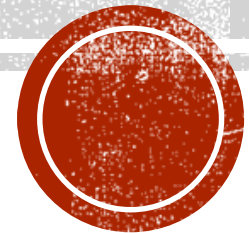


WORKSHOP *THE PLACE AND DYNAMICS OF THE MIDDLE-CLASS IN MENA COUNTRIES*

COMMENTS TO BERGUIGA I., *THE MIDDLE-CLASS OF ENTERPRISES IN MIDDLE EAST AND NORTH AFRICA (MENA) DURING THE PANDEMIC: DO COVID-19 ADAPTIVE STRATEGIES IMPROVE ACCESS TO CREDIT?*

Diego Coletto, Department of Sociology and Social Research,
University of Milano – Bicocca, Milan (Italy) (diego.coletto@unimib.it)



- **Premise**

I'm a sociologist, I work in the field of sociology of work, especially studying the informal economy, its practices and its meanings (using mainly qualitative research tools). Consequently, my comments concerning the work of Imène Berguiga will mainly focus on some findings, showing how her work helped me to think to possible further researches on the topic



■ Comments

I really appreciated the work of Imène Berguiga mainly because it showed some relevant aspects that characterized the SMEs in the MENA region.

The COVID pandemic has been, in many respects, a «caesura point» that has allowed social scientists to better shed light on how some social and economic systems / phenomena work

Specifically, the work of Imène Berguiga allowed to better understand the relations between SMEs and the credit, highlighting a clear segmentation of SMEs in terms of accessibility of the different forms of credit. Moreover, the paper showed that the SMEs do not access the various credit channels indifferently (banks, state, informal actors), but the different access opportunities depend on various factors, such as business strategies, different information asymmetries, different risk perceptions and levels of trust between social actors

Finally, the paper points out a relevant paradox: the text states that, in general, many countries in the MENA regions have given priority to the most fragile SMEs in terms of programs to support the economy. However, the study seems to indicate that it is precisely the most fragile SMEs which, for various reasons, do not apply for access to public funds. This empirical evidence highlights the presence of a “short circuit” in which, on the one hand, credit lines designed for the most fragile SMEs are not actually accessible to the most vulnerable business segment; on the other hand, SMEs that could benefit from public aid cannot do so because they do not have all the “fragility” requirements included in the public policy actions...



■ Clarifications

- The use of middle class term. My perception is that the Author used in the article the middle-class term as synonym of SME. In this case the term do not add any further features or clarifications to the definition of SME. My suggestion is thus to use only the term SME, avoiding the risk of misunderstanding
- Bivariate analysis. The Author explained that the use of the bivariate analysis allowed to solve the endogeneity problem of the strategy variables. My perception is that the use of this model did not eliminate the risks linked to the endogeneity of the variable. For this reason it could be useful to better explain how the model solves this kind of problem



■ Questions

As said, the work of Imène Berguiga allowed us to develop some thoughts concerning the segmentation of SMEs universe, their different relations with the credit sources, and on the role of the states, as subjects able to foster and strengthen business activities during crisis periods. Basically, my questions are linked to these issues.

- As we know, in the global economy, many SMEs both in the Global North and South belong to Global Value Chains (GVCs), which increasingly characterize various economic sectors. The literature has showed that the COVID pandemic produced some changes in the GVCs, highlighting for instance new processes of “nearshoring”. Did the study of Imène Berguiga include SMEs belonging to GVCs? If yes, how and to what extent the belonging to the GVCs influenced the choices of SMEs (also in terms of credit access)? If not, the access to GVCs has become an option for some SMEs included in the study?
- The paper highlighted how, even during the pandemic, informal credit sources were an important channel to finance SMEs. However, has the pandemic produced changes in terms of the requirements for accessing these lines of credit? Did any differences emerge between one informal channel and another, also in terms of access possibilities?

Thank you for your attention and for giving me the opportunity to read and comment on the Berguiga’s work

