging behind, due to warfare. Some economies are oil-exporting countries (Algeria, Libya and Iraq), bringing in a revenue that allows to finance the growth and prosperity of the middle class.

Beyond their diversity, all these countries share a series of characteristics that may prove detrimental to the development of the middle class. However, youth unemployment and job informality have been pervasive features of the MENA labour markets. In addition, very weak female participation rate and low occupational mobility from informal to formal labour market segment hamper the process of bolstering the middle class.

Job creation in the region has been biased toward manufacturing, building and construction with an outsized share of informal workforce, while skilled services relying on formal workforce have stagnated. Public sector has also scaled down recruitment since a decade ago as part of macroeconomic and public-sector reforms (Adair & Hlasny, 2022).

In modern economies, the middle class drives demand for private goods and services (Banerjee & Duflo, 2008), but also for public services, such as education, health and infrastructure (Easterly, 2001)., but also for public services, such as education, health and infrastructure. Both private and public investments in these sectors support sustainable and inclusive economic growth. Analysing the state and dynamics of the middle class in the MENA region is a major challenge.

Noteworthy is the heterogeneity of the categories. The executive category includes middle and senior managers. The category of entrepreneurs includes craftsmen without employees, small owners of micro enterprises as well as CEOs of medium and large enterprises employing 50-250 employees and beyond.

**Social stratification and the middle class.**

Social stratification includes various representations

A first approach is focusing upon incomes. The pyramid represents a tiny elite, very large poor populations, and a central middle class that is not necessarily large. It is typical of emerging countries, with emerging middle classes. The hot-air balloon image describes a central and ascending middle class, with a small affluent class and reduced poor populations. Most Western societies in OECD countries illustrate this case. The hourglass is a metaphor for the shrinking middle classes, together with the enrichment of its upper class and the impoverishment of its lower class.

A second approach emphasizes social segmentation. According to Max Weber (1921), the social spectrum embodies four distinct categories): The propertied upper class, the property-less white collar workers, the petty bourgeoisie and the manual worker class. The three components of social stratification are power, class, and status. People belonging to same stratum enjoy the same lifestyle (see the *habitus* concept developed by Bourdieu, 1972), share social values and are endowed with the same opportunities

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<sup>1</sup> Founded in 1960, *Maghreb-Mashrek*, is a leading international social science journal devoted to the contemporary issues of the Middle-East and North Africa region. It brings together articles from experts providing an in-depth analysis on the following topics: political systems, economic issues, social mobilisations, transnational dynamics, and international relations. The journal supports a multidisciplinary perspective based on political science, history, geography, sociology and economics. The English edition *Maghreb-Mashrek International* is published in 2023.

for growth. Statistician Thomas Henry Craig Stevenson identified the middle class in 1913 as those between the upper class and the working class (Szreter, 1996).

Last, Mills (1951) refers to the "middle class" as the combination of the labour aristocracy (upper working class), the lower middle-class (lower-level managers, small business owners and skilled craftsmen) and white collar salaried workers (teachers, social workers, engineers, accountants, managers, nurses and middle-level administrators).

### **Definitions and measurements**

There is no agreed definition of the middle class (Clément et al, 2022) (see the *habitus* concept developed by Bourdieu, 1972), share social values. Many researchers suggest using threshold criteria related to standard of living (well-being) or income. Reference frameworks for the occupation may also be used. Last, the existence of a sense of belonging to the middle class, which also constitutes a social status, can be measured by surveys (WVS. 2017-2022).

Using a relative definition is relevant because individuals tend to evaluate their status not in absolute terms, but relative to those around them. One popular relative measure defines the middle class within boundaries around median income (Birdsall et al, 2000).

Sociologists often see social class as defined by education or occupation. An advantage of the education versus the income criterion is that education tends to be constant throughout life. It is easier to classify educational credentials than to classify occupations in all sectors; job loss makes the occupation a variable. However, the value of educational credentials may erode, while benchmarking titles may change over time.

Should the sector of employment, or the occupation within that sector, draw the line differentiating the middle class (white collars) from skilled manual workers (blue collars)? Hence, would only unskilled workers in the manufacturing industry, along with the rural peasantry, belong to the working class?

World Bank Enterprise Surveys (WBES) collect data on managers' education, gender and age. Sampling is biased by the overweight of the manufacturing industry, and the weak representation of microenterprises (Berguiga & Adair, 2019).

The shortage of survey data for analysing long term consumption patterns in the Middle East and North Africa (MENA) countries has been a major reason for relying on definitions that focus on political and professional affiliations, as drivers of the middle-class behaviour or for using the existing definitions of middle-class status for other regions. According to ESCWA (2014), adopting these definitions results in estimates of the MENA middle class, which prove either unreliably too small (under 5% of the population) or unreliably too large (more than three-quarters of the population).

PEW (2015) divides the population in each country into five groups based on a family's daily per capita consumption or income: (i) poor, (ii) low income, (iii) middle income, (iv) upper-middle income, and (v) high income. The four thresholds separating the respective income groups are \$2, the minimum daily per capita income to exit poverty, \$10, the threshold to attain middle-income status, \$20 to enter the upper-middle income category and \$50 to access high income. The thresholds are expressed in 2011 prices and 2011 purchasing power parities. See also the World Bank data catalog and Kharas (2010).

Dang and Ianchovichina (2016) estimate the size of the middle class in Egypt, Jordan, Palestine and Tunisia using an absolute benchmark for income. Middle-class status is assigned to people with income above a vulnerability line (i.e. the probability of falling into poverty over the 2005-2010 period) at \$4.9 per day per person in 2005 terms. The growth of the middle class was strong in Tunisia, whereas middle-class dynamics were negative for Egypt, wherein the size declined substantially, and the size of the middle class experienced no change in Jordan.

### **The diversity of approaches to social dynamics.**

Studies of social mobility in developing countries have started to emerge (Alesina et al. 2021).

Iversen et al. (2021) point out that mobility estimates often differ greatly, even for the same country, depending on the concept and measure of mobility used, the dataset utilized, and on whether income, education, or occupational status is the relevant metric of achievement.

Sociologists and historians favour analyses of changes in class or occupational status, despite the limitations of the International Standard Classification of Occupations -ISCO (ILO). Consumption is also a differentiating criterion. According to Bourdieu (1984), the middle classes imitate the consumption of the upper class; an echo to the struggle between the new bourgeoisie (private sector executives, liberal professions) and the traditional bourgeoisie (business owners). The upper class tends to stand out, as did Veblen's leisure class (1899).

Economists have focused upon the study of income or earnings mobility, often following Becker and Tomes (1979), who assume the role of parental investment in human capital and inherited family attributes in generating mobility. However, other factors such as labour market segmentation and credit constraints not included in the Becker-Tomes model may be important in developing country contexts. Relatively few advances have been made in the identification of factors that drive the high levels of intergenerational persistence observed in developing countries, wherein there is limited availability of granular and nationally representative panels and other datasets and of reliable official records such as annual income tax returns.

The change in focus from the study of inequality of outcomes to intergenerational mobility marks the shift from static to dynamic analysis.

Apart from Egypt, relative and absolute analysis of intergenerational occupational mobility in the MENA region has been little tackled.

A comparative analysis can take advantage of the 'Great Gatsby Curve' (Durlauf et al, 2022), wherein the vertical axis plots in the rate of social mobility as measured by the intergenerational earnings elasticity (IGE). The horizontal axis records income inequality measured by the Gini coefficient. Countries with greater inequality of incomes also tend to be countries with lower social mobility.

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## Appendix

### Belonging to a social class: A subjective assessment.

Q 287: - People sometimes describe themselves as belonging to the working class, the middle class, or the upper or lower class. Would you describe yourself as belonging one of them?

Egypt (2018): Upper middle class 9.1. Lower middle class 40.1

Jordan (2018): Upper middle class 12.8. Lower middle class 39.6

Lebanon (2018): Upper middle class 29.7. Lower middle class 42.6

Tunisia (2019): Upper middle class 22.4. Lower middle class 42.2

Morocco (2021): Upper middle class 21.5. Lower middle class 48.2

Source: WVS Wave 7 (2017-2022)

### Topics (selected list not limited to)

Classify, measure and explain the middle classes and their components. The political approach at the level of a Maghreb and/or the Mashreq country.

Classify, measure, explain the middle classes and their components. The sociological approach of a Maghreb and/or a Mashreq country-level.

Classify, measure and explain the middle classes and their components. The economic approach at the level of a Maghreb and/or a Mashreq country.

Is migration a brain drain that tends to shrink the middle classes, with respect to Maghreb and/or Mashreq countries?

Does the rise in the public sector bolster the growth of the middle classes? Comparative analysis of trends at the regional level (Maghreb and/or Mashreq).

With respect to the context of high inflation, is the family model of the only (male) breadwinner sustainable for maintaining the place of middle classes?

Is education the essential determinant of the growth of the middle class, for both men and working women? What is the relationship between education and access to jobs? What is the role of family norms in this respect?

## Proposal

It consists in two pages (1,000 words) presenting the research question, the sources and methodology used, the expected results and a list of less than 10 selected references.

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## Key dates

Receipt of proposals: **March 15, 2023**

Assessment by the Scientific Committee: **March 30, 2023**

Registration to the workshop (free but compulsory) on the website: **April 10, 2023**

<https://creg.univ-grenoble-alpes.fr/actualites/worshop-middle-classes-mena>

Full text receipt: **May 13, 2023**

The workshop takes place, in person and online, on **May 26** at the University Grenoble-Alpes, branch of Valence.

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