



SOCIAL PROTECTION SERIES

# A GUIDE TO UNIVERSAL SOCIAL PROTECTION IN THE ARAB REGION: CHALLENGES AND OPPORTUNITIES

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## Executive Summary

This book aims to examine the potential for expanding social protection to include the most vulnerable and marginalized groups across four Arab countries of study: Jordan, Tunisia, Lebanon, and Egypt. The book operates on the premise that social protection is an inherent human right that should be accessible to all individuals throughout their lives. The objective of social protection is therefore to shift away from the narrow view of relief provision and toward a human rights-based approach that understands social protection as a tool for empowering individuals and promoting equity.

The book centers around three core themes: universal coverage, public protection against risks, and the adequacy of the benefits provided. It further delves into three subsystems of social protection: non-contributory social protection, contributory social protection, and active and passive labor market programs. Specifically, the book examines four distinct social groups: children, older persons,<sup>2</sup> informal workers, and young individuals not in education, employment, or training (NEETs). These groups were selected based on rigorous scientific criteria and quantitative indicators.

The book is divided into four chapters. The Introduction and Background section explores the international framework for social protection, the book's objectives and methodology, the criteria for selecting the focus groups, and the overarching macro issues guiding the social protection approach. The book then provides an overview of the socioeconomic conditions in the four Arab countries under study, including poverty levels and regional disparities, followed by an examination of the current state of social protection in these countries. Subsequently, it offers an in-depth analysis of each target group, presenting policy options and alternatives for their inclusion in social protection and the necessary reforms. The concluding chapter puts forward several key findings and recommendations, including:

- The imperative need for a new development model that addresses the structural causes of poverty and marginalization, based on the principle of the right to a decent work. This right encompasses other rights, such as education, health, and the right to development, and necessitates fundamental changes in social protection and development policies that target disadvantaged rural areas with limited livelihood opportunities and basic services.
- A call for political, civil, and stakeholder entities to engage in an alternative political discourse in order to transition social protection toward a human rights-based approach. In some countries, this may require incorporating social protection into constitutional and legal frameworks. Furthermore, addressing fragmentation in existing social protection systems is crucial for enhancing their effectiveness and efficiency, and would necessitate integration and coordination among all elements of a country's social protection system.
- Strengthening good governance in the field of social protection, going beyond mere technical procedures. Governance entails various dimensions, including democracy and representation, technology, politics, and law. This book underscores the importance of stakeholder participation in achieving democracy; effective service provision and benefit management for the technical dimension; transparency and accountability of legislative and executive bodies for the political dimension; and comprehensive legal frameworks with a human rights perspective to provide mechanisms for complaints, verification, and legal redress.

# Introduction and Background

## The International Theoretical Framework for Social Protection

Over the past decade, particularly in the aftermath of the COVID-19 pandemic, there has been a significant shift in the discourse surrounding social protection, characterized by a transition from a relief-oriented approach, focused solely on aiding vulnerable groups in society, to a rights-based approach. This new perspective recognizes social protection as an inherent human right that should be guaranteed to all individuals throughout their lives. A pivotal milestone in this evolution was the introduction of the Social Protection Floors Recommendation by the International Labour Organization (ILO) in 2012, under Resolution No. 202.<sup>3</sup> This shift has heightened awareness of the role of social protection in achieving socioeconomic justice and sustainable development.

Additionally, the ILO's 2017 report on social protection affirmed that social protection is indeed a right, defined as a set of policies and programs designed to reduce or prevent poverty and vulnerability across the entire human life cycle.<sup>4</sup> The organization emphasizes the need to incorporate social protection as a universal right in national policies and legislations, as well as in all regional and global cooperation frameworks. This approach aligns with the objectives of the 2030 Agenda for Sustainable Development, particularly the first and tenth goals, which aim to reduce poverty, inequality, and social exclusion.<sup>5</sup>

The desired framework for social protection provides at least four key guarantees:

- Access to essential healthcare, including maternity care.
- Basic income security for children, ensuring access to food, education, care, and essential services and goods.
- A minimum income for individuals of working age who are unable to earn sufficient income, especially in cases of illness, unemployment, maternity, and disability.
- A basic income for senior individuals.<sup>6</sup>
- As the concept of social protection has evolved, the international community has recognized various functions of social protection systems:
- The protective function alleviates the sense of

deprivation by providing cash and in-kind assistance to vulnerable and fragile groups. This function is closely tied to the relief-oriented approach to social protection.

- The preventive function aims to preclude individuals from falling into deprivation through the expansion of social security networks, savings systems, and funds.
- The promotive function enhances and empowers individuals, enabling decent work and fair wages. This necessitates investment in human capital through enhanced funding in education, health, and training, as well as implementing active labor market programs that provide opportunities for decent work.
- The transformative function promotes equity, inclusion, and empowerment. This function entails bringing about a real transformation in the living conditions of people living in poverty, enabling them to escape deprivation. Graduation out of poverty programs may play a role in achieving this function. It is important to note that the ability of social protection systems to perform their transformative function hinges on radical changes in policies that contribute to impoverishment.<sup>7</sup>

As a result of this evolving framework, social protection schemes have expanded significantly to encompass a multitude of subsystems and programs that cater to diverse populations and social groups. The contemporary social protection landscape comprises three major subsystems:

- **Contributory social protection:** Social protection programs that rely on contributions from beneficiaries, such as social insurance and universal health coverage.
- **Non-contributory social protection:** Social protection programs that do not require contributions from beneficiaries. These programs primarily target impoverished and vulnerable groups within society through social safety nets and other forms of social assistance and may include conditional or unconditional cash assistance, periodic or temporary aid, crisis-related support, and various forms of food assistance. Some health insurance programs may also cover the poorest and most vulnerable segments of the population without requiring contributions.
- **Active and passive labor market programs:** These programs facilitate the integration of job seekers into the labor market while managing the associated risks by providing income during periods of unemployment or work cessation. These initiatives, overseen by

responsible authorities, include interventions and measures that help unemployed individuals secure employment and employed individuals transition to better jobs; such policies include job-search assistance, labor-intensive projects like public works, training and retraining, support for small and micro-enterprise development, and wage subsidies. These policies may be supplemented by other measures such as unemployment benefits and early retirement options.

Within the context of the human rights approach, which regards social protection as a crucial avenue for achieving economic and social justice, the significance of empowerment within social protection programs and policies becomes evident. Empowerment is a fundamental pillar in the pursuit of equity in opportunities and outcomes. It includes the vital step of preparing vulnerable and impoverished groups for active participation in the labor market through the implementation of active labor market programs. These programs must ensure that job opportunities provide protection and decent working conditions.

While social protection systems must be inclusive of all segments of the population as a universal right, it is equally important for them to target different social groups based on income levels and diverse needs. The conventional focus on the family as the sole unit for protection programs and policies has evolved. There is now a greater emphasis on recognizing the unique vulnerabilities of individuals who may experience increased fragility or marginalization, such as children, people with disabilities, unemployed people, older persons, and other social groups grappling with compounded vulnerabilities.

Social protection policies naturally intersect with various other public policies – including education, healthcare, employment, housing, financial and monetary policies, and even aspects related to the freedom of organization – in order to bring about the intended transformations among vulnerable populations. This comprehensive integration of policies is often referred to more broadly as social policy.

## Objectives and Research Methodology

This book sets out to explore the potential expansion of social protection to encompass the most vulnerable and marginalized groups in four countries: Jordan, Tunisia, Lebanon, and Egypt. These countries serve as representative case studies largely reflecting common conditions in the Arab region. The book aims to delineate the necessary changes and reforms required within the social protection systems in the Arab region to achieve universality. These changes encompass policy development and implementation, as

well as adjustments in institutional, legal, and legislative frameworks. Given the importance of the issue and the surrounding political and financial constraints, the book acknowledges the likely challenges that could impede universality and necessitate further examination.

To address the issue, this book employs a targeted analytical methodology with the goal of offering evidence-based scientific recommendations that can inform policymaking in the realm of social protection. The study begins by analyzing the current state of social protection in the chosen countries and evaluating the situations of social groups experiencing vulnerability and exclusion, either wholly or partially. These groups require inclusion in social protection systems tailored to their specific needs, with the potential to bring about substantial improvements in their present circumstances and future prospects. The analysis of current conditions also assesses social protection systems that have attempted to address these traditionally excluded groups, considering factors like coverage capacity, the adequacy of benefits provided, and the effectiveness of these provisions in protecting these groups and facilitating their sustainable escape from poverty and fragility. The book draws inspiration from the UN Sustainable Development Goals' (SDG) motto, "Leave no one behind."

The book offers empirical evidence regarding the nature of the most vulnerable and fragile groups and highlights their urgent need for social protection. However, its most significant contributions to policy development stem from a universal perspective asserting that the transformative potential of social protection and its ability to push societies toward greater equity hinges on each country's chosen development model and the interplay between social protection and other public policy domains, be they social or economic.

A critical aspect of the methodology is setting forward precise concepts and definitions to address the central question at hand. A key concept in this book is universal social protection, which refers to a set of integrated and comprehensive policies aimed at ensuring a secure income and support for all individuals throughout their life cycle. Special attention is given to addressing the needs of impoverished people and communities, vulnerable groups, and those facing life risks beyond old age. Universal, comprehensive social protection may include sufficient cash transfers and various other benefits for all individuals in need, with special attention to children, women, and men of working age in situations of maternity, disability, and work-related accidents and injuries. Additionally, it covers unemployed people and older persons. Generally, these forms of protection can be administered through social insurance, social assistance programs, and broader social policies such as tax exemptions for vulnerable groups. Active labor market programs are also considered part of social protection, provided they are designed effectively and with social sensitivity.



## 4 Who Benefits from Tunisia's Green Hydrogen Strategy?

As for universality, the concept extends beyond universal coverage for all people. To understand whether a social protection program is universal, we must take into account whether the benefits provided are sufficient and adequate, and whether they ensure a minimum income that enables people to lead dignified lives. Furthermore, the book highlights the importance of offering integrated and comprehensive benefits packages that combine cash, in-kind assistance, and service benefits.<sup>8</sup>

The question then is: Why has there been a growing interest in recent years in implementing universal and comprehensive social protection? There is substantial evidence to suggest that the development and implementation of well-rounded, comprehensive, universal social protection systems is a fundamental pillar of sustainable social and economic development. These systems provide benefits to individuals, families, communities, and national economies. Several compelling reasons underscore the importance of this approach:

- First, social protection plays a pivotal role in poverty reduction and ensures the dignity of vulnerable population groups.
- Second, it contributes to economic growth by increasing the income of poorer populations, which in turn enhances their consumption and savings capabilities. This, in aggregate, leads to heightened demand in the economy.
- Third, cash transfers provided through social protection programs facilitate access to education, healthcare, and food, thereby positively impacting human capital. Rigorous social protection measures result in improved child health, increased school enrollment, reduced school dropout rates, and diminished child labor. These positive effects help break the cycle of poverty across generations.
- Finally, social protection fosters political stability and promotes social integration on a broader scale.<sup>9</sup>

The concept of universal social protection involves comprehensive measures aligned with international frameworks along three essential standards: universal coverage for all individuals, comprehensive protection against all risks, and adequate and sufficient benefits. Notably, universal protection from risks has gained prominence in recent years due to the global witnessing of successive crises that have spurred economic, health, and climate-related challenges. This heightened awareness has been a significant driver behind the emergence of the concept of shock-responsive social protection.<sup>10</sup>

In practice, there exists a certain tension between expanding coverage quantitatively and ensuring the adequacy of benefits for recipients, particularly in the context of limited

resources or regions affected by conflict and competition. Those responsible for designing social protection programs often contend that expanding the scope of benefits negatively impacts the financial sustainability of these programs. Consequently, a critical challenge arises: how to strike a balance between extending coverage and guaranteeing benefits that effectively and sufficiently fulfill the protective objectives.

The book relies on objective criteria for selecting a group of vulnerable social groups. This selection process involves analyzing the current conditions of these groups and determining which should take precedence in terms of attention and support. The identified categories include children, informal workers, older persons, and NEETs. As the book focuses on social protection throughout the entire life cycle, these categories effectively represent various life stages. Additionally, the book places particular emphasis on women, who intersect all these categories. Women, refugees, and people with disabilities emerge as the most significant, fragile, and marginalized groups when assessed through the lens of vulnerability.

## Criteria for Choosing the Different Vulnerable Groups

### Why Children?

Children constitute one of the most economically disadvantaged groups in the Arab region, experiencing both material poverty and multidimensional poverty at alarming rates. Their inherent vulnerability and unique needs make them particularly susceptible to suffering.

To bring about a fundamental shift in social protection toward a transformative role that promotes equity and social justice, it is necessary to invest in human capital, which in turn helps break the cycle of inherited poverty.

Investing in children has medium-term implications for reducing social inequality by creating opportunities for this economically disadvantaged group to develop their physical, mental, and cognitive abilities. This paves the way for upward social mobility and fosters future societal productivity. In Arab countries, only 15.4% of children benefit from social protection, compared to the global average of 26.4%. In contrast, the Americas and Europe (including Central Asia) have significantly higher rates at 57.4% and 82.3%, respectively.<sup>11</sup>

Furthermore, child poverty rates are higher than adult

poverty rates in the Arab region, and social protection programs aimed at children often do not address all their needs comprehensively. For example, some programs may focus on education while overlooking crucial needs such as healthcare and nutrition. Children under the age of five are particularly vulnerable as many existing programs in Arab countries primarily target school-aged children. These are significant coverage gaps that overlook critical factors that significantly influence a child's future educational and professional trajectory.<sup>12</sup>

## Why Informal Workers?

For a long time, academic literature assumed that informal markets and informal labor were characteristic of developing countries as their economies transform and grow. It was expected, then, that as these economies developed, informal employment would diminish. However, the actual trajectory has been quite the opposite. In many Arab countries, structural adjustment policies, often established as part of government agreements with the International Monetary Fund and participation in neoliberal systems, led governments to reduce the number of civil service and public sector jobs; they further failed to create sufficient new job opportunities. Governments relied on the private sector to absorb new entrants into the job market. Nonetheless, due to the absence of necessary structural reforms and other constraints such as limited investment and a disconnect between educational outcomes and labor market demands, the private sector failed to provide the necessary employment opportunities.

In pursuit of increased profitability, the private sector frequently resorted to informal labor, citing the global trend toward “labor market flexibility” to encourage investment. Due to the State's weak regulatory role, governments turned a blind eye to informal employment in hopes of spurring private sector investment.<sup>13</sup>

This book adopts the terms “informal work” or “informal labor”, which have a broader scope than “informal market”. While everyone working in the informal market falls into the category of informal labor, the formal market also frequently relies on informal labor. Generally, informal workers lack access to any form of social protection; and often work without contracts, fair wages, or social or health insurance. From the standpoint of social safety nets, they are typically excluded from unemployment and welfare benefits as they are considered “employed”. Consequently, in the literature, they are sometimes referred to as “the missing middle”. The COVID-19 pandemic brought the crisis of informal labor to the fore, revealing the extent of vulnerability among informal workers and the intersection of informal work with many other forms of vulnerability.

## Why Older Persons?

Older persons, typically defined as individuals over the age of 60, form a demographic group that may benefit from social insurance and, consequently, receives retirement pensions. However, this group includes those who have worked in the informal market or engaged in unpaid care work (a role most commonly assumed by women in the Arab region), and thus may be excluded from social protection. Several compelling reasons justify the inclusion of this category in our analysis:

- First, there has been a notable increase in life expectancy at birth, leading to a significant rise in the age of the population in recent years, both globally and in the Arab region.
- Second, social insurance coverage rates have dwindled due to the reduction in civil service and public sector employment opportunities, and the inability of the private sector to create sufficient jobs over recent decades. This trend suggests that the percentage of older persons without social insurance coverage will grow in the coming years.
- Third, the situation of older persons is not substantially different from that of children. As individuals age, they become increasingly vulnerable to health issues and disabilities.
- Finally, both the existing contributory and non-contributory pension schemes cover only a fraction of this demographic. Further, pension benefits are often insufficient to meet a person's needs, especially considering rising inflation rates to which these pensions have failed to adjust.

The number of older persons aged 65 and above in the Arab region reached 21 million in 2020, and it is projected to reach 71 million by 2050. Additionally, Arab countries are expected to undergo the transition to an aging population within the next 15 years, during which the proportion of older persons will increase from 7% to 14% of the total population.<sup>14</sup>

In terms of social protection, coverage for older persons in the Arab region ranks lowest globally, with a coverage rate of 24%, compared to the global average of 77.5%. When comparing this rate with other regions worldwide including Africa, the Arab region consistently lags behind.<sup>15</sup>

## Why NEETs?

NEETs are individuals aged 15 to 24 who are neither employed, enrolled in any educational program, nor participating in vocational training. The Organization for Economic Cooperation and Development has expanded the upper age limit for youth to 29 years.<sup>16</sup> This group of young people has attracted special attention in recent years, as their conditions

are largely dependent on labor market conditions, the quality of education and training, and the exacerbated issue of youth unemployment amidst successive global crises. It is also worth noting that the prevalence of these frustrations among young people is considered a major factor negatively impacting political stability and social cohesion.

Globally, the proportion of NEETs in 2020 was estimated at approximately 22.4% of the world’s youth, with a higher representation among females (31.2%) compared to males (14%). This category is particularly concentrated in North and South Africa and South Asia, and less so in Europe. In the Arab region, the proportion of NEETs reached 34.4% in 2021, marking a relatively high percentage compared to other regions. This group is characterized by frustration and deprivation; many experience long-term unemployment, which can render them unwilling and unable to engage in the labor market.<sup>17</sup>

## A Holistic Approach to Social Protection

In this report, our focus is primarily political and goes beyond legal instruments or governance procedures. We believe that the challenges related to social protection in the Arab region are not purely technical: they stem from political choices that view social protection as a financial burden meant to maintain political stability and not as an inherent human right that should never be compromised. The overarching government outlook on social protection is deeply rooted in the broader framework of neoliberal economic policies.

This approach becomes most evident in how economic policy is often compartmentalized and frequently neglects the social policy components. Consequently, there is a lack of understanding of the number of people affected by established economic policies; social protection measures are proposed as reactive responses to mitigate the adverse effects of these economic policies on vulnerable groups. In such cases, social protection becomes a series of ad-hoc interventions rather than systematic policies.

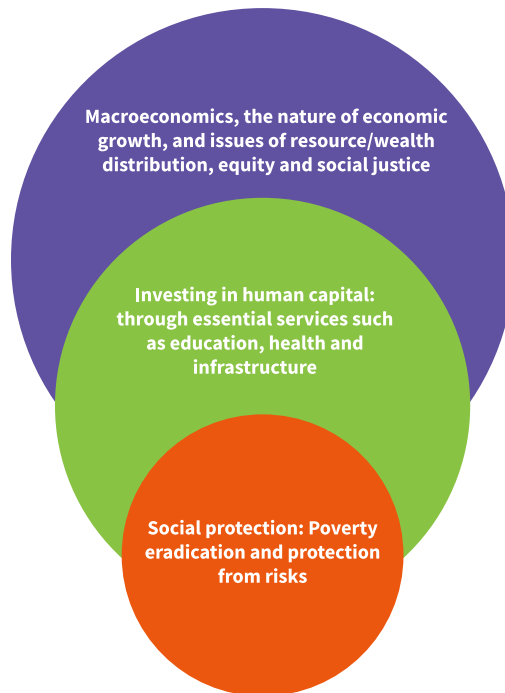
Moreover, existing neoliberal economic policies inadvertently lead to an increase in the ranks of the impoverished within society, despite the existence of numerous social protection interventions. This prompts the question: Why does poverty persist despite the availability of a multitude of social protection measures? The answer is multifaceted. First, existing interventions primarily alleviate the symptoms of poverty without addressing its root causes. Second, these economic policies contribute to the creation of additional impoverished individuals. Finally, in societies where the State is weak and overshadowed by powerful religious, sectarian, or tribal groups, clientelism often emerges in the provision of social protection. Each group promises to offer social

protection to its supporters in exchange for their votes and loyalty.

To better understand the political approach underlying this report, the following key points are worth considering:

**1. Social protection at the nexus of social policy and public policy:** Treating social protection primarily as a financial burden for alleviating poverty or maintaining political stability perpetuates poverty and its transmission across generations. This approach views social protection systems as survival support mechanisms rather than tools for lifting individuals out of destitution. Many Arab countries adopt this perspective, thus limiting social protection’s role to mitigating the consequences of unjust economic policies. Failing to recognize social protection as a means to achieve social justice and equity underscores the necessity of understanding its interconnectedness with diverse public policies within the broader framework of social policy.

### The concept of social policy



Author's analysis

Think of social policy as a multi-tiered structure with three concentric circles. At its core is social protection, designed to alleviate poverty and manage risks through mechanisms like social safety nets and social insurance. The second circle focuses on investing in human capital by offering essential services such as education, healthcare, and infrastructure (drinking water, sanitation, electricity, and telecommunications), particularly in impoverished areas. This tier defines poverty not only as the living situation of individual households but rather of entire communities; poverty assessment should therefore consider not only

## 7 A Guide to Universal Social Protection in the Arab Region: Challenges and Opportunities

household indicators but also local development indicators that encompass access to basic services and dignified living conditions. This perspective has given rise to the concept of multidimensional poverty. The outermost circle includes macroeconomic indicators, economic growth quality, wealth distribution, social justice, and equity. These factors are closely tied to economic and financial policies, taxation, labor rights including wages and workers' rights, and the right to organize, all of which directly influence income and wealth distribution within a society.

**2. Understanding poverty determinants and measurement challenges:** When studying poverty, it is common to describe its patterns and overlook the root causes or the experiences of specific population groups it affects. It is essential to delve into why vulnerable groups fall into poverty and how it persists across generations. Poverty results from multiple conditions that vary in nature and severity. These conditions could be specific to individuals, families, local communities, or entire regions. Additionally, biased policies against people in poverty or the absence of supportive policies can contribute to impoverishment. Determinants of poverty go beyond the family characteristics typically collected in household surveys, such as family composition, dependency ratios, education levels, and employment status; they also encompass community conditions and regional context, including access to basic services, resources, and decent job opportunities. There are also determinants linked to geographical location, including the geographical isolation of the region, exposure to harsh seasonal climate conditions, and other factors that may pose significant barriers for individuals and local communities. Thus, comprehending the determinants of poverty entails a more intricate examination than merely conducting household surveys in impoverished areas. It necessitates understanding not only the circumstances within individual households but also the broader context of the entire community and the geographical region where poverty is concentrated. Some regions in Arab countries not only have high poverty rates but also significant disparities in development, including rural Upper Egypt, northern and southern Lebanon, and landlocked areas in central and northern Tunisia such as Kairouan, Kasserine, and Sidi Bouzid, as well as pockets of poverty in sparsely populated rural regions of Jordan. These development disparities are complex and multidimensional, often relating to gender, age, demographics, education, health, and employment. Addressing these challenges prompts discussions about targeting methods – categorical or geographical – and how to employ them effectively, particularly when precise methods may fall short. It also raises questions about the relationship between targeting and universality and how to reconcile these approaches.

**3. Limits of targeted programs in providing adequate social protection:** Recognizing the role of basic public services in reducing poverty and building human capital underscores the importance of social protection within

the development model. Restricting social protection to expanding social safety nets only addresses the symptoms of poverty without tackling its underlying causes. This is evident in both the persistently high poverty rates in the countries under examination and the intense vulnerabilities exposed by the COVID-19 pandemic despite the expansion of social assistance networks.

**4. Quality vs. pace of growth, or the problem of transitivity:** Several Arab countries experienced significant GDP growth before the Arab Spring uprisings and the COVID-19 pandemic. However, this economic growth did not lead to higher per capita income or a poverty reduction. This raises a fundamental question: Why did this growth fail to benefit individuals? The answer may lie in a threshold that must be surpassed for GDP growth to impact per capita income. Crossing this threshold requires fair and equitable wealth distribution policies encompassing taxation, wage policies, employment policies, social protection measures, and overall social spending policies. These policies play a pivotal role in redistributing income and wealth. Without them, the threshold for eradicating poverty remains insurmountable, and impoverished individuals do not reap the rewards of a country's economic growth.

## Overview of the Context in the Arab Region

In our examination of Arab countries, we take an unconventional approach by first discussing the challenges that are deeply embedded in the structural aspects of prevailing economic and development models. These models greatly influence the perception of social protection within these contexts. The central question remains: Is social protection regarded as a fundamental human right that needs to be guaranteed, given that its ultimate goal is to attain equity and social justice? Or are these mechanisms seen as interventions designed solely to alleviate the immediate impacts of poverty, rather than addressing its root causes and used as instruments for ensuring political stability?

This perspective on social protection, discussed earlier in relation to its interaction with social policy and other public policies, often results in a fragmented approach that leads to a collection of interventions lacking coherence and clear objectives. This fragmentation is particularly evident in Arab contexts. Additionally, the methods used to measure poverty and their influence on the design of social protection programs contribute to the challenges. Some key issues include:

1. Fragmentation in social protection programs: The Arab region experiences significant fragmentation in social protection programs, both at the program level and within the institutions responsible for their delivery. There is often a lack of a unified vision on how to integrate

programs that rely on beneficiary contributions – like social insurance – with those that do not, such as cash assistance and social safety nets. Integrating these two types of programs is crucial for achieving universal social protection.

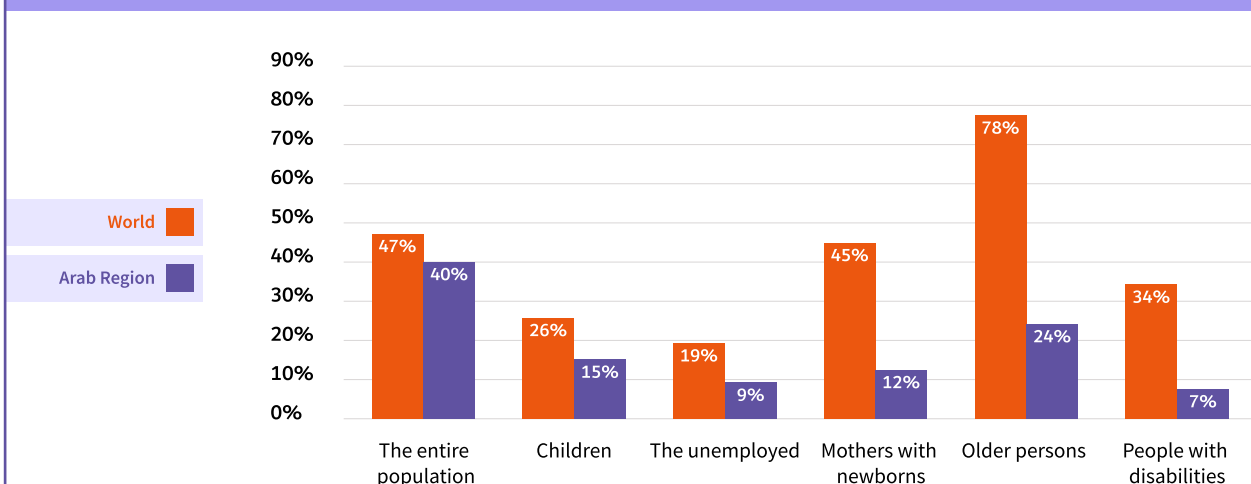
2. Lack of a clear vision for poverty reduction: Arab countries often lack a well-defined vision and strategy for using social protection to lift people out of poverty. Whether by empowering individuals and improving their capacity to enter the labor market under decent working conditions or by increasing investments in health and education to build human capital, the goal remains to break the cycle of intergenerational poverty. Social protection programs frequently focus primarily on providing immediate relief, rather than addressing the deeper causes of poverty. This limited perspective on social protection results in it being primarily seen as a tool for relief, without fully harnessing its potential for rehabilitation and transformative change, which are essential for achieving social justice.
3. Inadequate response to shocks: The COVID-19 pandemic exposed several weaknesses in the Arab region's social protection systems. These systems were ill-prepared for an effective shock response and specifically lacked a responsive social protection policy tailored to address social shocks. An effective response to such crises necessitates robust, accurate, unified national records that comprehensively cover the most vulnerable groups expected to be affected by shocks. The pandemic revealed the magnitude of the informal market and informal employment in the region, underscoring the need to address vulnerabilities within Arab countries more effectively.
4. Governance challenges: Good and effective governance of social protection systems is not only fundamental, but

it is also a prerequisite for the human rights approach to social protection. However, numerous challenges hinder the effective governance of social protection systems in the region. Some of these challenges pertain to the degree to which social protection is integrated into public policies, as well as the coordination both horizontally and vertically during implementation. Additionally, the concepts of popular participation and transparency are often notably absent from the management of various social protection systems. Perhaps one of the most concerning aspects is the government's understanding of governance, which typically focuses on technocratic aspects related to optimizing spending while overlooking crucial political dynamics associated with transparency, accountability, and stakeholder engagement.

### Disparities and Imbalances in a Comparative Regional Perspective

The ILO's "World Social Protection Report 2020-22 regional companion report for the Middle East and North Africa (MENA) region" provides insight into the state of social protection in this region, highlighting several critical issues.<sup>18</sup> One of the most significant revelations came from the COVID-19 pandemic, which laid bare deep-rooted inequalities and substantial gaps in social protection coverage. These gaps extend to the comprehensiveness and adequacy of social protection systems in all countries, particularly within Arab nations. Furthermore, the ILO report underscores the existence of various population groups facing heightened vulnerability and suffering, characterized by high levels of economic insecurity, persistent poverty, and significant inequality and social disparities. These groups encompass informal market workers, children, and other groups who either lack coverage under social protection systems or do not enjoy sufficient benefits from them.<sup>19</sup>

Percentage of population covered by at least one social protection benefit (2020-2022)



Arab countries are facing a significant decline in social protection coverage for various population groups when compared to global rates and the rates observed in some other regions. Here are some key statistics from the ILO report that highlight these disparities:

### Overall social protection coverage:

- The percentage of the Arab region's population covered by at least one form of social protection is only 40%, while the global average stands at 46.9% (2020 estimates).
- In comparison to regions like the Americas and Europe/Central Asia, Arab countries lag significantly. The average coverage rate in the Americas is 64.3%, and in Europe and Central Asia, it is 83.9%. This places Arab countries at the lowest levels in the ranking, with only Africa having a lower rate at 17.4%.<sup>20</sup>

### Coverage for children:

- Children in Arab countries face an even worse situation, with only 15.4% enjoying social protection coverage. This is significantly lower than the global average of 26.4%.
- Regions like the Americas and Europe/Central Asia have much higher coverage rates, with the Americas at 57.4% and Europe and Central Asia at 82.3%.<sup>21</sup>

### Coverage for the unemployed:

- The coverage rate for the unemployed, who are often concentrated in the informal market, is only 8.7% in Arab countries, in contrast to the global rate of 18.6%.
- Regions like Europe and Central Asia (51.3%), the Americas (16.4%), and Asia and the Pacific (14%) all exceed the average coverage rate for the Arab region.<sup>22</sup>

### Coverage for older persons:

- Older persons in the Arab region have a coverage rate of 24%, which is significantly lower than the global average of 77.5%.
- In regions like Europe and Central Asia (96.7%), the Americas (88.1%), and Asia and the Pacific (73.5%), coverage rates for older persons are much higher.<sup>23</sup>
- The coverage gaps in the Arab region for the mentioned population categories are striking, especially when compared to global averages and rates in other regions. It is important to note that these groups often intersect with even more fragile and vulnerable populations, including women, people with disabilities, and refugees. Here are some key disparities:

### Maternity benefits for women:

- Globally, 44.9% of women who care for newborns receive financial maternity benefits.
- In the Arab region, this percentage drops significantly to just 12.2%, which is the lowest in the world.
- In comparison, Africa has a rate of 14.9%, Asia and the Pacific have 45.9%, the Americas have 51.9%, and Europe and Central Asia have 83.6%.

### Coverage for people with severe disabilities:

- Worldwide, the coverage rate for people with severe disabilities is 33.6%.
- In the Arab region, this rate is remarkably low at 7.2%, the lowest in the world.
- In contrast, Africa has a rate of 9.3%, Asia and the Pacific have 21.6%, Europe and Central Asia have a high rate of 86%, and the Americas have 71.8%.

### Coverage for refugees:

- Refugees, who are among the most vulnerable groups, have a social assistance coverage rate of 32.2% in Arab countries.
- Globally, the coverage rate for refugees is slightly lower, at 28.9%.<sup>24</sup>

# Social Protection in Arab Countries: Confronting Poverty and Fragility

## The Intersection of Structural Factors with Political, Economic and Social Crises

The social protection systems in the four studied Arab countries have various components, both contributory and non-contributory, as well as active labor market programs. These systems offer different forms of support.

Within non-contributory social protections, various forms of support, including cash and in-kind assistance, periodic and non-periodic aid, conditional and unconditional, as well as comprehensive and targeted benefits address diverse groups, including children, women, and people with disabilities. Some contributory social insurance and health insurance programs tailor their contributions and benefits to different social groups. Active labor market programs include training, small loans, support for small and medium-sized enterprises, and public works initiatives. However, not all of these components are effective and sustainable.

Over the years, social protection systems in the Arab region have faced significant challenges. Contribution-based social insurance schemes suffer from low coverage, fragmentation, and financial sustainability issues. The expansion of the informal and unorganized sectors, driven by a lack of formal job opportunities, particularly for a growing young population, has contributed to this coverage gap. In addition, issues like the declining quality of education and the mismatch between labor market needs and educational outcomes have compounded the problem. Social safety nets also face difficulties, including limited targeting, exclusion errors, and insufficient benefits. These safety nets often focus on mitigating the effects of poverty rather than addressing its root causes, perpetuating the cycle of poverty across generations.

Active labor market programs are intended to empower beneficiaries of social safety nets by providing training and building their capability for entering the labor market, eventually allowing them to contribute to and benefit from social insurance systems facilitating their transition from non-contributory schemes – when available – to contributory social protection. However, these programs are often poorly designed and lack a comprehensive vision. Consequently,

they primarily consist of training, public works projects, and micro-enterprise support, which fail to create sustainable and decent job opportunities.

The COVID-19 pandemic has exposed, rather than caused, significant deficiencies in social protection systems. Governments' ability to respond to crises has been stretched, resulting in increased poverty and fragility rates. A closer look at poverty dynamics in Arab countries highlights the need for a fundamental shift in the prevailing political approach toward social protection systems. This shift should prioritize social justice and equity. Two common phenomena among the four studied countries are high poverty rates and spatial justice, i.e. geographic disparities in poverty distribution.

### Jordan

The poverty rate in Jordan stands at 24.1%, as reported by the Minister of Planning and International Cooperation, who shared preliminary results from the 2022 Income and Expenditure Survey.<sup>25</sup> Like many other regions, Jordan faces disparities in poverty concentration, often referred to as “pockets of poverty”. It is essential to note that even when the overall poverty rate was lower, these pockets of poverty persisted, suggesting a structural issue linked to the spatial dimension of poverty. In 2008, the National Expenditure and Income Census identified 32 such pockets of poverty across Jordan, primarily located in sparsely populated rural areas and predominantly inhabited by eastern Jordanians rather than Jordanians of Palestinian origin.<sup>26</sup>

### Tunisia

In Tunisia, the poverty rate increased from 14% before the pandemic to 21% in 2021, and the unemployment rate rose from 15% in the first quarter of 2020 to 17.8% in 2021. An analysis of Tunisia's economic geography reveals significant urbanization, with most economic activities concentrated in dynamic coastal regions, especially Greater Tunis. In contrast, Tunisia's interior regions remain predominantly rural and reliant on agriculture and livestock production. The coastal regions house 85% of all companies across various economic sectors and 90% of the country's jobs. These regional disparities highlight the lack of progress in rural areas, leaving them increasingly disconnected from civic engagement, cooperation, and local initiatives that drive socioeconomic growth.<sup>27</sup>

The fragility of rural Tunisia also leads to the concentration of poverty there. Poverty rates are higher in the regions located in the northwest and southwest, often exceeding 33%. In contrast, the poverty rate is lowest in the Greater Tunis region, reaching 4.6% in Tunis (the capital), 5.6% in Ben Arous, and 7% in Ariana. Studies also reveal that areas with high poverty rates tend to experience elevated unemployment rates, reaching 26% in the northwest and 21% in the south – significant deviations from the national average.<sup>28</sup>

## Lebanon

Estimating poverty in Lebanon poses challenges due to the absence of accurate official data covering all regions, including Palestinian and Syrian refugees. However, estimates by international organizations suggest a significant increase in multidimensional poverty and material poverty since 2020. In 2021, UNICEF and the ILO estimated that 82% of Lebanon’s population experiences multidimensional poverty, driven by political and economic crises and the impact of the COVID-19 pandemic. The UN Economic and Social Commission for Western Asia (ESCWA) estimates indicate that poverty rates surged from approximately 28% to 55% in 2020.<sup>29</sup>

Lebanon’s lack of spatial justice, and the geographic disparities in development are evident in the distribution of poverty between urban and rural areas. Poverty rates are notably high in rural areas such as Aakkar (51.5%), Baalbek-Hermel (49.3%), Nabatieh (46.7%), and Bekaa (43%). Extreme poverty also appears to have increased from 16% in 2019 to 23% in 2020.<sup>30</sup> It is worth noting that Lebanon exhibits substantial disparities in wealth and income distribution, making it one of the world’s most wealth-concentrated countries, with the richest decile controlling 70% of the nation’s wealth. Moreover, there is a strong correlation between poverty and factors such as gender, age, and disability, exemplified by women experiencing a double unemployment rate compared to men.<sup>31</sup>

## Egypt

Egypt has undergone fluctuations in its poverty rates over the years. In 2009, the poverty rate stood at 22%, then increased steadily to 25% in 2011, 26.2% in 2013, 27.8% in 2015, and

32.5% in 2017 and 2018. There has been a slight decrease in these rates; the most recent data from Egypt’s Central Agency for Public Mobilization and Statistics reports a poverty rate of 29.7% for 2019-2020. It is important to note that rural areas experience higher poverty rates than urban areas, with rural Upper Egypt being particularly affected. This region exhibits both a high prevalence of poverty and a pronounced development gap.<sup>32</sup>

According to the same survey, rural Upper Egypt stands out as the poorest region in Egypt, with a poverty rate of 48.15%. It is followed by rural areas across Egypt as a whole, where the poverty rate reaches 34.78%. Urban areas, on the other hand, have a lower poverty rate of 22.95%. Despite minor fluctuations in poverty estimates over the years, the overall trend remains consistent. Rural Upper Egypt continues to face high poverty rates, albeit with a slight reduction compared to previous years.

The development gap affecting rural Upper Egypt extends beyond material poverty; according to the survey, 48% of the population in this region struggles to meet basic food and non-food needs. Notably, two-thirds of all impoverished individuals in Egypt reside in rural areas, with 43% of them concentrated in rural Upper Egypt despite this region being home to only about 26% of Egypt’s total population.<sup>33</sup> This geographical development gap involves various dimensions of poverty such as education, healthcare, nutrition, and housing, among others. Furthermore, specific social groups, especially women and children, bear a disproportionate burden of poverty in this context.<sup>34</sup>

## Key Social Protection Coverages in Jordan

Institution	Type of benefit	Coverage scope	Beneficiaries
National Aid Fund	Regular cash and in-kind assistance	160,000 families	Citizens in general ✓
			People with disabilities ✓
			Refugees ✗
Zakat Fund	Cash and in-kind assistance	58,000 families annually	Citizens in general ✓
			Refugees ✓
Social Security Fund	Social insurance	65% of the workforce	Citizens in general ✓
			Refugees ✓
			The unemployed ✗
			Informal labor ✗
Health Insurance System	Health insurance	40.9% of the population of Jordan	Citizens in general ✓
			Refugees ✗
			Public sector employees (non-contributory) ✓

Figure 3

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## Mapping Social Protection in the Studied Countries

### Jordan

Jordan has established various institutions to deliver social protection programs. The National Aid Fund, overseen by the Ministry of Social Development, plays a pivotal role in providing assistance.<sup>35</sup> The fund extends regular cash and in-kind assistance to approximately 160,000 Jordanian families living below the poverty line. While the Fund covers people with disabilities as well as emergency situations, it does not include refugees. Another significant program is the Zakat Fund, affiliated with the Ministry of Endowments, which offers cash and in-kind assistance to approximately 58,000 families annually, especially those who do not receive aid from other sources. Both citizens and refugees benefit from the Zakat Fund.

The third program is the Social Security Corporation, a national institution tasked with administering social insurance. It covers approximately 65% of Jordan’s workforce. In 2019, the Social Security Law was amended

to establish a comprehensive and non-discriminatory framework permitting coverage for refugees and migrant workers. Despite these regulatory enhancements, concerns persist regarding coverage and adequacy, primarily due to the prevalence of informal employment. It is estimated that informal work constitutes approximately 40% of all labor activities in Jordan today.<sup>36</sup> A supplementary support initiative known as the Unified Cash Transfer Program targets primarily individuals employed in the informal market who cannot benefit from the existing social security system.<sup>37</sup>

Jordan has a health insurance system that provides coverage for citizens working in the public sector and their families, retirees, children under six, individuals above 60, as well as heart, cancer, and kidney patients. Optional enrollment in this health insurance system is available to all citizens who are wish to subscribe, including pregnant women, senior citizens, institutions, companies, and organizations. This insurance also extends to impoverished families with an income not exceeding 300 dinars (around US\$423), and to individuals who received regular assistance from the National Aid Fund in 2021. Currently, 40.9% of Jordan’s population benefits from health insurance coverage.<sup>38</sup>

### Key social protection coverages in Tunisia

The National Social Security Fund covers <b>81%</b> of private sector employees	Public Sector	Private Sector	Funds
	✗	✓	National Social Security Fund
	✓	✗	National Pension and Social Insurance Fund
	✓	✓	National Health Insurance Fund

Year	Coverage scope	Type of benefit	Program
2018	285,000 families	Cash transfers	National Program for Assistance to Needy Families
2019	30% of the population (Approximate target)	Non-contributory social assistance	"AMEN" Social Program
2021	8% of the population (Actual target)	Cash transfers	

ESCWA, 2019

### Tunisia

Tunisia has a longstanding history of providing social insurance coverage, with specific programs established for certain social groups; for example, agricultural workers benefited from a program established in 1981, and were supplemented by an improved program in 1989. Two separate programs for self-employed workers in the agricultural and non-agricultural sectors were created in 1982 and merged into a unified program covering both sectors in 1995. A

program covering Tunisians working outside the country was also established in 1989. The social insurance scene in Tunisia was further supplemented in 2002 with a program designed for non-covered groups with low incomes, including artists, creatives, and intellectuals. As a result, the National Social Security Fund, which covers the private sector, has no less than seven different programs. Workers in the public sector are covered by the National Pension and Social Insurance fund.<sup>39</sup>

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Creating multiple programs was crucial for adapting each program to the needs and circumstances of the groups it targeted, and to the abilities of those groups to contribute. Some programs offer a less comprehensive set of benefits for lower subscription prices. In 2004, Tunisia passed a law requiring the establishment of a new health insurance system, represented by the Tunisian National Health Insurance Fund. Under this law, membership in the new system became mandatory, and contributions to it were combined with contributions to social insurance programs (that is, health and social insurance were combined in one “package”). This reform led to coverage for workers in the public and private sectors according to the same principles. This system is particularly favorable for workers in the public sector, whose previous health insurance did not cover chronic diseases and who did not have access to the same quality of care provided by the private sector.<sup>40</sup>

The number of workers in the private sector participating in the National Social Security Fund witnessed a significant increase, from 446,162.1 in 2002, or 54% of the total of this category of workers, to 839,362.2 in 2017, or 81%. Other factors also contributed to this development, but it is likely that the establishment of the National Health Insurance Fund played a major role in motivating workers to formalize their economic activities.

The National Program of Assistance to Needy Families was also established 30 years ago. It is a cash transfer program, and the number of households benefiting from it reached 285,000 in 2018.

In 2019, a law was issued establishing the Amen Social program, which is a social assistance program not based on contributory subscription; Amen Social is divided into two sub-programs: the National Program of Assistance to Needy Families and the Free Medical Assistance Program. Amen Social aims to cover 30% of the population. With the COVID-19 pandemic, it was necessary to implement the law, activate the program, and establish a digital platform to provide temporary cash assistance to citizens affected by COVID-19. A permanent fixture of the Amen Social program was cash transfers that covered approximately 266,000 families in need in 2021 – approximately 8% of the population.<sup>41</sup>

### Lebanon

Lebanon’s social protection system comprises two main components. The first is the National Social Security Fund (NSSF), a social insurance system funded by contributions from beneficiaries. It provides health insurance, family subsidies, and end-of-service compensation to its direct members and their families. However, it does not cover work-related accidents or unemployment. While it includes private sector workers, the coverage is limited, and the benefits are fewer. In 2016, the NSSF had around 600,000 registered participants, benefiting over 700,000 people, or roughly 20% of Lebanon’s non-immigrant workforce.<sup>42</sup>

The NSSF faces several issues including limited coverage, inefficiency, lack of information, weak technical

### Key social protection coverages in Lebanon

Figure 5

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	Beneficiaries	Coverage scope	Institution
<p>The National Social Security Fund's savings decreased by:</p> <h1>95%</h1> <p>within the past 4 years</p>	✓ Citizens in general	20% of the Non-Migrant Lebanese Workforce	National Social Security Fund
	✓ Refugees		
	✗ Informal labor		
	✗ The unemployed		
	✓ Civil servants and military personnel	10% of the Non-Migrant Lebanese Workforce	Pension System
	✗ Private sector employees		
	✗ The unemployed		
	✗ Informal labor		
✗ Refugees			

Year	Coverage scope	Type of benefit	Social safety nets
2019	43,000 families	Cash transfers, free healthcare and free education	National Poverty Targeting Program
2021	60% of Lebanese	Cash transfers	Social Safety Net Program in response to the crisis and COVID-19 pandemic

infrastructure, and political reluctance to expand its reach and grant it independence. Economic crises and high inflation rates have exacerbated these challenges, preventing the NSSF from meeting its obligations to approximately 1.5 million Lebanese citizens in 2020.<sup>43</sup> Since the early 1990s, government interventions have aimed to control the NSSF.

The General Confederation of Lebanese Workers has resisted these efforts, citing the protections granted to the NSSF under the Social Security Law. They insisted on maintaining the financial and administrative independence of the fund, emphasizing that its resources originate from sources outside the public budget, primarily contributions from institutions and workers. However, the government instead established affiliated unions and imposed financial burdens on the NSSF, leading to its loss of independence. Several financial measures were also taken to burden the NSSF’s budget, such as by forcing it to buy treasury bonds from the government or reducing business owners’ subscriptions, among other measures. The NSSF’s savings has plummeted from \$8.5 billion to \$450 million due to the financial and monetary collapse since 17 October 2019.<sup>44</sup>

The second part of Lebanon’s social protection system is the National Poverty Targeting Program, established in 2006 following the Israel-Lebanon War with funding from the World Bank and other donors. This program aids impoverished Lebanese families through cash transfers, free healthcare, and free education based on a targeting formula. In 2019, it reached approximately 43,000 individuals.<sup>45</sup>

Additionally, non-governmental organizations and some UN agencies run rapid intervention programs, providing cash and in-kind transfers to individuals facing poverty and fragility.<sup>46</sup>

Overall, Lebanon’s social protection system suffers from several issues, including limited coverage, inadequate benefits, poor management, and weak governance.<sup>47</sup> Over 70% of the population lacks any form of protection coverage, including health insurance and other social security aspects. Social pension systems are ineffective, and end-of-service compensation exclude most vulnerable groups including Palestinian and Syrian refugees.<sup>48</sup>

Despite the challenges, some steps were taken in 2023 to adopt a comprehensive approach, partly due to the significant international aid provided after the 2020 Beirut port explosion and its subsequent economic and political repercussions.<sup>49</sup> There are even more programs aimed at assisting impoverished and vulnerable populations than those we have mentioned. For example, the World Bank has allocated US\$300 million for an emergency project designed to bolster social safety nets in response to both the ongoing crisis and the challenges posed by the COVID-19 pandemic. This additional funding facilitates the ongoing and expanded disbursement of cash transfers to the most financially disadvantaged Lebanese families and supports

the enhancement of a unified social safety net system, which will be better equipped to address present and future crises.<sup>50</sup>

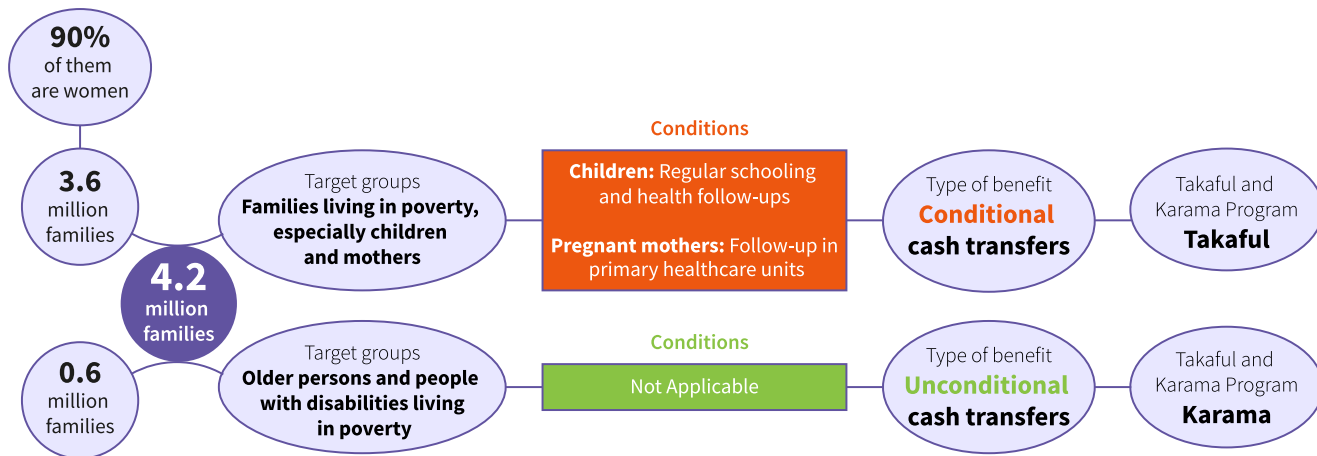
The government also committed to establishing a unified registry as part of the World Bank program. Registration of beneficiaries began in December 2021; within two months nearly 60% of the Lebanese population had enrolled in the support program. A digital platform was created at both ministerial and local levels to facilitate assessment, coordination, and follow-up. The creation of the unified registry, known as Daam (support), marks the initial phase of developing a comprehensive and integrated information system for social protection. This system enables any citizen facing hardship to apply for registration. After evaluating their situation, aid is directly provided by the State, eliminating the need for intermediaries. Notably, the questionnaire used by Daam for data collection refrains from asking questions about religious identity. This precautionary measure is crucial to prevent the program from being influenced by sectarianism, especially considering the prevalence of political clientelism in Lebanon’s governance.<sup>51</sup>

## Egypt

Social protection in Egypt is a complex and diverse landscape, and can be roughly divided into two basic sections: The first is non-contributory social protection systems and programs (not based on financial contributions from beneficiaries) such as social security pensions, the Takaful and Karama cash transfer programs, and emergency and crisis relief; one significant area is aid provided to children, such as conditional cash transfers programs like Takaful, assistance provided to orphans, or in-kind support like ration cards, bread vouchers, and the school lunch program. The second component is social protection systems and programs that depend on the beneficiaries’ financial contributions and subscriptions, such as social insurance and health insurance. It is worth noting that the social insurance system falls under the purview of the Ministry of Social Solidarity, while the Ministry of Health oversees the health insurance system.

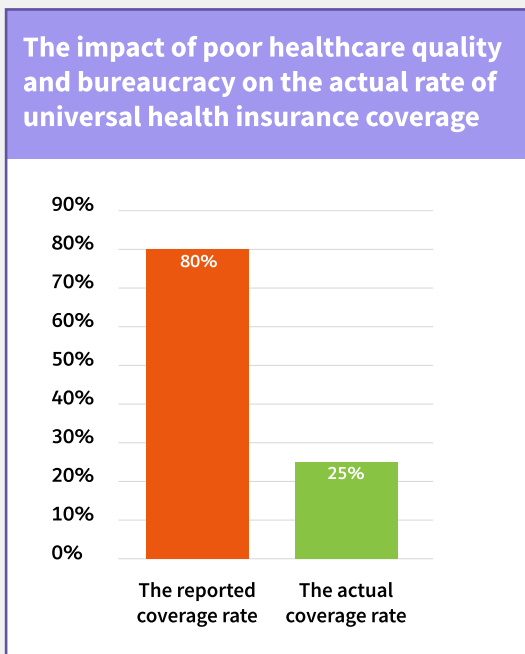
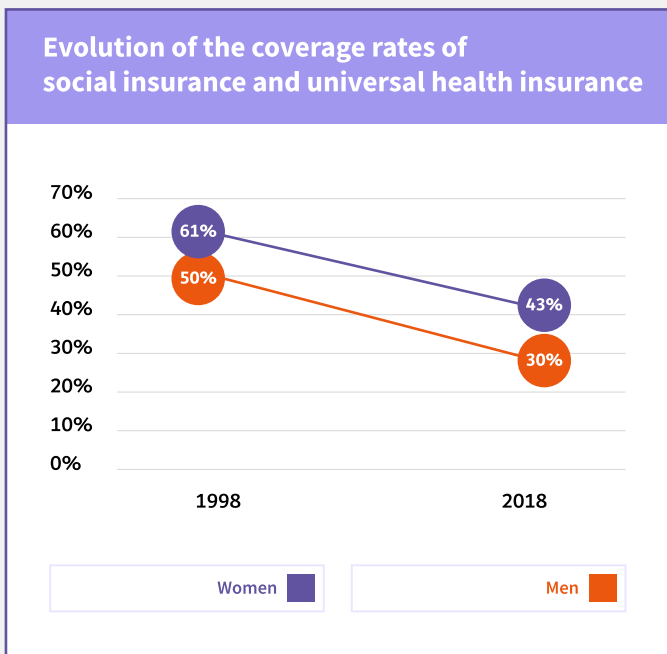
The first category includes both conditional and unconditional cash transfer programs; the Takaful program, established in 2015, falls into the former category. Takaful is designed to provide financial assistance to impoverished families with children under the age of 18. The conditions for eligibility include regular school attendance for children, periodic pediatric health check-ups, and pregnant mothers must access primary health care. In 2020, these cash support programs collectively benefited 3.6 million families, with nearly 90% of the recipients being women. Although Takaful is a conditional cash assistance program, the requirements listed above began in early 2020, five years after it was established. On the other hand, the Karama program was designed as an unconditional cash transfer program targeting individuals aged 65 and older living in poverty and

### Key social protection coverages in Egypt



85% of the sample population prefer to stay enrolled in the Takaful program and are reluctant to join "Forsa" and subsequently leave Takaful

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Multiple sources compiled by the book's author (check the narrative text)

individuals with severe disabilities. It is worth noting that the commitment to implement the International Monetary Fund's conditions since the start of 2023 – resulting in the liberalization of the exchange rate, a depreciation of the

national currency by over half, and accompanying severe inflationary trends – has led to the expansion of Takaful and Karama coverage. These programs now reach approximately 4.2 million families.

The Ministry of Social Solidarity, responsible for the Takaful conditional cash transfer program, started an initiative aimed at economically empowering male and female beneficiaries by integrating them into a program known as the Forsa (“opportunity”) Program. The Forsa Program, launched in 2021, can be considered Egypt’s pioneering government effort to uplift individuals out of poverty. It operates on an extensive and targeted basis, primarily benefiting recipients of the Takaful program regardless of gender. The program comprises two key components: asset transfers and financial inclusion. It receives funding from the World Bank and is currently implemented across eight governorates in its initial phase: Faiyum, Beni Suef, Asyut, Sohag, Luxor, Minya, Menofia, and al-Qalyubia, spanning 161 villages. As the program is relatively new, a comprehensive evaluation of its impact is challenging. However, an assessment of the baseline study conducted by the International Food Policy Research Institute has yielded notable insights. Surprisingly, when prospective program participants were asked about the minimum acceptable wage for various types of jobs, their responses indicated a preference for informal employment over formal arrangements. This preference stems from the perceived limited income in formal jobs with contracts and social protection. Another intriguing finding was that 85% of the sample expressed a preference for remaining within the Takaful program and were hesitant to transition to Forsa.<sup>52</sup> This suggests a degree of reluctance among beneficiaries in leaving the familiar Takaful program, possibly rooted in a broader culture of political mistrust prevalent among Egyptians.

Turning to contribution-based programs, Egypt’s social protection framework includes social insurance and health insurance systems with a history dating back to the 1960s. Over time, these systems underwent numerous modifications and expansions to adapt to changing societal needs. They played a substantial role in providing protection to a significant portion of the Egyptian population, particularly those in the formal sector; however, challenges emerged – including insufficient coverage due to population growth and sustainability concerns – resulting in poor service quality particularly in healthcare and pension provisions under social insurance.<sup>53</sup> This prompted the issuance of additional social insurance laws tailored to specific categories, such as agricultural workers, or to extend health insurance coverage to other groups, like school students. Consequently, both the social and health insurance systems became subject to numerous laws, potentially resulting in discrepancies in the benefits provided to each group, thus risking the principles of justice and fairness among the covered populations.

To address these issues, a substantial legislative overhaul began, culminating in the issuance of the unified Social Insurance Law (No. 148) in 2019 and the Universal Health Insurance Law (No. 2) in 2018. The coverage rate for insured

workers had exhibited a significant decline over the years, with male workers’ coverage rate dropping to about 30% in 2018, compared to 39% in 2012 and 50% in 1998. Female workers had a slightly higher rate of 43% in 2018, compared to 41% in 2006 and 61% in 1998.<sup>54</sup> Notably, the new insurance law includes a provision dedicated to incorporating informal workers, providing an opportunity to extend social protection to this segment. Some informal workers had previously avoided insurance, due to their concerns that the adequacy of their benefits would not be commensurate with their contributions.<sup>55</sup>

In terms of health insurance, Egypt has embraced a universal health insurance system to protect citizens from the financial impacts of illness and disease. The General Authority for Health Insurance was established by Presidential Decree No. 1209 of 1964 to oversee the system’s implementation. Initially, the health insurance system primarily covered workers in state administrative entities, local administration units, public bodies, and economic sectors subject to social insurance laws. It excluded several groups like agricultural workers, domestic workers, handicraft workers, and self-employed individuals. Over time, successive laws extended health insurance to various categories, such as school students (under Law 99 of 1992), female breadwinners, young children, farmers, and agricultural workers.<sup>56</sup> In 2018, approximately 55.6 million citizens – of which about half were school students and over a quarter were workers (approximately 12 million workers out of a total of 22.5 million) – were insured under this system. Despite expanded coverage, citizens continued to bear a significant proportion of health expenses, accounting for 62% of total health spending in 2015. This suggests a lack of satisfactory quality in the services provided to them.<sup>57</sup>

The 2019 ESCWA study on reforming social protection systems in Arab countries highlighted findings from a survey conducted in Egypt. It revealed that approximately 80% of households have at least one member with nominal coverage from public health insurance. However, a mere 25% of these families derive actual benefits from the system due to the poor service quality and bureaucratic inefficiencies.<sup>58</sup> To address these shortcomings, Egypt introduced a universal health insurance law in 2018. This transformative law prioritizes universality by extending coverage to all citizens, shifting from individual- to family-based coverage as the fundamental unit. It mandates that the State assume the financial responsibilities of those who are unable to meet them, in accordance with predefined exemption criteria set forth in a decision issued by the prime minister. The scope of coverage extends beyond mere inclusion to involve all health services, thereby settling debates about which services fall within the insurance’s purview and ensuring clarity. The law’s implementation is scheduled over 15 years, divided into six stages commencing in 2018 and concluding in 2032.<sup>59</sup>

## Shared Characteristics Among the Studied Countries

**1. Contributory social protection systems:** All the countries under study possess social protection systems that rely on financial contributions, encompassing social insurance programs and social security schemes. However, these systems have witnessed a noticeable decline in coverage rates over time. This decline can be attributed to factors such as the expansion of the informal market, a decrease in public sector employment, economic downturns impacting job security in the private sector, and issues like insurance evasion. Private sector companies aim to maximize profits, while workers often shy away from subscriptions due to high costs and limited benefits. Furthermore, these benefits have been eroding in the face of inflation and changing economic dynamics. Attempts to incorporate the informal market into social insurance systems have faced obstacles, due to a lack of clear understanding of this sector and its particular dynamics. Governments have sometimes viewed the informal market as an opportunity to increase tax revenue, reinforcing evasion and exclusion from insurance. Despite some reforms in Egypt, Tunisia, Jordan, and Lebanon, comprehensive standards for these systems have not achieved universal coverage or adequate crisis response due to their limited benefits and inability to keep pace with economic shifts.

**2. Health insurance:** Health insurance in these countries primarily relies on individual contributions but provides need-based healthcare services, making it different from other social insurance programs. Many workers prioritize subscribing to health insurance over social insurance due to the clearer potential benefits. Unlike aging, which occurs gradually, illness can strike at any moment, making health insurance appear a more immediate need. The ability to omit financial income details, especially when acquiring health insurance separately from social insurance, contributes to the popularity of individual health subscriptions. While there are variations in individual coverage, Egypt, for example, transitioned to family-based coverage rather than individual coverage after the Universal Health Insurance Law (No. 2) was enacted in 2018. Despite being inclusive of broader family categories that might not be subject to social insurance, the quality of health services and benefits remains problematic, leading to a high rate of out-of-pocket spending on health.

**3. Non-contributory social protection:** Non-contributory social protection includes both cash and in-kind assistance,

such as conditional and unconditional cash transfers and food subsidy programs. These programs employ targeting criteria to determine poverty levels, but these criteria often lead to errors of exclusion and inclusion, resulting in both qualifying individuals being left out and individuals not in poverty being included.

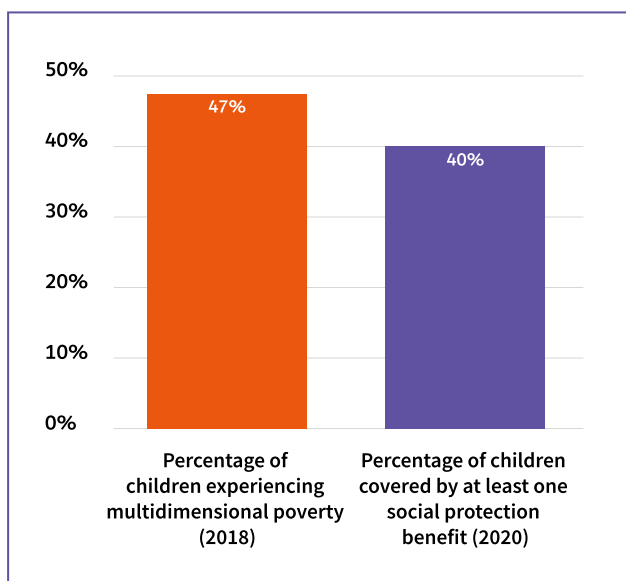
**4. Challenges in expanding social protection:** Expanding social protection systems of all types faces several challenges. Firstly, the two fundamental standards for any social protection system – broad coverage and adequate benefits – are often lacking in both contributory and non-contributory programs. Substantial groups, including informal workers, NEETs, unpaid care workers, and refugees, are frequently excluded. Moreover, coverage rates for social assistance programs still fall short of being inclusive of all people in poverty, as economic models often neglect social dimensions, leading to rising poverty rates. Benefits are often limited, barely providing enough for survival, and fail to help people escape poverty. Additionally, the ceilings set in social insurance laws restrict the benefits provided, leaving many subscribers dissatisfied with the retirement pensions they receive.

**5. Lack of integration between social assistance and social insurance programs:** There is a notable absence of a comprehensive strategy for linking social assistance programs with social insurance programs. Moreover, programs aimed at enhancing the skills and capabilities of people living in poverty and able to work, facilitating their entry into the labor market, and securing decent job opportunities are underdeveloped. These programs should include investments in human capital through: health, education, and training; poverty exit programs that empower the poorest families over a defined period; and active labor market programs. These initiatives could serve as bridges that transition individuals from social assistance to social insurance, expanding coverage for previously excluded groups. However, active labor market programs in the Arab region are weak and fragmented, with limited potential to act as bridges because the job opportunities they provide are often considered inadequate and fail to provide decent conditions.

# Vulnerable Groups in Arab Social Protection Systems

## Children

Children vulnerability in the Arab region



UNICEF, 2018 and ILO, 2020

The ILO’s World Social Protection Report for 2020-2022 revealed a concerning global trend: the majority of children worldwide lack adequate social protection coverage.<sup>60</sup> Shockingly, only 26.4% of children worldwide receive social protection benefits. In 2016 in the Middle East and North Africa (MENA) region, had a total population of 467 million people in 2016, 36.2% were under 18, and 11.6% were under five years old. In the four countries being studied, children under 18 are 41.9% of Jordan’s population, 38.7% of Egypt’s, 29% of Lebanon’s, and 28.1% of Tunisia’s. Children under the age of five comprise 13.45% of Egypt’s population, 12.97% of Jordan’s, 9.22% of Tunisia’s, and 8.04% of Lebanon’s. Jordan and Egypt have notably high proportions of children compared to the other two countries and to the rest of the MENA region.<sup>61</sup> These demographics underscore the importance of investing in these young populations as an investment in the future.

Children experience poverty and vulnerability differently from adults. They are more vulnerable to malnutrition and disease and rely heavily on support from others. Additionally, children are more susceptible to exploitation and abuse,

including child labor, child marriage, and sexual exploitation. Malnutrition, lack of healthcare, and limited access to education have long-term, devastating effects on children during childhood and into adulthood.<sup>62</sup> Recognizing the importance of addressing child poverty, the UN’s SDGs’ first goal, which aims to end poverty in all its forms everywhere, emphasize including children in poverty reduction efforts and the need to assess policies’ impacts on children. This goal stresses the importance of motivating countries to collect data on child poverty and children’s social protection.<sup>63</sup> A study across 11 Arab countries on multidimensional child poverty revealed that one in four children experiences multidimensional poverty, defined as deprivation in two or more of these dimensions: adequate housing, healthcare, clean water, sanitation, nutrition, basic education, and access to information.<sup>64</sup>

UNICEF defines child-sensitive social protection as programs designed to enhance children’s development outcomes and mitigate potential crises’ adverse effects. Therefore, child-sensitive social protection policies must consider age- and gender-related vulnerabilities, including both direct interventions for children and indirect support for their families. These policies should be designed to integrate with other social services, particularly in health, nutrition, and education. In the MENA region, despite the existence of numerous social protection programs, there remains a challenge in developing child-sensitive program. In fact, very few programs directly target children under five. Most programs focus on school-age children or vulnerable subgroups, such as orphans. While there are many initiatives aimed at supporting children’s access to education, healthcare and nutrition programs are not as readily available. Moreover, programs targeting preschool malnutrition are insufficient. Overall, social protection interventions and programs often do not cover all children experiencing multidimensional poverty, particularly those under six years old.<sup>65</sup>

There are 3.16 million children in Jordan, and one in five of them is affected by multidimensional poverty. The spatial dimension is also evident here, with higher child poverty rates in rural governorates such as Ma’an, where the rate reaches 27%, compared to 11% in Amman. Rural areas bear the brunt of the poverty gap. Additionally, 86% of registered Syrian refugees in Jordan live below the poverty line, placing their children in even more precarious circumstances due to depleted savings and limited job opportunities.<sup>66</sup>

Tunisia has a child poverty rate of 21.1%, surpassing the adult poverty rate of 12.8% in 2015. Notably, remote and impoverished areas in western Tunisia report child poverty rates of up to 40%.<sup>67</sup> Children in Tunisia face vulnerability even before birth, with child mortality rates at 14.6 per 1,000 children and 17 per 1,000 for those under five-years-old, according to the UN Group on Child Mortality. Malnutrition, especially iron deficiency, affects 28% of women of reproductive age and children under five, jeopardizing physical and mental

Figure 7

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development. Cluster surveys of indicators reveal that 8.3% of children under five suffer from stunting, and 2.1% suffer from thinness.<sup>68</sup> The ESCWA report highlights inequalities in Tunisia, with children born in poor health, disabilities, low-income families, and rural areas facing additional obstacles throughout their life cycles.<sup>69</sup>

In Lebanon, UNICEF's 2022 study indicated that 84% of families cannot meet essential needs, with 38% reducing education spending, a significant increase from 26% in 2021.<sup>70</sup> Additionally, 23% of children reported experiencing hunger before bedtime at some point within the three months prior to the study. Child labor rates and early marriage among girls have risen, as Lebanese and Syrian refugee children, especially at the secondary level, leave school to alleviate poverty. According to the ILO and the Lebanese Government, Lebanon ranks among the world's highest employers of children aged 10 to 17, with over 100,000 children engaged in child labor or at risk of human trafficking. Low-income families, refugee children, and children living on the street are particularly susceptible to exploitative labor practices. Lebanese children often work in agriculture, especially in Aakkar, Hermel, and Baalbek, and girls may drop out of school for early marriage. Nearly half of those affected by the Syrian crisis are children and adolescents, comprising 1.4 million Lebanese, Syrians, and Palestinians under 18 who face danger, deprivation of basic needs, and a lack of social protection.<sup>71</sup>

In Egypt, the UNICEF multidimensional child poverty report indicated that 29.4% of children (approximately 10 million) experienced multidimensional poverty in 2014.<sup>72</sup> While the prevalence of multidimensional child poverty may appear similar to monetary child poverty, it conceals the extent of monetary deprivation. The report also revealed that 3 million children facing severe multidimensional poverty experienced deprivation in three or more dimensions. Children under four, constituting 41.2% of this age group, were the most vulnerable, with 37.1% experiencing multidimensional poverty. The prevalence of multidimensional poverty among children aged 5-11 years is 27.2%, while for those aged 12-17 years, it is 23.8%. Additionally, the prevalence of multidimensional poverty varies significantly by geographical location, as it affects four out of five children in rural areas.

## Toward adopting general and comprehensive and universal social protection for children

After examining children's conditions in the four countries, it is evident that the current focus primarily revolves around poverty-affected children through targeted measures aimed at the poorest families. Most of the assistance provided to children centers around those in school, whether through cash transfers to ensure continued education or school meal programs. Regrettably, there is limited attention given to

children below the age of five, despite the critical importance of this period in children's physical, mental, and emotional development. The persistent decline in child health and education indicators, especially among disadvantaged groups, points to the necessity of adopting a more comprehensive social protection approach to ensure better outcomes for children. It is also sensible to prioritize children, as addressing their needs can break intergenerational cycles of poverty.

Many countries worldwide have adopted universal social protection for children, covering all children from birth to 18 years of age. Some countries might exclude only children from the wealthiest backgrounds. In other instances, countries adopt nearly universal social protection for children, which may cover a specific stage of childhood, such as from birth to three years.

In any case, it is imperative to establish a system of integrated social protection that covers children from birth until the end of childhood, emphasizing that their well-being is inherently linked to the protection of their families in vulnerable situations. This integrated social protection approach revolves around ensuring proper nutrition for children and providing access to healthcare and education. It is essential to recognize that the foundation for building human capital rests on nutrition, health, and education.<sup>73</sup> Following this, it becomes vital to outline programs that will include children in social protection through cash assistance paired with a package of health and educational services. These programs should also include awareness-raising initiatives among families about the significance of these services.

Given the deteriorating status of health and nutrition for many poor children in the countries studied, it is crucial to consider providing food vouchers that combat issues like anemia, malnutrition, and other health risks associated with poverty and food shortages. This is particularly important given the low levels of social, health, and educational awareness among many impoverished families. Similar programs exist in various countries worldwide, both developed and developing. For example, the US has the WIC (short for Special Supplemental Nutrition Program for Women, Infants, and Children), providing healthy food supplies along with nutrition counseling and referrals for health and social care services. The UK has the Healthy Start program, offering healthy food vouchers to pregnant mothers and disadvantaged families with children. Evaluation studies of such programs have demonstrated their positive impact on children's health, with mothers reporting changes in their eating habits as they were able to purchase better-quality food. However, a persistent challenge is the rising cost of living, which erodes the purchasing power of these vouchers over time.<sup>74</sup> This type of program is also present in some poor countries like Haiti and has played a role in improving

children’s nutritional and health status while stimulating local markets and supporting the agricultural sector.<sup>75</sup>

Therefore, comprehensive and universal protection for children should involve both cash and in-kind benefits, such as school meals, food vouchers, healthcare, and parental support through childcare leaves for mothers and fathers. Additionally, fostering knowledge, information, and awareness about the fundamentals of sound upbringing should include nutrition, health, and hygiene components.

## Informal Labor

The term “informal labor” refers to work performed without formal contracts or any form of social protection. It represents a category of vulnerable employment that we aim to discuss among various vulnerable groups. In this context, it is important to distinguish between two related terms: “informal economy” and “informal labor”. The informal economy encompasses all economic activities conducted without legal regulation, including licenses and other arrangements that govern business activities. In contrast, informal work refers to an employment relationship that lacks legal arrangements, such as an employment contract, tax obligations, and various insurance benefits. Informal labor may exist within both the informal and formal economies.<sup>76</sup>

The COVID-19 pandemic exposed the dire circumstances of informal workers and their families: women, people with disabilities, and migrant workers – who were already vulnerable – suffered disproportionately. According to the ILO, around 1.6 billion informal workers were affected by lockdowns during the pandemic, enduring deteriorating economic conditions. Some of these workers continued to labor on the front lines, risking their lives to make a living.

The economic repercussions of the pandemic resulted in many employees losing their jobs, while others experienced non-traditional work arrangements. Several companies shifted away from permanent contracts and moved toward temporary work or task-specific employment, viewing these arrangements as more flexible and cost-effective. This trend, sometimes referred to as the gig economy, gained momentum during the pandemic, with digitalization playing a significant role.<sup>77</sup> Many companies consider these arrangements advantageous and are likely to continue them even after the pandemic ends. A Gartner poll of managers, human resources personnel, and employees indicated that 32% of businesses surveyed were inclined to replace full-time workers with part-time or task-specific workers to reduce costs.<sup>78</sup> As a result, it is anticipated that the informal labor sector will persist and expand in the coming years, regardless of economic conditions. Social protection remains lacking for informal workers in both scenarios.

Informal workers are often excluded from social protection

programs. This, coupled with the shift toward more flexible and informal labor, raises fundamental questions about the philosophy of social protection: Is social protection a right solely for employees from their employers, or is it a right of all citizens provided by the State? What about non-citizen resident workers and migrant workers? Furthermore, when studying how this type of employment can be covered by social protection, a set of sub-questions arises, including: What are the obstacles preventing informal workers from accessing social protection? How can they be included? And what impact would this inclusion have on improving their economic and social conditions?<sup>79</sup>

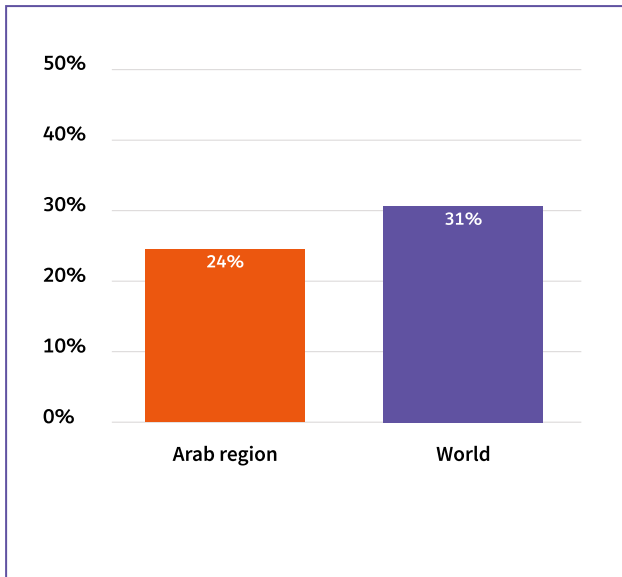
In Arab countries, informal labor accounts for nearly 70% of the total workforce, including agricultural labor. This percentage is equal only to Asia and the Pacific, with Africa exceeding both regions in terms of informal workers as a proportion of the total labor force.<sup>80</sup>

Informal labor in the region grew due to the adoption of a development model shaped by economic restructuring policies implemented in accordance with conditions set by international financial institutions led by the International Monetary Fund. One of the outcomes of this model was the State’s withdrawal from its role in creating job opportunities, instead relying on the private sector. However, the private sector often failed to provide the desired number of job opportunities and, in many cases, continued to rely on informal labor to maximize profits; governments often turned a blind eye to this issue under the pretext of encouraging investment.

When analyzing the growth of informal labor in the region, it becomes apparent that Arab governments have predominantly addressed informal work through the lens of taxation. The existence of an informal market and informal work implies revenue loss for the State. Therefore, when dealing with this sector, governments tend to encourage the transition to formal employment while simplifying tax procedures, expanding lending programs, and offering other incentives intended to facilitate this transition.<sup>81</sup> Consequently, informal labor is typically not viewed from the perspective of social justice, resulting in marginalization and social exclusion. The approach of governments to this issue often lacks an understanding of the diverse nature of informal work. Some individuals work within establishments, whether formal or informal, while others operate outside any institution, such as street vendors, migrant workers, and other highly vulnerable groups whose incomes fall below any tax threshold. Furthermore, there are individuals who are self-employed. It is important to note that not all informal workers are impoverished and marginalized. Some may be relatively affluent due to the nature of their work, their education, or their technical and technological skills. However, as they remain outside the formal sector – possibly due to a lack of suitable job opportunities – they are deprived of any form of social protection.

Figure 8

**Social protection coverage rate for the population of working age**



World Social Protection Report 2020–2022, International Labor Organization

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Informal workers face significant challenges in accessing social protection, primarily because many of them may struggle to make regular social insurance contributions and meet administrative requirements for participation in insurance systems, in addition to the lack of appropriate legislation governing their conditions or including them in existing social protections. This predicament has given rise to the term missing middle to describe this category of informal workers.<sup>82</sup> According to data from the ILO’s World Social Protection Report for 2020-2022, the coverage rate of social protection for the working-age population in the Arab region stands at 24.2%, compared to a global rate of 30.6%.<sup>83</sup> This percentage is considerably lower for women at 8.6% compared to 36.1% for men.<sup>84</sup>

It is crucial to note that rural and agricultural workers constitute a significant portion of informal labor. These workers often find themselves in vulnerable positions, and their circumstances underscore the development disparities and geographical injustices prevalent in non-urban and remote areas. According to the Food and Agriculture Organization report “Social Protection in the Near East and North Africa Region”, in the Arab region, about 70% of people living in poverty reside in rural areas, making a correlation between a lack of social protection and areas of agricultural development apparent. Family farming, particularly among smallhold agricultural families, is prevalent and represents the poorest segment of the population in many countries in the region.

Despite the large number of individuals engaged in agriculture, the sector’s contribution to the region’s GDP remains relatively small, accounting for an average of 14% of GDP.<sup>85</sup> The data suggest that the contribution of agricultural production to the GDP in significant agricultural nations like Tunisia, Egypt, and Morocco has been on the decline. In Tunisia, it dropped from 9.1% during the period between 1996 and 2000 to 8.8% between 2011 and 2015. In Egypt during the same period, there was a decrease from 14.5% to 11.1%, and Morocco experienced a decline from 14.2% to 13%.<sup>86</sup> Rural labor includes agricultural workers and other types of employment in various fields, especially in construction, trade, services, and others. The majority of rural labor consists of young people who have left school at an early age and do not have skills that would be valuable in the labor market. Women constitute a large portion of those who do unpaid work, alongside the high rate of child labor in this field.

One of the principal challenges facing social protection in the region is the limited coverage of rural areas, largely due to the informal nature of their economic activities. Social protection providers in rural areas are often non-governmental organizations, civil society groups, international organizations, and others.<sup>87</sup> Social insurance funds usually have limited coverage for rural workers due to their informal status. Additionally, universal health coverage through health insurance systems is often linked to formal sector employment, leaving food subsidy programs as the sole source of protection, if they are even available.<sup>88</sup>

There are several obstacles to the inclusion of rural workers in social protection programs, many of which also apply to informal workers regardless of their location. Firstly, there are legal barriers, as agricultural workers are often excluded from general social security laws or are subject to separate, specialized laws that typically offer limited coverage. Secondly, there are administrative challenges that arise as social insurance offices are often absent from rural communities, making the registration process difficult and sometimes costly. The barrier of locating the workers further complicates access to social protection, especially for workers who switch between economic sectors or transition from wage labor to self-employment. This rapid mobility of workers poses challenges for effective monitoring, particularly where public administrations struggle to keep track of labor changes. A third set of obstacles is the low, varying income levels over time. Many rural workers experience periods of low income, with occasional increases during harvest seasons; they are particularly susceptible to income shocks. Lastly, there is the issue of information and organization. Agricultural workers typically lack organized unions or federations, and they often have limited awareness of various social security programs and the necessary procedures for enrollment.

Analyzing the current situation of informal labor presents challenges due to varying estimates and the lack of accurate data. Moreover, the category of informal labor includes a wide range of work arrangements: those who work for others as well as the self-employed, and variations in the regularity of work which is often seasonal or intermittent. This complexity has also been further compounded by changes in the aftermath of the COVID-19 pandemic. Additionally, different methods of estimating informal employment are used across the countries under study, limiting the ability to make direct comparisons beyond the overall percentages of informal workers of the labor force.

In Jordan, approximately 48% of the workforce lacks any form of social protection coverage.<sup>89</sup> Specifically, around 97% of agricultural workers do not have social protection coverage. The majority of these workers are employed by others (81%), while a smaller percentage is self-employed. Males represent the vast majority of workers who lack coverage (89%), though this gender imbalance can be attributed to the relatively low representation of women in the workforce as only 18% of workers in Jordan are female. Additionally, Jordanian women are predominantly employed in the public sector and larger institutions. Consequently, only 29% of female workers in Jordan lack social protection coverage, compared to 52% of male workers.<sup>90</sup>

In Tunisia, informal employment accounts for 46% of the workforce. Data from the 2015 National Survey on Household Budget, Consumption, and Standard of Living indicates that informal work is more prevalent in poorer, landlocked areas, reaching 58.7% in rural areas compared to 32.7% in urban areas. The majority of informal work is in the agricultural and construction sectors, where 68.3% and 66.3% of workers are engaged in informal labor, respectively. There is also a notable gender gap in informal labor, with women experiencing higher rates (45.6%) compared to men (37.9%); informal labor is also more common among individuals with lower levels of education.<sup>91</sup>

In Lebanon, a field survey conducted by the ILO to assess informal work and the conditions of marginalized groups revealed that 67.4% of all workers are engaged in the unregulated informal market.<sup>92</sup> Among Syrian and Palestinian refugees, the rates of informal employment are particularly high, at 95% and 93.9% respectively. In comparison, 64.3% of Lebanese workers from marginalized families are engaged in informal work. Informal work is slightly more prevalent among men (78.5%) than women (74.2%). The highest levels of informal employment are observed among young workers aged 15 to 24, accounting for 91.9% of total youth employment. This percentage decreases with age, reaching 65.3% among those aged 65 and above. Additionally, informal employment decreases as the level of education increases, with rates ranging from 93.3% among the uneducated to 52.2% among those with a university degree or higher.<sup>93</sup>

As for Egypt, ILO estimates suggest that 60% of the total workforce in the country is engaged in the informal market and informal labor.<sup>94</sup> Data from the Egyptian Economic Census indicates that two million businesses are operating in the informal market, representing 53% of all businesses in Egypt in 2017. Furthermore, research conducted by the ILO on labor force categories indicates that the percentage of workers outside formal establishments accounts for 44% of the total workforce in 2020, with this percentage rising to 60% in rural areas. Many of these informal workers are considered to be below the poverty line; income and expenditure research indicates that 51% of the workers who live in poverty work in informal labor.<sup>95</sup>

By examining these countries, we identified several common obstacles to the formalization of labor markets, with legislative gaps being a primary concern. A country's legislative framework dictates which forms of labor are required to have social insurance coverage, and these gaps are often most pronounced in specific sectors, notably agriculture. The existing legislative frameworks may not align with the nature of informal employment, contributing to these gaps.

This problem is compounded by issues related to coordination and consistency within and among social protection programs, which leaves many workers without coverage. The complex administrative procedures for registration pose another significant barrier, particularly for remote areas.<sup>96</sup> Added to this is the lack of accurate knowledge and information, and the absence of binding rules for those implementing social protection programs and policies.<sup>97</sup>

### Toward universal coverage of informal workers

To achieve comprehensive social protection for the informal market, a fundamental shift in the approach to labor rights is needed. Instead of tying these rights solely to formal legal and contractual employment relationships, they should be extended to include every citizen's relationship with the State, thereby adopting a human rights perspective. This shift, and the legal transformation that it requires, would allow for social protection to include all workers, regardless of their employment status, economic sector, or labor market participation.

The next critical stage would involve addressing distortions within the formal labor market that hinder the path of new entrants. It is vital here to reform the education system to ensure that individuals acquire skills and knowledge that are aligned with the labor market's demands. Additionally, the State must play its regulatory role to safeguard labor rights across all sectors, particularly in the private sector, which often employs informal workers in order to avoid providing decent work standards.

Achieving comprehensive social protection for the informal market requires several key interventions:

- Establish a comprehensive and accurate database on informal employment, accounting for the proliferation of new work arrangements, particularly those arising from the ongoing ramifications of the COVID-19 pandemic.
- Develop adaptable legal frameworks that accommodate heterogeneity and diverse working conditions in the informal labor market. These frameworks should cover various scenarios, including rural employment and fluctuating work patterns linked to seasonal demand variations, ensuring consistent coverage for affected groups regardless of changes in their employment status.
- Integrate both contributory and non-contributory social insurance programs to facilitate the inclusion of all workers into social protection, with careful consideration of potential conflicting incentives.
- Simplify registration processes through various means such as mobile offices, reduced paperwork, and streamlined procedures. Implement integrated service offices capable of handling all necessary procedures at once.
- Allow flexibility in contribution payments, especially during harvest seasons or periods of economic prosperity when resources are more available. Factor in interruptions in payment due to unforeseen market shocks and adopt financial and savings models that maintain the sustainability of social benefits and the State’s financial stability while providing support to workers facing productivity disruptions during times of crisis.
- Promote awareness and disseminate information about the significance of social insurance among informal workers and the general population.
- Encourage informal workers to organize into federations, unions, and associations. Labor organizations should actively seek to include these workers within the broader labor movement.

## Older persons and Long-Term Care

The number of older persons in Arab countries has significantly increased over the years. In 1950, there were 3.9 million individuals over the age of 60, rising to 16.5 million in 2000 and 28 million in 2017. Ensuring economic security and healthcare for this demographic has become a major challenge for these countries.<sup>98</sup> The specific needs of older persons are highlighted in Recommendation 202

of the ILO, which emphasizes the importance of including older persons in social protection systems, guaranteeing a minimum income, and providing access to some goods and basic healthcare services. Aging is accompanied by various challenges, including higher risks of chronic diseases and physical disabilities, as well as financial difficulties resulting from retirement.<sup>99</sup> Financial hardships among this population group are often linked to illness, disability, and the need for long-term healthcare.<sup>100</sup>

Pensions play a crucial role in upholding the human rights and dignity of older individuals. The right to a secure income in old age is recognized in international human rights standards and labor regulations, encompassing the right to an adequate retirement pension. However, income security for older persons has become a significant concern in social policy due to demographic shifts and increased life expectancy. Many formal insurance programs suffer from coverage gaps, leaving individuals excluded from benefits during their retirement years. Limited contributions made throughout one’s career can result in insufficient retirement income, particularly in the face of economic crises and inflation. Low-income workers often find it burdensome to contribute to pension systems, knowing that their future pensions may not meet their basic needs.

Despite these challenges, retirement systems remain a vital component of social protection, helping to reduce the vulnerability of older individuals to poverty and insecurity. Globally, nearly half of the population (48%) lacks access to pensions, and those who do receive them often face issues related to inadequate benefits due to inflation. Women, in particular, experience lower access to pension income compared to men, with only one in three women enjoying such coverage. The low coverage rates for contributory pensions reflect women’s lower labor market participation overall and their engagement in unpaid or agricultural work.<sup>101</sup>

The issue of elder care presents several significant challenges, particularly in high- and middle-income countries that have undergone controversial transformations in their pension systems to achieve greater financial sustainability. These transformations have taken various forms, such as fiscal stabilization programs aimed at reducing expenses by raising the retirement age, decreasing benefits, and increasing contribution rates. While these changes have eased economic pressures and reduced the State’s responsibility to guarantee a basic income in old age, they have had a negative impact on the adequacy of retirement benefits and increased the risk of older persons falling into poverty.<sup>102</sup> The ability of retirement pensions to provide income security depends on several factors, such as the proportion of out-of-pocket spending on healthcare, housing, and other essential services and goods. A 2013 study by the Organization for Economic Co-operation and Development revealed that the availability of in-kind public services, such as healthcare and long-term

care, enhances the value of cash income for individuals over the age of 65 in OECD member countries by an average of 40%. This indicates that in countries with widespread access to high-quality public services, the risk of older persons experiencing impoverishment is significantly reduced.

As mentioned earlier, social protection coverage for older persons in the Arab region is among the lowest globally, with a coverage rate of only 24%, significantly lower than the global average of 77.5%. When compared to other regions, the disparity becomes even more evident. For instance, while Africa has a comparable coverage rate of 27.1%, Europe and Central Asia boasts a rate of 96.7%. The Americas and the Asia-Pacific region also surpass the Arab region by a large margin, with coverage rates of 88.1% and 73.5%, respectively.<sup>103</sup>

In most Arab countries, contributory pension programs, particularly social insurance systems, exist. However, these systems grapple with several critical issues, including low coverage, a redistribution of benefits favoring the middle class over people living in poverty, high administrative costs, unsustainable benefits, and ineffective investment policies.<sup>104</sup> The problem of low coverage has intensified in recent years, especially with the growth of the informal job market. Women, in particular, benefit less from these coverage programs due to their lower participation in the labor market and the heavier burden of unpaid domestic work.

Coverage rates also vary significantly among Arab countries, with Sudan at the lowest end with an 8% coverage rate and Algeria at the highest with 72%. Other Arab nations fall somewhere between these extremes, such as Tunisia, Iraq, Saudi Arabia, and Egypt, where approximately 50% of individuals over 60 have insurance pension coverage.<sup>105</sup>

According to a 2018 report by ESCWA titled “Population and Development”, pension coverage in the Arab region remains low, with less than 30% of the population enjoying such benefits.<sup>106</sup> Another policy brief by ESCWA reveals that in 10 Arab countries, 70% of older persons do not receive pensions. Moreover, most pension systems in the region lack mechanisms to routinely adjust pensions in line with rising prices and inflation rates, resulting in irregular pension increases and reduced predictability.

In terms of gender disparities, some Arab countries exhibit significant gaps between men and women regarding pension coverage, with the number of men being up to five times higher than that of women in some countries. For example, in Tunisia, the coverage rate for men reached 94% in 2020, compared to only 17% for women. Similarly, in Jordan, men had an 81% coverage rate in 2019, while women lagged significantly behind at 16%.<sup>107</sup> ESCWA’s “Inequality in the Arab region” report, published in 2022, further underscores these gender-based disparities, revealing that the number of women covered by social insurance systems is considerably lower than that of men in several Arab countries. In Tunisia and Jordan, for instance, the report indicates that only 14% of women in Tunisia and 17% in Jordan are covered by pensions, compared to 86% and 83% for men, respectively.<sup>108</sup>

### Toward comprehensive social protection for older persons

The proposed vision for achieving comprehensive social protection for older persons can be divided into two main prongs: the first focuses on those older persons who are not covered by contribution-based pensions, while the second concerns the development of existing contributory pension systems.

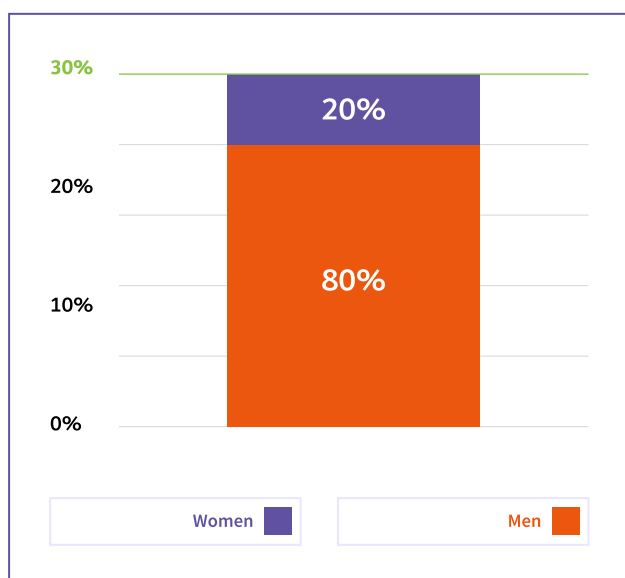
There are two prevailing systems globally to ensure a secure and sufficient income for those who do not have pensions due to their work history: universal or comprehensive pensions and targeted pensions. Universal pensions, as the name suggests, provide cash transfers to older persons regardless of their employment status, income, or gender. Eligibility is solely based on age and place of residence. In contrast, targeted pensions are provided to specific groups, often those with limited income. Universal pensions reflect the belief that social protection is a fundamental human right and should not be contingent on a contractual relationship between the worker and employer.

This leads to an essential question: Is it better to offer social protection plans that include everyone, regardless of income level, or to direct these resources only to people living in poverty or other specifically vulnerable groups? In practice, both approaches are used by many countries. By 2014, 36 countries had adopted universal pension plans, such as Argentina, Bolivia, China, and Kenya, while 53 countries had implemented targeted pension plans.<sup>109</sup> It is important to note that universal pension systems, due to their direct nature and



Figure 9

#### Percentage of population with pension coverage



expansive eligibility criteria, contribute to broader coverage, particularly for women and workers in the informal labor market. Studies have shown that this type of pension can help bridge the types of coverage gaps often seen in targeted pensionsystems.<sup>110</sup>

On another note, although universal systems are easier to manage administratively, they pose the greatest financial burden. Conversely, while targeted systems are cost-effective, they may result in errors and the exclusion of some eligible beneficiaries. Therefore, adopting universal systems ensures the provision of old-age pensions that guarantee a minimum income for all older persons, ensuring a decent life for retirees who previously worked in the informal market and promoting financial security for women who have not participated in the labor market at all. It also addresses the cycle of inequality and discrimination that women may have faced throughout their lives by recognizing their unpaid contributions to their familiesandcommunities.<sup>111</sup>

In the case of contributory pensions, it is crucial to reconsider the adequacy of benefits, especially when faced with the erosion of purchasing power due to inflation. Universality should consider the sufficiency of benefits and their ability to mitigate the risks that older people face. It must also be coupled with a comprehensive set of services, including healthcare, care services, transportation, and other necessities for this demographic.

Universality in a pension program should be seen as an embodiment of social protection as a human right that must be guaranteed throughout an individual’s life, regardless of a person’s employment history, status, or other policies and interventions targeting older persons. Universal pension coverage would reinforce the social contract between citizens

and the State while enhancing a sense of citizenship and belonging. Achieving this vision and ensuring the inclusion of all older persons, regardless of their circumstances, requires:

- Recognition of the public right to long-term care in constitutional and legal frameworks within the countries under study, detailing the associated rights and how to ensure their comprehensiveness.
- Integration between contributory and non-contributory pensions, which would necessitate institutional coordination; the prevalent approach in these countries for managing their various social protection systems is often fragmented. In the long term, it is crucial to address the challenge of the expanding informal labor market and protect large numbers of older persons from being without any form of social protection.
- The provision of an integrated package of services, whether in cash or in-kind, including health services, transportation, and other essential services. These services serve as guarantees of inclusion and means of protecting the value of cash income received through pensions.
- Regular adjustments of pensions to ensure their value remains in line with living standards and inflation rates.

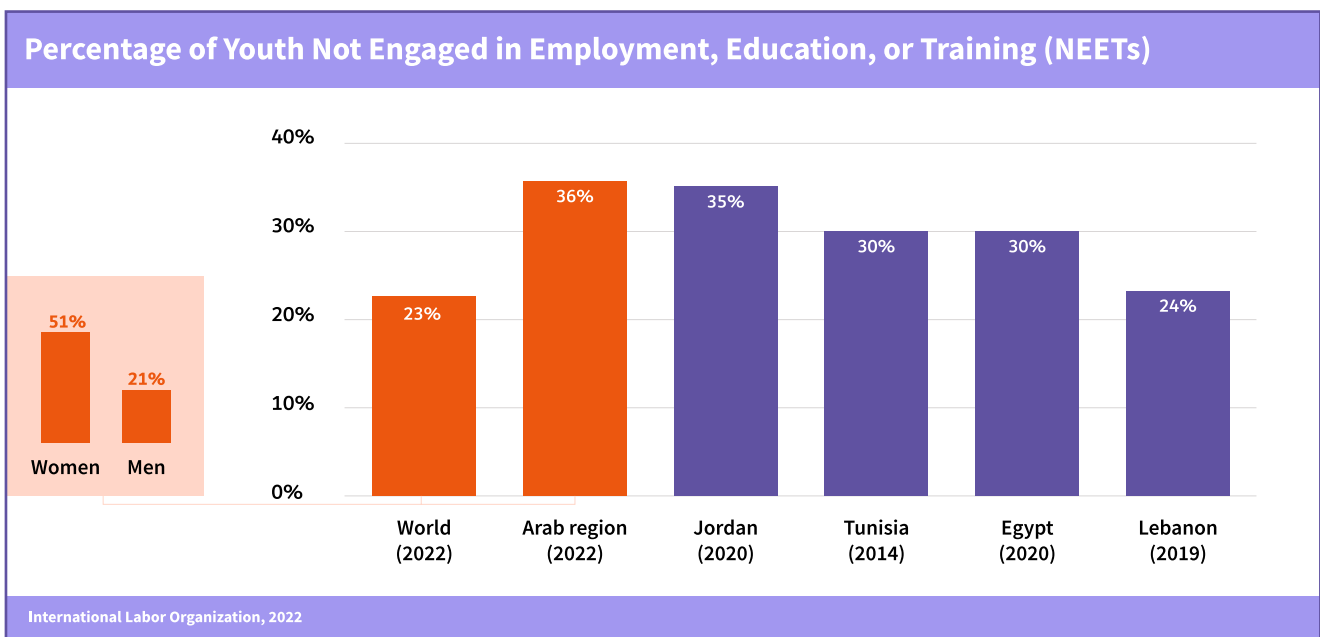
## NEETS

The eighth of the SDGs emphasizes the need to provide productive, full, and decent work opportunities for everyone. SDG Indicator 8.6.1 specifically commits to “substantially reduc[ing] the proportion of youth not in employment, education, or training” by the year 2020.



Figure 10

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The UN defines “youth” as individuals between 15 to 24 years old, while the Organization for Economic Cooperation and Development extends this upper age limit to 29 years. NEET refers to a particular category of young people: those actively seeking work but unable to secure employment, as well as those who have become inactive or disengaged from the labor market due to discouragement or despair. Education and training were incorporated into this definition because they are essential productive activities. The lack of adequate education and marketable skills is a significant contributor to the unemployment experienced by these young individuals. The NEET phenomenon has profoundly detrimental effects on youth, impacting them physically, psychologically, and emotionally. Chronic unemployment and poverty, coupled with feelings of frustration, are common consequences.

Global labor market changes have further exacerbated the socioeconomic challenges faced by youth. These shifts have resulted in a decline in the quality of work, giving rise to the gig economy and other forms of temporary employment that have fundamentally altered labor dynamics. This transformation has led to the emergence of precarious work and the corresponding social class of workers referred to as the precariat. Precariat workers lack job security, predictability, professional identity, and labor rights. The inclusion of this category in the SDGs reflects an acknowledgment of the significant hardships young people experience in contemporary labor markets.

The term precariat was first coined in the UK during heated political discussions about education and employment, as researchers sought to understand the causes of social exclusion among young people. Studies have established a correlation between precarious work and certain demographic characteristics, such as a low level of education, residing in low-income areas, having low economic or social status, and facing barriers to economic participation such as pregnancy and disability.

In the year 2020, global estimates indicate that the NEET category comprised approximately 22.4% of all young individuals worldwide. This percentage is significantly higher among girls and young women, reaching 31.2%, in contrast to 14% among young men. The highest concentration of NEET individuals is observed in Africa (both North and South) and South Asia.<sup>112</sup> The ILO’s Global Employment Trends for Youth 2022 report further confirms these trends, reporting a global NEET rate of 23.3% and a notably higher rate of 35.6% in the Arab region. This report also underscores the clear gender disparity in NEET rates, with 51.4% among young women compared to 21% among young men in the region. The NEET category encompasses a diverse group of young people with varying experiences and needs. It includes those grappling with prolonged unemployment, individuals entering the labor market for the first time, young women responsible for childcare or caring for family members, those facing health issues or disabilities, individuals who have discontinued their

education or training, and those who are inactive in the labor market. This diversity underscores the necessity for a range of tailored strategies that address the unique issues and challenges faced by each subgroup.<sup>113</sup>

The NEET phenomenon is closely associated with unemployment, particularly chronic or long-term unemployment resulting from insufficient marketable skills. The Arab region exhibits the highest NEET rates globally and has the fastest growth in this category. Youth unemployment among those aged 15 to 24 years is particularly high, at 25.9%, with a marked gender disparity. In 2022, the unemployment rate among young women stood at 42.5%, twice that of young men at 21.4%.<sup>114</sup>

At the national level, the percentage of NEETs varies across countries. For instance, in Egypt, the NEET rate accounted for 30.2% of all youth in 2020, while in Jordan, it was slightly higher at 35.4%. Lebanon reported an estimated rate of 23.5% in 2019, and in Tunisia it was 30.4% in 2014.<sup>115</sup> NEETs experience significant challenges due to the failure of active labor market programs to effectively address their needs. Existing programs, which encompass training and employment initiatives, are designed to equip young people with skills to facilitate their entry into the labor market. However, several factors contribute to the failure of these programs, including the lack of robust information systems to track the services offered within them, fragmented and imprecise targeting, and inadequate monitoring and evaluation mechanisms.<sup>116</sup>

## Toward comprehensive and inclusive social protection NEETs

Social protection for this group of young individuals cannot be divorced from the implementation of structural reforms within the labor markets and education systems across the region. Such reforms need to be addressed simultaneously with the structural causes of poverty and social marginalization. The measures proposed to tackle the challenges faced by this group encompass two key objectives: prevention and correction.

In terms of prevention, the goal is to help young people avoid reaching a state of complete disengagement and inactivity. This involves a range of interventions such as compulsory education and mitigating the risks associated with dropping out of school or academic underachievement, both of which can lead to unemployment and economic inactivity. Educational interventions must also address disparities in cognitive and non-cognitive skills, recognizing their role in academic struggles. There is substantial evidence indicating that children from economically and socially disadvantaged backgrounds tend to have lower educational achievements, heightening the risk of school dropout. Consequently, addressing poverty-related challenges at both the family and community levels becomes imperative.

On the corrective front, interventions are designed to address the present circumstances of these young people, specifically tackling the issues of unemployment and inactivity that plague them. These interventions encompass various action areas, including early interventions through re-education or training for those who are suitable candidates and facilitating labor market integration for those with the necessary skills.

Establishing partnerships between public institutions at the national and local levels and collaborating with other stakeholders, like civil society organizations and the private sector, is vital if the diverse needs of this group are to be effectively addressed. One of the suggested approaches to tackling this issue is establishing a support service system accessible through a unified portal that consolidates all available services, streamlining coordination, and simplifying service delivery. However, this proposal relies on young people actively seeking out available services, which may not align with the state of inactivity and frustration experienced by many in this group. The same conditions apply to women who are significantly engaged in unpaid caregiving roles.

An alternative approach involves the creation of comprehensive databases that would provide detailed insights into the NEET group's characteristics and diversities at the smallest administrative and local levels. This approach would be crucial for allowing social actors, whether from governmental institutions or civil society organizations, to directly engage with their local NEETs, facilitate their reintegration into society and public life, and provide them with necessary services. This approach is particularly promising as it addresses the entire family unit to which the young individual belongs. Developing geographic and demographic profiles for these young people requires a thorough understanding of their distribution by location, age, gender, education level, and indicators of poverty and social exclusion. Such profiles can shed light on the barriers to entering the labor market, education, or training and the underlying reasons.<sup>117</sup>

However, it is essential to reiterate that the ultimate solution to the challenges faced by NEETs, particularly concerning employment, lies in labor market reform. Such reform should involve the implementation of macroeconomic measures that generate new job opportunities for everyone while ensuring decent working conditions, especially within active labor market programs. Decent work should represent one of the key components of social protection mechanisms for impoverished individuals who are capable of work. The primary issue with many of these programs in the region is that the employment opportunities they offer often fall short of providing decent working conditions and tend to resemble informal labor arrangements.

## Conclusion and Recommendations

### Bridging Geographic Development Gaps and Addressing Spatial Injustice

Our analysis reveals that fragility extends beyond the individual or household level; it often affects entire communities. Across all the countries examined, vulnerable groups tend to be concentrated in rural areas, where poverty rates and deprivation are notably high and there is a reduced quality of life and limited access to social protection. It is crucial to recognize, as China has in its approach to poverty alleviation, that poverty predominantly afflicts rural regions. Addressing this challenge necessitates both social protection policies for individuals and families and comprehensive rural development policies.

Reflecting on some tenets of dependency theory proves insightful in understanding and analyzing the geographical development disparities that disadvantage rural areas in the countries studied. All four case studies confirm the existence of a development gap skewed against rural regions. These areas, often characterized by isolation or geographic remoteness, experience higher poverty rates, a prevalence of informal labor, and a high percentage of impoverished children. Moreover, residents of these regions typically lack access to robust social protection systems. This situation conjures notions of dependency theory, albeit not in the conventional sense of advanced (colonial) versus underdeveloped (colonized) worlds but rather in terms of center-periphery dynamics operating within individual countries and across various levels.

In this framework, if the capital serves as the center, other regions and provinces become peripheral. The farther a region is geographically from the capital, the more peripheral it tends to be. At the governorate level, the governorate's capital functions as the center, with its villages designated as peripheries. When we delve into geographical formations, the mother village typically serves as the center relative to its affiliated villages. Similarly, estates, hamlets, and villas associated with the mother village constitute peripheries. Importantly, these classifications are not fixed; rather, they shift based on their relative development status. As a result,

regional disparities and their developmental implications are more intricate than the simplicity of statistics might suggest. They demand nuanced attention to address the unique challenges faced by residents of remote and isolated areas, where social protection often struggles to reach those in dire need.

The developmental consequences of this scenario are multifaceted and highly concerning. Firstly, basic services in health, education, infrastructure, and others tend to be disproportionately allocated to centers at the expense of peripheries. Secondly, this imbalance denies populations in peripheral or outlying areas their fundamental rights to essential services, exacerbating social marginalization. Thirdly, most non-governmental development initiatives primarily focus on centers, as their services enable them to carry out numerous activities, further widening the geographic development gap and disadvantaging the most vulnerable groups. Lastly, these disparities – be they geographic, wealth-based, gender-related, or age-related – intertwine to create a complex gap, intensifying the plight of residents in peripheral areas, particularly the most vulnerable. Moreover, due to the lack of basic services, particularly healthcare, and the prevalence of poverty and food shortages, physical disparities such as disabilities and various illnesses emerge. These disparities can be described as a cycle: escaping one episode of poverty does not guarantee escape from another. Thus, addressing these disparities involves more than merely analyzing statistical figures; it necessitates an understanding of the qualitative dimensions at play when formulating policies and interventions.<sup>118</sup>

This discussion is inextricably linked to the issue of inequality in the Arab region, the region with the highest levels of inequality globally. According to the 2022 ESCWA report titled “Inequality in the Arab Region: A Ticking Time Bomb”, 58% of national income was concentrated in the hands of the richest 10% in 2020, compared to a mere 8% for the poorest 50%.<sup>119</sup> Gender inequality in the Arab region also surpasses global averages, with estimates suggesting that closing the gender gap will require 179 years in the Arab region, compared to about 142 years globally.<sup>120</sup> The absence of spatial justice and its intersection with multilevel, multidimensional inequalities encompassing geography, wealth, gender, and physical condition underscore the central development challenge facing the region.

## At the macro level: The need for a new development model

Government and civil society interventions in impoverished rural communities often involve providing support and relief to families in these areas. This approach merely addresses the symptoms of poverty and fails to tackle its underlying structural causes. Escaping this predicament necessitates the proposal of a more expansive and equitable development model grounded in the principle of the right to decent work, a fundamental right that, if guaranteed, can create the conditions for individuals and their families to enjoy other rights including education and healthcare.

Starting from the right to decent work entails adopting comprehensive approaches to address rural poverty. These approaches shift the focus away from the individual citizen toward ushering in a modernizing economic and social transformation in rural areas, guided by the following principles:

- **Modernizing the agricultural sector:** Rural development should entail significant public and private investments in the agricultural sector and related industries. This includes modernization efforts and establishing connections to markets while ensuring fair trade and supporting farmers. Encouraging agricultural diversification and promoting agricultural industrialization are also critical. Prioritizing the modernization of key productive sectors in rural areas will lead to higher productivity, increased added value, sustainability, and food security, consequently generating more job opportunities with equitable conditions.
- **Universal social protection:** Regardless of their employment status, work situation, age, or gender, all residents in rural areas should have access to social protection. Universal social protection is vital for encompassing diverse population groups.
- **Development and governance of basic services:** Fundamental services such as healthcare, education, clean water, sanitation, transportation, and roads must be developed and managed efficiently. This development should adhere to established standards, including accessibility for vulnerable groups, quality, and sustainability. Enhancing basic services is a cornerstone of the proposed development model, representing a pathway to poverty reduction and spatial justice. However, this endeavor faces several challenges, notably the need for increased government social spending, necessitating a reassessment of budget priorities. It also calls for significant institutional reforms in service

management that adhere to good governance principles like transparency, accountability, participation, and decentralization. These reforms empower citizens to determine their own priorities, offer mechanisms for oversight and follow-up, and provide avenues for lodging complaints.

- **Transforming the citizen-state relationship:** Implementing this development model hinges on a fundamental shift in the dynamics between citizens and authorities. It requires facilitating the democratic organization of stakeholders, whether through unions, federations, associations, or cooperatives. Creating spaces for citizen participation in the management, monitoring, and oversight of basic services is also crucial, alongside establishing platforms for stakeholders to fulfill these roles. Finally, it demands the establishment of a democratic institutional framework to regulate this participation and define the interactions between citizens and government agencies.<sup>121</sup>

## At the micro level: Requirements for achieving comprehensive social protection

The debate surrounding the foundation of social protection in the Arab region has been ongoing since the Arab Spring, largely stemming from issues of social injustice and the absence of equitable social policies. This debate persists as the countries under examination have adopted structural economic reform programs or a policy of depoliticization, both of which have exacerbated poverty rates. Recent economic and health crises have further exposed the limitations of existing social protection systems in responding to various shocks. To reform existing social protection systems, several critical requirements must be addressed, involving opening a public debate about the philosophy of social protection and its relationship to development as well as human rights:

- **Reforming the philosophy of social protection:** Achieving a fundamental shift toward universal social protection requires a corresponding shift in the underlying philosophy toward supporting universal coverage, adequate benefits, a wide range of benefits beyond cash transfers (including in-kind benefits and services), sustainable financing systems, and an inclusive, human rights-based perspective that embeds social protection within the development model.
- **Promoting an alternative political discourse:** Civil and political forces, alongside stakeholders, must advocate for a transformation in the approach to social

protection. This discourse should be underpinned by scientific evidence drawn from international experiences demonstrating the benefits of universal social protection for individuals, society, the economy, and the State. Achieving these two requirements necessitates active involvement with all public policies, particularly social and distribution policies at their core. This entails gathering evidence and rallying stakeholders to drive this transformation forward.

- **Incorporating social protection into legal frameworks:** Universal social protection should be integrated into constitutional and legal frameworks as a fundamental human right, encompassing a diverse range of groups. It should also involve coordination between contributory and non-contributory social protection programs.
- **Addressing institutional fragmentation:** Addressing the fragmentation within institutions providing social protection services is crucial. Consideration should be given to creating a unified institutional framework or coordination mechanism that consolidates data and information on service provision and beneficiaries, facilitating the identification of coverage gaps.
- **Ensuring benefit sufficiency:** Adequate material or in-kind benefits are essential for widespread program inclusion. Adequate financial resources must be allocated to ensure benefit sufficiency and resolve the conflict between coverage and adequacy. Expanding coverage without ensuring benefit adequacy merely allows people living in poverty to subsist rather than escape it.
- **Enhancing coordination between social protection components:** Achieving social mobility through labor market programs and human capital development depends on effective coordination between the three main components of social protection: non-contributory programs, contributory programs, and active labor market programs. Reforms to labor markets, offering decent job opportunities with social protection, coupled with investments in health, education, and training, can boost individual employability and future labor market participation.
- **Developing shock-responsive strategies:** As the world grapples with consecutive and varying economic, health, and climate crises, social protection strategies must be developed to confront and respond to shocks effectively.
- **Establishing unified databases:** The creation of unified databases, encompassing all social groups – including people living in poverty or at risk of entering poverty, and vulnerable groups like children, the elderly, and individuals with special needs – is essential. Such databases should also cover refugees in countries with refugee populations, as social protection must

be recognized as a fundamental right for every human being, not only citizens.

- **Robust governance:** Governance involves multiple dimensions, including democratic, technical, political, and legal aspects. Effective governance encompasses stakeholder participation, transparent operations, access to information, and strong accountability structures; this requires coordination among various actors, programs, and government institutions.
- **Enhancing accountability:** Accountability plays a pivotal role in improving development outcomes and strengthening democracy. Engaging citizens and civil society in policy-making processes and holding governments accountable for managing public resources more effectively are essential. Accountability relies on a conducive political environment, a clear legal framework, and competent government and non-government entities with the technical capabilities and institutional spaces needed to fulfill their roles.<sup>122</sup> Among the results of establishing a robust accountability system are: the formulation and implementation of policies that would be more responsive to the interests of the most vulnerable sectors of society, ensuring that resources and services are allocated to the regions and citizens most in need; tracking the flow of resources, which reduces corruption and waste; and monitoring the quality of outputs and services.<sup>123</sup>

## On the horizon: Challenges to achieving universal social protection

Efforts to establish universal social protection as a fundamental human right face numerous challenges, with some of the most significant obstacles including:

- **Authoritarian regimes and limited stakeholder participation:** The prevalence of authoritarian regimes hinders the space available for stakeholder participation and imposes restrictions on freedom of association and assembly. This impedes positive engagement with public policies, particularly social protection. The challenge is compounded when political and civil forces lack spaces for societal mobilization and struggle to provide evidence-based political options and alternatives.
- **Weakness of civil society organizations:** Civil society organizations, including professional and labor unions and NGOs, often suffer from systemic weaknesses. Historical attempts to depoliticize these entities have transformed them primarily into service-oriented organizations. This transformation is evident in the cases of professional and labor unions in countries like

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Egypt and Jordan. Additionally, some organizations, due to historical ties with political systems, now operate as semi-official institutions; they self-limit their role to safeguarding members' interests without conflicting with the political establishment (as observed with the Tunisian General Labor Union). Some of these organizations have also taken on sectarian characteristics, as seen in Lebanon, where their role is restricted to providing services exclusively to members of the same sect. In other cases, NGOs have increasingly adopted a charitable role, focusing less on their human rights advocacy functions in favor of relief-based approaches.

- Social justice in political discourse: The concept of social justice within political discourse remains a challenge. Questions arise about how social justice is understood, the role of income and wealth distribution policies (such as taxation, wages, and employment), and the willingness of political authorities, which are often biased toward specific class segments, to address inequalities in income and wealth distribution.
- Flexible financial resources: Securing sufficient financial resources for comprehensive, universal social protection poses a formidable challenge. The lack of financial resources is frequently cited as a reason to limit the expansion of social protection, highlighting the need for a flexible financial space to fund such initiatives.

Addressing these challenges will require concerted efforts from stakeholders – including civil society, governments, and international organizations – to promote human rights-based social protection and navigate the complex landscape of political, social, and economic factors impacting its implementation.

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## About Arab Region Hub for Social Protection

We are a space in and through which professionals dedicated to exploring, understanding and advocating for better social protection in the Arab region exchange ideas and explore and initiate collaborative action. We envision an Arab region in which all people, regardless of their identities, are guaranteed social protections that secure their access to the essential goods and services needed to ensure their well-being and prosper and contribute as active members of society. We aim to facilitate the development of equitable and sustainable social protection systems in the region by: executing, encouraging and facilitating the production, analysis, collation, and dissemination of interdisciplinary knowledge about the topic; facilitating dialogue within professional spheres and awareness raising among the wider public; and enhancing collective action that amplifies advocacy efforts with the different stakeholders and decisionmakers.

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## Social Protection Program

The Arab Reform Initiative's Social Protection Program, which gave birth to the Arab Region Hub for Social Protection, aims to place social policy and its impact on the socio-economic rights of citizens and residents in Arab countries center stage in the research and advocacy efforts seeking to achieve social justice and social equality. By mobilizing and coordinating a community of practice and knowledge on social protection, the program aims to create a safe space for regular and systematic dialogue between the different stakeholders, in order to help addressing the problem of fragmented, non-inclusive, ineffective, and unsustainable social protection systems in the region. While doing so, the program adopts different perspectives – from addressing the necessary policy, programmatic, institutional, financial, legal and legislative reforms; to the political economy involved in the feasibility of these reforms; passing by social activism around welfare policies.



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## About the Arab Reform Initiative

The Arab Reform Initiative is an independent Arab think tank working with expert partners in the Middle East and North Africa and beyond to articulate a home-grown agenda for democratic change and social justice. It conducts research and policy analysis and provides a platform for inspirational voices based on the principles of diversity, impartiality, and gender equality.