

# SESSION 4: PUBLIC POLICIES FOR GREATER EQUALITY- INTER-REGIONAL EXPERIENCES

## THE WELFARE MIX IN ARAB COUNTRIES AND ITS IMPLICATIONS FOR EQUITY AND EQUALITY

Economic And Social Commission For Western Asia

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# Outline

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- A. Introduction
- B. The public provision of welfare in the Arab region
- C. The private provision of welfare
- D. Civil Society and its role in the provision of welfare
- E. Ways forward: towards a new welfare mix?

# 1. Introduction

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- **Social development** is about fighting exclusion, including all social groups in the development process and ending the cycles of poverty and disadvantage.
- The 2030 Development Agenda calls for a **global partnership** aimed at: “(...) *bringing together Governments, the private sector, civil society, the United Nations system and other actors and mobilizing all available resources*”.
- The AAA emphasizes the importance of **domestic resource mobilization** and innovative solutions to finance development policies.



**Need to rethink the role of the State in Social Development to achieve the SGDs**

### 3. Structure of welfare systems in the Arab region

Current trends in the Arab region demonstrate:

- Deeply divided labour markets
- Dualistic social protection systems
- Unequal opportunities for human capital formation

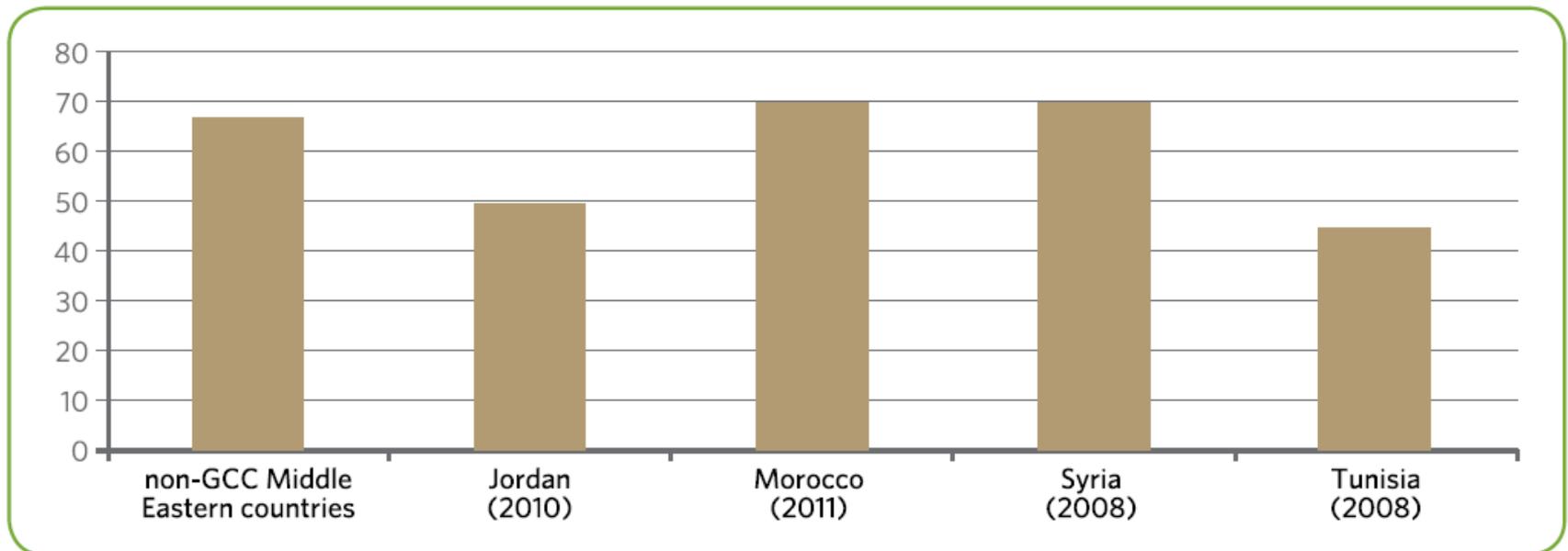


**Societies are divided into insiders and outsiders with multiple disadvantages**

### 3. Public Provision of Social Protection

- The public provision of social protection and social services follows the dualistic structure of labour markets.
- Correspondingly, the social protection system is divided between those who are covered by pension, social and health insurance - and those who are not.

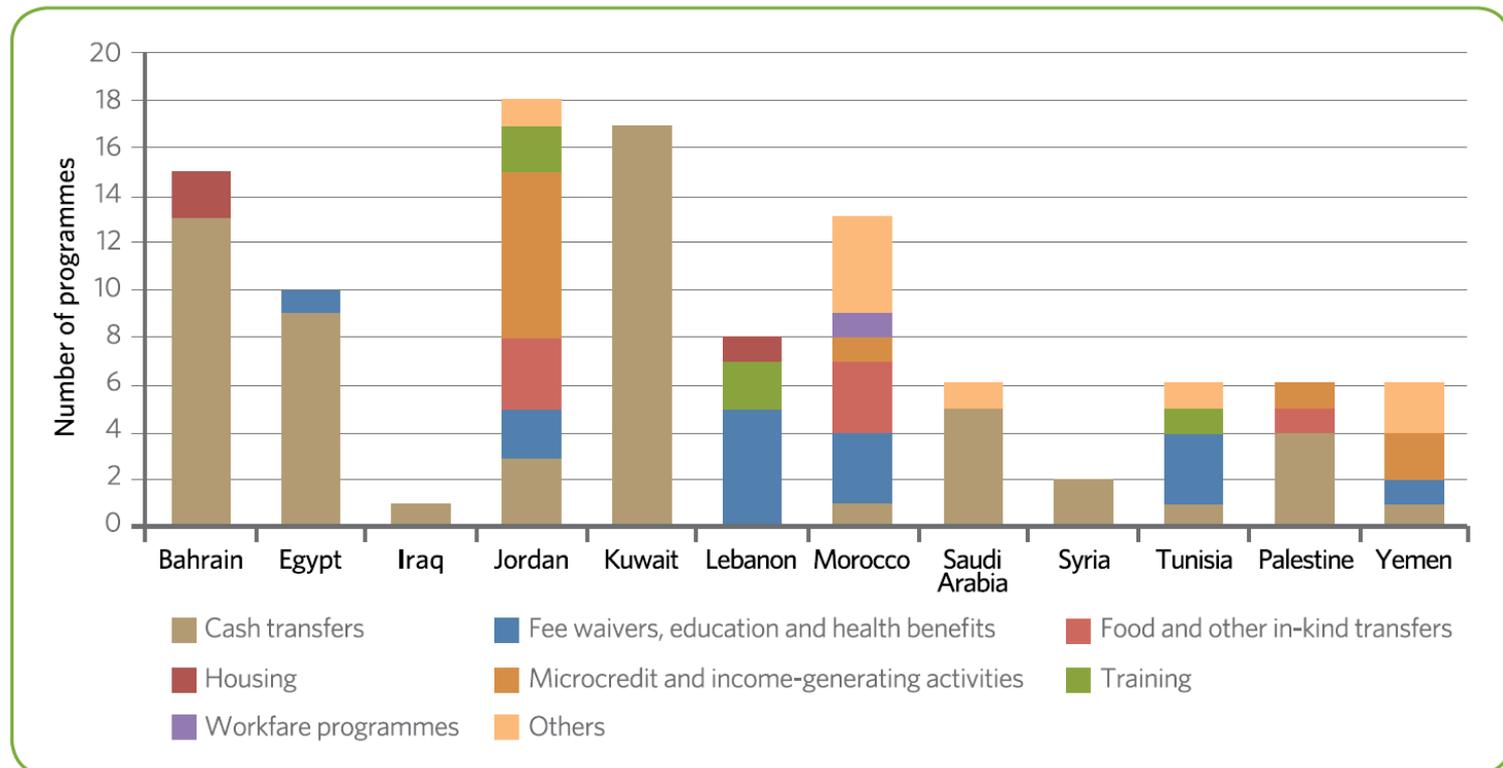
**Figure 3.** Percentage of labour force not contributing to social security, selected ESCWA member countries



## 4. Public Provision of Social Assistance

- Non-subsidy social assistance programmes tend to be small and fragmented

**Figure 4.** Social assistance programmes in selected Arab countries



*Source:* Silva and others, 2013, p. 114.

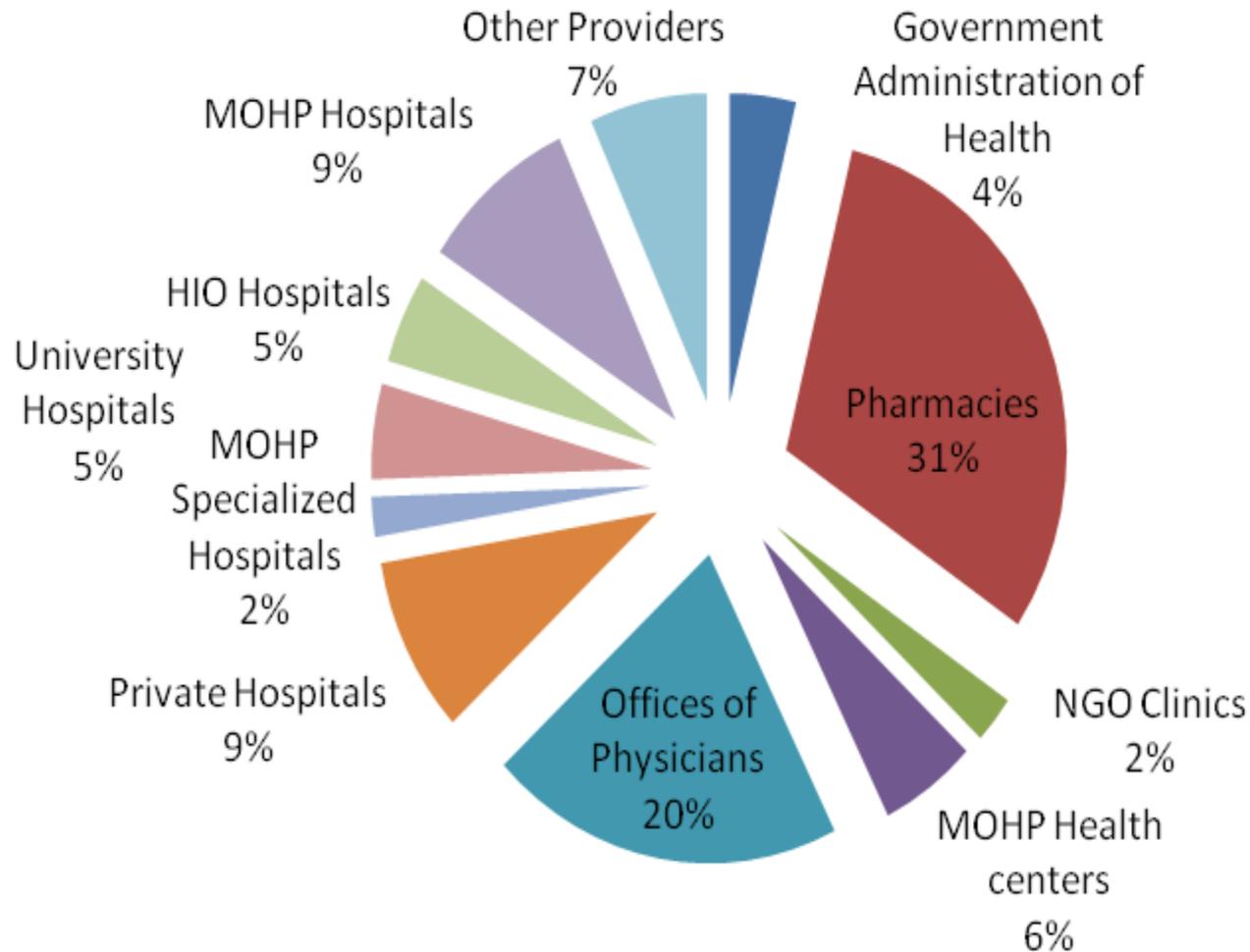
# Indicators of health inequality

**Table 1.** Indicators of health inequality, selected ESCWA member countries, latest available year

	Antenatal care coverage: at least 4 visits				Births attended by skilled health personnel				DTP3 immunization of 1 year-olds			
	Place of residence		Wealth quintile		Place of residence		Wealth quintile		Place of residence		Wealth quintile	
	Rural	Urban	Lowest	Highest	Rural	Urban	Lowest	Highest	Rural	Urban	Lowest	Highest
Egypt	58	80	42	89	72	90	55	97	97	99	97	99
Iraq	..	..	..	..	78	95	..	..	49	67	..	..
Jordan	91	95	90	98	99	99	98	100	97	97.5	97	98
Morocco	15	44	11	60	55 <sup>a</sup>	92 <sup>a</sup>	30 <sup>a</sup>	95 <sup>a</sup>	92	97	89	98
Syria	59 <sup>b</sup>	68 <sup>b</sup>	..	..	88	98	78	99	74	76	62	80
Tunisia	55	75	..	..	89	98	..	..	..	..	..	..
Yemen	8 <sup>c</sup>	33 <sup>c</sup>	..	..	26	62	17	74	47	69	35	86

	Children under 5 who are stunted				Under 5 mortality (Per 1,000 births)			
	Place of residence		Wealth quintile		Place of residence		Wealth quintile	
	Rural	Urban	Lowest	Highest	Rural	Urban	Lowest	Highest
Egypt	30	27	30	27	36	29	48	19
Iraq	31	25	..	..	..	..	..	..
Jordan	..	..	13 <sup>d</sup>	1.5 <sup>d</sup>	..	..	38 <sup>d</sup>	38 <sup>d</sup>
Morocco	17	14	18	9	27	21	30	27
Syria	29	28	36	26	..	..	22 <sup>e</sup>	23 <sup>e</sup>
Tunisia	..	..	..	..	..	..	..	..
Yemen	..	..	..	..	..	..	118 <sup>e</sup>	37 <sup>e</sup>

# Providers as share of total health expenditure, Egypt 2009



## 6. Summary

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- Insufficient public welfare provision generates two types of gaps: quantity gaps and quality gaps.
- There is a need for more cohesive, targeted, accessible and empowering public social services and social assistance schemes.

## **B. The Private Provision of Welfare in the Arab Region**



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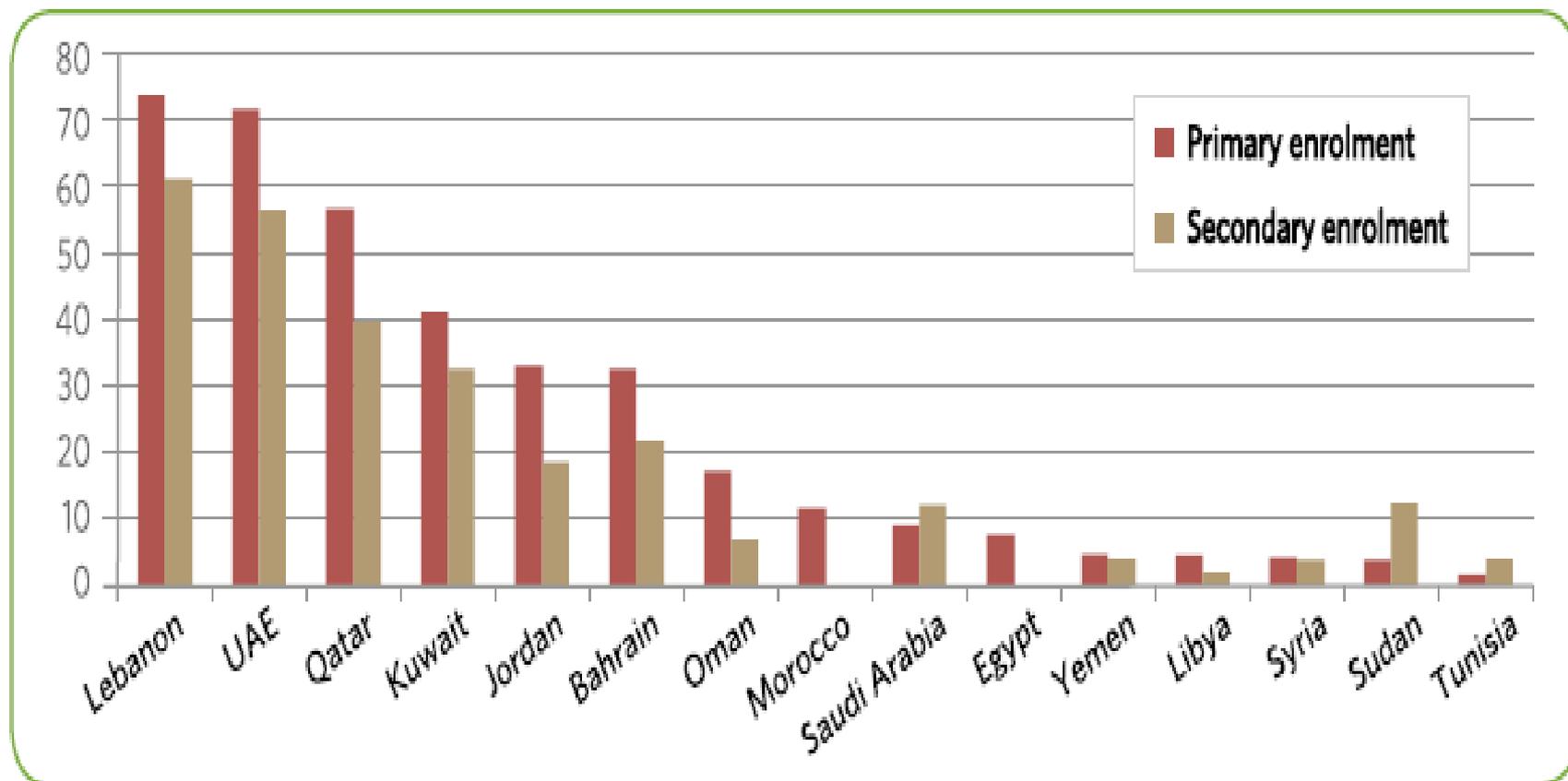
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## 7. Private Provision of Welfare

- Private actors represent a substantial share of social services provision in the region. The context under which they entered the system partly determines their outreach and effect.
  - Gulf countries: private actors brought in by design by public authorities. Clear regulatory framework.
  - Other countries: Privatization of social services occurred “by default” without proper State regulation and a risk of exclusion and fragmentation (Lebanon, Egypt).

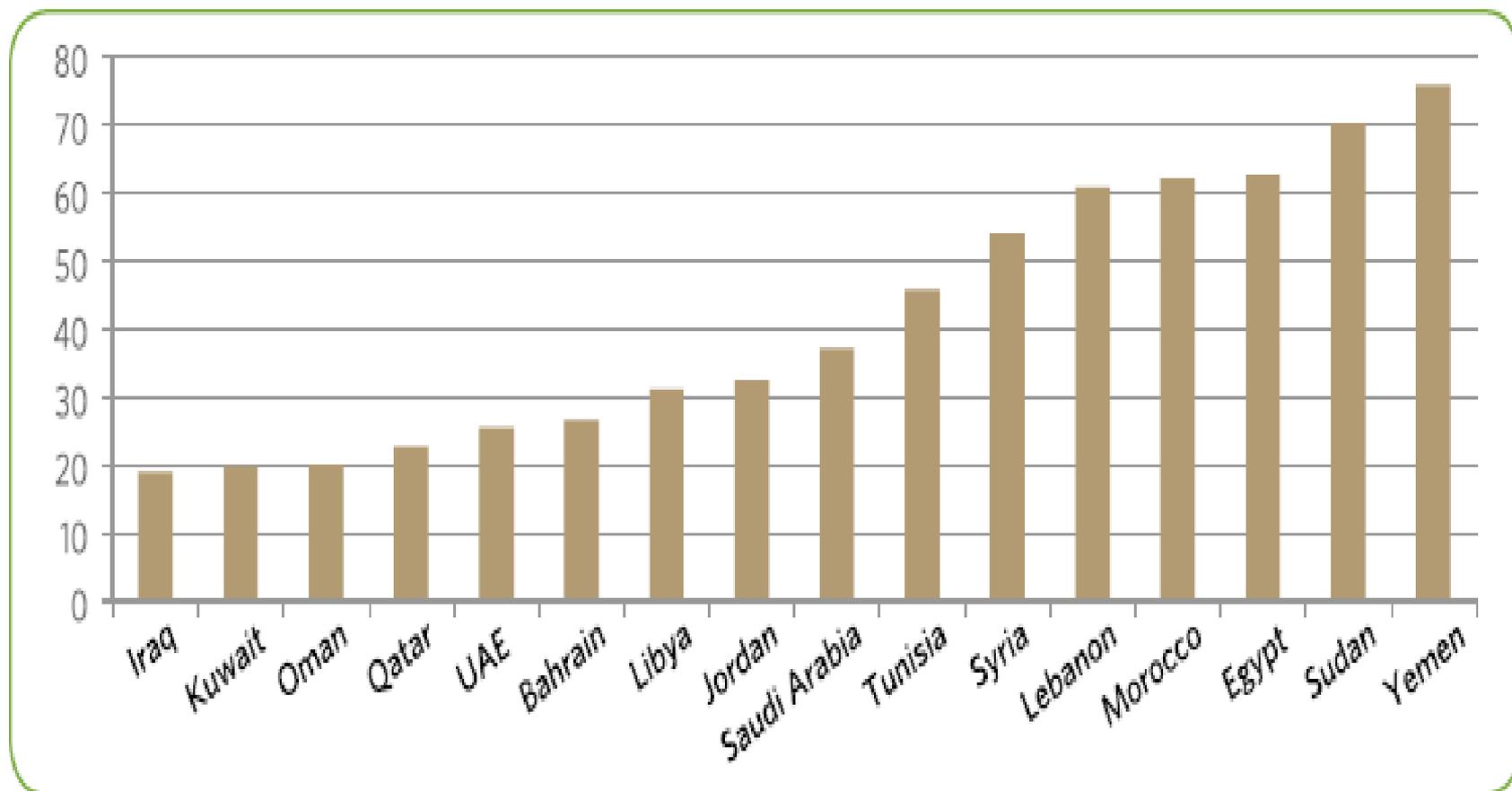
**Figure 8.** Private enrolment as a percentage of total enrolment in primary and secondary schools, selected ESCWA member countries



**Notes:** Data for Iraq and Palestine are not available. Data are for 2011 except as follows: Jordan, Saudi Arabia, Syrian Arab Republic and United Arab Emirates, 2010; Sudan, 2009; Egypt, 2007, Libya, 2006.

**Source:** UNESCO Institute of Statistics, available from WDI database.

**Figure 10.** Private health expenditure as a percentage of total health expenditure in ESCWA member countries



*Note:* Data are for 2010. Data for Palestine are not available.

*Source:* World Bank, WDI database.

# C. Civil Society and its Role in the Provision of Welfare

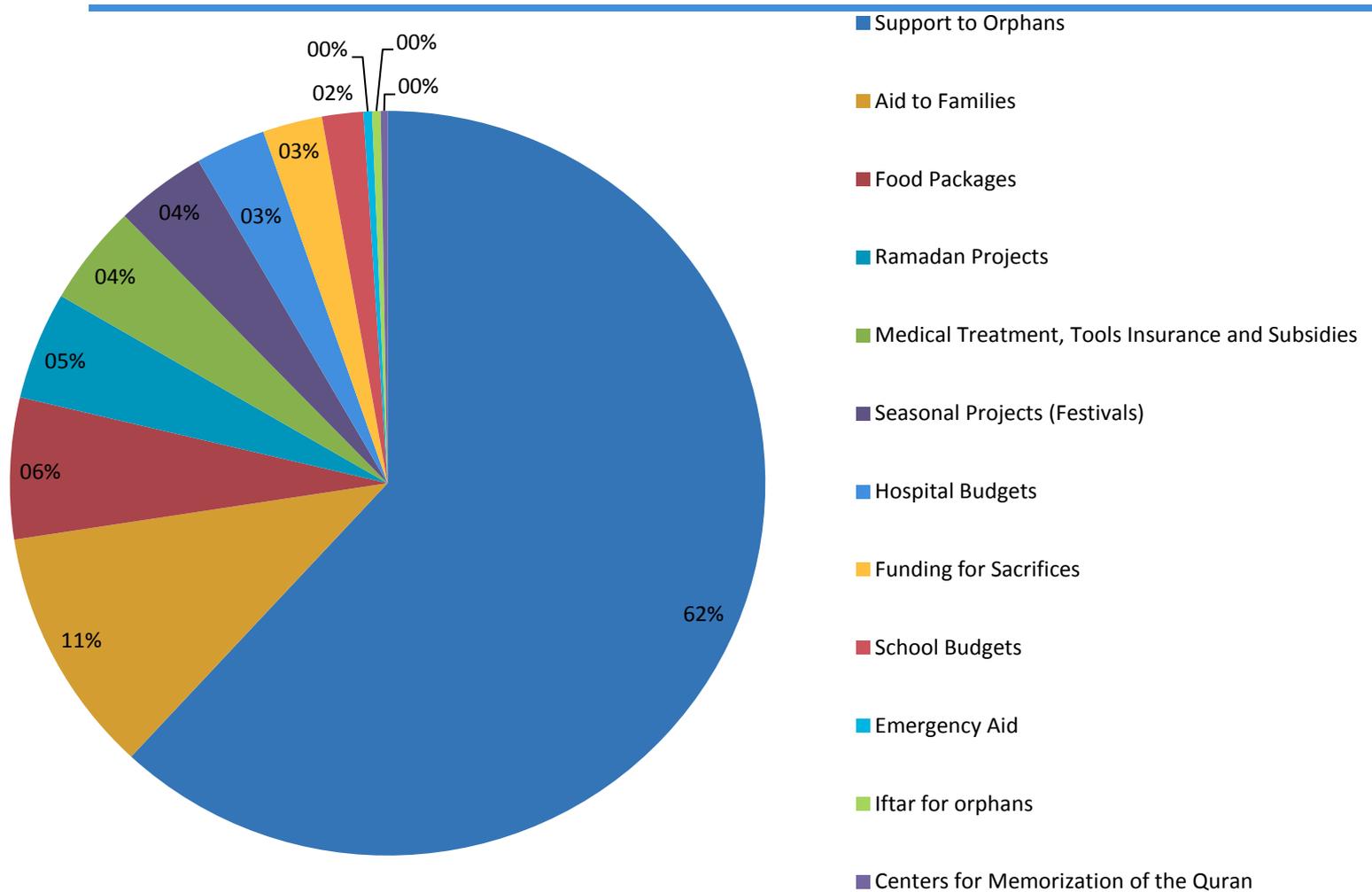


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# Zakat Activities in Palestine, 2012



## 11. Civil Society Provision of Welfare

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- From a rights-based perspective:
  - civil society services are more accessible and affordable than private sector services;
  - they are often of better quality than public services.
- But they suffer from weaknesses:
  - high fragmentation, duplication and poor targeting;
  - lack of funding also limits their ability to serve the poorest and to offer sustainable support.

## D. Conclusions



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## 12. Challenges

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As we are working to achieve the 2030 Development Agenda, countries are called upon to address income and wealth inequalities as well as inequalities of opportunity and structural disadvantage.

So far, existing trends in the Arab region demonstrate:

- Dualistic social protection systems
- Unequal opportunities for human capital formation



**Societies are divided into insiders and outsiders. This makes them vulnerable to shocks and social partition, and wastes human resources essential to economic development**

## 13. Challenges and Way forward

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- Countries may succeed in establishing social protection floors with universal coverage and thus succeed in eliminating quantity gaps.
- However, If they fail to provide good quality services, the development of dual systems will be difficult to avoid.
- Non-State actors can fill in some gaps, but only under certain conditions. It is important to ensure that they do not deepen the welfare dualism.



**States must regulate non-State actors' interventions to ensure quality standards as well as equity and equality of access.**

## 14. Development Account Projects

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In order to support Arab countries' capacity, we are planning to focus the remainder of the 8<sup>th</sup> Tranche DA project and the 9<sup>th</sup> tranche project on a number of key interventions:

- A regional workshop on regional experience with **Conditional Cash Transfers**.
- Several studies around the issue of **fiscal space and redistributive tax policies**.
- The elaboration of **public expenditure tracking methodologies** and related manuals for civil society institutions
- It could also be useful to explore the question of the **public regulation of private sector services**.

# THANK YOU

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