



International
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► **World
Social
Protection
Report
2020-22**

Regional
companion report
for the Middle East
and North Africa
(MENA) region

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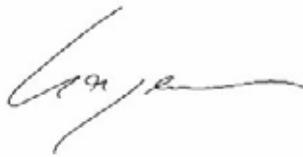
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foreword

This regional companion report for the Middle East and North Africa (MENA) region is intended to complement the ILO's [World Social Protection Report 2021–22. Social Protection at the Crossroads – in Pursuit of a Better Future](#). The regional companion report comprises two parts. It first gives a global perspective that is taken from the main report and outlines recent developments in social protection systems worldwide. It then highlights key developments, challenges and priorities for social protection in the MENA region.

Even before the COVID-19 pandemic, most countries in the region fell short of providing comprehensive and adequate social protection to a large share of their populations. The severe and widespread impacts of the pandemic have exacerbated pre-existing structural inequalities and further revealed these large social protection gaps. The region is now at a critical crossroads in respect of the future of social protection. If these countries wish to pursue a “high-road” future and ensure social protection for all, a fundamental shift in the social protection policy agenda is required. Countries need to expand, improve and sustain spending on social protection, especially for those workers or population groups who are currently uncovered. International support will continue to be essential to enable countries with limited domestic fiscal space and those in crisis contexts to ensure adequate protection for all, while building foundations for stronger national social protection systems. Enhancing resilience and responsiveness to future risks and shocks in the MENA region calls for investment in comprehensive social protection systems that provide coverage across life and work transitions.



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list of abbreviations

AFD	Agence Française de Développement
FAO	United Nations Food and Agriculture Organization
GCC	Gulf Cooperation Council
GDP	gross domestic product
ILO	International Labour Organization
IMF	International Monetary Fund
MENA	Middle East and North Africa
OPT	Occupied Palestinian Territory
SAR	Syrian Arab Republic
SSI	Social Security Inquiry
UAE	United Arab Emirates
UN	United Nations

1 Global perspective

Despite progress in recent years in extending social protection in many parts of the world, when the coronavirus disease (COVID-19) pandemic hit many countries were still facing significant challenges in making the human right to social security a reality for all. The ILO *World Social Protection Report 2020-22: Social protection at the crossroads - in pursuit of a better future* provides a global overview of progress made around the world over the past decade in extending social protection and building rights-based social protection systems, including floors, and covers the impact of the COVID-19 pandemic. In doing so, it provides an essential contribution to the monitoring framework of the 2030 Agenda for Sustainable Development.

Five messages emerge from the main report:

The pandemic has exposed deep-seated inequalities and significant gaps in social protection coverage, comprehensiveness and adequacy across all countries. Pervasive challenges such as high levels of economic insecurity, persistent poverty, rising inequality, extensive informality and a fragile social contract have been exacerbated by COVID-19. The crisis also exposed the vulnerability of billions of people who seemed to be getting by relatively well but were not adequately protected from the socio-economic shock waves it has emitted. The pandemic's socio-economic impacts have made it difficult for policymakers to ignore a number of population groups – including children, older persons, unpaid carers, and women and men working in diverse forms of employment and in the informal economy – who were covered either inadequately or not at all by existing social protection measures. In revealing these gaps, this report shows that the pandemic has propelled countries into unprecedented policy action, with social protection at the forefront.

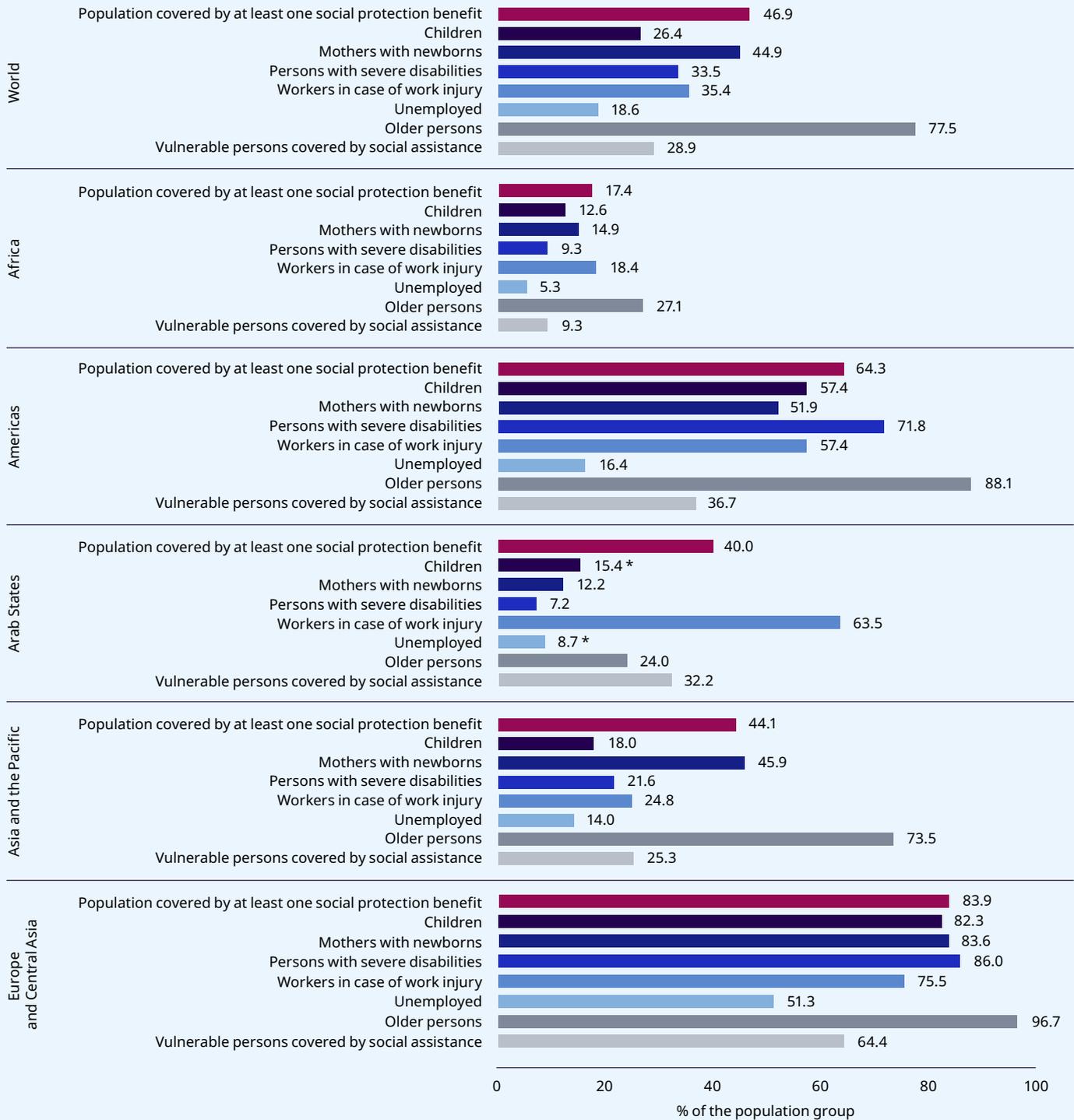
COVID-19 provoked an unparalleled social protection policy response. Governments marshalled social protection as a front-line response to protect people's health, jobs and incomes, and to ensure social stability. Where necessary, governments extended coverage to hitherto unprotected groups, increased benefit levels or introduced new benefits, adapted administrative and delivery mechanisms, and mobilized additional financial resources. However, despite some international support,

many low- and middle-income countries have struggled to mount a proportionate social protection and stimulus response to contain the pandemic's adverse impacts in the way that high-income countries have been able to do, leading to a "stimulus gap" arising largely from significant coverage and financing gaps.

Socio-economic recovery remains uncertain and enhanced social protection spending will continue to be crucial. The most recent International Monetary Fund (IMF) forecasts warn of a divergent recovery, whereby richer countries enjoy a swift economic rebound while lower-income nations see a reversal of their recent development gains. Ensuring a human-centred recovery everywhere is contingent on equitable access to vaccines. This is not only a moral imperative, but also a public health necessity: a deep chasm in vaccine availability will unleash new viral mutations that undermine the public health benefits of vaccines everywhere. Already, however, inequitable vaccine access, yawning stimulus gaps visible in the crisis response, unfulfilled calls for global solidarity, increasing poverty and inequalities, and recourse to austerity cuts all indicate the prospect of uneven recovery. Such a scenario will leave many people to fend for themselves and derail the progress made towards the achievement of the 2030 Agenda and the realization of social justice.

Countries are at a crossroads with regard to the trajectory of their social protection systems. If there is a silver lining to this crisis, it is the potent reminder it has provided of the critical importance of investing in social protection; yet many countries also face significant fiscal constraints. This report shows that nearly all countries, irrespective of their level of development, have a choice: whether to pursue a "high-road" strategy of investing in reinforcing their social protection systems or a "low-road" strategy of minimalist provision, succumbing to fiscal or political pressures. Countries can use the policy window prised open by the pandemic and build on their crisis-response measures to strengthen their social protection systems and progressively close protection gaps in order to ensure that everyone is protected against both systemic shocks and ordinary life-cycle risks. This would involve increased efforts to build universal, comprehensive, adequate and sustainable social protection systems, including a solid social protection floor that guarantees at

► **Figure 1. SDG indicator 1.3.1: Effective social protection coverage, global and regional estimates, by population group, 2020 or latest available year**



*To be interpreted with caution: estimates based on reported data coverage below 40% of the population.

Notes: See Annex 2 of the [World Social Protection Report 2021-22](#) for methodological explanation. Global and regional aggregates are weighted by relevant population groups.

Sources: ILO, [World Social Protection Database](#), based on the Social Security Inquiry (SSI); ILOSTAT; national sources.

Link: <https://wspr.social-protection.org>.

least a basic level of social security for all over the course of their lives. The alternative would be to acquiesce in a low-road approach that fails to invest in social protection, thereby trapping countries in a “low cost–low human development” trajectory. This would represent a lost possibility for strengthening social protection systems and reconfiguring societies for a better future.

Establishing universal social protection and realizing the human right to social security for all is the cornerstone of a human-centred approach to obtaining social justice. Doing so contributes to preventing poverty and containing inequality, enhancing human capabilities and productivity, fostering dignity, solidarity and fairness, and reinvigorating the social contract.

► The state of social protection: Progress made, but not enough

Highlights

As of 2020, only 46.9 per cent of the global population were effectively covered by at least one social protection benefit¹ (Sustainable Development Goal (SDG) indicator 1.3.1; see figure 1), while the remaining 53.1 per cent – as many as 4.1 billion people – were left wholly unprotected. Behind this global average, there are significant inequalities across and within regions, with coverage rates in Europe and Central Asia (83.9 per cent) and the Americas (64.3 per cent) above the global average, while Asia and the Pacific (44.1 per cent), the Arab States (40.0 per cent) and Africa (17.4 per cent) have far more marked coverage gaps.

Only 30.6 per cent of the working-age population are legally covered by comprehensive social security systems that include a full range of benefits, from child and family benefits to old-age pensions, with women’s coverage lagging behind men’s by a substantial 8 percentage points. This implies that the large majority of the working-age population – 69.4 per cent, or 4 billion people – are only partially protected or not protected at all.

Access to healthcare, sickness and unemployment benefits has taken on particular relevance during the pandemic. While almost two thirds of the global population are protected by a health scheme of some kind, significant coverage and adequacy gaps remain. When it comes to income protection during sickness and unemployment, the coverage and adequacy gaps are even more pronounced. Approximately a third of working-age people have their income security protected by law in case of sickness, and less than

a fifth of unemployed workers worldwide actually receive unemployment benefits.

Gaps in the coverage, comprehensiveness and adequacy of social protection systems are associated with significant underinvestment in social protection, particularly in Africa, the Arab States and Asia. Countries spend on average 12.9 per cent of their gross domestic product (GDP) on social protection (excluding health), but this figure masks staggering variations. High-income countries spend on average 16.4 per cent, or twice as much as upper-middle-income countries (which spend 8 per cent), six times as much as lower-middle-income countries (2.5 per cent), and 15 times as much as low-income countries (1.1 per cent).

This financing gap for building social protection floors has widened by approximately 30 per cent since the onset of the coronavirus disease (COVID-19) crisis, owing to the increased need for healthcare services, income security measures, and reductions in GDP caused by the crisis. To guarantee at least a basic level of social security through a nationally defined social protection floor, lower-middle-income countries would need to invest an additional US\$362.9 billion and upper-middle-income countries a further US\$750.8 billion per year, equivalent to 5.1 and 3.1 per cent of GDP respectively for the two groups. Low-income countries would need to invest an additional US\$77.9 billion, equivalent to 15.9 per cent of their GDP.

COVID-19 threatens to imperil years of progress towards achieving the Sustainable Development Goals (SDGs), reversing gains in poverty reduction. It has also revealed the pre-existing stark protection gaps across all countries and made

¹ Excluding healthcare and sickness benefits.

it impossible for policymakers to ignore the persistent social protection deficits experienced in particular by certain groups, such as informal workers, migrants and unpaid carers.

This crisis has resulted in an unprecedented yet uneven global social protection response. Higher-income countries were better placed to

mobilize their existing systems or introduce new emergency measures to contain the impact of the crisis on health, jobs and incomes. Mounting a response was more challenging in lower-income contexts, which were woefully ill prepared and had less room for policy manoeuvre, especially in macroeconomic policy.

► Social protection for children remains limited, yet is critical for unlocking their potential

Highlights

- The vast majority of children still have no effective social protection coverage, and only 26.4 per cent of children globally receive social protection benefits. Effective coverage is particularly low in some regions: 18 per cent in Asia and the Pacific, 15.4 per cent in the Arab States and 12.6 per cent in Africa.
- Positive recent developments include the adoption of universal or quasi-universal child benefits (UCBs/qUCBs) in several countries, and renewed awareness in the context of COVID-19 of the critical importance of inclusive social protection systems, quality childcare services and the need for social protection for caregivers.
- On average, national expenditure on social protection for children is too low, equating to only 1.1 per cent of GDP, compared to 7 per cent of GDP spent on pensions. The regions of the world with the largest share of children in the population, and the greatest need for social protection, have some of the lowest coverage and expenditure rates, especially sub-Saharan Africa (0.4 per cent of GDP).
- To address the dramatic increase in child poverty caused by COVID-19, close social protection coverage gaps and deliver the best results for children and society, policymakers must implement an integrated systems approach including child benefits and childcare services, provision of parental leave and access to healthcare.

► Social protection for women and men of working age provides insufficient protection against key risks

Highlights

- *Maternity*: Some countries have made decisive progress towards universal or near-universal effective maternity coverage. Despite the positive developmental impacts of supporting childbearing women, only 44.9 per cent of women with newborns worldwide receive a cash maternity benefit.
- *Sickness*: The crisis has demonstrated the importance of ensuring income security during ill health, including quarantine. However, only a third of the world's working-age population have their income security protected by law in the event of sickness.
- *Disability*: The share of people with severe disabilities worldwide who receive a disability benefit remains low at 33.5 per cent. Importantly, several countries now have universal disability benefit programmes in place.

- ▶ *Employment injury*: Only 35.4 per cent of the global labour force have effective access to employment injury protection. Many countries have recognized COVID-19 as an occupational injury in order to ensure easier and faster access to associated benefits under the work injury insurance system, in particular for workers in the most exposed sectors.
- ▶ *Unemployment protection*: A mere 18.6 per cent of unemployed workers worldwide have effective coverage for unemployment and thus actually receive unemployment benefits. This remains the least developed branch of social protection. However, the pandemic has highlighted the crucial role of unemployment protection schemes to protect jobs and incomes, through job retention schemes and unemployment benefits.
- ▶ *Expenditure estimates* show that worldwide only 3.6 per cent of GDP is spent on public social protection to ensure income security for people of working age.

▶ Social protection for older women and men still faces coverage and adequacy challenges

Highlights

- ▶ Pensions for older women and men are the most widespread form of social protection in the world, and a key element in achieving SDG target 1.3. Globally, 77.5 per cent of people above retirement age receive some form of old-age pension. However, major disparities remain across regions, between rural and urban areas, and between women and men. Expenditure on pensions and other benefits for older people accounts for 7.0 per cent of GDP on average, again with large variations across regions.
- ▶ Significant progress has been made with respect to extending the coverage of pension systems in developing countries. Even more encouraging, in a wide range of countries, including lower-middle-income countries, universal pensions have been developed as part of national social protection floors.
- ▶ The COVID-19 crisis has brought additional pressures to bear on the costs and financing of pension systems, but the impact over the long term will be moderate to low. The massive response of countries to the crisis has highlighted the critical role that old-age protection systems, including long-term care, play in ensuring the protection of older adults, particularly in times of crisis, and the urgency of strengthening long-term care systems to protect the rights of care recipients and care workers alike.
- ▶ Pension reforms have been dominated by an emphasis on fiscal sustainability, at the expense of other principles established by international social security standards, such as the universality, adequacy and predictability of benefits, solidarity and collective financing. These are critical for guaranteeing the income security of older people, which is and should remain the primary objective of any pension system. Ensuring the adequacy of benefits is especially pertinent for women, people in low-paid jobs and those in precarious forms of employment. Moreover, many countries around the world are still struggling to extend and finance their pension systems; these countries face structural barriers linked to low levels of economic development, high levels of informality, low contributory capacity, poverty and insufficient fiscal space, among others.

► **Social health protection: An essential contribution to universal health coverage**

Highlights

- Significant progress has been made in increasing population coverage, with almost two thirds of the global population protected by a scheme. However, barriers to accessing healthcare remain in the form of out-of-pocket payments on health services, physical distance, limitations in the range, quality and acceptability of health services, and long waiting times, as well as opportunity costs such as lost working time. The COVID-19 crisis has highlighted the limitations of benefit adequacy and the need to reduce out-of-pocket payments.
- Collective financing, broad risk-pooling and rights-based entitlements are key conditions for supporting effective access to healthcare for all in a shock-responsive manner. The principles provided by international social security standards are more relevant than ever on the road to universal health coverage, and in particular within the current public health context. More and better data on legal coverage need to be collected as a matter of priority to monitor progress on coverage and equity.
- Investing in the availability of quality healthcare services is crucial. The COVID-19 pandemic has further revealed the need to invest in healthcare services and to improve coordination within the health system. The pandemic is drawing attention to the challenges faced in recruiting, deploying, retaining and protecting well-trained, supported and motivated health workers to ensure the delivery of quality healthcare services.
- Stronger linkages and better coordination between mechanisms for accessing medical care and income security are needed to address key determinants of health more effectively. The COVID-19 crisis has further highlighted the role of the social protection system in shaping behaviours to foster prevention and the complementarity of healthcare and sickness benefit schemes. Coordinated approaches are particularly needed in respect of special and emerging needs, including human mobility, the increasing burden of long and chronic diseases, and population ageing. The impact of COVID-19 on older people has shed additional light on the need for coordination between health and social care.

► **Taking the high road towards universal social protection for a socially just future**

Highlights

COVID-19 has further underscored the critical importance of achieving universal social protection. It is essential that countries – governments, social partners and other stakeholders – now resist the pressures to fall back on a low-road trajectory and that they pursue a high-road social protection strategy to contend with the ongoing pandemic, and to secure a human-centred recovery and an inclusive future. To this end, several priorities can be identified.

- COVID-19 social protection measures must be maintained until the crisis has subsided and recovery is well under way. This will require continued investment in social protection systems to maintain living standards, ensure equitable vaccine access and healthcare, and prevent further economic contraction. Ensuring equitable and timely access to vaccines is crucial for the health and prosperity of all countries and peoples. In an interconnected world, a truly inclusive recovery hinges on this.
- The temptation to revert to fiscal consolidation to pay for the massive public expenditure outlays necessitated by COVID-19 must be avoided. Previous crises have shown that austerity leaves deep social scarring, hurting the most vulnerable in society. Conversely, striving for a jobs-rich, human-centred recovery, aligned with health, social, environmental and climate change goals, can contribute to income security, job creation and social cohesion objectives, expand the tax base and help finance universal social protection.

- ▶ Amid the devastation wrought by the pandemic, there are glimmers of hope that mindsets have shifted. By exposing the inherent vulnerability of everyone – making it explicit that our individual well-being is intimately bound up with the collective well-being and security of others – the pandemic has demonstrated the indispensability of social protection. Moreover, the crisis has shown that there is significant scope for countries to adopt a “whatever it takes” mindset to accomplish priority goals if they so choose. If the same policy approach is applied as the worst of the pandemic abates, this holds promise for taking the high road to achieve the SDGs and universal social protection.
- ▶ Taking that high road requires building permanent universal social protection systems that provide adequate and comprehensive coverage to all, guided by effective tripartite social dialogue. These systems are essential for preventing poverty and inequality, and for addressing today’s and tomorrow’s challenges, in particular by promoting decent work, supporting women and men in better navigating their life and work transitions, facilitating the transition of workers and enterprises from the informal to the formal economy, bolstering the structural transformation of economies, and supporting the transition to more environmentally sustainable economies and societies.
- ▶ Further investment in social protection is required now to fill financing gaps. In particular, prioritizing investments in nationally defined social protection floors is vital for delivering on the promise of the 2030 Agenda. Fiscal space exists even in the poorest countries and domestic resource mobilization is key, but concerted international support is also critical for fast-tracking progress in those countries lacking fiscal and economic capacities, especially in low-income countries with marked underinvestment in social protection.
- ▶ Universal social protection is supported through the joint efforts of the United Nations agencies “working as one”, and through concerted efforts with relevant international, regional, subregional and national institutions and social partners, civil society and other stakeholders, including through the Global Partnership for Universal Social Protection.
- ▶ The unique policy window prised open by COVID-19 should embolden countries to take decisive action now about the future of social protection and pursue a high-road policy approach with vigour. Doing so will empower societies to deal with future crises and the challenges posed by demographic change, the evolving world of work, migration, environmental challenges and the existential threat of climate change. Ultimately, a robust social protection system will shore up and repair a fragile social contract and enable countries to enjoy a socially just future.

2 Introduction: Social protection at a crossroads

Prior to the COVID-19 pandemic, most countries in the Middle East and North Africa (MENA) region fell short of providing comprehensive and adequate social protection to a large share of their populations.¹ In most of these countries, social protection systems are fragmented, relying on public-sector employment and social insurance for those in formal employment, combined with universal energy and food price subsidies and patchy or narrowly targeted safety-net programmes. As a consequence of deep-rooted features of the economic model, labour market structure and social contract, the fundamental human right to social security remains unfulfilled for the vast majority of people living in the region.

Social protection coverage and spending in the MENA region were not only largely insufficient, but also inequitably distributed, both across subregions and countries and within individual countries. Millions of those informally employed, unemployed or outside the labour force – particularly women, young people and non-national workers – were excluded from employment-related social protection. Large segments of key population groups such as children, people with disabilities and older people had no access to effective mechanisms to protect their incomes and finance their healthcare. This has led to reduced investment in human capital and productivity and lower labour mobility, and increased the cost of managing life and work transitions for workers and businesses alike. The protracted humanitarian crises and conflict-related fragility have also put an additional strain on underdeveloped social protection systems in countries across the region.

The COVID-19 pandemic has revealed the significant gaps in coverage, comprehensiveness and adequacy that result from segmented social protection systems. The social protection needs of informal economy workers in the “missing middle” – who are neither contributing

to social insurance nor eligible for means-tested social assistance – have been at the centre of policymakers’ attention as emergency income support schemes were introduced in most countries of the region. Countries have made extensive use of both contributory and non-contributory social protection instruments to mitigate the impact of the crisis on the vulnerable, and remarkable efforts have been put into the development of administrative and information infrastructure.

The MENA region is now at a critical crossroads in respect of the future of social protection. In the context of persistently high inequality, stagnant poverty reduction and profound economic and social transformations across the region (UN ESCWA 2019a; Alvaredo et al. 2017), the need for social protection has never been more widely and openly recognized. A renewed and exclusive focus on cost containment and efficiency in social spending will jeopardize progress and forfeit the gains that derive from social protection investment. Conversely, the current momentum offers an opportunity to lay the foundations of a rights-based social protection system that is adequate for the economic and social challenges the MENA region faces.

Building back better requires the development of a new social protection paradigm in the MENA region, to overcome the persistent inability of labour markets and fiscal policies to curb inequalities and provide opportunities for all. Structural economic adjustments need to be combined with systemic and transformational social protection reforms, as opposed to narrow palliative measures (Hertog 2017; Vidican Auktor and Loewe 2021). A wave of social protection reforms was initiated in several countries after the 2010 Arab Spring, but the objective of putting inclusive and comprehensive social protection at the centre of a new social contract remained largely unaccomplished. Now may be the appropriate time to finish the job.

¹ While definitions of the MENA region vary across agencies, this report covers three subregions: North African countries (Algeria, Egypt, Libya, Morocco, Sudan and Tunisia), Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) and other Middle Eastern countries (Iraq, Jordan, Lebanon, the Occupied Palestinian Territory, the Syrian Arab Republic and Yemen). Countries in the latter two categories constitute the Arab States region as officially defined by the ILO. While the Islamic Republic of Iran is not covered in this report, the regional averages for MENA include that country.

3 The pre-COVID-19 situation: Progress made and remaining gaps

Approximately two fifths (39.5 per cent) of the MENA region's population enjoy effective coverage in at least one area of social protection,² significantly less than the world average (46.9 per cent). However, there are large variations in effective coverage across subregions and countries (see figure 2). In the Gulf Cooperation Council (GCC) countries, 61.4 per cent of the population are protected through some form of social protection, compared to an average of 85.4 per cent in high-income countries. Differences in coverage across the GCC countries are largely a function of the extent of protection granted to non-nationals and the proportion of non-nationals in each country's population.³ Coverage and spending through national social protection systems are very limited in conflict-affected and fragile countries, such as the Occupied Palestinian Territory (OPT), the Syrian Arab Republic and Yemen, where fewer than 20 per cent of the population are effectively covered through statutory social protection programmes. Effective coverage levels vary largely across other upper- and lower-middle-income countries in the region, ranging from 50.2 per cent in Tunisia to a mere 13.9 per cent in Lebanon. These differences are mainly driven by the depth of coverage of contributory social insurance systems – especially among private-sector workers – as well as by the scale of non-contributory cash assistance systems for vulnerable populations.⁴

Investment in social protection is insufficient across the region, with MENA countries spending on average 6.2 per cent of GDP on social protection, excluding healthcare and price subsidies (figure 3). This is under half the global average (12.9 per cent) and significantly less than high-income and upper-middle-income countries (respectively, 16.4 per cent and 8 per cent). Social protection spending is especially low in the GCC countries (4.1 per cent), compared to other Middle Eastern countries (6.9 per cent) and North African countries (7.7 per cent).

Social protection spending is heavily concentrated on contributory benefits, especially old age pensions, and disproportionately favours public-sector workers. Generous social insurance schemes for public-sector workers take the lion's share of social protection spending in several countries, often requiring direct financing from the general budget and raising financial sustainability concerns because of actuarially imbalanced designs. On the contrary, tax-funded non-contributory social protection schemes attract less than 30 per cent of total social protection resources across all subregions.⁵ Most countries in the region allocate less than 1.5 per cent of their GDP to non-contributory social protection schemes for poor and vulnerable segments of the population (see also figure 5 below).

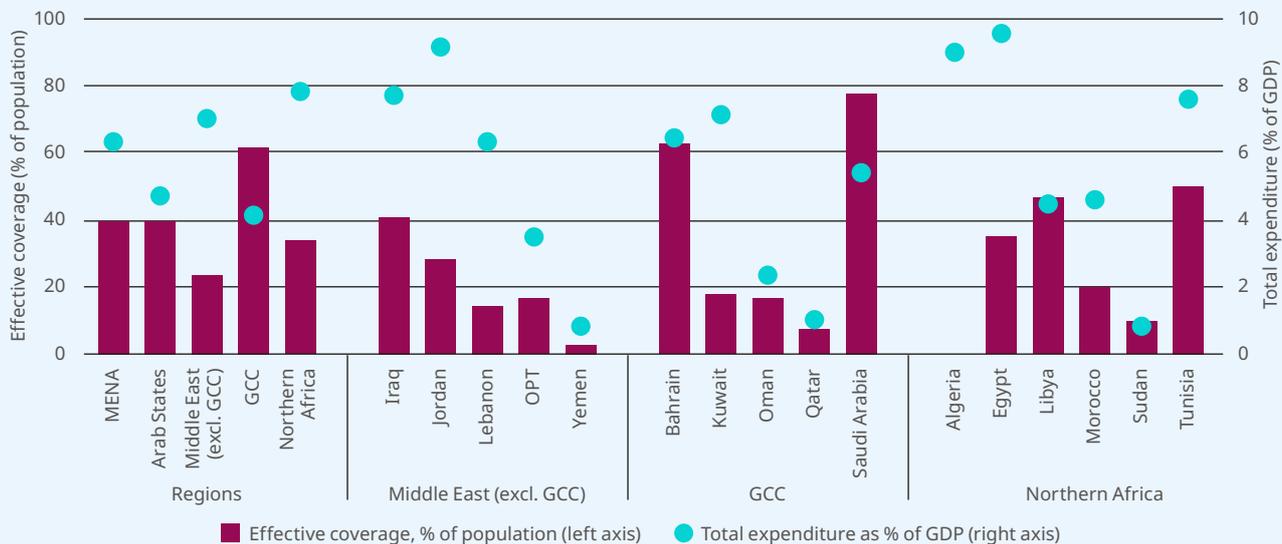
² This is the proportion of the total population receiving contributory or non-contributory cash benefits (excluding healthcare and sickness benefits) under at least one of the contingencies specified in SDG indicator 1.3.1, or actively contributing to at least one social security scheme.

³ Bahrain and Saudi Arabia display higher effective coverage rates as they are the only two countries in the GCC that provide social insurance coverage – for a limited range of benefits – to non-national workers.

⁴ In countries hosting large number of refugees – such as Jordan and Lebanon – low effective coverage rates reflect the fact that refugees have very limited or no access to statutory national social protection schemes, although in some cases they benefit from cash transfers as part of the emergency response (see section 3.2 below).

⁵ While it is acknowledged that a large share of public revenue in the MENA region does not derive from taxation, throughout this report the term “tax-funded social protection” is used to describe social protection that is funded from general government revenue.

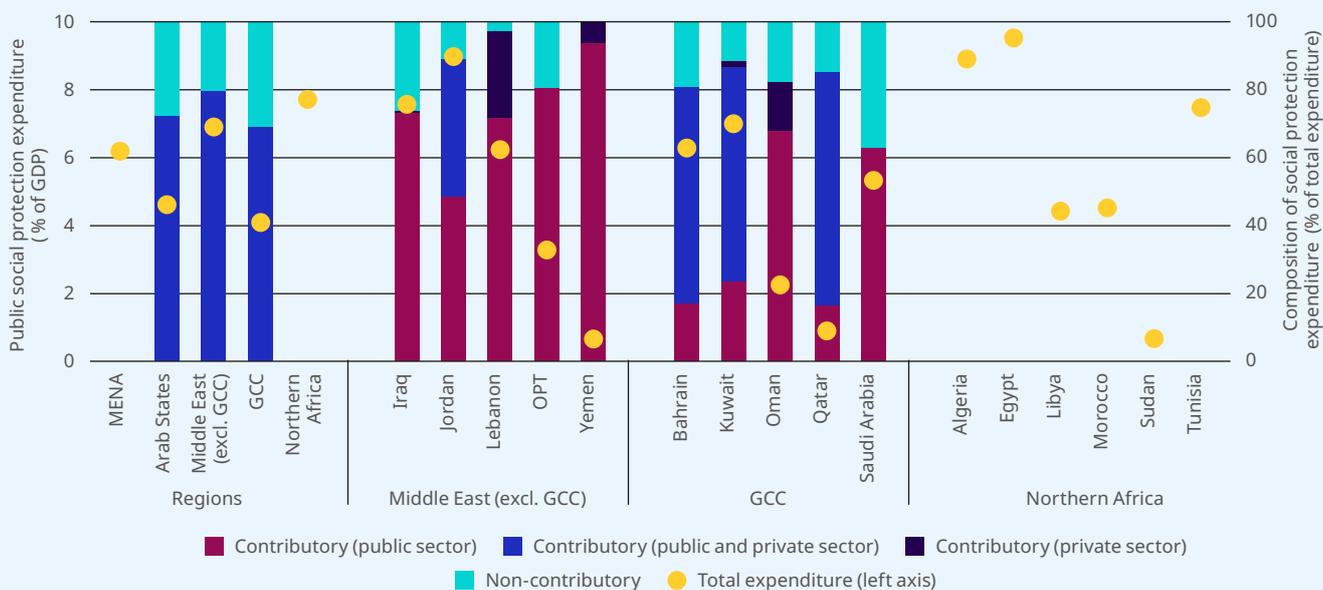
► **Figure 2. Percentage of the population covered by at least one social protection benefit (SDG indicator 1.3.1) and public social protection expenditure, excluding health, as a share of GDP, 2020 or latest available year**



Notes: GCC = Gulf Cooperation Council; GDP = gross domestic product; MENA = Middle East and North Africa; OPT = Occupied Palestinian Territory. Regional aggregates for effective coverage are weighted by population; regional aggregates for expenditure are weighted by GDP.

Sources: ILO, [World Social Protection Database](https://wsp.spr.social-protection.org), based on the Social Security Inquiry (SSI); ILOSTAT; national sources. Link: <https://wsp.spr.social-protection.org>.

► **Figure 3. Public social protection expenditure as a percentage of GDP, and composition of social protection expenditure, excluding health, as a percentage of total, latest available year**



Notes: GCC = Gulf Cooperation Council; GDP = gross domestic product; MENA = Middle East and North Africa; OPT = Occupied Palestinian Territory. Regional aggregates are weighted by GDP.

Sources: ILO, [World Social Protection Database](https://wsp.spr.social-protection.org), based on the SSI; ILOSTAT; national sources. Link: <https://wsp.spr.social-protection.org>.

► 3.1 Overview of contributory social insurance schemes in the MENA region

Although most MENA countries have social insurance schemes in place, their limited and inequitable coverage exacerbates inequalities.

With economies in MENA failing to diversify into higher-productivity and higher-value-added models, labour markets have been characterized by persistently high levels of informality, high youth unemployment and low female participation (ILO 2018; 2021a). Labour market segmentation translates into segmentation of social protection systems: while workers in the often bloated public sector generally benefit from comprehensive labour and social security, private-sector social insurance systems generally exclude by law large categories of wage workers, such as part-time, temporary, contract, casual and seasonal workers. Agricultural and domestic workers are also commonly excluded from the scope of labour and social security laws (Sato 2021). Coverage of self-employed workers is provided in several countries, but generally only for long-term risks and on the basis of voluntary enrolment, which has not led to significant gains in coverage (see annex, tables 1 and 2).

Moreover, social insurance schemes for private-sector workers tend to provide protection for only a limited range of risks and contingencies (see annex, tables 1 and 2). In most countries, schemes tend to focus on long-term benefits (old-age, disability and survivors' pensions), while coverage for risks faced during working life is limited. Typically, responsibility for paying employment injury, sickness and maternity cash benefits rests with individual employers (i.e. through an employer liability model), which limits solidarity in financing and exposes workers to discrimination and non-payment of benefits.

A major reason for limited social insurance coverage is the legal and effective exclusion of non-national workers, including refugees, who represent a large share of the working population in the region, giving rise to both discrimination and labour market distortions. While most countries in North Africa provide legal social insurance coverage to non-national workers, this is true for

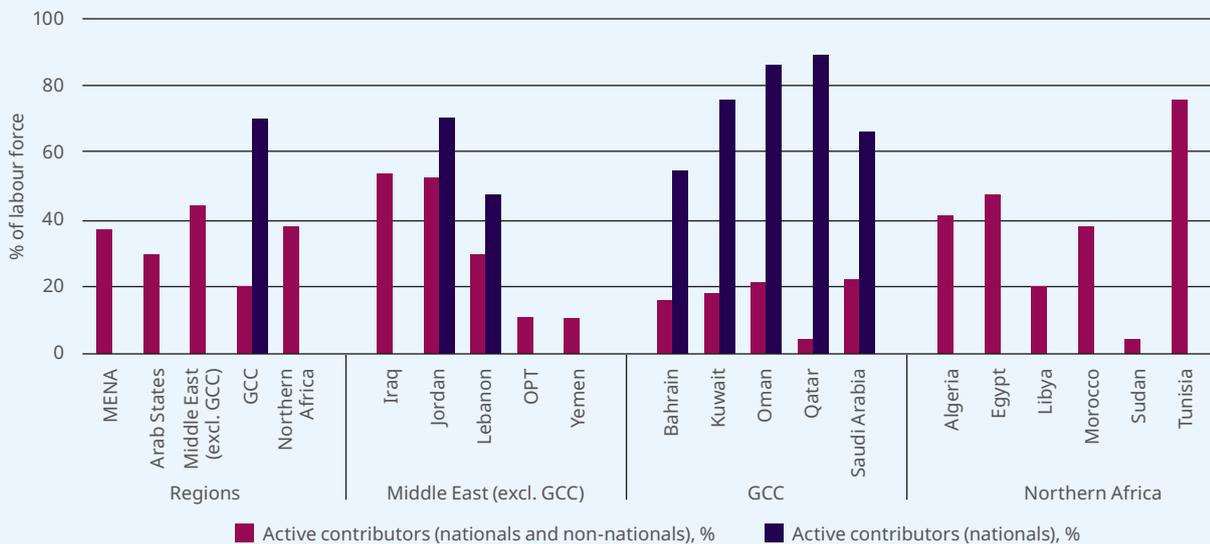
only a few countries in the Middle East and the GCC (Bahrain, Jordan and Saudi Arabia). Even where benefits are offered to non-national workers, they are often more limited in scope than those available to national workers (see annex, table 1), and portability and exportability mechanisms are weak.⁶ The high concentration of migrant workers in economic sectors that are typically excluded from social insurance provisions by law or practice (most notably, agriculture, construction and domestic work) is among the main reasons for low social insurance coverage across the region. Access to contributory social insurance schemes is also extremely low among working refugees, including in countries that provide social security coverage to non-national workers by law (for example Jordan), owing to limited access to work permits and formal employment.

There also is a significant gender gap in access to contributory social insurance. As women, especially young women, are more likely than men to be outside the labour force and unemployed, despite their overall high levels of education, they remain uncovered. Moreover, while overall informality rates are lower among women than men, owing to the high concentration of female employment in the public sector (ILO 2018), in the private sector women are more likely to be in work arrangements that are poorly served with both legal coverage and effective compliance with social insurance, such as self-employment, home-based or part-time work, or employment in small businesses.

Even where legal coverage is provided, compliance with existing social insurance registration remains limited in several countries, owing to the weak institutional environment and limited capacity of social security administrations. For example, recent studies in Jordan and Lebanon demonstrate that approximately 30 per cent of full-time permanent national employees who have a legal right to be covered by national social insurance schemes are not registered in practice. This proportion rises to 87 per cent in respect of non-national

⁶ Mechanisms to ensure portability and exportability of social security benefits exist among the GCC countries for their respective national workers through a multilateral agreement and through a small number of bilateral agreements, mainly with European countries. However, these instruments do not benefit workers using the main migration corridors between Arab countries (especially the GCC) and Asian and African countries (ILO 2017; Van Panhuys, Kazi-Aoul, Binette, 2017).

► **Figure 4. Effective coverage: Percentage of the labour force contributing to a pension scheme, selected countries, 2020 or latest available year**



Notes: GCC = Gulf Cooperation Council; MENA = Middle East and North Africa; OPT = Occupied Palestinian Territory. Regional aggregates are weighted by the labour force.

Sources: ILO, [World Social Protection Database](https://socialprotection.org/), based on the SSI; ILOSTAT; Gulf Labour Markets and Migration data and national sources. Link: <https://wspr.social-protection.org>.

employees (ILO 2021b, 2021c). Non-compliance with social security obligations is highest among micro, small and medium-sized enterprises, pointing to the need to integrate social insurance extension strategies with holistic approaches to promote formalization.

Inadequate legal frameworks and limited enforcement of existing provisions lead to insufficient levels of effective social insurance coverage (affiliation) across the MENA region.

On average, only 36.7 per cent of workers in the labour force are effectively contributing to contributory social insurance schemes (see figure 4),⁷ well below the global average (53.7 per cent) and the average for high- and upper-middle-income countries (89.8 and 70.9 per cent, respectively). Social insurance coverage (affiliation) is much higher among national workers than in the total labour force, especially in the GCC.

Recognizing the existing limitations, some countries have taken steps towards the extension of social insurance coverage to additional categories of workers, by strengthening enforcement of contribution requirements through labour inspections and digital applications, or by subsidizing contributions to encourage affiliation – including to health insurance – especially among low-income workers (UN 2020; Sato 2021). Tunisia is a regional pioneer, demonstrating that it is possible to achieve high levels of participation in contributory schemes for a large share of the working population by a combination of extending legal coverage, innovation in social security design and investment in administration (UN ESCWA 2019b). Jordan and Morocco have also recently approved new laws and regulations for the gradual extension of mandatory coverage of self-employed, agricultural and part-time workers.

⁷ Participation in the pension system is used in this chapter as a proxy for participation in social insurance more generally. Higher social insurance affiliation rates can be found in some countries for other branches, such as employment injury (for example in Bahrain and Saudi Arabia) or medical care (for example in Lebanon).

► 3.2 Overview of non-contributory social protection schemes in the MENA region

Tax-financed social protection schemes in the region are generally not adequate to fill the large social protection gaps that are left by porous social insurance schemes. Historically, social assistance cash transfers have been fragmented and underfinanced. They are not rights-based and are small in scope; they tend to have limited coverage and low benefit levels, and often have heavy administration costs (Machado et al. 2018). Several countries are implementing, or have implemented, reforms aiming at improving the targeting efficiency and effectiveness of national social assistance schemes, in most cases as part of a process of gradual removal of universal price subsidies. Such reforms have not always been accompanied by necessary increases in coverage and adequacy. There are also growing concerns about exclusion errors associated with the adoption of narrow eligibility criteria based on extreme poverty in a context of widespread and dynamic socio-economic vulnerabilities and high levels of informality (ILO 2016; 2021b).

Zakat funds,⁸ charities, non-governmental organizations (NGOs) and faith-based organizations also play an important role both in collecting private funds and in arranging for the delivery of social protection across the region. Levels of institutionalization of such systems vary greatly across countries (Machado, Bilo and Helmy 2018), while in the majority of cases transfer values tend to be small, and coverage limited and time-bound. In some countries, such as Lebanon, community or faith-based social protection arrangements represent a primary source of social support (UN ESCWA 2013).

Typically, countries in the region have provided generous universal price subsidies on food,

electricity and fuel as a mechanism to ensure access to basic necessities (FAO 2017). Subsidy reforms have been actively pursued in recent years across the region, with the objective of easing the fiscal burden while addressing economic and distributional inefficiencies (Verme and Araar 2017). These subsidy reforms have profound social implications, given the dependence of large numbers of the poor and vulnerable on subsidies to stay out of poverty, and the wider effects on those at risk of poverty.⁹ Food subsidies in particular are generally less regressive than energy subsidies, and reform in this area is likely to have a particularly marked effect on households with modest incomes (UN ESCWA 2019b).

Where means-tested cash transfer programmes have been introduced to mitigate the effects of subsidy reforms, they have been insufficient to offset negative effects on the population (for example through inflation), resulting in an overall increase in poverty and heightened economic vulnerability for those that are “near poor” and for the middle class.¹⁰ In some cases, a small fraction of the fiscal savings from subsidy reform appears to have been reallocated to extending social protection (Nauk 2017). In other cases, benefits have been set at low levels or have been eroded by inflation (Said Alsayyad 2017).¹¹

Overall, tax-financed social protection schemes provide income support to less than a third (26.4 per cent) of vulnerable people across the region.¹² The poor performance of non-contributory social protection schemes is not surprising, given the low level of expenditure on these schemes: 1.5 per cent of GDP on average. Cross-country comparison (see figure 5) shows

⁸ “Zakat” is an Islamic finance term, referring to the religious obligation of an individual to donate to charitable causes.

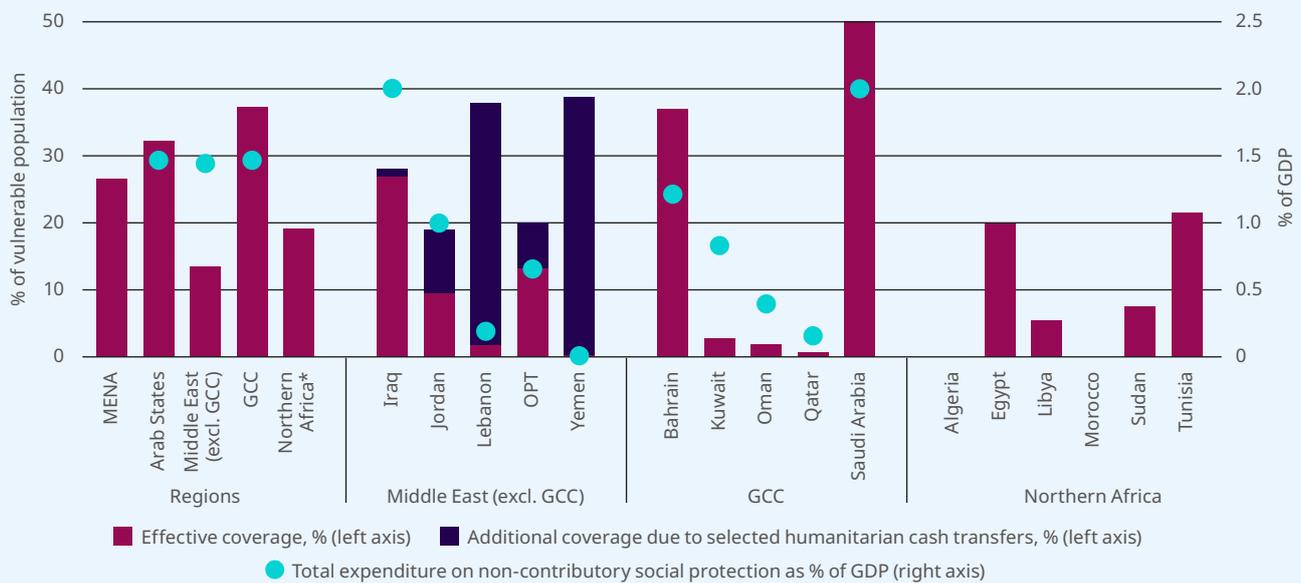
⁹ Silva, Levin and Morgandi (2012) found that universal subsidies reduced poverty by 6–30 per cent in four countries of the region, namely Egypt, Iraq, Jordan and Yemen.

¹⁰ For example, in Egypt, according to the household, income, expenditure and consumption survey, the proportion of the population in poverty increased from 27.8 per cent in 2015 to 32.5 per cent in 2018, at the same time as energy subsidy reforms were implemented in combination with the roll-out of means-tested cash assistance. See also El-Hamidi 2016; ILO and AFD 2016.

¹¹ Saudi Arabia offers a more positive example, as the cash assistance scheme introduced here in the context of subsidy reforms has extensive reach – among nationals – owing in part to the innovative use of administrative information to identify beneficiaries (Said Alsayyad 2017). Benefit adequacy remains a concern, however (OHCHR 2017).

¹² This indicator is defined as the ratio of social assistance recipients to the total number of vulnerable people. The latter is calculated by subtracting from the total population all people of working age who are contributing to a social insurance scheme or receiving contributory benefits, and all people over retirement age who are receiving contributory benefits.

► **Figure 5. Percentage of vulnerable population receiving non-contributory cash benefits and public social protection expenditure on non-contributory schemes (percentage of GDP), 2020 or latest available year**



* To be interpreted with caution: estimates based on reported data coverage below 40 per cent of the population.

Notes: GCC = Gulf Cooperation Council; MENA = Middle East and North Africa; OPT = Occupied Palestinian Territory. Regional aggregates for effective coverage are weighted by population; regional aggregates for expenditure are weighted by GDP.

Sources: ILO, [World Social Protection Database](#), based on the SSI; ILOSTAT; national sources.

Link: <https://wspr.social-protection.org>.

that higher levels of spending translate into improved coverage of vulnerable populations, demonstrating that investment in tax-financed social protection is ultimately a matter of political priorities.¹³

As a result of their limited coverage and adequacy, the effectiveness of tax-financed social protection measures in addressing poverty and vulnerability is also limited. For example, recent analysis in Jordan and Lebanon shows that existing social assistance schemes contribute a reduction of only 1.5 and 0.5 percentage points, respectively, in nationwide poverty rates (Alam, Inchauste and Serajuddin 2017; Silva-Leander et al. 2021). Weak linkages between social assistance schemes and economic activation interventions also limit the transformative potential of both, and

in some cases eligibility criteria create explicit disincentives to entering employment (Bird and Silva 2020).

Humanitarian actors play a very important role as providers of social protection to refugees and internally displaced populations, increasingly through regular cash transfers.¹⁴ Humanitarian cash transfer schemes have been operating with a relatively stable caseload and for a prolonged period in several fragile, conflict-affected and crisis-affected countries in the region (Lebanon, Jordan, the OPT, Yemen), thereby making a significant contribution to the overall social protection landscape (see dark blue bars in figure 5).¹⁵ Because of their emergency nature, such programmes are not enshrined in legislation, not funded from domestic resources and generally not delivered

¹³ In Iraq, the Public Distribution System (PDS) is the main source of non-contributory social protection expenditure, covering in excess of 80 per cent of the population through a food ration card system. It is not accounted for in the calculation of coverage in figure 5, as it is not a cash-based scheme.

¹⁴ The use of direct cash assistance is increasingly recognized as the most cost-effective, most empowering and least market-distorting mechanism for the delivery of humanitarian support (Smith 2020).

¹⁵ Figure 5 presents a non-exhaustive account of the caseload of beneficiaries of regular humanitarian cash transfers delivered by the main United Nations (UN) agencies (Office of the United Nations High Commissioner for Refugees, United Nations Children's Fund, World Food Programme) in selected countries. It does not include humanitarian cash assistance programmes provided by international and national NGOs.

through national systems.¹⁶ There is a growing recognition of the need to align the humanitarian mandate of international organizations with the development of national systems of social protection, and to accelerate the alignment and integration of social protection interventions within the humanitarian–development nexus,

for example through the use of common registration and payment platforms, streamlining and harmonization of needs determination criteria and benefit levels, strengthening of coordination mechanisms at both design and operational levels, and institutionalization of shock-responsive mechanisms.

¹⁶ As such, humanitarian cash transfer schemes are not a major focus of this report, which concentrates on the achievement of social protection coverage through national statutory schemes from the perspective of SDG 1.3. Yemen is an interesting case, where the existing national legal and institutional framework has been used by humanitarian actors to scale up the national emergency cash transfer programme.

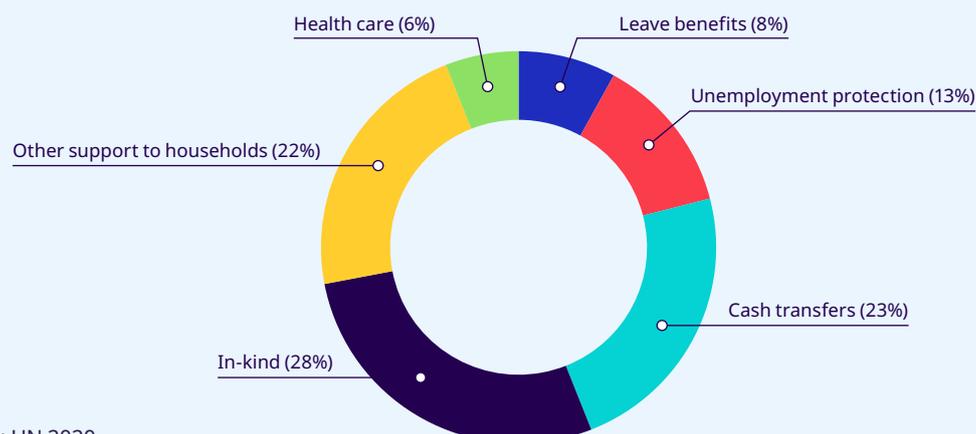
4 Social protection in crisis and recovery: the regional response to COVID-19 and the trajectory towards recovery

The social and economic impacts of the COVID-19 crisis in the MENA region have been both severe and widespread, and have exacerbated pre-existing structural inequalities. The combined contraction in economic demand and supply has severely disrupted labour markets: estimates indicate that, in 2020, 9 per cent of working hours were lost in countries across the Arab States, and 10.4 per cent in Northern African countries, which is the equivalent of 5 and 6 million full-time jobs, respectively, based on a 48-hour week (ILO 2021a). Loss of employment income and stagnating remittances (World Bank 2020) have had significant welfare impacts, with an additional 16 million people projected to be in poverty using national poverty lines (UN ESCWA 2020a) and many at risk of sliding from the middle class into the category of the “new poor”. Where recent evidence is available, it points to greater losses of employment and income among vulnerable, informal and low-skilled workers (ILO 2020a, 2021d). Women, children, people with disabilities

and older people also appear to have been particularly vulnerable to the impacts of the crisis (UN ESCWA 2020b, 2020c).

Expanding access to social protection has proven to be critical in the COVID-19 response across the region, and has involved a multiplicity of instruments. Countries have adopted multifaceted response strategies to prioritize job retention schemes and promote business continuity, ensure adequate income protection while supporting job-search assistance, expand contributory and tax-funded non-contributory social protection schemes, grant financial access to testing and medical care, and extend social welfare services to the most vulnerable population groups, all at the same time. A UN mapping exercise conducted in the region identified more than 195 social protection measures announced across the MENA region in the initial months after the onset of the pandemic, with the main interventions clustered across six main areas (see figure 6). Avoiding narrowly focused and uncoordinated measures

► **Figure 6. Share of social protection measures by area (as a percentage), introduced from March-June 2020**



Source: UN 2020.

and ensuring effective mechanisms for a whole-of-government response have been challenges common to many countries in the region.

In particular, the crisis has highlighted the need to extend protection to workers who are neither covered by social insurance nor eligible for existing social assistance schemes – those in the so-called “missing middle”. While in some cases (such as Jordan) social insurance schemes have been used to extend protection to informal workers, for the most part governments have relied on tax-financed, ad hoc measures to provide income support. These have included new temporary emergency transfers, the expansion of existing schemes to new beneficiaries and/or increases in benefit levels (for a non-exhaustive list, see annex, table 3). In spite of widespread use, emergency cash transfer schemes in the region appear to have had relatively low coverage, reaching less than 20 per cent of the population, with the exception of Morocco, and generally providing only small and short-term benefits (Sibun 2021; Bilo et al. 2021). A key question is, therefore, how these emergency measures can be turned into opportunities for more structural and sustainable inclusion of a larger share of the population in strengthened national social protection systems.

A common challenge has been how to put in place rapid mechanisms for the identification, registration and payment of workers in the informal economy, in the absence of comprehensive and updated population and labour market information. Several countries (Egypt, Jordan, Morocco and Tunisia) have established or are establishing social registries in which households are generally included on the basis of poverty targeting, or as members of vulnerable population groups (UN 2020; UN ESCWA, forthcoming). The crisis has clearly demonstrated the limitations of social assistance programmes that aim at identifying and covering only the poor, and the need to invest in integrated information systems that allow interoperability across different social protection pillars and government departments, including timely determination of eligibility using administrative data.

Migrant workers, domestic workers and the forcibly displaced have been extremely

vulnerable to the adverse impact of the crisis on employment and working conditions, but have generally been excluded from national social protection responses. In some countries, measures taken immediately for migrant workers included free access to testing and healthcare, labour protection (ensuring payment of salaries during quarantine and penalty-free extension of work and residence visas) and direct social assistance (food transfers, free housing or postponement of rental dues and fines) (UN 2020; Sato et al., forthcoming). Nowhere in the region have comprehensive measures been taken to provide emergency income support to non-national workers through national social protection systems, and the deteriorating labour protection and economic context has resulted in an increase of outward migration, especially from the GCC (UNDP and UN-Women 2021; ILO 2021e). The crisis has also revealed the limited shock-responsiveness of social protection systems, including a lack of coordination between social protection, disaster management and humanitarian actors, and a lack of mechanisms for contingency financing (Tebaldi, 2019; UN 2020).

As the impact of COVID-19 continues, there is a danger that pre-existing gaps across and within countries in the region in terms of effective realization of the right to social protection will become even wider. Countries with relatively well-established and comprehensive social protection systems (such as Jordan and Saudi Arabia) have demonstrated that they are better positioned to respond effectively, as they have been able to scale up social protection mechanisms more rapidly and to more adequate levels, building on pre-existing policy frameworks, systems, capacities and programmes. On the contrary, in fragile and resource-constrained contexts, options to respond decisively and effectively have been extremely limited. Countries' ability to sustain social protection emergency interventions is diminishing in a context of increasing concerns about fiscal discipline and debt sustainability, adding urgency to the need for decisive action to make the transition from emergency measures to more universal, comprehensive and adequate social protection systems.

5 Strengthening social protection for all throughout the life course

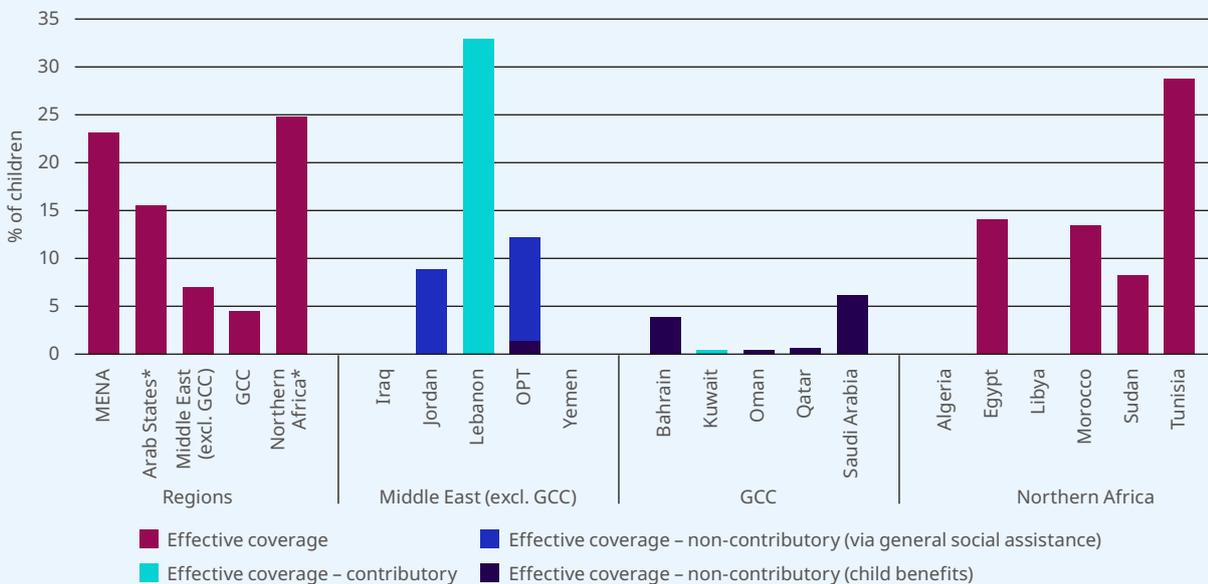
► 5.1 Social protection for children

Coverage of children through social protection systems is low in the MENA region, especially in the GCC and other Middle Eastern countries (figure 7). Slightly more than one in five children (23 per cent) are covered by social protection benefits, as opposed to one in four (26.4 per cent) globally.

Tax-funded non-contributory child benefits are not common, and where they do exist they are usually targeted on specific vulnerable

categories (for example, orphans, foster children, children with disabilities). Families with children often constitute a large share of recipients of tax-funded social assistance programmes targeting poor and vulnerable households.¹⁷ However, the vast majority of children remain excluded because of the narrow targeting and limited coverage of such schemes (as, for example, in Jordan and the OPT). In Egypt, the Takaful cash transfer programme targets poor families with children and reaches almost 4 million children,

► Figure 7. SDG indicator 1.3.1 on effective coverage for children and families: Percentage of children and households receiving child and family cash benefits, 2020 or latest available year



* To be interpreted with caution: estimates based on reported data coverage below 40 per cent of the population.

Notes: GCC = Gulf Cooperation Council; MENA = Middle East and North Africa; OPT = Occupied Palestinian Territory. Regional aggregates are weighted by number of children 0-14.

Sources: ILO, [World Social Protection Database](https://socialprotection.org/), based on the SSI; ILOSTAT; national sources. Link: <https://wspr.social-protection.org>.

¹⁷ Owing to the unavailability of disaggregated information, it is not possible to determine the number of children covered by national cash transfer programmes in countries with relatively large social assistance schemes (such as Egypt, Iraq and Saudi Arabia); as a result, the effective coverage rate of children in the region is likely to be underestimated.

but the eligibility rules are narrow, resulting in significant coverage restrictions. Only in a few cases (notably Morocco) are programmes explicitly designed to respond to the needs of children, for example by facilitating access to child health and education services. The low coverage of young children (aged 0–5 years) is a particular cause for concern, given their pronounced vulnerabilities and the importance of early investment for human development (Machado et al. 2018).

Contributory child and family allowance schemes can also play an important role in achieving greater coverage of children. Where

these exist (in some North African countries, namely Algeria, Morocco and Tunisia, and in Lebanon), they contribute significantly to coverage of children, although benefit levels vary greatly and are in some instances (e.g. Lebanon) very low. Tunisia has embarked on a process of reform of its child benefit system with the aim of reaching universal coverage of families with children through a multi-tiered model that delivers universal coverage through a progressive extension of the non-contributory programme to all families not covered by social insurance (République Tunisienne 2019).

► 5.2 Social protection for women and men of working age

5.2.1 Unemployment protection

Fewer than 10 per cent of the region's unemployed people had access to unemployment benefits prior to the COVID-19 crisis, as compared with 18.6 per cent worldwide and 52.2 per cent in high-income countries (see figure 8). Only a few countries in the region (Algeria, Bahrain, Egypt, Jordan, Kuwait, Morocco and Saudi Arabia) have unemployment insurance and assistance systems in place. Non-nationals or non-residents are often ineligible for benefits (as in Kuwait and Saudi Arabia), or have only restricted access to schemes (as in Bahrain and Jordan),¹⁸ and workers in non-standard forms of employment are also excluded. Despite structural barriers to labour market entry, particularly among young people, only a few countries (notably Bahrain) have put in place unemployment assistance for first-time jobseekers.

The labour market impacts of COVID-19 have revealed weaknesses in systems for unemployment protection and labour market activation in the region. Both active and passive labour market systems are generally

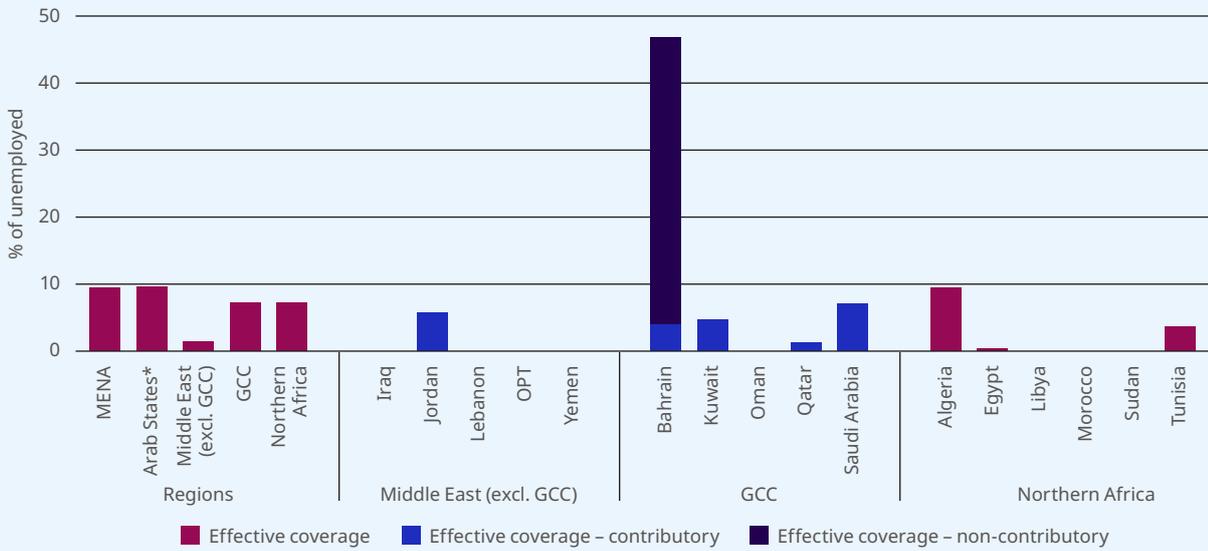
underdeveloped, and where they do exist they do not sufficiently facilitate transition from public or informal to formal private-sector-led employment (Bird and Silva 2020).

Employer liability mechanisms (severance pay) have also proven to be largely inadequate, especially in the context of COVID-19. In addition to the lack of solidarity in financing and risk-pooling across sectors of the economy, these mechanisms often suffer from weak systems of monitoring and legal enforcement of workers' rights, and leave workers exposed to the risks of bankruptcy and abuse.¹⁹ As a result, several countries in the region have reinvigorated initiatives to introduce unemployment insurance schemes. Oman is the latest country in the region to have established such a scheme (ILO 2020b), while Iraq, Lebanon, the OPT, Tunisia and the United Arab Emirates are considering, or already in the process of, doing so. Where they already exist, unemployment insurance schemes have been used extensively in response to the crisis: for example, in Jordan, eligibility criteria have been relaxed and unemployment benefits have been extended to furloughed workers.

¹⁸ In Bahrain, non-national workers are legally covered and contribute to the unemployment insurance scheme, but there are administrative barriers to their effective enjoyment of benefits. In Jordan, non-national employees benefit from the unemployment insurance scheme, but during the COVID-19 crisis they have not been given the extensive access to benefits granted to national workers.

¹⁹ Similar limitations on solidarity and risk-pooling were observed during the crisis with employment protection schemes based on individual savings accounts, as used in Jordan.

► **Figure 8. SDG indicator 1.3.1 on effective coverage for unemployment protection: Percentage of unemployed people receiving cash benefits, 2020 or latest available year**



* To be interpreted with caution: estimates based on reported data coverage below 40 per cent of the population.

Notes: GCC = Gulf Cooperation Council; MENA = Middle East and North Africa; OPT = Occupied Palestinian Territory. Regional aggregates are weighted by number of unemployed.

Sources: ILO, [World Social Protection Database](https://wsprr.social-protection.org), based on the SSI; ILOSTAT; national sources. Link: <https://wsprr.social-protection.org>.

5.2.2 Maternity benefits

While most countries across the world have included maternity provisions in their social insurance schemes, countries in the MENA region generally provide for paid maternity leave as an employer liability in their labour codes. Such arrangements provide limited protection to women owing to weak enforcement mechanisms, and may inadvertently discourage the hiring of female workers.²⁰ The duration and level of maternity benefit are also often longer and more generous in the public sector than in the private sector. Several countries (Iraq, Jordan and Sudan) have moved towards social insurance schemes, though effective coverage remains limited, reflecting low female labour market participation and high levels of informality. Recognizing the multifaceted barriers that have hindered female employment, especially during the COVID-19 crisis, Jordan recently introduced a childcare subsidy as part of the contributory maternity insurance scheme (ILO 2020c). No country in the region provides non-contributory benefits explicitly targeting pregnant women.

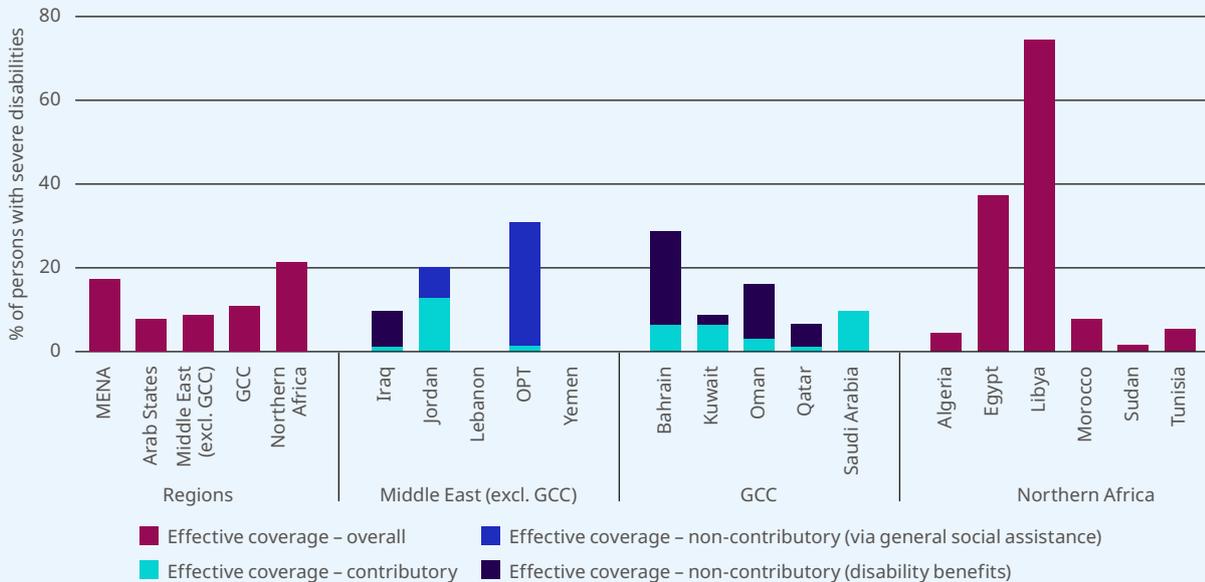
5.2.3 Disability benefits

Access to regular cash social protection benefits among people with severe disabilities in the MENA region is remarkably low (17.1 per cent) compared to the global average (33.5 per cent). This is a consequence of low coverage of both contributory and non-contributory schemes (see figure 9). Contributory invalidity benefits cover a very small proportion of people with disabilities, rarely in excess of 10 per cent. Countries that have achieved higher levels of coverage of people with severe disabilities (such as Bahrain, Jordan and the OPT) have done so largely through non-contributory benefits.

Most countries in the MENA region lack comprehensive, tax-funded, dedicated disability benefits. Cash disability benefits provided by ministries of social development are highly fragmented and have generally low coverage. Awareness regarding entitlements tends also to be limited, particularly among the most marginalized groups, and administrative processes for identification are cumbersome,

²⁰ For example, in Jordan, a recent assessment found that the introduction of the maternity insurance scheme has encouraged employers to disregard an applicant's gender during the hiring stage and had a positive impact on the retention of women in the workplace (ILO 2021g).

► **Figure 9. SDG indicator 1.3.1 on effective coverage for people with severe disabilities: Percentage of people with severe disabilities receiving disability cash benefit, 2020 or latest available year**



Notes: GCC = Gulf Cooperation Council; GDP = gross domestic product; MENA = Middle East and North Africa; OPT = Occupied Palestinian Territory. Regional aggregates are weighted by number of persons with disabilities.

Sources: ILO, [World Social Protection Database](https://wspr.social-protection.org), based on the SSI; ILOSTAT; national sources.
Link: <https://wspr.social-protection.org>.

often with a bias towards physical disability. Where disability identification systems exist (for example, disability cards), the main benefits tend to include tax exemptions or access to in-kind services, as opposed to direct income support (UN ESCWA 2017).

The main source of social protection coverage for people with disabilities is general social assistance schemes; however, these are rarely designed with the explicit objective of

including people with disabilities. They do not sufficiently address exclusion errors and barriers to inclusion among people with disabilities, do not provide adequate additional benefits to compensate for disability-specific costs or referrals to other essential services, and often create a disincentive to take up employment.²¹ As a result, some countries (Lebanon, the OPT) have identified a need to introduce dedicated disability benefits as part of a national social protection floor.

²¹ Mechanisms to offer incentives to public- and private-sector employers to hire people with disabilities (for example, employment quotas) have not been successful in most countries of the region, reinforcing the lack of access to social insurance (UN ESCWA 2017).

► 5.3 Social protection for older women and men

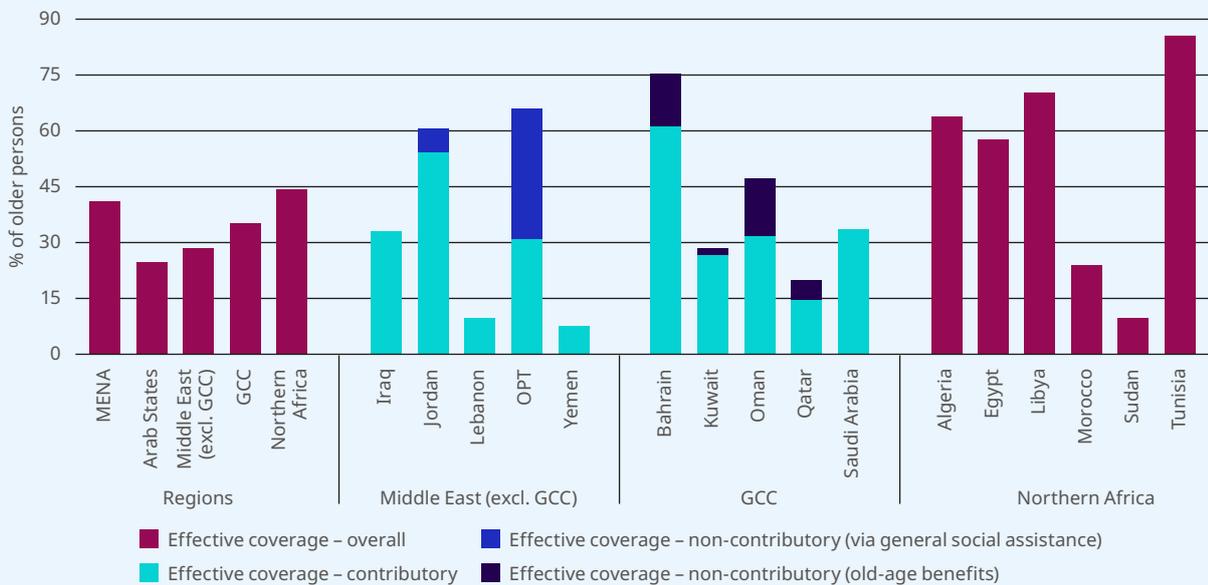
Only 40.5 per cent of people above retirement age in the MENA region receive pensions – significantly fewer than the global average of 77.5 per cent (see figure 10). Public-sector and formal private-sector pension systems absorb a large share of resources but leave significant coverage gaps. Coverage rates are significantly higher in countries where social insurance systems cover a larger share of the workforce (for example, Jordan and Tunisia), and for national workers in GCC countries. Lebanon and the OPT are the only countries in the region without a scheme that provides periodic pension benefits for workers in the private sector.

For those who are covered, pension schemes in the region provide fairly generous retirement conditions and benefit levels, particularly for public-sector workers, but are not actuarially

sustainable.²² Conversely, not all systems provide adequate minimum benefit guarantees or reliable mechanisms for indexation of benefits to the cost of living. Pension reforms have been initiated in a number of countries, with a view to increasing fairness within and across generations of insured members and reducing the financing burden on general revenues. Several countries (Egypt, Jordan, Oman and Sudan) have successfully embarked on processes of aligning or merging retirement systems for public- and private-sector workers through a combination of systemic, parametric and institutional reforms; however, the process of convergence is slow, and in other countries (Iraq, Tunisia) reforms have been delayed.

Contributory retirement schemes are also characterized by a significant gender bias. With the exception of Kuwait, women are at least

► Figure 10. SDG indicator 1.3.1 on effective coverage for older persons: Percentage of population above statutory pensionable age receiving an old-age pension, selected countries, 2020 or latest available year

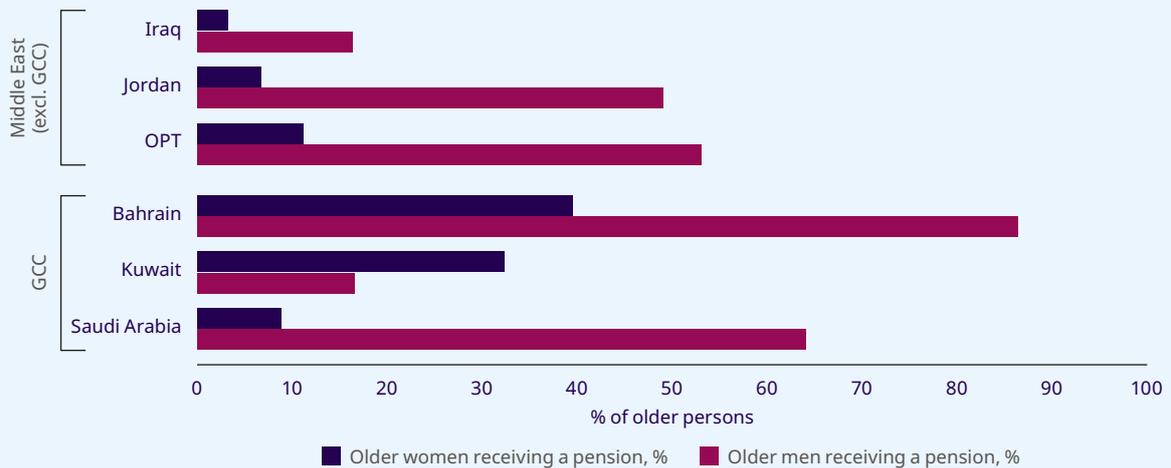


Notes: GCC = Gulf Cooperation Council; MENA = Middle East and North Africa; OPT = Occupied Palestinian Territory. Regional aggregates are weighted by population above statutory pensionable age.

Sources: ILO, [World Social Protection Database](https://wspr.social-protection.org), based on the SSI; ILOSTAT; national sources. Link: <https://wspr.social-protection.org>.

²² For example, the replacement rates of old-age, disability and survivors’ pensions, maximum pensions and entitlement conditions are quite generous. The statutory pension age hovers around a relatively young (compared to other regions) level of 60 years, and is often lower for women. The age for early retirement pensions in the Arab States is also well below the world average (ILO 2017). See also Loewe (2017).

► **Figure 11. SDG indicator 1.3.1 on effective coverage for older people: Percentage of population above statutory pensionable age receiving a contributory old-age pension, by sex, selected countries, 2020 or latest available year**



Notes: GCC = Gulf Cooperation Council; OPT = Occupied Palestinian Territory.

Sources: ILO, [World Social Protection Database](https://wspr.social-protection.org), based on the SSI; ILOSTAT; national sources.

Link: <https://wspr.social-protection.org>.

40 percentage points less likely than men to benefit from a selection of contributory pension schemes across the region (see figure 11). In addition to lower female labour force participation – and hence lower participation in contributory systems – this has to do with the design of retirement systems, which are typically tailored to those in stable, long-term, wage-employed careers. Pension systems tend to provide strong incentives for women to retire early and leave the labour force, as opposed to promoting continuity in contributions through mixed and flexible careers. There is thus a need for retirement systems that cover more workers in temporary, part-time and self-employment, include care credits for both men and women,

and are combined with other non-contributory universal mechanisms of income protection in old age.

Non-contributory benefits for older people (social pensions) are rare in the region; however, where they do exist (Bahrain, Oman) they make a significant contribution to income security in old age, especially for women. General social assistance schemes cover families with older members, yet these cannot replace individual pensions provided on the basis of broad coverage and universal entitlement, especially where benefit levels are low and narrow means-testing excludes many of the most vulnerable older people.²³

²³ Disaggregated information is available only for Jordan and for the OPT, where special criteria have been introduced to relax means-testing for families with older members.

► 5.4 Towards universal coverage in health

Health protection is a significant dimension of social protection systems, and moving towards universal health coverage, as measured by SDG target 3.8, is a key element of realizing the human right to health and social security. The MENA region is characterized by low quality of public health services, limited coverage of health protection mechanisms and a high level of out-of-pocket payments for health expenditure, meaning that households are covering the majority of the costs of healthcare, with pre-financing mechanisms and public expenditure taking only a small share of the total health cost. In addition, serious inequality in access exists between rural and urban areas.

Most countries in the region rely largely on private health services that are not affordable for

the majority of the population. Some countries, however (such as Egypt and Morocco), have started to focus on improving the quality of their public services, including making access to healthcare more generally available, increasing public expenditure on health and mobilizing new resources. Egypt has created specific new earmarked taxes (for example, on tobacco and cars, and highway tolls) in addition to social insurance to finance a universal health insurance system.

Across the MENA region, access to health is moving towards a quasi-universal approach based on pooling contributory and non-contributory resources within a single fund (as in Egypt and Sudan) or via a combination of programmes (as in Morocco and Tunisia).

6 Regional priorities and policy options for further progress

The COVID-19 pandemic has sounded a clear wake-up call around the world; in the MENA region, it has highlighted the critical role of social protection as an economic and social stabilizer in times of crisis. The current crisis can be turned into an opportunity for transformative change. Countries in the region have long been trying to overcome the severe inadequacy of their currently fragmented systems, yet to date reform efforts have lacked momentum and ambition, failing to address fundamental structural issues and to place social protection at the centre of a new social and economic paradigm.

Fundamentally, countries in the region need to expand, improve and sustain spending on social protection to close the persistent coverage and adequacy gaps they manifest compared to other countries at similar levels of development (IMF 2020). Despite significant gains in recent decades in reducing inequality in education and other key social outcomes, both labour market and fiscal policy levers have been largely ineffective in achieving greater equality in income distribution (UN ESCWA 2019b). Spending more and better on social protection is essential to create fairer and more inclusive societies and to unlock opportunities for inclusive growth.

To achieve more effective social protection systems, it is essential to expand social protection spending on segments of the labour force and population that are currently uncovered, and to remove the exclusionary features of current labour and social protection systems (Hertog 2020). A transition from universal and inefficient price subsidy schemes to narrowly poverty-targeted safety nets will not deliver the kind of social protection that countries require in the “new normal”. Fiscal space needs to be allocated for broad-based social protection schemes rather than only residual programmes, so as to tackle poverty and inequality effectively, and to avoid the progressive impoverishment of the middle class.

The ongoing expansion of social assistance programmes in a number of countries cannot be seen as a substitute for the development of full systems of social protection guarantees.

Nationally defined social protection floors should guarantee at least basic income security and access to healthcare to all those in need. Tax-funded, rights-based social protection benefits that address life-cycle risks – such as child benefits, disability benefits and old-age pensions – have a critical role to play in filling coverage gaps by supplementing lopsided contributory entitlements, particularly for women. Special consideration should also be given to minimizing exclusion errors associated with poverty targeting of social assistance schemes and guaranteeing adequacy of benefits for a life in decency and dignity.

The strengthening of tax-funded social assistance schemes has to go hand in hand with the extension of social insurance coverage for categories of workers currently excluded.

The COVID-19 crisis has highlighted the social protection deficits of workers in temporary, casual, part-time and self-employment, including seasonal workers, contractors and platform workers, domestic and agricultural workers, and those in the informal economy. Providing all workers and their families with access to at least basic income protection is not only an imperative in respect of workers’ rights; it is also essential to establish a more diversified and sustainable financing base for social protection. Extension of coverage calls not only for innovation in the design of contributory social insurance schemes, but also for joint efforts by social security administrations and labour inspectorates to improve compliance with and enforcement of laws; already, some good practices in the region (in, for example, Jordan and Tunisia) demonstrate that significant gains can be made (ILO 2021f).

Special attention must be given to extending access to social protection to migrant workers and refugees, who are subject to discrimination and unequal treatment, and are disproportionately more vulnerable to the effects of the current crisis. Labour and social protection should be extended to the millions of non-national workers, through dialogue between countries of origin and destination as appropriate, and building on existing momentum to enhance the labour protection environment in the context

of ongoing reforms of the kafala sponsorship system²⁴ (ILO 2020d).

Progressive reforms of social insurance systems should aim at improving fairness across and within generations, as well as across labour market segments. This should ensure adequate protection for workers in all forms of employment, including provisions to facilitate labour mobility, reduce inequalities between workers in the public and private sectors and enhance the medium-term financial sustainability of pension systems through parametric and systemic reforms. In line with international social security standards, reforms will need to ensure a fair balance between sustainability, coverage and adequacy, despite the increasing pressure for fiscal consolidation.

To achieve systemic change, countries will also have to focus on better integrating contributory and non-contributory systems to fill coverage gaps, as well as promoting the compatibility of systems and easing transitions between them. Universal social protection can be achieved via a combination of social insurance and tax-financed programmes through the design of multi-tiered systems – as in the case of child benefits in Tunisia – as well as via more integrated models of institutional governance and administration. A stronger complementarity of tax and social protection system administration and design can also help to ensure efficiency, align incentives and reinforce the objectives of reducing both poverty and inequality.

Investment in social protection should be geared towards supporting much-needed structural transformations in the economic and employment paradigms prevailing in the region. More synergistically designed contributory and non-contributory benefits need to be better integrated with economic activation, skills development and active labour market interventions. They should also be geared towards facilitating the labour market participation of women and young people (Bird and Silva 2020), promoting formalization and increased productivity and supporting the technological and green transitions. For this, it is important to strengthen social protection benefits during working life (maternity benefits, unemployment benefits, employment injury and disability benefits and sickness benefits) and medical

care schemes, to redress the prevailing focus on retirement benefits.

It is evident that the consolidation and expansion in social protection spending that some countries require cannot be achieved solely by increasing spending efficiency. Options to mobilize fiscal resources need to be aggressively pursued, recognizing that significant margins exist in many countries to enhance the progressivity of the tax system – for example, by putting in place and/or enforcing wealth and property taxes – as well as to reallocate public expenditure to investment in social sectors, and tackle tax evasion and avoidance. Countries have ample options available to increase their spending, including through addressing inefficiencies and domestic resource mobilization (Bloch et al. 2019; Ortiz et al. 2019).

International support will continue to be essential to enable countries with limited domestic fiscal space to protect their citizens adequately. Options to create additional fiscal space by increasing revenues will continue to be limited in the short term, especially for countries where the need to increase social protection spending is greatest. Innovative financing mechanisms based on international solidarity are necessary to avoid deepening the divide between countries in the region that have larger capital stocks and better access to capital markets and those that cannot sustain the necessary investment because of fragility, debt sustainability or capacity constraints.

At the same time, it is imperative to redouble efforts to align social protection interventions with the humanitarian–development nexus and enhance the shock-responsiveness of social protection systems across the region. The large emergency social protection interventions that are deployed in the context of protracted regional humanitarian crises can be more explicitly geared towards the objective of strengthening national systems of social protection, from both the financing and the operational standpoints (UNSDG 2018). This effort needs to be linked with the creation of mechanisms to extend regular access to labour market and social protection through employment-related social insurance for refugees and internally displaced persons, as opposed to an exclusive focus on cash or welfare assistance.

²⁴ Under the kafala system, a migrant worker's immigration status is legally bound to an individual employer or sponsor (kafeel) for the duration of their contract period.

Social dialogue and the participation of all relevant stakeholders – workers, employers and civil society organizations – is essential to ensure that a new social protection paradigm is fair, acceptable and sustainable. In the context of the limits on freedoms widespread in the region, specifically freedom of association, it is going to be of critical importance to invest in increasing national stakeholders' capacity to engage in national social protection reform processes and to widen the space for participation and collective action, particularly by vulnerable workers and groups.

Finally, countries should deepen investment in developing appropriate, consistent and integrated frameworks for the information management, monitoring and evaluation right across their social protection systems. The increased complexity and interrelatedness of different subcomponents of social protection systems requires the establishment of effective data-sharing mechanisms, and central repositories

of information to enhance coordination and complementarity in service delivery. It also calls for the development of planning, performance-monitoring, statistical and analytical tools that allow the effectiveness of social protection systems to be assessed in their entirety, as opposed to piecemeal interventions in isolation.

Enhancing resilience and responsiveness to future risks and shocks calls for investment in comprehensive social protection systems that provide coverage across the life cycle for all. The measures of emergency expansionary social protection and investment in social protection systems infrastructure that have been taken by most countries during the response to COVID-19 can serve as a springboard for accelerated reform and lay the foundations for stronger national systems, paving the way for collectively financed, comprehensive, universal and sustainable social protection systems that provide adequate benefits to the entire population.

Annex

► Table A1. Social protection schemes for national private-sector employees in the MENA region

	Algeria	Bahrain	Egypt	Iraq	Jordan	Kuwait	Lebanon	Libya	Morocco	Oman	OPT	Qatar	Saudi Arabia	SAR	Sudan	Tunisia	UAE	Yemen
Old age	SI	SI	SI	SI	SI	SI	OI	SI	SI	SI	EL	SI	SI	SI	SI	SI	SI	SI
Survivors	SI	SI	SI	SI	SI	SI	-	SI	SI	SI	-	SI	SI	SI	SI	SI	SI	SI
Invalidity/ disability	SI	SI	SI	SI	SI	SI	OI	SI	SI	SI	-	SI	SI	SI	SI	SI	SI	SI
Employment injury	SI	SI	SI	SI	SI	SI	EL	SI	EL	SI	EL	EL	SI	SI	SI	SI	SI	SI
Sickness	SI	EL	SI	SI	EL	EL	EL	SI	SI	EL	EL	EL	EL	EL	EL	SI	EL	EL
Medical care	SI	OI	SI	SI	-	OI	SI	SI	SI	OI	-	OI	OI	OI	SI	SI	EL	OI
Maternity	SI	EL	EL/SI	SI	SI	EL	EL	EL	SI	EL	EL	EL	EL	EL	EL	SI	EL	EL
Unemployment	SI	SI	SI	-	(SI)*	SI	-	-	SI	SI	EL	-	SI	-	-	SI	-	-
Family	SI	SI	-	-	-	-	SI	SI	SI	-	-	-	-	-	SI	SI	-	-

Notes: * = individual account; EL = employer liability; OI = other insurance arrangement; OPT = Occupied Palestinian Territory; SAR = Syrian Arab Republic; SI = social insurance.

Sources: ILO; International Social Security Association.

► Table A2. Legal coverage for private-sector workers in different types of employment

	Algeria	Bahrain	Egypt	Iraq	Jordan	Kuwait	Lebanon	Libya	Morocco	Oman	OPT	Qatar	SAR	Saudi Arabia	Sudan	Tunisia	UAE	Yemen
Old age, disability and survivors																		
Main social insurance scheme available (employees)	Y	Y	Y	Y	Y	Y	L	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
Non-national (employees)	M	-	M	M	M	-	L	M	M	-	-	-	-	-	L	M	-	-
Self-employed	M	V	M	-	M/V	M	-	M	-	V	-	-	M	V	M	V	V	-
Part-time workers	-	-	M	-	-	-	M	M	-	-	-	-	-	M	-	-	-	-
Temporary employees	-	-	M	-	M	-	-	M	-	V	-	-	-	M	M	-	-	-
Seasonal	-	-	M	-	M	-	-	M	-	V	-	-	-	-	-	-	-	-
Casual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic	M	-	M	-	-	-	-	M	-	-	-	-	-	-	-	L	-	-
Employment injury																		
Main social insurance scheme available (employees)	Y	Y	Y	Y	Y	Y	N	Y	N	Y	N	N	Y	Y	Y	Y	Y	Y
Non-national (employees)	M	M	M	M	M	-	-	M	-	-	-	-	-	M	-	M	-	-
Self-employed	-	-	-	-	M/V	-	-	M	P	-	-	-	-	-	-	V	-	-
Part-time workers	-	-	-	-	-	-	-	-	-	-	-	-	-	M	-	-	-	-
Temporary employees	-	-	-	-	M	-	-	-	-	V	-	-	M	M	-	M	-	M
Seasonal	-	-	-	-	M	-	-	-	-	-	-	-	M	M	-	-	-	M
Casual	-	-	-	-	-	-	-	-	-	-	-	-	M	M	-	M	-	M
Domestic	-	-	-	-	P	-	-	-	P	-	-	-	M	-	-	L	P	M

► Table A2. (cont'd)

	Algeria	Bahrain	Egypt	Iraq	Jordan	Kuwait	Lebanon	Libya	Morocco	Oman	OPT	Qatar	SAR	Saudi Arabia	Sudan	Tunisia	UAE	Yemen
Family																		
Main social insurance scheme available (employees)	Y	Y	N	N	N	N	Y	Y	Y	N	N	N	N	N	Y	Y	N	N
Non-national (employees)	M	-	-	-	-	-	L	M	M	-	-	-	-	-	-	M	-	-
Self-employed	-	-	-	-	-	-	-	M	-	-	-	-	-	-	-	-	-	-
Part-time workers	-	-	-	-	-	-	M	-	-	-	-	-	-	-	-	-	-	-
Temporary employees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Seasonal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Casual	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Domestic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes: L = Limited or special system; M = Mandatory; N = No; P = Private mandatory; V = Voluntary; Y = Yes; OPT = Occupied Palestinian Territory; SAR = Syrian Arab Republic; UAE = United Arab Emirates.

Source: based on ILO analysis.

► **Table A3. Selected cash transfer measures taken in response to the COVID-19 crisis**

Measure	Algeria	Bahrain	Egypt	Iraq	Jordan	Kuwait	Lebanon	Libya	Morocco	Oman	OPT	Qatar	Saudi Arabia	Sudan	SAR	Tunisia	UAE	Yemen
Vertical expansion and changes in payment frequency																		
Topping up payments to beneficiaries of existing cash transfer programmes	x	x	x	x	x	x	x									x		x
Horizontal expansion																		
Expanding the number of beneficiaries of existing cash transfer programmes			x	x	x						x							x
Using previously created social registries or databases for social assistance and social insurance to identify new beneficiaries for ongoing schemes, including using waiting lists			x	x	x	x	x				x							
New schemes																		
Establishing temporary emergency cash transfer schemes			x	x	x	x	x		x		x		x	x	x	x		
Targeting vulnerable population groups through emergency cash transfers:																		
Informal and daily wage workers			x		x	x	x		x		x		x		x	x		
Women, for example female-headed households, widows or pregnant women			x			x												
Elderly people			x			x									x	x		
Households with children or orphans			x		x	x	x				x					x		
People with disabilities			x				x								x	x		
Using new social registries or databases for social assistance and social insurance to identify new beneficiaries for ongoing schemes, including using waiting lists				x			x				x							

Notes: OPT = Occupied Palestinian Territory; SAR = Syrian Arab Republic; UAE = United Arab Emirates.

Sources: Based on UN 2020, Gentilini et al. 2021; OECD 2020.

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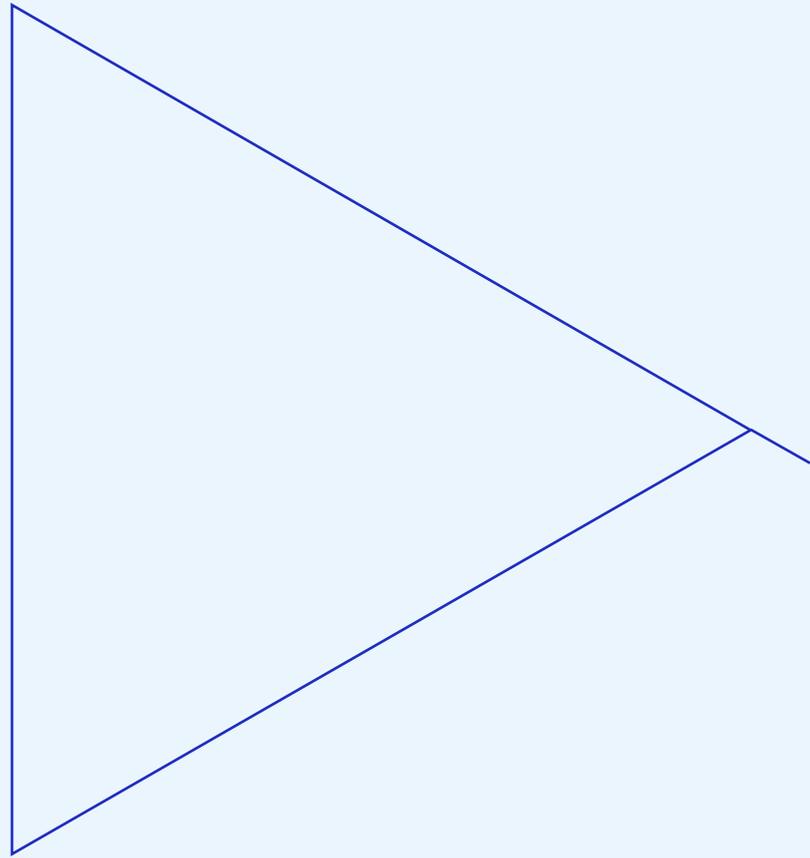
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The International Labour Organization is the United Nations agency for the world of work. We bring together governments, employers and workers to drive a human-centred approach to the future of work through employment creation, rights at work, social protection and social dialogue.

This regional companion report is intended to complement the ILO's *World Social Protection Report 2020–22*. It includes a section summarizing the status of social protection worldwide, followed by a section highlighting key social protection developments, challenges and priorities for this region from a life-cycle perspective.



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