

Umbrellas for All



A Guide for
**Social Protection Tools
and Programmes**

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and Programmes**

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INTRODUCTION



What are the different kinds of social protection needed to ensure that **“no one would fall behind”**? How to ensure that populations are well covered in good times and bad times alike, and in all their life stages from cradle to their old age?

There are certain types of universal protection, which means that they should be offered equally to all citizens, such as education and health. There are other types of protection that should cover all those who are in the age of working, to secure a wage enough so that they don't fall into poverty, they can cover all basic needs for themselves and their families, even if they fall sick or lose their jobs. And last but not least, to secure enough income and health care when they retire or have to leave the labour market for disability.

THE SOCIAL PROTECTION IS A RIGHT THAT EACH COUNTRY HAS TO ENSURE FOR THEIR CITIZENS.

This right is enshrined in article 22 of the Human Rights Universal Declaration and in the first goal of the Sustainable Development Goals 2030: “End poverty in all its manifestations”. The objective 1.3 is to “Implement nationally appropriate social protection systems and

measures for all, including floors”.

Social Justice is closely linked to social protection. “Social justice can improve only if all groups in society have basic social and economic security in which to pursue their lives and work. This requires income security, backed by the security that their voice will be represented, and legitimization of all forms of work, including voluntary and care work.”¹

Social protection² has both social and economic benefits. Yet, only a minority of countries, especially the advanced economies, offer a wide range of relevant programs. “Only 30.6 per cent of the working-age population are legally

¹ ILO, (2004), Social Protection Matters, International Labor Organization, Geneva. <https://www.ilo.org/public/english/protection/download/newsletter/2004/spring-e.pdf>

² Social Protection has a wide variety of definitions. While this guide opts for the widest and most inclusive definition, each organization has its own definition, and hence measures it according to this definition. This explains that the statistics of coverage of social protection may vary from one institution to another, and even from one report to another within the same institution.



covered by comprehensive social security systems that include a full range of benefits. This leaves the large majority of the working-age population – 69.4 per cent, or 4 billion people – only partially protected or not protected at all³.

The MENA region falls behind most of the world regions, when it comes to social protection coverage, in all its definitions. According to the ILO calculations, only 8.7% of the unemployed are entitled to benefits (the world average is more than double the percentage). Of all mothers and new born of the region, less than 13% benefit from effective social protection coverage (the world average is fourfold)⁴.

In the MENA region, the average public spending on social protection (without health and education) is below 1% of GDP. This level falls below the international average and the middle-income average and level in sub-Saharan Africa (1.5%). It is below half the average spending in Europe and in Central Asia⁵.

In the beginning of the Covid-19 pandemic, the IMF notes that the Middle East and Central Asia still lag global peers in socioeconomic outcomes and that their levels of public spending on social protection (including health and education) are lower as well⁶. A 10% increase in social spending per capita is needed to “close 20-65% of the Human Development Index gap between countries in the region and their global peers”⁷

3 ILO (2021), World Social Protection Report 2020–22: Social protection at the crossroads, in pursuit of a better future, International Labour Office – Geneva. https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_817572.pdf

4 ILO (2021), Same reference.

5 World Bank (2018), The State of Social Safety Nets 2018, World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/29115>

6 IMF Staff (2020) Social Spending for Inclusive Growth in the Middle East and Central Asia, International Monetary Fund, Washington DC.

7 IMF Staff (2020), same refence.



THE IMF HAS THE NARROWEST DEFINITION OF SOCIAL PROTECTION

International organisations do not adopt a unified definition for social protection, and neither do development institutions or international financial institutions. There could even be several definitions adopted by each of them. Furthermore, each organisation has its own views on whether social protection should be included in reform programmes related to development funding.

THE ILO IS CONSIDERED FROM A HUMAN RIGHTS PERSPECTIVE TO HAVE THE MOST COMPREHENSIVE DEFINITION OF SOCIAL PROTECTION⁸.

The ILO advocates that social protection should extend and differ over the three stages of a person's life: Before, during and after reaching the age of work.

Nowadays, the World Bank literature recognises the importance of universal comprehensive social protection for all members of society in the twenty-first century. In 2016, the World Bank adopted the most basic elements of the ILO's definition (known as the social Protection floors⁹). However, the World Bank does not measure the impact of its programmes on achieving the objective of expanding the coverage of social protection.

Moreover, its programmes for borrowing

countries aim to replace all sorts of universal subsidies with conditional cash transfers, targeting only the most vulnerable.

Finally, the International Monetary Fund's definition of social protection is ambiguous, as it uses it interchangeably at times with social spending. The IMF does not have a mechanism to measure social protection, and its programmes do not include measurable indicators¹⁰. Even when such indicators are available, neither the World Bank nor the IMF measure these indicators after implementing the programmes and the conditional measures in any country.

Moreover, improved rhetoric within the IMF literature on the social protection and its importance for sustained and inclusive growth did not translate into better policies. The independent Evaluation Office of the IMF noted that 93% of all 57 programs approved by the IMF during the period 2010-2015 included "mentions" of social spending, in least developed countries¹¹.

However, only 19 percent of these arrangements (in 7 countries) contained indicative targets defined to focus primarily and specifically on social protection¹². These indicative targets are known to be toothless conditions.

¹⁰ Independent Evaluation Office of the IMF (2017), The IMF and Social Protection Evaluation Report, IMF, Washington DC.

¹¹ Independent Evaluation Office of the IMF (2017), Same reference.

¹² Ibid.

⁸ Check definition in this guide, number 1, P???

⁹ Check definition in this guide, number 2. P???



A non- commitment of the government would not imply any freezing of the IMF funds or of the agreement itself. In addition, the definitions of the indicative targets in the rest of the arrangements either did not include expenditures on social protection or were too broad or insufficiently specific to determine if social protection expenditures were a meaningful component¹³.

In all the IMF- backed programs in the MENA region, during the period 2011-2021, the IMF never recommended the extension of education or health to all citizens, or any unemployment benefits, or maternity assistance, or any of the IMF-recognised “social protection floors”.

A GUIDE TO FILL THE GAP

In a world of mounting income and wealth inequalities, roaring with social justice movements and protests and witnessing the birth of alternative economic paradigms, Umbrellas for All is a guide providing various definitions for the concept of social protection and presents all the systems, programs and tools used around the world for different types of social protection.

This guide could be used as a comparative baseline to identify the prospective optimal situation in every country. It also provides suggestions for those aiming to fill the gaps in the existing protection systems.

The guide targets decision-makers, legislators, parties, civil society organisations, popular and labour movements, and the media.

Definitions of social protection programmes and tools, in this guide, may be read based on the classification of their types in terms of universality/targeting or based on the appropriate social protection type for women and for every age group.

Last but not least, how to finance these programmes and systems. There are two big labels under this question: Contributory systems and non-Contributory. Contributory benefits are awarded to people who have paid a minimum amount of contributions (a premium). This basic principle is also known as ‘social insurance’, which describes a wide range of different models used internationally.

Non - contributory schemes and programmes are financed through the state budget (i.e., the public spending).

In order to finance social protection, fiscal space can be created by five main channels, summed up in no. 16: The social spending. Some of the tools are financed by the employer whether it is a public organisation, or a private employer (individual or corporate).

¹³ Ibid.



List of Tags

Abbreviations:



Poor



non-Poor



Universal



Targeted (certain regions, age group or certain income group)



Women



Men



Children



Old



Disabled



Youth

How to finance:



Employer



Contributory (employer and employee)



non-Contributory (public spending)



1- SOCIAL PROTECTION



The International Labour Organization (ILO) refers to three social protection dimensions¹⁴:

- The first is procuring basic goods and services as a traditional objective for social protection. It is a necessary condition to achieve other objectives.
- Prevention and protection: A pre-emptive perspective for protection that may be applied systematically without affecting the well-being of individuals, households, communities, and States. Some of the most notable examples in developing countries include implementing mechanisms to protect farmers from the fluctuation in the global prices of raw materials; from climate changes affecting the crops; or protecting limited-income public sector employees and workers from the loss of income or the loss of their employment due to certain economic measures. For example, over 20% of Nigerians have become “new poor” following the worst three-year recession the country has seen since¹⁵ 2018.
- Providing and supporting opportunities. The more the State addresses this dimension, the less it would need to interfere to provide goods, services, and protection in times of crises. The most notable example is free and adequate education.

The ILO advocates that social protection should extend and differ over the three stages of a person’s life: Before, during and after reaching the age of work.

According to the Organisation for Economic Cooperation and Development OECD¹⁶: it is a measure of the extent to which countries assume responsibility for supporting the standard of living of disadvantaged or vulnerable groups. Benefits may target low-income households, the elderly, disabled, sick, unemployed, or young persons.

According to Eurostat¹⁷, the official website for European statistics, social protection can be defined as the coverage of precisely defined risks and needs associated with:

- Illness/healthcare and invalidism; disability; old age; parental responsibilities; the loss of a spouse or parent; unemployment; housing; social exclusion.

According to the Government Finance Statistics Manual of the International Monetary Fund (IMF)¹⁸, social protection is the systematic intervention intended to relieve households and individuals of the burden of a defined set of social risks. Social risks are

14 ILO (2004), Previous source.

15 Patrick J. (2021), Poverty in Argentina climbs to 42% after historic recession, Bloomberg. <https://www.bloomberg.com/news/articles/2021-03-31/poverty-in-argentina-climbs-to-42-after-historic-recession>

16 OECD iLibrary, Social Protection https://www.oecd-ilibrary.org/social-issues-migration-health/social-protection/indicator-group/english_3ddf51bf-en

17 Eurostat, Statistics Explained, Social Protection https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Social_protection

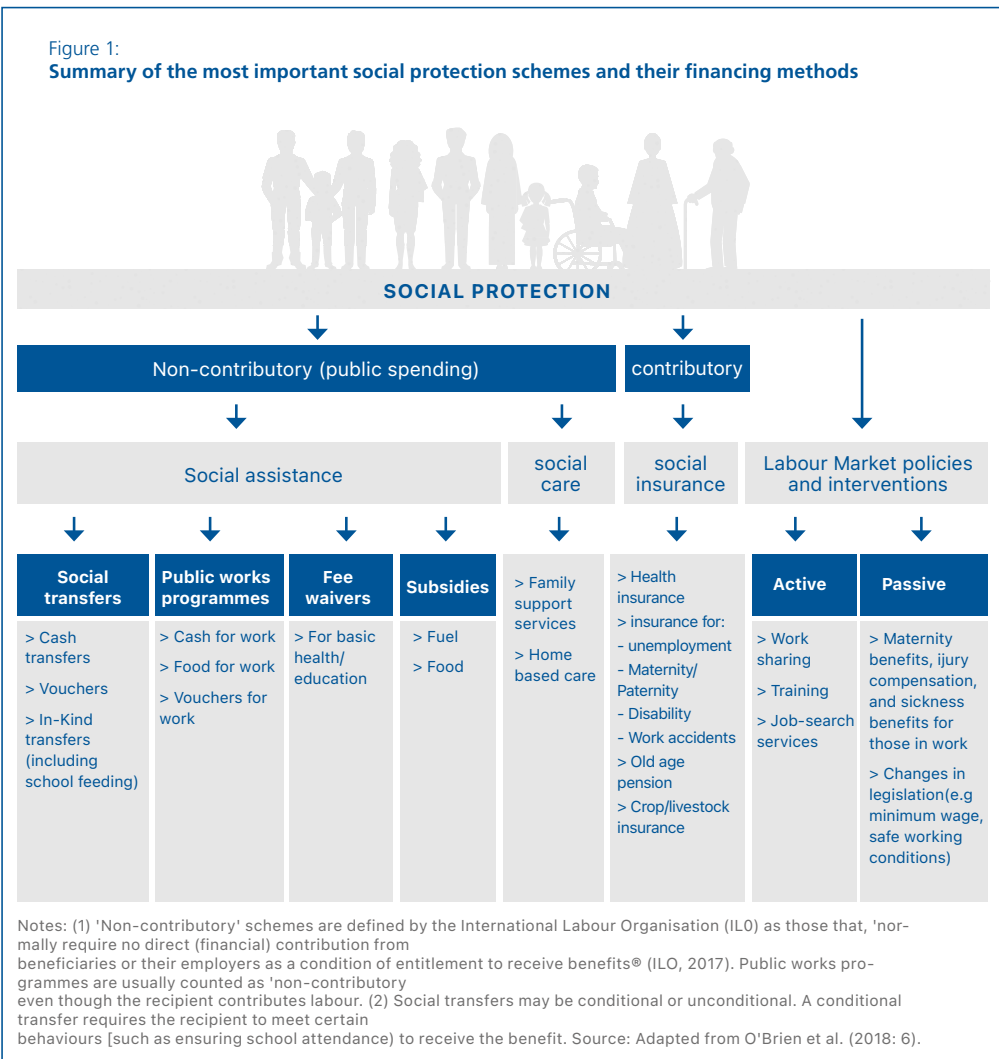
18 IMF (2014), Government Finance Statistics Manual, International Monetary Fund, Washington. <https://www.imf.org/external/np/sta/gfsm/>



defined as events or circumstances that may adversely affect the welfare of households either by imposing additional demands on their resources or by reducing their income. Needs may occur due to illness, unemployment, retirement, housing, education, or family circumstances.

Social protection can be provided through social aid or social security systems, either personal or occupational. Figure 1 gives the broader picture of what would a social protection scheme (excluding education) look like.

Figure 1:
Summary of the most important social protection schemes and their financing methods





2- UNIVERSAL SOCIAL PROTECTION



It is a documented objective in international conventions, such as Article 22 of the Universal Declaration of Human rights, which stipulates that “Everyone, as a member of society, has the right to social security.” Other international obligations are included in the ILO Standards issued in 2012 and in the first objective of the UN 2030 Agenda for Sustainable Development on “ending poverty,” as well as Target 1.3 on “social protection systems for all,” which is defined by the United Nations as follows¹⁹:

UN definition SDG Target 1.3: Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

According to the Shared Mission for Universal Social Protection between the World Bank and the ILO:

Universal social protection refers to the integrated set of policies designed to ensure income security and support to all people across the life cycle – paying particular attention to the poor and the vulnerable. Anyone who needs social protection should be able to access it.

Since the 2000s, the concept of universality has re-entered the development agenda (World Bank and ILO, 2016),²⁰ after social protection was provisionally limited to the concept of targeting.

The process first included education: Universal primary education became a Millennium Development Goal in 2000. Then it was health: In December 2013, the World Bank and WHO committed to universal health coverage. Since 2016, a global partnership for universal social protection (SP 2030) was launched between the World Bank and the ILO²¹.

¹⁹ ILO, SDG 1.3. Social Protection Systems for all, including and Floors, Key to Eradicating Poverty and Promoting Prosperity https://sustainabledevelopment.un.org/content/documents/15946HLPF_2017_ILO_social_protection.pdf

²⁰ ILO, World Bank, A Shared Mission for Universal Social Protection (2016). https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/genericdocument/wcms_378996.pdf

²¹ ILO, World Bank, same reference.





3- SOCIAL PROTECTION FLOORS:



It is a concept created by the ILO²², and was adopted by the World Bank in 2016. The minimum standards of social protection must include the following four guarantees at the very least, to be integrated by every State in its laws in accordance with international obligations²³:

- Access to essential health care, including maternity care
- Basic income security for children, providing access to nutrition, education, care and any other necessary goods and services.
- Basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability
- Basic income security for older persons.

The International Labour Organisation adds:

- Universal access to basic social services such as health, water and sanitation, education, food security, shelter, and any other services deemed a national priority by the government.

On a practical level, the World Bank's programmes and conditions limit universal social protection to its minimum standards.

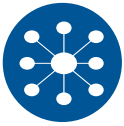
According to the World Bank,²⁴ "Universal social protection coverage includes: providing social assistance through cash transfers to those who need them, especially children; benefits and support for people of working age in case of maternity, disability, work injury or for those without jobs; and pension coverage for the elderly. Assistance is provided through social security, tax-funded social benefits, social assistance services, public works programs and other schemes guaranteeing basic income security." As such, the World Bank neglects the fact that it is necessary to establish universal protection systems, starting with education, health, decent shelter, and water and sanitation. Moreover, there is a notable divide between literature created by the World Bank on the different aspects of the social protection floors and the recommendations and programs developed for the borrowing countries. Last but not least, the World Bank does not analyse the impacts of such programs on the extension of these floors in borrowing countries.

²² Social Protection Floors were discussed in the 2010 Millennium Development Goals Summit. They were then adopted in 2012, as per the ILO 202 recommendation in the Geneva, 101st ILC session. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:3065524

²³ ILO, Policy Development and Applied Research, Social Protection Floor. <https://www.ilo.org/secsoc/areas-of-work/policy-development-and-applied-research/social-protection-floor/lang--en/?index.htm>

²⁴ World Bank, Social Protection & Labor Overview <https://www.worldbank.org/en/topic/socialprotection/overview>





4- SOCIAL SAFETY NETS:



It refers to a range of tools in the form of government transfers to the poor to mitigate the adverse effects of reform measures. These non-contributory instruments include temporary arrangements, as well as existing social protection measures reformed and adapted for this purpose, such as limited food subsidies, social security arrangements for dealing with various life-cycle and other contingencies such as old-age, disability, unemployment, sickness, and drought²⁵. This definition dates back to 1993. It was the preferred tool for social protection for many decades by the World Bank and the International Monetary Fund (IMF). In 2018's report on Social Safety nets, the World Bank referred to the concept as all non-contributory (public spending) schemes (look at figure 1).

Results show that in wealthier countries, where government financial capabilities are higher, access to such instruments differ enormously across countries – for instance, in 2015/16, more than four out of five low-income workless one-person households received Minimum Income Benefit in Australia, France and the United Kingdom, compared to only one in five in Greece, Italy and Korea²⁶.



5- UNIVERSAL HEALTH COVERAGE



Comprehensive health coverage gives everyone the right to receive the health services they need without financial hardship. It includes the full range of essential health services, from health promotion to prevention, treatment, rehabilitation, and palliative care,²⁷ as well as pregnancy, maternity and childhood care.

It also includes hospital treatment, intensive and specialised care, surgical interventions, medicine, mental health, and dentistry.

The system could be funded by taxes or mandatory subscriptions, provided that the government cover the contributions of those who cannot afford it.

Half of world's population currently do not have access to the health services they need. Around 100 million people fall below the line of extreme poverty due to their medical treatment expenses²⁸.

25 IMF, 1993, Social Safety Nets in: Economic Reform: in IMF (2017), Independent Evaluation Office Report, The IMF and Social Protection, The Evaluation Report, a previously mentioned report.

26 Raphaela Hye et. Al (2018), How Reliable Are Social Safety Nets? Value And Accessibility In Situations Of Acute Economic Need, OECD Social, Employment And Migration Working Papers No. 252. <https://www.oecd-ilibrary.org/docserver/65a269a3-en.pdf?expires=1644820997&id=id&accname=guest&checksum=2C45C58F899CF8C6AAE268B9531AA9A4>

27 World Health Organization's definition. (https://www.who.int/health-topics/universal-health-coverage#tab=tab_1)

28 WHO, same reference. https://www.who.int/health-topics/universal-health-coverage#tab=tab_1



In the MENA region, out-of-pocket expenses on health increased during the past 20 years. It amounted 415 dollars²⁹, to compensate the lack of public expenditure and the absence of a universal coverage.

Egypt has passed a law in 2018 to expand universal health insurance. It is a contributive system where the government pays for those at the bottom of the income scale. Morocco has already introduced in 2002 the Compulsory Medical Insurance (AMO), for basic health services covering some 35% of the population, and is planning to expand the scheme to all the population.



6- UNIVERSAL BASIC FREE EDUCATION



Everyone's right to receive education: According to UNESCO³⁰ (United Nations Educational, Scientific and Cultural Organisation), universal access to education free of discrimination and exclusion is the cornerstone of the right to education. The Education 2030 Agenda stresses the importance of ensuring access to and completion of quality education for all children and youth and promoting lifelong opportunities for all. SDG 4 of the 2030 Agenda³¹ also stresses that in order "to fulfil the right to education, countries must ensure universal and equal access to equitable quality education and learning, which should be free and compulsory. Education should aim at the full development of the human personality and the promotion of understanding, tolerance, friendship and peace."

Certain countries consider the completion of school education (pre-university) as basic education, while others consider the end of middle school (9 years) as basic education.

The educational system is funded by taxes, through the treasury. Constitutions may specify a minimum standard for public spending on education to ensure its availability and quality.

29 in PPP dollars (2018), World Bank Database.
<https://data.worldbank.org/indicator/SH.XPD.OOPC.PP.CD?locations=ZQ>

30 UNESCO, Right to Education, Fundamental Rights
<https://en.unesco.org/themes/right-to-education/fundamental-principles>

31 UNESCO, Sustainable Development Goal N.4: Education
<https://en.unesco.org/gem-report/sdg-goal-4>





7- DECENT WORK POLICIES:



While decent work policies are not directly linked to the State's role in social protection, the State must establish, legislate, and implement decent work standards, preventing wage and salaried workers from falling below poverty line. These policies include: Minimum wage, the right to organise and to collective bargaining, occupational safety and health, and maternity protection.

The State is not necessarily responsible for funding these policies.

Antithetically, the informal labour could be the most forceful tool of precariousness and poverty, eroding the quality of work and hence the essence of the Decent work notion.

These policies are of essence in the regional context of MENA, because the informal labor represents the greater proportion of the employed in the region, and a significant portion of the private sector employment. It is composed of self-employed (micro and small businesses), as well as casual and precarious wage employment, with low and insecure wages and incomes, and serious deficits in conditions of work and in access to social protection. Data available for four countries in North Africa (Egypt, Tunisia, Morocco and Algeria) show the extent of the phenomenon ranging from 40 to 80 per cent of non-agriculture employment in the region³².

Some critics of the concept of decent work are claiming that although it is inspiring, it has proved too vague to be analyzed empirically. The ILO didn't develop a clear and concise theoretical definition of decent work, which can then be translated into specific empirical indicators which can actually be measured and investigated³³. (8, 9, 10, 11 in this guide are the most relevant policies to implement the concept).

32 ILO (2009), Growth, employment and decent work in the Arab region: Key policy issues, ILO and the Arab Forum for Employment, Beirut. P. 10
https://www.ilo.org/wcmsp5/groups/public/--arabstates/--ro-beirut/documents/meetingdocument/wcms_208697.pdf

33 Lucy Brill (2021), What Is Decent Work? A Review of the Literature, in (Decent Work), Emerald Publishing Limited. P. 17.
<https://www.emerald.com/insight/content/doi/10.1108/978-1-80117-586-920211002/full/pdf?title=what-is-decent-work-a-review-of-the-literature>





8- MINIMUM WAGE



Minimum wage is defined as the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract.

The purpose of minimum wage is to protect workers against undue low pay. It helps ensure a just and equitable share of the fruits of progress to all, and a minimum living wage to all those who are employed and who need such protection.

The employer is responsible for paying the minimum wage. It is therefore an inexpensive way for the State to ensure inclusive growth, fight poverty, and reduce wage inequality, including gender-based inequality. Minimum wage systems should be defined and designed in a way to supplement and reinforce other social and employment policies, including collective bargaining, which is used to set terms of employment and working conditions.³⁴

The ILO Wage Report 2021 signals that an increasing number of countries in the region have minimum wages. (No minimum wage exists in Bahrain, Saudi Arabia, the United Arab Emirates or Yemen³⁵, nor in Egypt till the publication of the report, but introduced it partially in 2022). Yet, overall, 52.1% of the MENA region workers population live in countries with no minimum wages are adopted)³⁶.

The Nobel prize winners in economics in 2021 was awarded to David Card, Joshua Angrist and Guido Imbens for real-world research in the 1990s that demonstrated, empirically, that the idea touted by conservative economists that higher minimum wages mean fewer jobs is not based on fact³⁷.

34 ILO, How to define a minimum wage? <https://www.ilo.org/global/topics/wages/minimum-wages/definition/lang-en/index.htm>

35 ILO Wage Report 2021, ILO, Geneva, P. 60-61.
https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_762534.pdf

36 ILO Wage Report 2021, same reference, P. 65

37 <https://www.ituc-csi.org/nobel-prize-in-economics>





9- THE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING³⁸



Freedom of association is manifested through the right to join a trade union, to engage in free speech or to participate in debating societies, political parties, or any other club or associations. It is a fundamental human right proclaimed in the Universal Declaration of Human Rights.

It is the enabling right to allow effective participation of non-state actors in economic and social policy, lying at the heart of democracy and the rule of law. Ensuring that both workers and employers have a voice and are represented is, therefore, essential for the effective functioning not only of labour markets but also of overall governance structures in a country.

Collective bargaining is associated with the Freedom of association. The ILO defines collective bargaining as:³⁹

All negotiations which take place between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other. Negotiations may revolve around working conditions and terms of employment, regulating relations between employers and workers, and regulating relations between employers or their organisations and a workers' organisation or workers' organisations.

The organisation costs are the responsibility of participants affiliated with any union or representative organisation through collective contributions. The national treasury may support these organisations without discrimination.

Opponents of collective bargaining agreements argue that it is a lengthy process, that the agreements are not flexible and reflect the past conditions rather than the future, and that they may have inflationary effects⁴⁰.

Yet, on the benefits side, they reflect the weakest employer capacity to bare costs of wages. It also offers stability in the work place, which reduces costs of production interruptions and also stability and predictability of labor costs to producers⁴¹.

³⁸ To read more on the concept and their relevance to the SDGs 2030: <https://www.ilo.org/global/topics/dw4sd/themes/freedom-of-association/lang--en/index.htm>

³⁹ ILO, What is collective bargaining? (ILO Convention No. 154) https://www.ilo.org/global/topics/collective-bargaining-labour-relations/WCMS_244362/lang--en/index.htm

⁴⁰ International Organisation of Employers, Strategic Collective Bargaining (in Arabic), ILO, Beirut. PP. 10-12 https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/meetingdocument/wcms_304050.pdf

⁴¹ Same reference, P. 13





10- OCCUPATIONAL SAFETY AND HEALTH



“Occupational safety and health (OSH) is generally defined as the science of the anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers, taking into account the possible impact on the surrounding communities and the general environment.”⁴² According to the ILO, globalisation has negatively, as well as positively, impacted OSH: Positively, due to progress in technology and communication. And negatively, due to creating new types of work hazards and risks, the various work patterns that relieve the employer of the responsibility of ensuring their workers against these hazards, such as verbal contracts, irregular and temporary work, outsourcing companies, and other forms of employment denying workers their right to health and safety.⁴³

The employer may bear the cost of insurance (or part of it) for their workers against hazards.



11- MATERNITY PROTECTION



Maternity protection at work includes paid maternity leave, cash and health benefits, health protection during work, labour protection and non-discrimination against pregnant women, as well as breastfeeding arrangements in the workplace, among many other arrangements. These tools and programmes seek to protect mother and child, to provide occupational and financial safety (protection against dismissal and discrimination), to guarantee the right to return to work post-leave, and to maintain income during maternity leave.

Maternity protection is key to achieving gender equality at work by protecting working mothers' jobs and wages, while at the same time alleviating poverty and advancing decent work. In the MENA region, low female participation rate in the labor force (20.2% of all females above 15 years old) could be attributed to the lack of maternity protection, because women tend to exit the labor force in absence of relevant policies.

The employer bears these costs. The State may contribute to the provision of certain relevant services.⁴⁴ Maternity social protection could also be offered for those women who are registered in and contribute to social security funds.

42 ILO, Fundamental Principles of Occupational Health and Safety (2008). https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_093550.pdf

43 ILO, Fundamental Principles of Occupational Health and Safety (2008). Same reference.

44 ILO, Social Protection Assessment-Based National Dialogue: A Global Guide (2015).

https://www.ilo.org/wcmsp5/groups/public/--dgreports/--integration/documents/publication/wcms_568693.pdf



Maternity protection also includes the right to receive medical care during pregnancy, childbirth and beyond, to ensure the health of both mother and child.⁴⁵ It also includes the provision of childcare spaces in workplaces that include a certain number of female workers (e.g. 50), or cash compensation in case the number of female workers was lower. The State should establish free childcare spaces in neighbourhoods, particularly poor ones, and support cooperative care provided by neighbourhood residents.

A number of States offer a six-month maternity leave to ensure new-born children receive the proper amount of natural breastfeeding. However, the laws in most developing countries do not guarantee these rights, and most mothers do not enjoy this kind of protection, due to their work in the informal sector, without a written contract or union representation.



12- TARGETING:



It is a way to deliver certain types of social protection programmes to a particular category of beneficiaries, such as targeted in-kind or cash assistance.

Targeting may be geographical, where certain social protection programmes are limited to the residents of a particular region or area for example. Or gender based (to single mothers). It can also target a certain age group (children in school age).

In developed countries, beneficiaries are targeted through the tax database. In medium to low-income countries, international financial institutions recommend the use of statistical targeting,⁴⁶ instead of encouraging these countries to develop a transparent tax database.

Statistical targeting (usually through proxy means testing) is the collection of data to create a statistical model that selects the programmes' beneficiaries automatically (or eliminates them).

These statistical models are criticised for their costliness and for often excluding the poorest and those who are most in need due to limited financial and electronic capabilities,

and, finally, for failing to consider the dynamics of poverty and impoverishment, whereby many are pushed below poverty line in dire economic situations.⁴⁷

These statistical models are also inadequate in cases of increased income inequality (large number of poor people versus a small number of people with extremely high-income)⁴⁸.

45

46 IMF, Finance and Development, December 2018, Vol. 55, NO.4, International Monetary Fund, Washington.. <https://www.imf.org/external/pubs/ft/fandd/2018/12/developing-economies-and-social-protection-hanna.htm>

47 IMF, Finance and Development, same reference.

48 Ibid.





13- CONTRIBUTORY FINANCING SYSTEMS



The most notable examples of contributory financing system are social security funds and universal health insurance. Contribution-based systems support contributors in cases of emergency such as sickness, injury, invalidity, death of a partner or a parent, childcare, unemployment, old-age, and any economic shock that might occur due to cattle or crop damage. 5, 14 and 15 are examples of SP systems that could be financed via contributions.



14- SOCIAL INSURANCE FUNDS- SOCIAL SECURITY FUNDS:



A social insurance fund is a public insurance fund providing protection against various economic risks (such as loss of income due to sickness, old age, or unemployment)⁴⁹ and in which participation is compulsory for both employers and employees.

The first compulsory social insurance programs on a national scale were established in Germany under Chancellor Otto von Bismarck: health insurance in 1883, workmen's compensation in 1884, and old-age and invalidity pensions in 1889. After 1920, social insurance on a compulsory basis was rapidly adopted throughout Europe and in the Western Hemisphere⁵⁰.

Contributions are normally compulsory and may be made by the insured's employer and the state, as well as by the insured himself. (Hence,) (...) social insurance, differs significantly from other forms of public aid. Social insurance systems tend to be self-financing, with contributions placed in specific funds for that purpose. Benefits become a right, and any stigma attached to receiving public funds is reduced⁵¹.

Contributions size may be related to risks. Such as in some unemployment insurance programs, contributions, for employers with low discharge and layoff rates, may be less than for those with higher rates. The distribution of costs also varies within each country according to the particular program in question. For instance, it is common for employers to bear the full cost of workmen's injury insurance.

In today's world, with the all increasing informal labour and the non-standard forms of employment, an increasing number of workers fall out of the scope of these funds. The ILO is calling for innovative programs and payment schemes, in order to integrate these forms of labor into social insurance funds⁵². The world of work of today has pushed governments

49 Encyclopedia Britannica. <https://www.britannica.com/topic/social-insurance>

50 Encyclopedia Britannica, same reference.

51 Ibid.

52 Christina Behrendt, Quynh Anh Nguyen (2018), Innovative approaches for ensuring universal social protection for the future of work, ILO, Geneva.



to increasingly finance the social insurance funds. Australia, Sweden, and Denmark are among those in which the state bears a high proportion of the costs⁵³. The topic is most relevant for the MENA region, where more than 50% of the population work informally.



15- RETIREMENT FUNDS:



Retirement funds are financial intermediaries that offer social insurance by providing income to the insured persons following their retirement⁵⁴. They are part of the government-owned social insurance funds.

It is essential that persons are provided with reliable sources of income security during their old age. As people grow older, they can rely less and less on income from employment for a number of reasons: While highly educated professionals may often continue well-remunerated occupations until late in their life, the majority of the population is usually excluded from access to well-paid jobs at older ages.

Private savings, assets and intra-family assistance are not always available, particularly for families already struggling to live on a low income.

For these reasons, many countries provide public pension systems based on contributions, which only benefit those who can contribute part of their monthly income, regularly and continuously, over a period of many years. Death or invalidity compensations are also usually provided⁵⁵.

The ILO points to the massive discrepancy between advanced countries and poor and developing countries in terms of social security coverage. While European citizens enjoy a coverage of 100%, social security coverage in middle-income countries ranges from 20% to 60% of the population. This percentage is inversely proportional to the size of informal labour. In sub-Saharan Africa, only an estimated 5% to 10% of the population has some form of social security coverage⁵⁶.

According to the ILO, there are multiple levels to retirement and old-age insurance coverage:⁵⁷

- Level zero: Universal coverage for the elderly, usually funded by the public treasury (particularly through taxes).
- Level one: There is a pension insurance system funded by contributions from all

53 Encyclopedia Britannica, previously mentioned reference.

54 This definition is taken from the European Central Bank website: https://www.ecb.europa.eu/stats/financial_corporations/pension_funds/html/index.en.html

55 Social Protection Human Rights, Key Issues, Social Protection Systems. <https://socialprotection-humanrights.org/key-issues/social-protection-systems/old-age-and-survivors-pensions-and-related-benefits/>

56 ILO, Facts on Social Security. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_067588.pdf

57 ILO (2018), Social protection for older persons: Policy trends and statistics 2017–19, International Labour Organization, Geneva. <https://www.social-protection.org/gimi/RessourcePDF.action?id=55212>



working citizens, except the lowest-income category.

- Level two: A complementary system providing additional benefits that could be optional in certain countries or compulsory in others. It serves a number of higher-income categories.

- Level three: Long-term savings system that provides an income or benefits at retirement. These are optional and directed towards higher-income categories.

The ILO warns that levels two and three cannot, in any way, replace levels one and zero⁵⁸.



16- SOCIAL SPENDING:



According to the OECD website, it comprises cash benefits,⁵⁹ direct in-kind provision of goods and services, and tax breaks with social purposes. Benefits may be targeted at low-income households, the elderly, disabled, sick, unemployed, or young persons.

To be considered “social,” programmes must involve either redistribution of resources across households or compulsory participation. They are classified as public spending when the government (central or local government, including social security funds) controls the relevant financial flows.

The International Monetary Fund (sometimes) defines social spending sometimes as public spending on education and health. In other cases, social transfers through general budget are also included in its definition⁶⁰.

The ILO explains that the necessary resources for social spending can be provided through various methods:⁶¹

- Increasing compulsory contributions or expanding their coverage by adding new categories (such as funding health insurance in most countries and social security related to pensions, invalidity, or unemployment). It is worth noting that these contributions must match the contributors’ financial capabilities.
- Re-allocating public expenditures.
- Increasing tax revenues. Enforcement of social security revenue collection may result in higher tax collections, particularly in countries with young population pyramids.
- Increasing taxation on the use of natural resources.
- Benefitting from the reduction of debt or debt servicing.

58 ILO (2018), same reference.

59 OECD iLibrary, Social Protection.
https://www.oecd-ilibrary.org/social-issues-migration-health/social-protection/indicator-group/english_3ddf-51bf-en

60 IMF 2017, Independent Evaluation Report on IMF and Social Protection, Previous Reference.

61 ILO, World Bank, A Shared Mission for Universal Social Protection (2016), Previous Reference.





17- PUBLIC TRANSFERS



These refer to cash or in-kind grants and benefits. These programmes are funded by general budget allocations collected through taxes, or other public revenues (such as debt). Beneficiaries may receive them without subscribing to any insurance scheme. This guide includes many examples, they include⁶²:

- Social transfers: Cash transfers (18, 19) or in-kind transfers (including school feeding) or vouchers (20).
- Public works programmes (25): Cash for work, food for work, or vouchers for work.
- Fee waivers (28): For basic health or education
- Food subsidies (29) and fuel subsidies (30).
- Monthly pension for all citizens over a certain age (21) (in some OECD countries 65 years old).

Arab countries public spending on transfers and social protection (excluding education and health) is below Sub-Saharan Africa and half that of Europe.



18- CONDITIONAL CASH TRANSFERS, CCTS:



A monthly amount of cash that is paid for targeted poor families conditional on household investments in education or health (e.g., keep children in school; attend prenatal check-ups; etc.)⁶³. They are selected/targeted⁶⁴ through statistical methods (Proxy means testing). They have become IFIs favorite poverty reduction intervention in recent years and have been adopted by governments as an alternative to more traditional social assistance programs. But considered by its critics to serve as a “technical fix for a much structural and complex problem that is caused by much more than economic poverty”⁶⁵.

Three development researchers wrote on the World Bank blogs that CCTs have had well-documented impacts during the period the families received cash, such as reducing poverty, increasing school participation, reducing child labor, and improving utilization of health and nutrition among mothers and children.

62 GSDRC, Social Protection, The Government and Social Development Centre, UK. https://gsdrc.org/wp-content/uploads/2019/10/SPGuide_Fig1.jpg

63 John Loser, Berk özler and Patrick Premand and (2021), What Have We Learned About Cash Transfers?, World Bank Blogs, World Bank, Washington DC. <https://blogs.worldbank.org/impactevaluations/what-have-we-learned-about-cash-transfers>

64 The definition of targeting is found in 12.

65 Marta Luzes (2017), The Limits of Cash Transfers: A Critique of a Malawi Intervention Open Data Challenge. https://colaboracion.dnp.gov.co/CDT/Sinergia/Documentos/Participante_No_3_The_Limits_of_Cash_Transfers.doc.pdf



While some recent studies have provided cause for optimism on the effects of CCTs on linear growth and stunting for children under five years of age, there is no sufficient evidence for longer-term transformative change among program beneficiaries, such as final outcomes regarding nutrition among children, learning, and female labor force participation among young adults.

CCTs have “negative spill over effects such as increased malnutrition among non-beneficiary children due to increased prices of important food items”⁶⁶. In addition, CCTs can “undermine the social protection value of the transfers by denying them to those who fail to satisfy the conditions. Hence, even the best CCT programs need to be complemented with other interventions to form a comprehensive social protection policy”⁶⁷.



19 - UNCONDITIONAL CASH TRANSFERS



UCTs are a key tool for social protection responses to shocks such as climatic shocks or the COVID-19 pandemic. With robust and adaptive social protection systems in place, UCTs can be rapidly scaled to broaden coverage and/or increase the transfer size to existing beneficiaries. They can be offered in certain regions, where there is high rate of poverty. Beneficiaries can be of certain age group or of certain gender, such as all the children or to all the mothers. The World Bank experts notice that, worldwide, it is becoming more preferred than the CCTs⁶⁸.

Critics say it can be costly, and it may include non-poor beneficiaries.



20 - EDUCATION VOUCHERS



They are a type of cash or quasi-cash assistance given for a particular purpose: School choice, and cannot be used for any other purpose. This tool is implemented in a number of OECD (advanced) countries.

Vouchers are financed through the Treasury and have limited impact on inflation.

Education vouchers have the merit of giving households various school choices regarding pedagogical approaches, religious denomination or affordability. They benefit from greater autonomy so that principals, school boards and teachers can assume more responsibility for policies related to resources, the curriculum, assessments and school admissions. They allow private schools to exist along with public schools and benefit from public funding.

⁶⁶ John Loeser, Berk özler and Patrick Premand and (2021), What Have We Learned About Cash Transfers?, Previously mentioned reference.

⁶⁷ Ibid.

⁶⁸ Ibid



They are criticised for their lack of inclusion. “When presented with more choice, students from advantaged backgrounds often opt to leave the public system, leading to greater social and cultural segregation in the school system”, which in turn threatens social cohesion⁶⁹.

Vouchers can also be for food and other services, targeting the poor.

In the MENA region, school choice is not supported by the government. It is solely paid by households and hence creating even more inequality of opportunity. Education spending in Arab countries is often below levels of peer emerging economies (as percentage of GDP and as per capita public spending).



21- PENSION PUBLIC SPENDING



This refers to all cash expenditures (including lump-sum payments) received by the elderly and military veterans.

It includes those who receive early retirement pensions and pensioners with dependents.

In OECD countries, it also covers services for the elderly, such as home-care assistance, day-care and rehabilitation services, and other in-kind benefits.⁷⁰

In Egypt, Karama program is a cash transfer program targeting the poor over 65 years old, or suffering from disability or sickness preventing the beneficiary to work. It was introduced in 2015.

But, there are no universal programs for old age pensions and services in all the MENA region.



22- PUBLIC UNEMPLOYMENT SPENDING:



These are the cash benefits people receive as compensation for unemployment. These expenditures include money allocated from the general budget, in addition to social security payments, to beneficiaries who have not yet reached the standard pensionable age and who are out of work due to economic or other labour market conditions that are out of their control.⁷¹

69 OECD (2017), School Choice and School Vouchers, an OECD Perspective, Organization of Economic Cooperation and Development, Paris.

<https://www.oecd.org/education/School-choice-and-school-vouchers-an-OECD-perspective.pdf>

70 OECD iLibrary, Social Protection, Organization of Economic Cooperation and Development.

https://www.oecd-ilibrary.org/social-issues-migration-health/social-protection/indicator-group/english_3ddf-51bf-en

71 OECD iLibrary, Social Protection, Same reference.



The problem of unemployment in the MENA region is first and foremost the problem of youth unemployment. Unemployment amongst Arab youth is the highest in the world. Youth unemployment represents 50 per cent, on average, of all unemployment, and it is higher amongst females⁷². Yet, According to ILO calculations, only 8,6% of unemployed in the Arab States receive compensations.

In Egypt for example, an estimation of an unemployment scheme to cover 3 million unemployed, with monthly payments of 1500 LE (little less than 100 USD in 2022) would cost some 5% of yearly tax revenues⁷³. It would on the other hand have the merit of strengthening the local demand and boost the inclusive growth.



23- FAMILY BENEFITS PUBLIC SPENDING⁷⁴:



It refers to public spending on family benefits, including financial support exclusive for families and children. It comprises three types:

a- Child-related Cash Transfers

- Allowance for every child (which may vary based on the family's income and the child's age).
- Cash support payments during parental leave and for sole provider families.
- Social spending on services needed by the family (in-kind benefits) such as day-care and early education facilities, or cash substitutes for these services.
- Direct services or direct funds for families with children, such as home-care assistance and childcare centres of families in need.
- Residential facilities and financial assistance for the youth of families in need, either through cash allowances or tax exemptions.

b- Social Benefits to Households

These benefits can be divided into two categories:

1- In-kind Social Transfers, related to the provision of certain types of goods and services (particularly health and education), so that households have no discretion over their use. Education vouchers in the US are a notable example of in-kind social transfers.

⁷² ILO (2009), Growth, employment and decent work in the Arab region: Key policy issues, Previously mentioned reference. P. 6

⁷³ Researcher's calculations based on State Budget data.

⁷⁴ OECD iLibrary, Social Protection, Previously mentioned reference.



2- Cash Social Transfers, allowing households to use the money in the desired areas of expenditure. These may be financed through the general budget or through social security schemes, and they are usually temporary, intended for emergency cases.



24- PUBLIC SPENDING ON INCAPACITY⁷⁵



Public spending on incapacity refers to spending due to sickness, disability, and occupational injury. It could be in the form of cash transfers corresponding to a state of complete or partial incapacity.

It covers congenital disability or one resulting from an accident or illness at a certain point in the victim's lifetime.

It also includes spending on occupational injury or disease, such as:

- Paid sick leave,
- Incapacity compensations and related payments such as pensions,
- Direct cash transfers to compensate the lack of incomes in cases of illness or temporary injury,
- Paid or subsidised services, such as home-care assistance, day-care, rehabilitation services, and other in-kind benefits.



25- PUBLIC SPENDING ON LABOUR MARKETS⁷⁶



It includes:

- Public employment services such as job offers and administrative support,
- Training, either workplace, transformative, or vocational training,
- Employment incentives provided to companies, such as recruitment incentives, incentives to retain employees, or for job sharing,

and direct job creation in the public sector.

⁷⁵ Ibid.

⁷⁶ OECD iLibrary, Social Protection
https://www.oecd-ilibrary.org/social-issues-migration-health/social-protection/indicator-group/english_3ddf-51bf-en



- Cash support in case of unemployment, such as income complementary support, cash support in cases of partial unemployment or part-time employment, unemployment assistance, and insurance against unemployment,
- Compensation in cases of bankruptcy or workforce reduction.



26- ACTIVE LABOUR MARKET POLICIES



Active labour market programmes or policies are typically classified into four categories: (i) Job Search Assistance, (ii) (Labour market) Training, (iii) Private sector employment incentives, such as wage sharing/ wage subsidies, and (iv) Public sector employment.

These policies are designed to increase the opportunities available to those seeking employment and to increase human capital by training workers and helping them enhance their productivity in order to find new employment opportunities to remain eligible for assistance.

Active labour policies require a certain behaviour from beneficiaries, as the relationship is based on reciprocity: The worker receives the benefits in exchange for a particular training. Workers will sometimes be deprived of these benefits if they fail to fulfil their obligations⁷⁷.

Such policies may be in the form of support to the private sector through wage subsidies, in order to help them employ low- skilled or older workers, or to protect certain categories from being laid-off. They can support workers via public labour programmes, creating temporary employment for goods and services production through the public sector⁷⁸. They are financed through the state budget.

ALMPS are generally less effective in developing countries than in advanced ones. Results of ALMPs differ from OECD countries and emerging economies such as Latin American countries (LACs), one ILO study reveals that the job search assistance is a low cost and effective policy (especially when the economy is expanding) and. It suits youth in LACs more than youth in OECD countries⁷⁹. Wage subsidies can have positive effects on the long term, but less so in older workers groups.

77 ILO (2016), Report on Active Labour Market Policies, International Labour Organization, Geneva. https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_490982/lang--en/index.htm#:~:text=Active%20labour%20market%20policies%20are,looking%20for%20jobs%20and%20employers

78 ILO (2016), Report on Active Labour Market Policies, International Labour Organization, Geneva. https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_490982/lang--en/index.htm#:~:text=Active%20labour%20market%20policies%20are,looking%20for%20jobs%20and%20employers

79 Jochen Kluge (2016), A Review on the Effectiveness of ALMPs With a Focus on Latin America and the Caribbean, Research Department Working paper n. 9, International Labor Organisation, Geneva. https://www.ilo.org/wcmsp5/groups/public/@dgreports/@inst/documents/publication/wcms_459117.pdf





27- PASSIVE LABOUR MARKET POLICIES



- Such as unemployment insurances, aimed at supporting individuals in case they cannot work, as well as compensations in case of incapacity or injury, and maternity benefits. They all may be funded through social security contributions.
- Legislations, such as minimum wage, occupational safety, and work conditions. Employers are mandated by law to fulfil these obligations towards their employees. Legislations are issued to guarantee compliance⁸⁰.



28- FEE WAIVER



It is a tool that permits access to certain indispensable services to those who are unable to pay the fees of such services. Education and health services are the most notable examples. This tool has the merit that it would enable lower income families and individuals or those who face an economic or health shock to get the care or the education they need or seek for with no hardships. A student can hence apply for a fee waiver in order to pursue his college or school education. Applicants should meet certain criteria to be able to benefit from a fee waiver.

In low- and middle-income countries, this tool would protect million of children from dropping out from school, because public school fees are relatively high, which would be a barrier for their families. This barrier is often affecting more girls than boys.

On the negative side, applying for a fee waiver could be embarrassing for citizens or they would refrain from applying to avoid facing stigma (Applying online would ease this inconvenience).



28- FOOD SUBSIDY PROGRAMMES



They are a form of financial aid provided by the government to a certain sector or to farmers or consumers, to provide low-cost food to the poor.⁸¹

Or they may be in-kind: Such as food vouchers, provided to poor households by the government in order to buy all kinds of food. Or limited quantities of certain kinds of food, distributed by the government to poor households or refugees, in the form of universal subsidies in times of wars and disasters.

⁸⁰ Social Protection.org, https://gsdrc.org/wp-content/uploads/2019/10/SPGuide_Fig1.jpg

⁸¹ UNESCWA, on Food Subsidies, United Nations <https://archive.unescwa.org/food-subsidies>



They can also be offered under school feeding programs.

Such food-based welfare programs often enjoy greater public and political support than other welfare programs, such as unconditional cash transfers, because of the general presumption that they can be counted on to improve nutrition.

In Egypt, Tunisia, Morocco and Jordan there are universal programs of food subsidies, such as subsidised bread or flour. The IMF was successfully pushing in the period of 2011-2021 to terminate or minimize these programs. In India and Indonesia governments offer subsidised rice and lentils to poor families.

Although such programs are universal, the high-income groups don't use these products of lower quality, that is how these programs are considered "self-targeted". In urban Egypt, for instance, the main subsidized food - coarse baladi bread - is consumed more by the poor (the lowest quintile group of the population) than by the rich (the highest quintile). So subsidizing baladi bread is a good way of improving the welfare status of the urbanpoor.⁸²

On the negative side, there is an amounting evidence that food subsidy programs can make the poor consume less nutritional goods. Moreover, in the rural areas, where lives most of the poor in the developing world, don't benefit as much from food subsidies and may need different anti-poverty and nutrition programs. Coupled with high food imports, they can also put countries under fiscal vulnerabilities to external shocks (such as the impact of Russia war in Ukraine on Egypt's wheat subsidy bill).



29- ENERGY SUBSIDIES



Energy subsidies are divided between producers and consumers (households - families). Energy subsidies could be qualified as good or bad. Most energy subsidies are directed to producers, which qualifies them as bad, because they lead to the mismanagement of resources and allocating them to industries and polluting energy-intensive economic activities, thereby creating powerful interest groups that defend this kind of subsidy.

By contrast, the United Nations advises maintaining the good kind of subsidies, directed towards the poor until they cross the threshold of the poverty line. Electricity subsidy, especially from renewable sources, is an example of the good kind of subsidies directed towards the poor, because it contributes to children's education and is a less polluting and safer alternative for heating and cooking, compared to burning trash and wood.

The World Bank and IMF support the termination of energy subsidies directed towards consumers, arguing that they benefit the rich more than the poor. However, it should be noted that energy subsidy forms a big part of a poor household's income. It is also an indirect support to their economic activities, particularly agriculture, collective transportation, popular restaurants, and mobile food carts.

82 Richard H. Adams Jr. (2000), Self-Targeted Subsidies: The Distributional Impact of the Egyptian Food Subsidy System. Policy Research Working Paper; No. 2322. World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/22207>



Moreover, the bad kind of subsidies should be terminated gradually, over the course of many years, in order to avoid significant increases in inflation rates.

Finally, energy subsidy remains crucial for achieving Goal 7 of the SDGs "Affordable and Clean Energy."⁸³



30- CROSS SUBSIDISATION:



Cross subsidisation is the practice of funding one product with the profits generated by a different product, or the same product intended for higher-income categories. This means that one group of customers is paying the price - or part of the price - of a service or product consumed by other customers. This type of subsidies can be found in the public transport or the electricity sector. For example, public transport fares from and to densely populated areas may be cheaper than those serving wealthy areas. Similarly, higher-income categories may pay a price that is higher than production cost for their electricity consumption so that electricity could be provided to lower-income categories.

In certain countries, there is a partial reciprocal subsidy in the education system, whereby every household pays for public school based on their income.⁸⁴



31- UNIVERSAL BASIC INCOME:



According to ⁸⁵"Basic Income Earth Network" website, a Basic Income is a periodic cash payment unconditionally delivered to all on an individual basis, without a means-test or work requirement. It is an evolving concept with different opinions on its value, funding methods, and the quality and quantity of associated transfers. There are five characteristics of universal basic income:

- 1- Periodic: Paid at regular intervals (for example every month).
- 2- Cash payment: Paid in an appropriate medium of exchange, allowing those who receive it to decide what they spend it on. It is not paid in vouchers or in particular goods.
- 3- It is paid on an individual basis, not to households.
- 4- Universal: Paid to all, without a means test.

83 Salma Hussein (2020), The Four Flows: The IMF- Egyptian plan to reduce energy subsidies, the Egyptian initiative for Personal Rights.
https://eipr.org/sites/default/files/reports/pdf/the_four_misconception_in_egy-monetary_fund_2020.pdf

84 AccountingTools, Cross Subsidization definition (2021).
<https://www.accountingtools.com/articles/2017/5/14/cross-subsidization>

85 Basic Income Earth Network, About Basic Income (2021).
<https://basicincome.org/about-basic-income/>



5- Unconditional: Paid without any conditions imposed on the beneficiaries, who are not required to prove that they work or are willing to work.

Proponents see it more fit for the 21st century. Income and benefits are no more solely dependent on an employer. The world of work today includes employment arrangements that may provide greater flexibility for workers and employers, yet they may lead to significant gaps in social protection coverage.

The idea is facing two main types of criticism:⁸⁶

1. Giving people cash will cause them to work less, hurt the economy, and deprive them of the meaning that work provides in life.
2. Providing an income floor set at a reasonable level for everyone is unaffordable.

Some conservative basic income advocates (IMF included) view it as a substitute for existing public programs. While supporters consider it as a “complement to robust universal public services like education, health care, and other social supports”⁸⁷. Guy Standing argues that there is a need to provide, along with the UBI “automatic supplements for the disabled and elderly coping with extra living costs and constraints on earnings”⁸⁸.



32- HOUSING SUBSIDIES:



The Social Protection Organisation⁸⁹ (non-governmental organisation) added housing subsidies to its glossary of basic programmes and instruments. This type of subsidies is divided into two categories:

- supply-side: such as government-built public housing and other so-called “brick and mortar” subsidies given to housing contractors, including, for example, subsidized financing, allocation of land and materials, and tax credits and deductions.

Demand-side subsidies, on the other hand, mainly consist of capital grants and allowances targeting poor households. Capital grants are one-time subsidies to households which can be used to purchase, build, or complete units or to rehabilitate existing units. A housing allowance is a regular ongoing subsidy to households that offsets some of the costs of their housing and housing-related services. Allowances can be provided to either owners or renters, and they may be used for new or existing housing.

These two types of housing subsidy programmes could also include: Rent ceiling, which

86 <https://www.vox.com/policy-and-politics/2017/7/20/15821560/basic-income-critiques-cost-work-negative-income-tax>

87 Guy Standing (2020), speech on UBI. (<https://greattransition.org/gti-forum/basic-income-standing>)

88 Guy Standing, previous reference.

89 Social Protection Organization Glossary (<https://socialprotection.org/learn/glossary/H>)



must not be exceeded, as was the norm after World War II in several Western countries (and newly independent States). The State may provide units for subsidised rent in accordance with the minimum wage,

as well as housing units for sale, through mortgage, with a subsidised interest rate, over a prolonged period of time.



33- RENT CONTROL:



Rent control is a government program that places a limit on the amount that a landlord can demand for leasing a home or renewing a lease. Rent control laws can be enacted centrally or by municipalities, and the details vary widely. All are intended to keep living costs affordable for lower-income residents.⁹⁰

Such programs are usually adopted in cities known for expensive housing. New York is one of few (and oldest) US states that has a program of rent controls. During covid-19 many OECD (advanced) economies re-introduced rent controls and rent freezing measures.

Rent control are criticized by neo-liberal economists blaming them for poor housing conditions and lesser investments in real estates (especially in rental developments).

On the other hand, these programs have the merits of affordability to low- and moderate-income people. They also prevent displacement especially for the elderly and worker families who their incomes don't match the rise in rents.

Rent control used to exist in many countries in the MENA region. But they were gradually eliminated along the years. In Egypt, the lack of affordable housing pushed a large segment of the population to self-build houses in shanty towns and on scarce agricultural land.



34- SCHOOL MEALS PROGRAMMES:



School meals have a tremendous impact on education and the future of children. Serving food at school helps solve chronic hunger and can be life-changing for the world's poorest children. Children, especially girls, do not have access to education because they are needed at home to do household chores and provide income for their families. A daily school meal provides a strong incentive to send children to school and keep them there and allows the children to focus on their studies, rather than their stomachs. In many countries, where hunger and poverty is greatest, school meals also help to keep students into the classroom, hence fighting the phenomena of dropping out. School meals exist in the

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MENA region, albeit on a limited scale, often underfinanced. Most of the programs are financed by international aid programs rather than by the state budget. They are hence intermittent and not universal, which limit their impact on schooling and on children nutrition and health.



35- INVESTMENT IN NUTRITION:



A programme to invest in nutrition during the 1,000 days between a woman's pregnancy and her child's second birthday to eradicate the four signs of malnutrition: wasting, stunting, anaemia, and inability to breastfeed. Malnutrition is the underlying cause in nearly half of the deaths of children under age five every year. In addition, millions of women and children bear the burden of poor health caused by malnutrition. By contrast, investment in nutrition is the infrastructure children's bodies and minds need to grow, learn, and thrive. Every \$1 of investment in improving the nutrition of mothers yields \$16 in benefits in health and productivity.

The World Bank⁹¹ provides a database on the leading countries investing in this respect and the necessary expenses each country must cover to implement the programme. While the World Bank advocates for pharmaceutical nutritional supplies, a program of food supply designed to mitigate the four aspects of malnourishment can be put in place.



36- AGRICULTURE SUPPORT



Many governments offer different kind of subsidies to the agriculture sector, in order to ensure food security for their populations, or to encourage food exports.

In India for instance, price stabilizing mechanisms are installed to guarantee a minimum revenue for small farmers of certain crops. However, government should be cautious on who receives the subsidy, small farmers or big corporates. A recent UN report finds that almost 90% of the \$540bn in global subsidies given to farmers every year are "harmful"⁹².

This agricultural support could damage people's health, fuels the climate crisis, destroys nature and drives inequality if it excludes smallholder farmers, many of whom are women. Large corporates producing beef and milk producers are the biggest sources of

91 For more information: refer to 1000days.org,
<https://thousanddays.org/>

World Bank Press Release (2016).

<https://www.worldbank.org/en/news/press-release/2016/04/18/global-leaders-launch-first-ever-investment-framework-for-nutrition-and-call-for-immediate-action>

92 UNEP (2021), UN report calls for repurposing of USD 470 billion of agricultural support that distorts prices, environment and social goals, A Press Release, United Nations for Environment Program.

<https://www.unep.org/news-and-stories/press-release/un-report-calls-repurposing-usd-470-billion-agricultural-support>



greenhouse gas emissions. They received the most generous subsidies. In lower income countries, subsidies for polluting chemical fertilizers and pesticides must fall. Alternatively, agriculture subsidy schemes can be redirected towards small farmers in the context of food sovereignty policies⁹³.

93 . " La Via Campesina.introduced the concept of food sovereignty in 1996. It is a global peasant movement, uniting people to fight injustice in the food system, by fighting for women's rights and against land grabs and the spread of GMOs. La Via Campesina defines the food sovereignty as: "The right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture system".



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