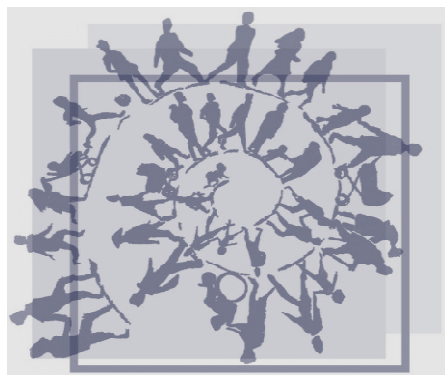




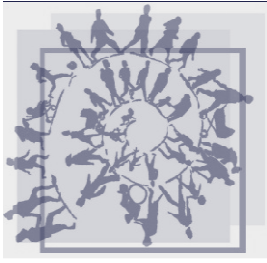
# Expert Group Meeting on “Inclusive Social Development in the Arab Region”

"ILO's policies and programmes to extend social security and protection to include the disadvantaged and poor"

Beirut, Lebanon  
4 and 5 November 2014



Ursula Kulke,  
Senior Regional Social Security Specialist,  
ILO Regional Office for Arab States,  
Beirut - Lebanon



# The Case for Social Protection



## 1. Social Justice – it is a Human Right

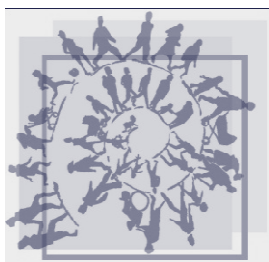
- Article 22 of the Universal Declaration of Human Rights

## 2. It contributes to growth:

- Inequality is economically inefficient / dysfunctional
- Consumption concentrated in top income deciles in all countries
- 2013: Depressed world markets, low demand and low growth; questioning export-led model, need for domestic markets as a development strategy
- Raising the incomes of the poor increases domestic consumption
- And enhances human capital and productive employment

## 3. It builds political stability

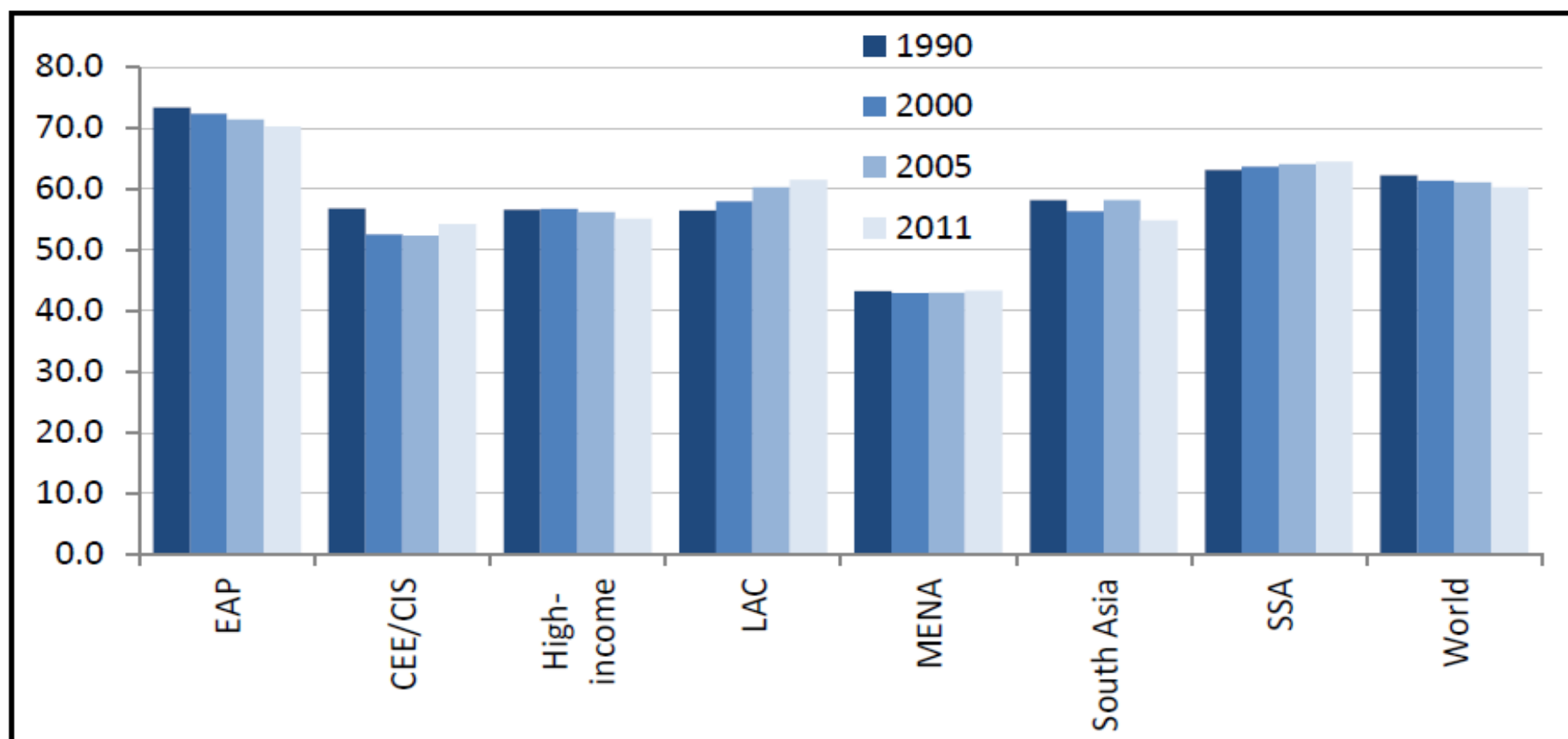
- Poverty and gross inequities tend to generate intense social tensions and violent conflict
- Social benefits ensure the political/electoral support of citizens



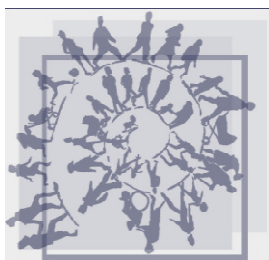
# Social Protection Important Because Not Everybody Can Work – A Long Jobs Crisis



Employment to Population Ratios 1990-2011



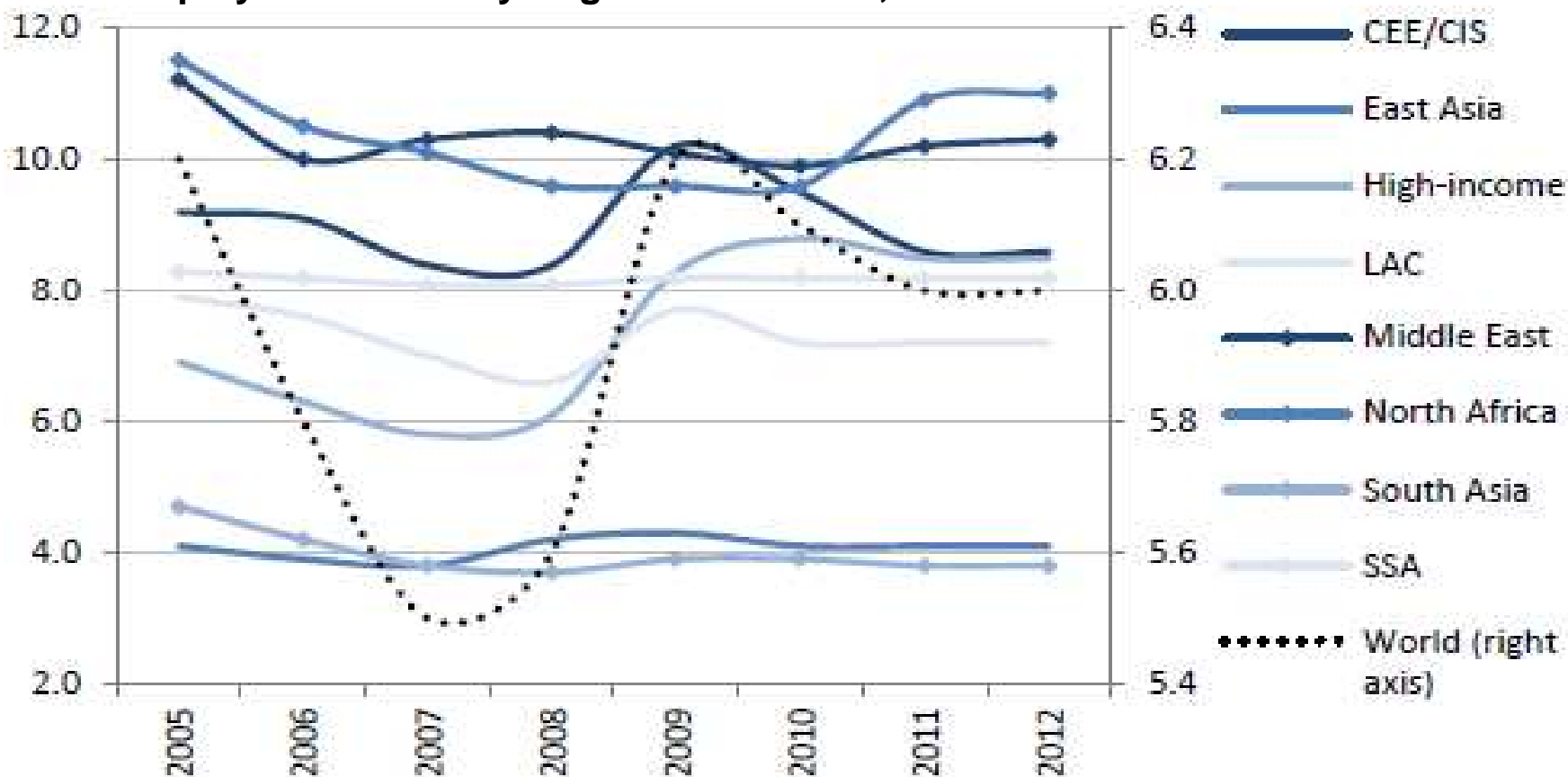
Source: Ortiz and Cummins. 2012. *A Recovery for All*. UNICEF.



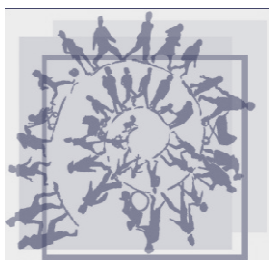
# Social Protection Important Because Not Everybody Can Work – A Long Jobs Crisis



**Total Unemployment Rates by Regions and World, 2005-12**



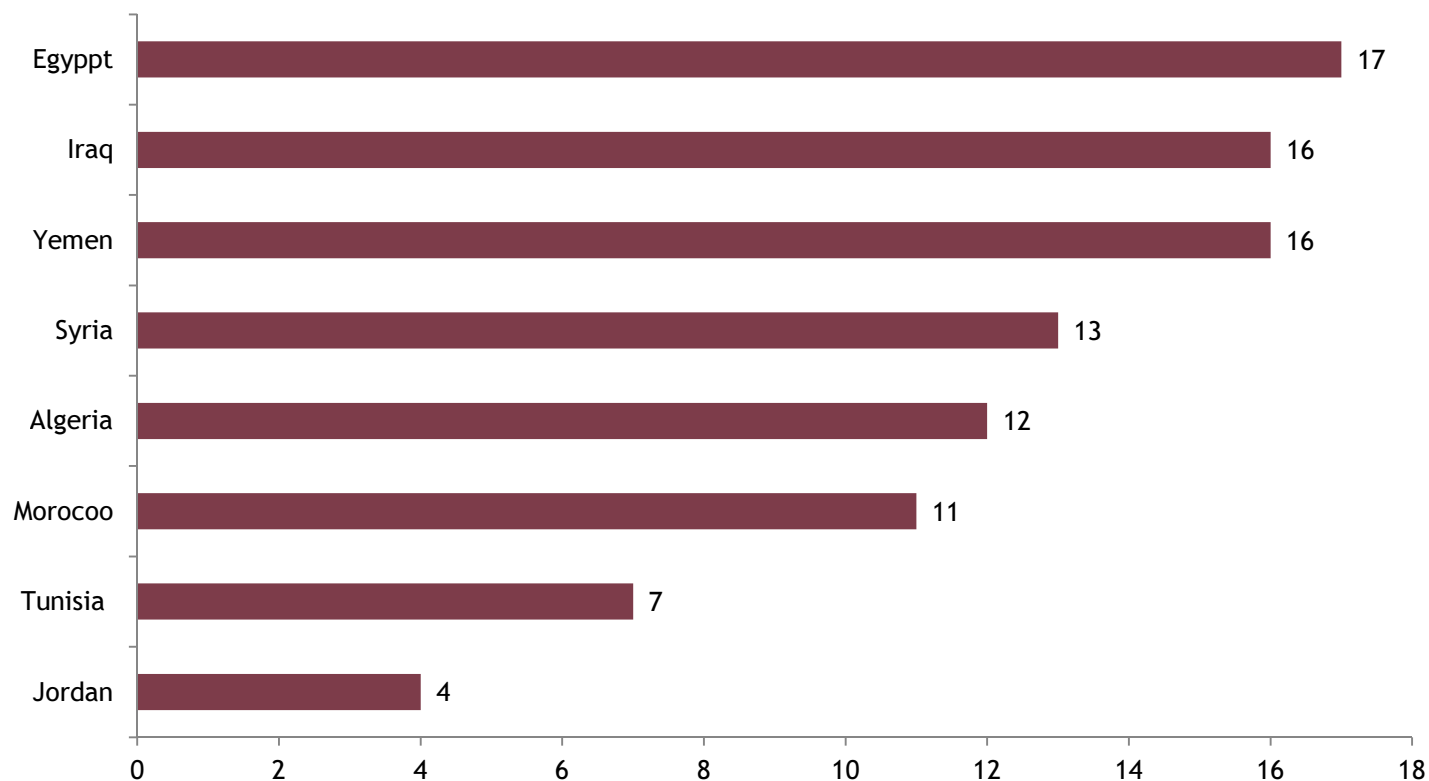
Source: Global Employment Trends 2012: Preventing a Deeper Jobs Crisis. Geneva: ILO



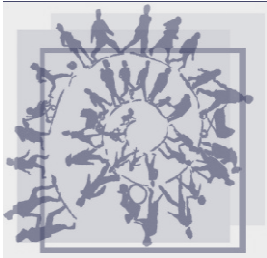
# Social Protection Important Because Many Live Just Above Poverty Line



Percentage of people living between 2-2.5 USD/day



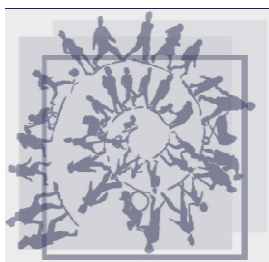
Source: Inclusion and Resilience, World Bank 2012



# Regional Overview Social Protection



- Few Arab states have developed coherent national social security policies
- A large number of workers are not covered by formal social security:
  - Most countries cover workers in the public and private sector on regular contracts,
  - However: temporary workers, agricultural workers, domestic workers, informal workers, migrant workers, and to a large extent self-employed workers are excluded from legal coverage
    - ✓ *Recent WB estimates suggest a coverage of 30% of workers in the region for pensions*
- Most of the Arab countries have social insurance systems which only provide long-term benefits (old age, disability and survivors' pensions and employment injury benefits), but not short-term benefits, as maternity benefits or unemployment benefits
- Most Arab countries lack protection against catastrophic health expenditure, a critical factor contributing to vulnerability and poverty
- Most Arab countries have safety nets, but none of them has a rights-based social assistance scheme



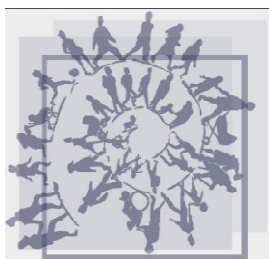
# Social Protection Programmes - Regional Overview



	Bahrain	Iraq	Jordan	Kuwait	Lebanon	oPt	Oman	Qatar	Saudi Arabia	Syria	UAE	Yemen
Old age	SI	SI	SI	SI	OI	...	SI	SI	SI	SI		SI
Survivors	SI	SI	SI	SI	...	...	SI	SI	SI	SI		SI
Invalidity/ disabiliy	SI	SI	SI	SI	OI	...	SI	SI	SI	SI		SI
Employment injury	SI	...	SI	SI	...	...	SI	SI	SI	SI		...
Sickness	...	...	...	...	SI	...	...	...	...	...	...	...
Medical care	...	...	...	...	SI	...	...	...	...	...	...	...
Maternity	...	...	SI	...	...	...	...	...	...	...	...	...
Unemployment	SI	...	(SI)	...	...	...	...	...	...	...	...	...
Family	...	...	...	...	SI	...	...	...	...	...	...	...
Social assistance	SN	SN	SN	SN	SN	SN	SN	SN	SN	SN	SN	SN

SI = Social Insurance; OI = Other Ins. Arrangement (Prov. Fund, etc.); SSA = statutory social assistance (rights- based);  
SN = Safety Net Programme (not rights-based)

Source: ISSA Observatory Country profiles



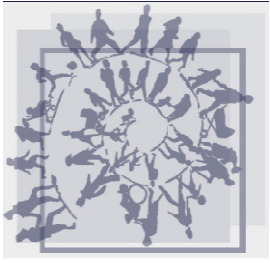
# Social Security Programmes: Regional Overview



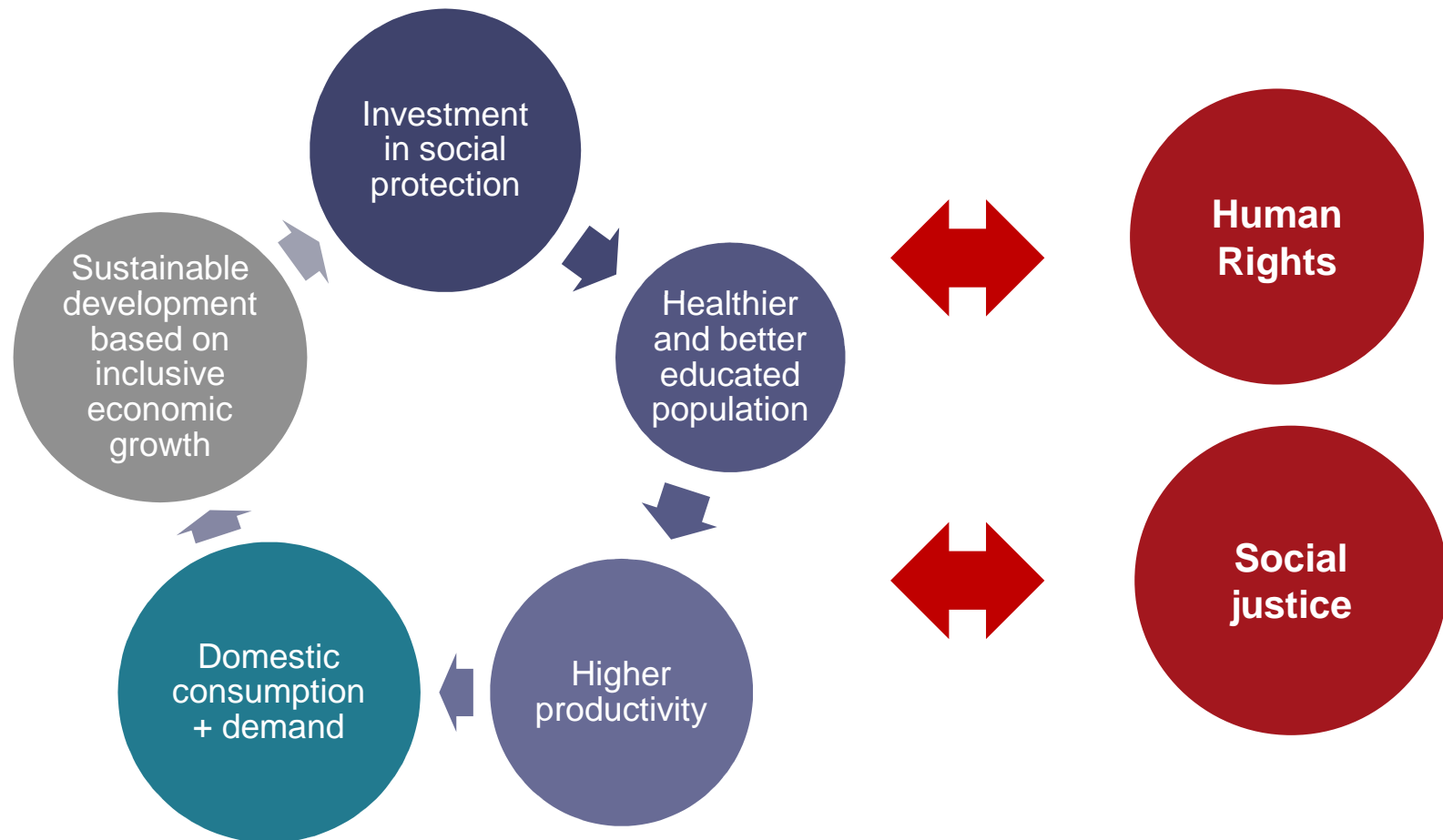
	Algeria	Egypt	Libya	Morocco	Sudan	Tunisia
Old age	SI	SI	SI	SI	SI	SI
Survivors	SI	SI	SI	SI	SI	SI
Invalidity/ disabiliy	SI	SI	SI	SI	Si	SI
Employment injury	SI	SI	SI	No info	Si	SI
Sickness	SI	SI	SI	SI	...	SI
Medical care	SI	SI	Si	SI	...	SI
Maternity	SI	SI	No info	SI	...	SI
Unemployment	SI	SI	No info	...	...	SN
Family	TF	...	...	SI	...	SI
Social assistance	SN	SN	SN	SN	...	SN

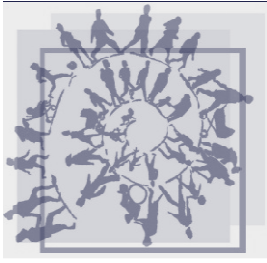
SI = Social Insurance; OI = Other Ins. Arrangement (Prov. Fund, etc.); SSA = statutory social assistance (rights- based);  
 SN = Safety Net Programme (not rights-based), TF = Tax financed  
 Source: ISSA Observatory Country profiles





## Instead of Adjustment, Investing in People





## Social Protection Contributes Effectively to Development Goals

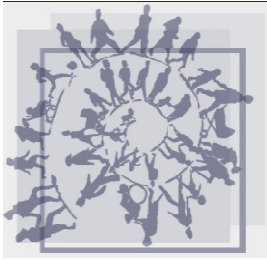


### Proven results:

- Reduced poverty, better nutrition, improved household income stability (MDG 1, 4, 6)
- Improved preventive health care (MDG 4 and 5)
- Higher immunization rates (MDG 4)
- Higher school enrollment rates reduced school drop-out (MDG 2,3)
- Decline in child labour among children in rural areas (MDG 2, 8)

*See: Social Protection: Accelerating the MDGs with Equity*

[http://www.unicef.org/socialpolicy/index\\_55915.html](http://www.unicef.org/socialpolicy/index_55915.html)



## Social Protection Floor Approved By the World Community

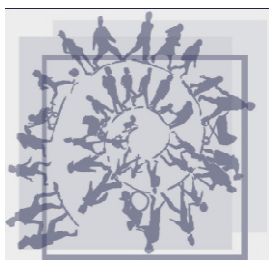


- **June 2012:** The Recommendation Concerning National Floors of Social Protection No. 202 adopted at the 101st session of the ILC in Geneva, by governments, unions and employers.

- **July 2012: Rio+20:** “We stress the need to provide social protection to all members of society, fostering growth, resilience, social justice and cohesion, including to those who are employed in the informal economy. We strongly encourage providing social protection floors for all citizens”



**June 2011:** Endorsed by G20 Leaders at Cannes Summit



## A Change in Paradigm: The Social Protection Floor Aims to Provide Universal Minimal Guarantees



*Voluntary insurance*

*Mandatory social insurance - social security benefits of guaranteed levels for contributors*

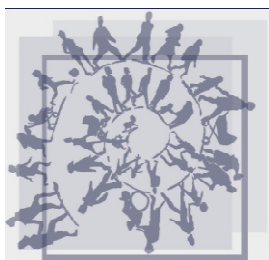
*The SPF four essential guarantees*

*1. Access to essential health care for all*

*2. Income security children*

*3. Assistance unemployed and poor*

*4. Income security elderly and disabled*



# National Social Protection Floors: At Least Four Nationally-Defined Guarantees



Higher levels  
of protection



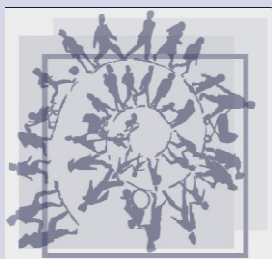
**NATIONAL SOCIAL PROTECTION FLOOR:**  
nationally defined basic social security guarantees

Access to a set  
of goods and  
services  
constituting  
essential health  
care including  
maternity care

Basic income  
security for  
children  
providing access to  
nutrition,  
education, care  
and any other  
necessary goods  
and services

Basic income  
security for  
persons in  
active age  
unable to earn  
sufficient  
income

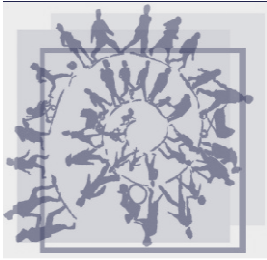
Basic income  
security for  
persons in old  
age



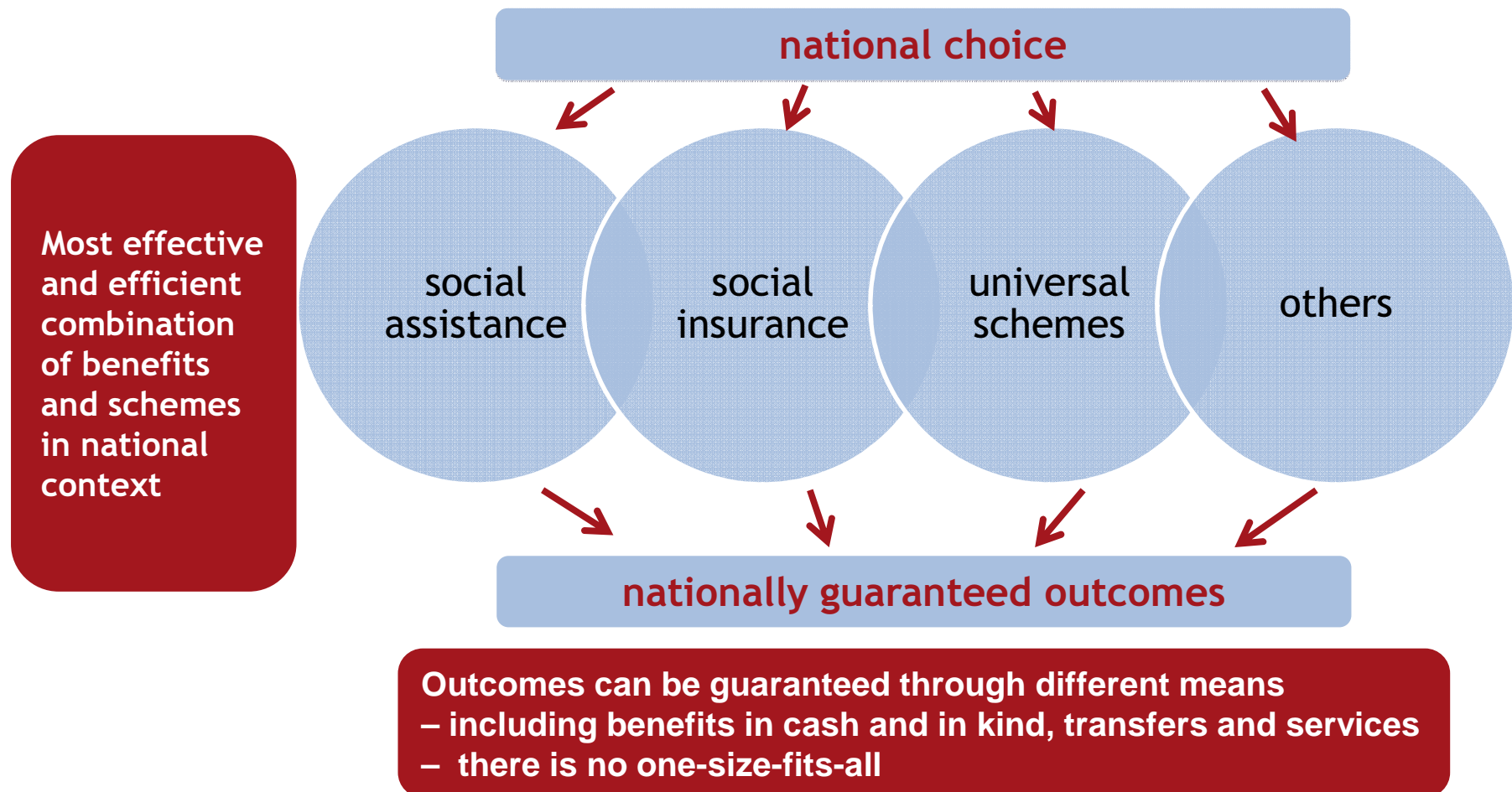
## Expansion of Social Transfers in Developing Countries

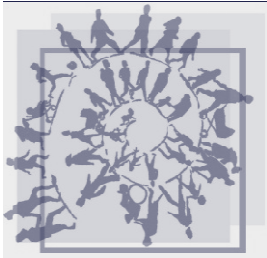


<b><i>Household Minimum Income Support</i></b>	Chile, China, Cyprus, Mozambique, Rwanda, Zambia
<b><i>Social Pensions</i></b>	Argentina, Bolivia, Bangladesh, Brazil, Botswana, Cabo Verde, Chile, Costa Rica, India, Lesotho, Mauritius, Moldova, Namibia, Nepal, Peru, Samoa, South Africa, Tajikistan, Thailand, Uruguay, Vietnam
<b><i>Child and family benefits</i></b>	Argentina, Bangladesh, Bolivia, Brazil, China, Colombia, Costa Rica, Ecuador, Ghana, Honduras, Indonesia, Jamaica, Kenya, Malawi, Mexico, Mongolia, Mozambique, Nepal, Nicaragua, Philip-pines, South Africa, Senegal, Tanzania, Uruguay
<b><i>Cash-for-Work</i></b>	Argentina, Burkina Faso, Cambodia, Colombia, Cameroon, Egypt, Ethiopia, Ghana, Guinea, Honduras, India, Kenya, Madagascar, Malawi, Mali, Nepal, Niger, Panama, Rwanda, South Africa, South Korea, Tanzania, Uganda, Vietnam, Yemen, Zambia, Zimbabwe
<b><i>Health Protection</i></b>	China, Lao PDR, Ghana, Rwanda, Tanzania, Thailand



# Social Protection Floors can be Achieved by Different Delivery Systems





# Basic Social Protection Principles



## Universal coverage

- Universality of protection, based on solidarity
- Social inclusion including persons in the informal economy

## Rights

- Adequacy and predictability of benefits
- Non-discrimination, gender equality and responsiveness to special needs
- Entitlements to benefits prescribed by national law
- Efficiency and accessibility of complaint and appeal procedures
- Respect for the rights and dignity of people covered
- Respect for collective bargaining and freedom of association

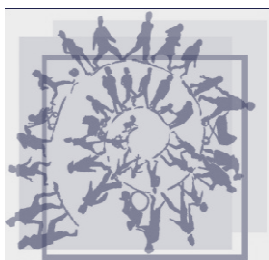
## Implementation

- Progressive realization, including by setting targets and timeframes
- Coherence with social, economic and employment policies
- Regular monitoring of implementation and periodic evaluation
- Tripartite participation and consultation with representatives of persons concerned

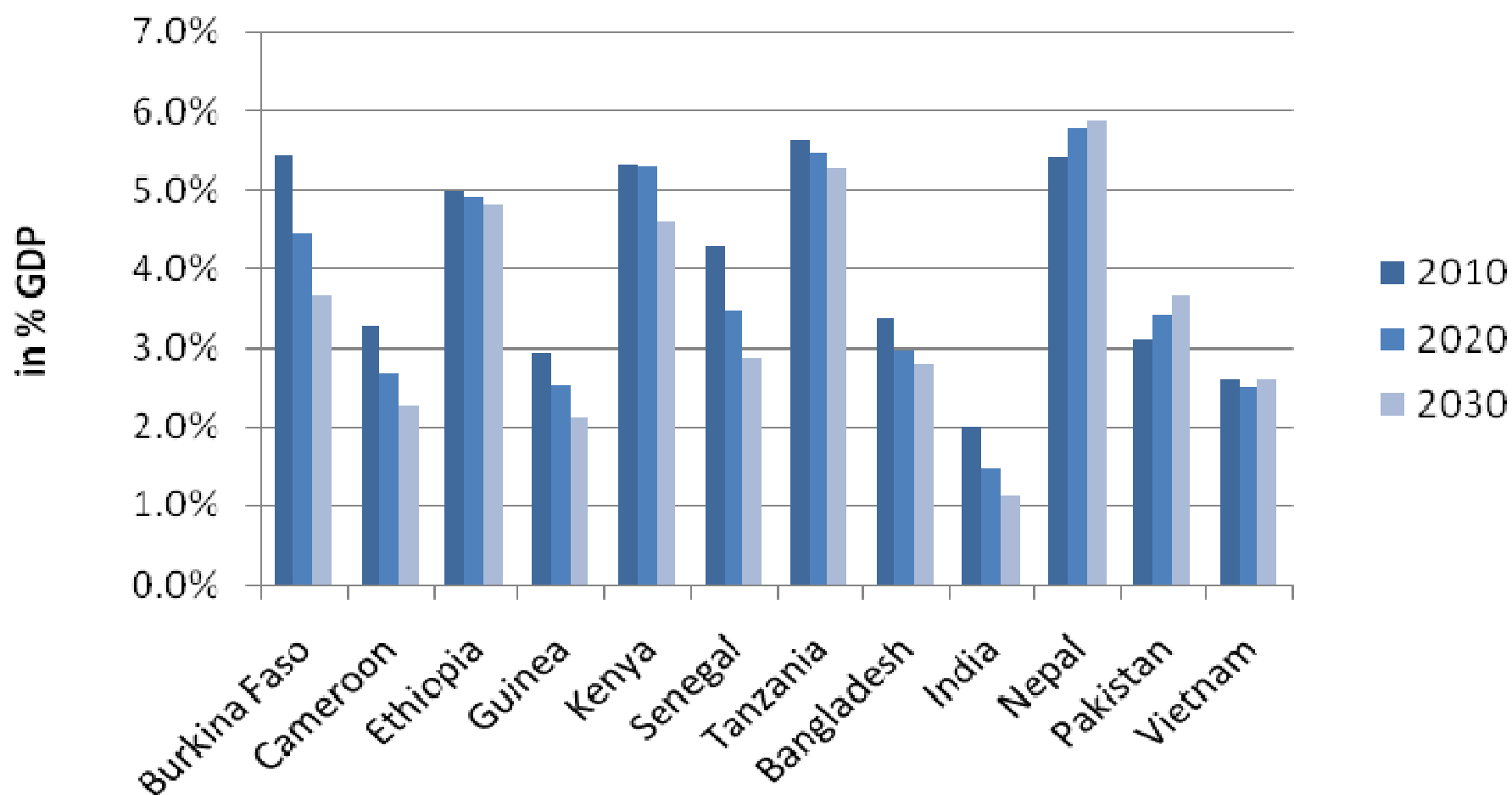
## Financing and delivery

- Consideration of diversity of methods and approaches
- Solidarity in financing and fair balance of interests
- Transparent, accountable and sound financial management and administration
- Financial, fiscal and economic sustainability with regard to social justice and equity
- High-quality public services that enhance delivery of social security systems
- Coherence across institutions responsible for the delivery of social protection

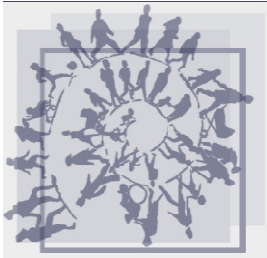




## Estimated Cost for National Social Protection Floors: Old-Age and Disability Pensions, Child Benefits, Unemployment Support



Source: ILO 2008, Geneva

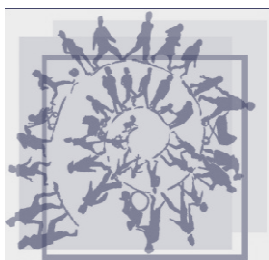


## The Case of Jordan: Main Social Protection Challenges



In spite of the achievement of the SSC and the numerous assistance programmes, **poverty rates are high and increased from 13.3% in 2010 to 14.7% in 2012**

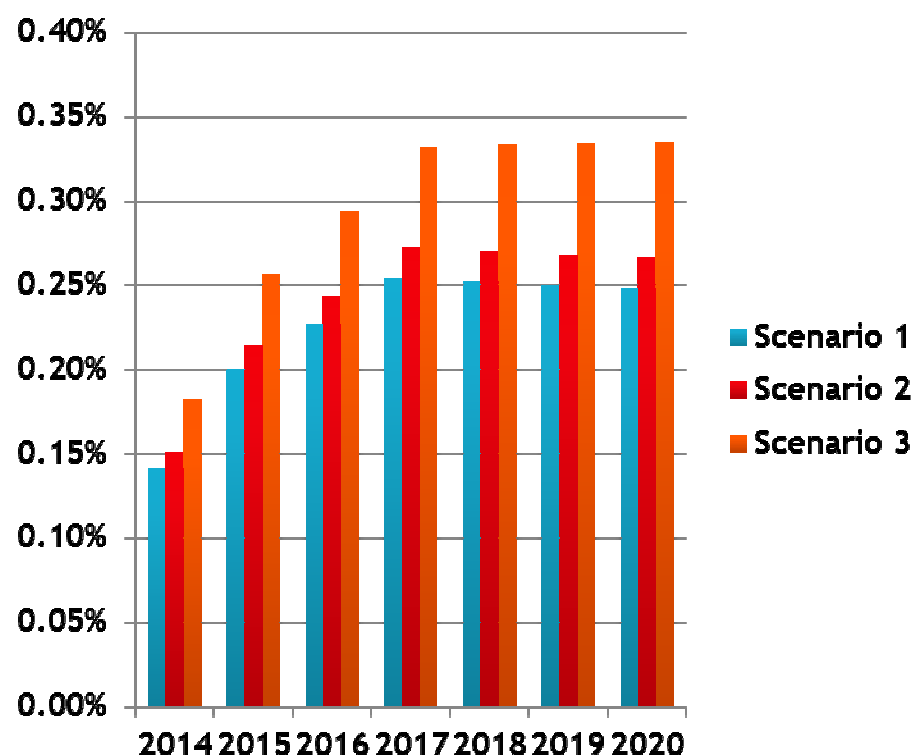
- **Where does the problem lie?**
  - There is **no old-age pension** for the poor
  - The **health care schemes require high out-of-pocket payments**, most expenditure is directed on **tertiary curative care**, instead of primary and preventive services
  - The **child benefits are scattered** and do not provide continuous support
  - The different social protection programmes **lack coordination**, e.g. there is no standardized poverty and vulnerability assessment with central registry
    - ✓ *Thus there is duplication of support to some groups, while others who require support are not covered*
  - Benefits are granted on a **discretionary basis and do not provide clear rights**
    - ✓ *Thus, benefits are provided on a discretionary basis and not according to the needs*
  - The **funding** of the different social protection programmes is often **decided ad hoc**
    - ✓ *Thus, this is creating a high level of insecurity for institutions and beneficiaries*



# The Case of Jordan: Universal Health Care Benefits - Cost Projections



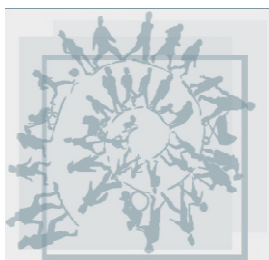
## Additional health care as % of GDP scenario comparison



**Scenario 1:** Basic medical in-patient care for all poor (Below the national poverty line) including the working poor (80% of insured private employee costs).

**Scenario 2:** Scenario 1 plus out-patient care (75% of medical costs of insured private employees).

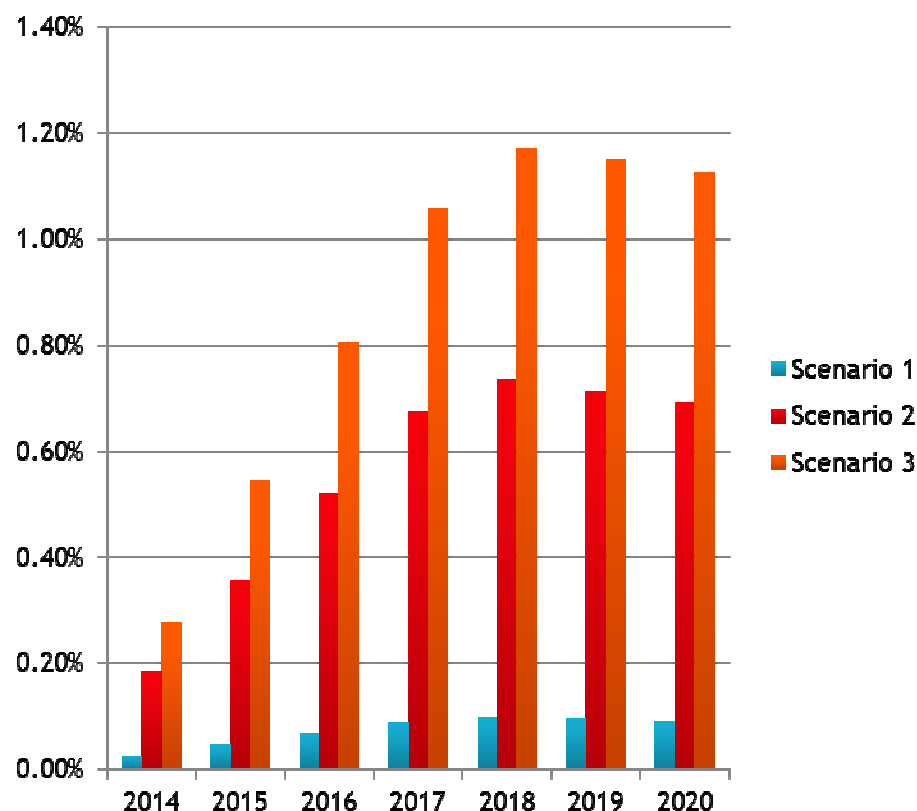
**Scenario 3:** Universal basic medical in- and out-patient care for all not yet covered by any health insurance scheme.



# The Case of Jordan: Child Support Grant - Cost Projections



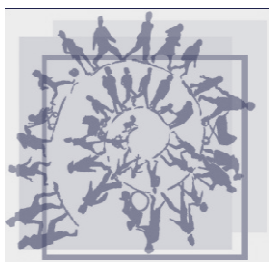
**CSG as % of GDP  
Scenario comparison**



**Scenario 1:** Child support grant of 15 Dinar/month targeted to the poor and disabled children 0-6 years.

**Scenario 2:** Child support grant of 15 Dinar/month to all children ages 0-6 years.

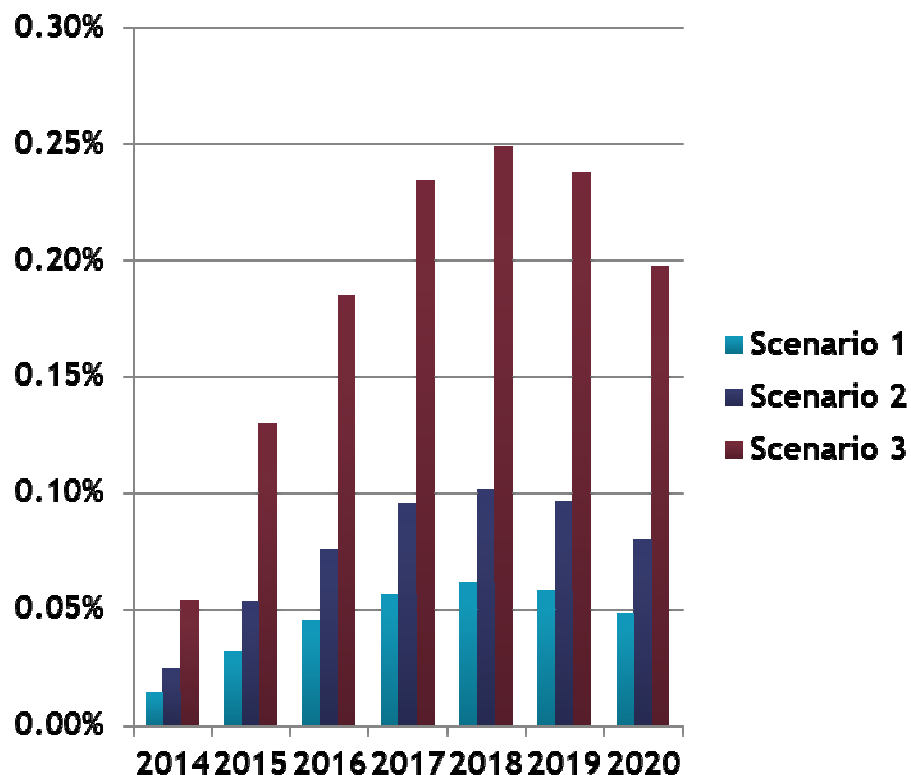
**Scenario 3:** Universal child support grant of 10 Dinar/month for all the children below 18 years.



## The Case of Jordan: Working Age Benefit - Cost Projections



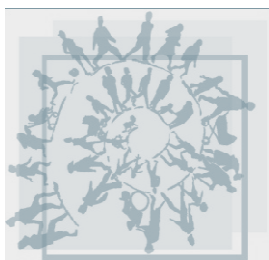
**Working age benefit as % of GDP  
Scenario comparison**



**Scenario 1:** A 2-weeks employment promotion training plus allowance (50% of minimum monthly wage) for the unemployed once between 2014 and 2020.

**Scenario 2:** A 4-weeks employment promotion training plus allowance (70% of the minimum monthly wage) for the unemployed once between 2014 and 2014.

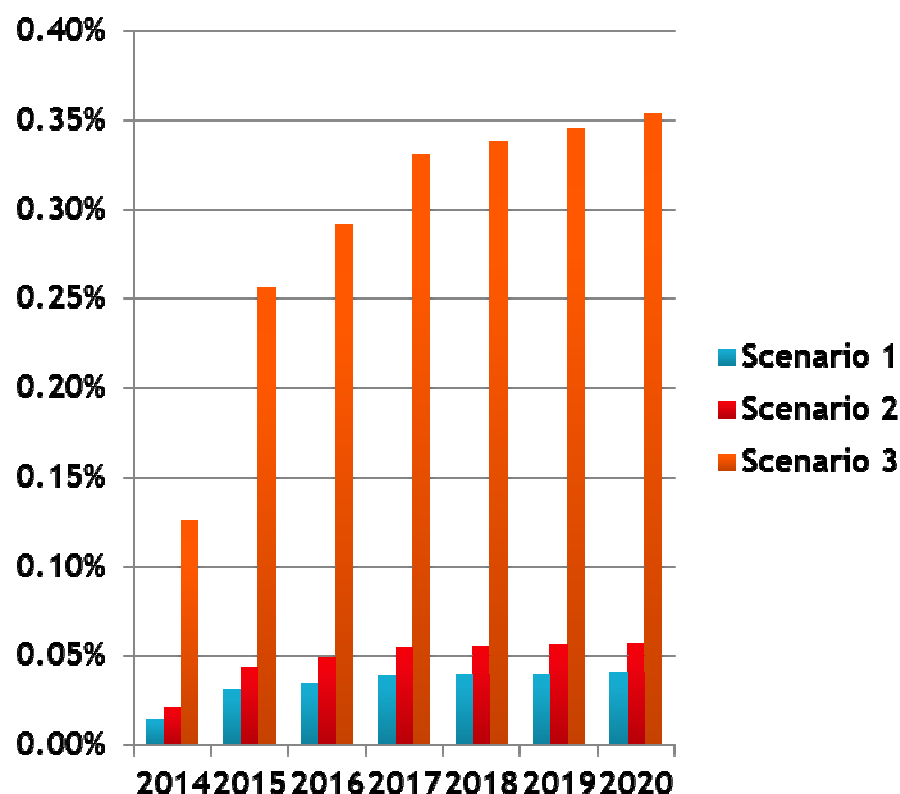
**Scenario 3:** Scenario 2 plus the informal economy workers.



# The Case of Jordan: Social Pension - Cost Projections



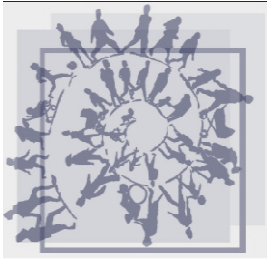
**Social pension as % of GDP  
scenario comparison**



**Scenario 1:** A non-contributory allowance (social pension) for all people in statutory pension age (women 55+, men 60+) not covered by any other pension scheme; 20% of the national individual poverty line per month.

**Scenario 2:** Scenario 1 plus severely disabled (women 15-54 years, men 15-59 years); 25% of the national individual poverty line per month.

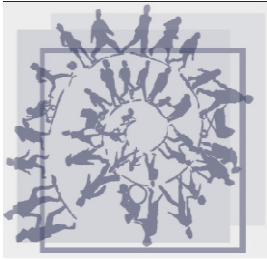
**Scenario 3:** Universal non-contributory allowance for all people in statutory old age plus severely disabled (women 15-54 years, men 15-59 years) not covered by any other pension scheme; 25% of the national individual poverty line per month.



## Fiscal Space for Social Protection Floors Exists Even in the Poorest Countries



- **There is national capacity to fund social protection floors in virtually all countries. There are many options, supported by UN and IFIs policy statements:**
  1. Re-allocating public expenditures
  2. Increasing tax revenues
  3. Increasing contributions
  4. Fighting illicit financial flows
  5. Lobbying for increased aid and transfers
  6. Tapping into fiscal and foreign exchange reserves
  7. Restructuring debt
  8. Adopting a more accommodative macroeconomic framework (e.g. tolerance to some inflation, fiscal deficit)

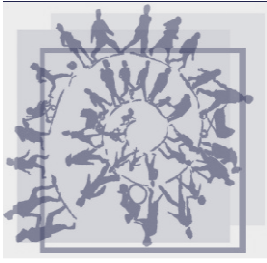


# How to Build Social Protection Floors? Formulating and Implementing National Social Security Strategies



- (a) **set objectives** reflecting national priorities;
- (b) **identify gaps** in protection;
- (c) determine **appropriate social protection schemes**, whether **contributory or non-contributory**, or both, as well as the time frame and sequencing for the progressive achievement of the objectives
- (d) **Cost selected schemes**
- (e) Discuss **financial and human resources** with Ministry of Finance
- (f) **raise awareness** about their social protection floors and their extension strategies, and consult options through social dialogue.



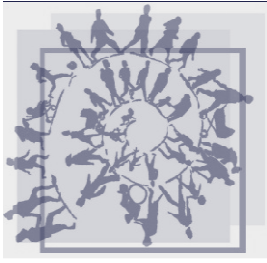


# Recommendations for the Development of Coherent Social Security Systems



## Recommendations:

- Create the necessary fiscal space
- Build political will
- Establish cost-control mechanism
- Develop effective institutions
  - Maximize administrative capacity to deliver benefits efficiently and to minimize waste and misuse of resources
- Guarantee sound implementation structure and good governance:
  - Process for efficient delivery, monitoring and evaluation and proper financial management
- Formalize progressively informal economy
- Create high levels of productive employment
- **And enable social dialogue**

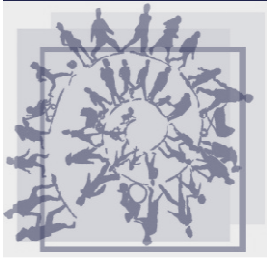


## Comprehensive Social Security - Political and Institutional Stability, and Social Cohesion

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- Comprehensive social security systems represent important social tools that can temper exclusion and latent or simmering unrest.
- Thereby they can contribute to creating more cohesive and inclusive societies.
- National social protection floors go beyond providing basic social relief:
  - They also fosters forms of democratization that build citizenship, and
  - Break down barriers that impede fuller participation by the poor in political processes that affect their lives



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**THANK YOU**