The Social Protection Response
The Social Protection Response

Setting the scene

As we have already seen, according to early assessments\(^1\), the COVID-19 crisis alone could add at least 1.7 million people, including 700,000 women, to the unemployed.\(^2\) Up to 14.3\(^3\) million people could fall into poverty.\(^4\) Within this context, a powerful and comprehensive social protection response is clearly paramount.

In the Arab region, however, this is not without its challenges. As reported in the first chapter, financial accessibility to affordable healthcare is still an issue in many countries, as evidenced by the significant share of out-of-pocket (OOP) health expenditure.\(^5\) In recent years, many countries have sought to reform and expand the coverage of their social insurance/security and social assistance programs.\(^6\) However, social protection systems remain fragmented and continue to leave behind many of the vulnerable segments of the population.

Social security schemes (i.e. health insurance, old age pension, paid leave/sick leave, maternity benefits, unemployment benefits, etc.) remain predominantly tied to formal employment in public and private sectors and benefits are quite limited in range. Of particular significance in the context of COVID-19, not all countries offer unemployment and sickness benefits (see Table 9.1).

Accurate data on social security coverage are scant and vary across sources and in terms of country coverage. According to the ILO\(^7\), for instance, 38.4 percent of workers are estimated to be legally covered by unemployment benefits in North Africa, and about 60.4 percent in other Arab countries.\(^8\)

In the realm of social assistance, it is important to note that over the past decade, many countries have been gradually phasing out universal fuel and food subsidies – particularly countries that were facing high fiscal pressures (e.g. Egypt, Jordan, Morocco, Saudi Arabia and Tunisia). As a mitigation mechanism, targeted social assistance programs – particularly in the form of

---

3. Abu-Ismail, K., and V. Hlasny, Wealth Inequality and Poverty Eradication in Arab Countries: The Case for a Solidarity Wealth Tax (2020); poverty is estimated according to national poverty lines; includes estimates for Comoros and Mauritania.
4. Excludes Somalia.
5. See: The World Bank data, https://data.worldbank.org/indicator/SH.XPD.OOPC.CH.ZS; the share of out-of-pocket expenditure, as a percentage of current health expenditure (2017), was estimated at 38.3% in the Arab world – ranging from a low of 6.69% in Oman to 80.96% in Yemen.
8. North Africa: Algeria, Egypt, Libya, Morocco, Sudan and Tunisia; other Arab countries: Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, State of Palestine, Qatar, Saudi Arabia, Syria, UAE, Yemen.
cash transfers – have been introduced and expanded to protect the most vulnerable.9

There is no recent comprehensive evidence on coverage of social assistance programs in the region. Available data suggest that coverage varies from less than 10 percent of the population in Djibouti and Sudan, to 75.77 percent in Iraq (see Figure 9.1). However, coverage levels might have increased in some countries, as a result of the expansion of cash transfer programs.

A major challenge in the context of COVID-19 relates to the protection of the millions of Arab men, women and youth, who earn their livelihoods in the informal economy and/or from other precarious forms of employment. These workers include temporary or casual workers, agricultural workers, domestic and unpaid care workers, and low-skilled migrant workers. Not having social insurance, and too poor to access private insurance, they may not be considered ‘poor or vulnerable enough’ to qualify for existing social assistance – and therefore represent a ‘missing middle’ that requires urgent attention. Another major issue relates to the increased protection needs of the millions of refugees living in the region, who are usually not covered by national systems and whose lives and livelihoods primarily depend on humanitarian assistance. This chapter first sheds light on the scope and main features of the social protection (SP) response in oil-exporting countries, oil-importing middle-income countries and crisis-affected countries. The response is also assessed from an inclusion (‘leaving no one behind’) and gender perspective. Some key policy considerations related to the establishment of towards more inclusive, gender-sensitive and shock-responsive protection systems, central for a sustainable recovery, are also discussed.

9 These are based on (income) poverty targeting or categorical targeting i.e. universal benefits for groups with specific needs such as children; the elderly; and persons with disabilities (PWDs). In Egypt, this includes, for instance, the Takaful program, which targets poor families with children, and the Karama, focusing on elderly people. Reportedly, these programs together reached more than two million families in 2019. In Morocco, the number of beneficiaries of the Tayssir program (a conditional cash-transfer program focused on enhancing school enrolment among children) increased from 45,052 people in 2008/09 to 1.3 million in 2018/19. For more information, see: ESCWA, Social Protection Reform in Arab Countries 2019, https://www.un.org/unispal/wp-content/uploads/2019/10/E.ESCWA_.ADD_.2019.1.pdf/.


11 For data on the extent of informal work, see Chapter 5 on labour markets.

12 It is assumed that Internally Displaced Populations are covered by mainstream SP government interventions.
### Table 9.1.b  Availability of social assistance schemes by country/country group

<table>
<thead>
<tr>
<th>(non crisis) Oil exporting countries</th>
<th>Bahrain</th>
<th>Saudi Arabia</th>
<th>Kuwait</th>
<th>UAE</th>
<th>Oman</th>
<th>Qatar</th>
<th>Algeria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash transfers</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Cash for work</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>In-kind transfers</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Subsidies</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>(Social Housing)</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>School feeding programs</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Education fee waivers</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>(Non contributory Health insurance)</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Health care benefits</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oil Importing MICs</th>
<th>Egypt</th>
<th>Jordan</th>
<th>Tunisia</th>
<th>Morocco</th>
<th>Djibouti</th>
<th>Lebanon</th>
<th>Libya</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash transfers</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y*</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Cash for work</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>In-kind transfers</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Subsidies</td>
<td>N</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>(Social Housing)</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>School feeding programs</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Education fee waivers</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>(Non contributory Health insurance)</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Health care benefits</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fragile and Crisis-affected Countries</th>
<th>Lebanon</th>
<th>Libya</th>
<th>Syria</th>
<th>Yemen</th>
<th>Iraq</th>
<th>Palestine</th>
<th>Sudan</th>
<th>Somalia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash transfers</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>Cash for work</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>In-kind transfers</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>Subsidies</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>(Social Housing)</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>School feeding programs</td>
<td>Y</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>Education fee waivers</td>
<td>Y</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>(Non contributory Health insurance)</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
<tr>
<td>Health care benefits</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>NA</td>
</tr>
</tbody>
</table>

N= No program available Y = program(s) available; For cash and in-kind transfers: Y = unconditional transfer only; Y* = both unconditional and conditional transfers; Y** = conditional transfer only; NA = Data not available

Source: Table 1.b – based on data provided in IPC-IG, 2018.13

### Figure 9.1  Coverage of social assistance programs (percentage)

![Coverage of social assistance programs](coverage.png)

Source: authors, based on data from World Bank Group, The Atlas of Social Protection: Indicators of Resilience and Equity (ASPIRE), as reported in Appendix F (Table F2) of World Bank, State of Social Safety Nets report (2018).14

---


The social protection response

It should be noted that the scope and depth of the response in the region is driven by a wide range of country-specific parameters, including the extent of the impacts of COVID-19; the strength and coverage of existing SP systems; economic and labour market structures; fiscal space and spending capacities; and, not least, political economies and fragilities, which only an in-depth (country-level) analysis could fully consider.

The main working assumptions are that: (i) the COVID-19 crisis, compounded by the drop in oil prices, has generated significant vulnerabilities in oil exporting countries – in particular for the millions of migrant workers they rely upon across all sectors of their economies. While confronting increased fiscal pressures due to low oil prices, these countries might still be in a better position than others to address immediate protection needs in a comprehensive manner; (ii) although less immediately and directly affected by the oil price drop, many oil-importing MICs were facing significant fiscal pressures prior to COVID-19;1 yet, a strong SP response is still needed to prevent a deepening of vulnerability, inequality and poverty, and to preserve social cohesion; (iii) despite acute needs, the room to expand SP in poor and/or fragile and crisis-affected countries is extremely limited and requires scaled-up support by the international community and other actors.

The following analysis draws upon a recent mapping and review of SP measures implemented in the MENA/Arab States conducted by the UN Issue-Based Coalition on Social Protection (IBC-SP), with support of the International Policy Centre for Inclusive Growth (IPC-IG). A total of 158 SP measures implemented by governments in the region as of mid-June 2020 could be identified from this mapping and were clustered around three broad categories: (I) financial support to access COVID-19 healthcare (e.g. free access to testing, free access to treatment, broadening of health insurance); (II) social insurance and labour market measures (sick-leave/leave policies, unemployment and wage protection; adjustments to employers and/or employees’ social security contributions); and (III) social assistance (cash transfers, in-kind transfers, other measures to support household income, e.g. price, housing subsidies, fee exemptions, zero/low-interest loans).21

Intensity and scope

As in other countries around the globe, the crisis has triggered important dynamics in the social response in the Arab region – however, with significant variations across countries/country-groups. When using the average number of measures per country as a rough proxy of the intensity of the SP response, it appears that oil-importing MICs have been the most responsive to the impacts of COVID-19 crisis, compounded by the drop in oil prices, has generated significant vulnerabilities in oil exporting countries – in particular for the millions of migrant workers they rely upon across all sectors of their economies.1 While confronting increased fiscal pressures due to low oil prices, these countries might still be in a better position than others to address immediate protection needs in a comprehensive manner; (ii) although less immediately and directly affected by the oil price drop, many oil-importing MICs were facing significant fiscal pressures prior to COVID-19; yet, a strong SP response is still needed to prevent a deepening of vulnerability, inequality and poverty, and to preserve social cohesion; (iii) despite acute needs, the room to expand SP in poor and/or fragile and crisis-affected countries is extremely limited and requires scaled-up support by the international community and other actors.

16 Fiscal pressures also likely to be exacerbated as a result of reduced remittances, investment and capital flows from oil exporting countries. It should be noted that hundreds of thousands of returning migrants have reportedly lost their jobs in GCC countries as a result of COVID-19 and the oil price drop. Jordan alone is experiencing the return of a half a million migrants due to job losses as a result of the dual crises. IMF, Regional Economic Outlook: Middle East and Central Asia; Confronting the COVID-19 Pandemic in the Middle East and Central Asia, April 2020, https://www.imf.org/en/Publications/REO/MECA/Issues/2020/04/15/regional-economic-outlook-middle-east-central-asia-report/.
17 Most countries in this group (Egypt, Jordan, Tunisia, Morocco) have faced waves of social unrest, as well as political and security challenges in the recent period.
19 It is important to note that the regional IBC-SP mapping covers SP measures implemented by both government and UN agencies, including in Mauritania and Iran. These two countries are not considered in this report, while only SP measures implemented by governments are considered in the analysis. To note also, no SP measures were recorded for Somalia.
20 We also included in this category the measures related to work, visa and residency permits, and wage support for migrants.
21 An additional 23 government measures put in place to facilitate the delivery of SP services were also identified.
(with an average of 10 measures per country), closely followed by oil-exporting countries (nine measures). Expectedly, the response has been much more limited (six measures on average) in FCCs.23

As shown in Figure 9.2 (a), above, specific measures have been taken to ease financial access to COVID-19 testing and related healthcare, which represent six percent of the overall SP response in the region. These measures were taken mostly in GCC/oil-exporting countries for those without insurance coverage, including migrants in some cases (see below).24 This is worrisome, considering the overall high level of out-of-pocket health expenditure in other parts of the region and the criticality of such measures to limit the spread of infection.

In aggregate (see Figure 9.2 (a)), the expansion of social assistance has been the most widely used approach across the region (52 percent of measures), followed by other social insurance and labour market interventions (42 percent). Social insurance measures aimed at unemployment and wage protection dominate the SP response (21.5 percent). However, these measures are not equally distributed across countries. For instance, among oil-importing MICs, Jordan accounts for 50 percent of the measures announced in this area. Conversely, all oil-importing MICs (among which some have relatively strong social security institutions, e.g. Tunisia, Morocco, Jordan) have eased payments of social security contributions by both (formal) employers and employees. Arab countries also took a number of emergency measures to fill protection gaps related to sickness benefits for public and/or private sector workers25, including those affected by the virus, quarantined or “at risk”, and those who have to take care of (sick) dependents or children.

The social assistance response of governments in the region as a whole has been dominated by the use of various types of household income/welfare support (38 percent of all social assistance measures). These are most extensively used by oil-exporting countries (44 percent of all social assistance measures), followed by crisis-affected and fragile countries (37 percent). Emergency and other cash transfers targeting poor/vulnerable groups account for 33 percent of social assistance measures and were most extensively used in oil-importing MICs (44 percent of social assistance measures, and 24 percent of all SP measures). In crisis and fragile countries, cash and in-kind transfers and other measures to support households altogether make up 70 percent of SP measures (see Figure 9.2 (b)).

23 No data were available for Somalia.
24 In Lebanon, the decision was made to cap testing costs, whilst Morocco renewed health insurance for people who were made redundant as a result of the crisis.
25 Some measures were specifically targeting public employees (Algeria, Djibouti, Iraq, Jordan, Kuwait, UAE) but employers were also required to pay leave for workers in the private sector in Algeria, Djibouti, Jordan, Oman, Qatar and Saudi Arabia.
Interestingly, and in contrast with the global trend in responses, the expansion of cash transfer programs most commonly involved introducing new temporary schemes (this was the case in all oil-importing MICs as well as in the State of Palestine, Iraq and Syria), rather than bringing more vulnerable people under existing ones. Generally, this reflects the limited capacity of existing programs to quickly and swiftly respond to shocks.

**Inclusiveness**

Efforts have been made to address social protection needs of informal workers and other highly vulnerable and marginalized groups, including the elderly, people with disabilities and migrants. Notable efforts have been made in oil-importing MICs (Djibouti, Egypt, Jordan, Morocco and Tunisia) to support informal workers. In Egypt, for instance, this involved one-off transfers to informal workers registered in the database of the Ministry of Manpower through post offices. In Jordan, informal workers have been included in formal social registries by extending benefits that were previously unregistered. In Djibouti, authorities have also sought to scale up food and cash assistance to day-labourers. Among crisis-affected countries, Palestine and Syria also expanded cash assistance support for daily/seasonal workers.

In the case of migrant workers, the inclusiveness of the response should be gauged against the fact that these workers, particularly low-skilled migrant workers, are often excluded or restricted from coverage by national social security systems in destination countries. In GCC countries in particular, incentives to protect migrant (‘foreign workers’) might also be limited, as labour market policies have recently shifted towards a greater nationalization of the workforce—a trend that the dual shock is likely to reinforce. The review of the policy responses, reported in Table 4.2 in Chapter 4, shows that protection measures for migrant workers have been put in place in GCC countries as well as Jordan and Tunisia. The response, however, mostly revolved around easing residency visa, work permit renewals and providing access to free testing and health care. In a few countries, migrants have also been covered by additional cash or in-kind social assistance measures (Jordan, Kuwait, Oman).

The vulnerabilities facing people with disabilities and the family members they depend on are likely to be exacerbated by a shock like the COVID-19 pandemic. Higher health/care needs and potentially catastrophic health expenditures are a major concern. As of May 2020, out of the 181 countries that have adopted social protection measures, 60 countries around the globe had specifically referred to persons with disabilities while announcing relief measures. In the region, a few countries have also done so. Measures mostly took the form of cash transfers (Egypt, Morocco, Syria, Tunisia) or food assistance (State of Palestine, Saudi Arabia). In the realm of social insurance, Algeria temporarily suspended the obligation to contribute to national social protection funds for employees with disabilities, whilst Egypt extended paid leave to the mothers of persons with disabilities. The specific needs of the elderly, including pensioners, were also acknowledged to some extent, with support provided primarily in the form of cash transfers (e.g. Egypt, Kuwait, Syria, Tunisia) and food assistance (e.g. Jordan, State of Palestine, Saudi Arabia). Only Egypt increased pensions to support the elderly.

**The special case of refugees**

About 55 million people are in need of humanitarian aid in the region, of which 26 million are forcibly displaced (refugees and internally displaced persons) due to armed conflicts and occupation. There is growing evidence that refugees have been disproportionately affected by job and income losses as a result of lockdowns. While national health and education services for refugees are generally provided through national systems, this is not the case for social protection. As a result, social protection support to refugees is largely delivered through humanitarian assistance measures (Jordan, Kuwait, Oman). In the State of Palestine, Iraq and Syria, social protection support to informal workers has been expanded through cash transfers and food assistance (Jordan, Kuwait, Oman). In Egypt, for instance, this involved one-off transfers to informal workers registered in the database of the Ministry of Manpower through post offices. In Jordan, informal workers have been included in formal social registries by extending benefits that were previously unregistered. In Djibouti, authorities have also sought to scale up food and cash assistance to day-labourers. Among crisis-affected countries, Palestine and Syria also expanded cash assistance support for daily/seasonal workers.

---

26 With a few exceptions, including Jordan, Egypt and the State of Palestine.
28 Registration has already included around one million individuals working in construction, agriculture, fishing and plumbing.
29 This is the case in Bahrain, Kuwait, Oman, Saudi Arabia, and the United Arab Emirates. In Jordan, however, migrant workers are covered.
32 See Chapter 5 on labour markets.
social assistance. While significant efforts have been made by humanitarian and other actors to scale up programs and to adapt delivery modalities to the new context – including through the use of remote technologies – important gaps remain given the scale of vulnerabilities and needs among refugees.

**Gender sensitivity**

Gender considerations have not been at the forefront of the response and this is not surprising. Given the low participation of women in formal labour markets, women are unlikely to be targeted by social protection schemes that cover the formal workforce. Conversely, social protection measures across the region typically exclude informal workers – including in the agriculture and domestic care sectors, where women are overly represented. The few gender-sensitive social insurance measures taken by governments have mainly revolved around providing special paid leave to women working in ‘non-essential public services’ and/or looking after children and/or who are pregnant (e.g. in Algeria, Egypt, UAE, Saudi Arabia). In some countries (e.g. Algeria and Saudi Arabia), these measures also apply to women working in the private sector. In Jordan, it is noted that the government decreed that 50 percent of the revenues of the 2020 Maternity Insurance Scheme, which benefits women in the private sector, will be repurposed to help support vulnerable groups – mainly the elderly and the sick. From a gender perspective this is somewhat problematic, in that it suggests funding of maternity benefits is fungible, whilst possibly, other critical needs, such as childcare services could be overlooked. Conversely, targeted social assistance programs, particularly in FCCs, are generally more sensitive to the needs of women, with special efforts being made to target the most vulnerable women – particularly widows, divorced women and female heads of households.

---

33 The UNSDG working group study (referred to above) reports a total of 38 social assistance measures taken by various UN agencies in support of refugees (and/or IDPs), for details on social protection of refugees in Syria’s neighboring countries, see: UN, “Advancing Inclusive and Sustainable Social Protection in the Response to the Syrian Crisis”, April 2018, https://unsdg.un.org/resources/advancing-inclusive-and-sustainable-social-protection-response-syrian-crisis.

34 See Chapter 5 on labour markets.

35 In Saudi Arabia, private sector employers were also required to provide two weeks’ compulsory sick leave for pregnant women.

36 In Egypt, for instance, the Karama and Takaful conditional cash transfer programs have been expanded – now households headed by a single mother make up more than 80% of recipients. Increased payments are also envisioned for women leaders in rural areas; in Palestine, financial aid of $100 for three months was planned to be distributed to female workers in nurseries and creches that have stopped working (and whose salaries have been cut off); cash assistance was also provided to vulnerable women in Iraq, Kuwait and Saudi Arabia.
Towards inclusive, gender-sensitive and shock-responsive social protection systems: Policy recommendations

Whilst COVID-19 has exposed the vulnerabilities caused by historically low levels of investments in SP in the Arab region, the crisis has also served as a strong, unprecedented ‘wake-up call’ for Arab countries, and the SP response has been quite significant – though more (and expectedly) so in richer oil-exporting countries and oil-importing MICs than in the many FCCs.

Sustained investments in social protection, including easing financial access to health care (beyond COVID-19 health care) will be critical for a sustainable and inclusive recovery and to strengthen Arab economies’ and societies’ resilience to future shocks. Given the extreme diversity of country contexts, including in financial response capacities (see text box), it is, however, fair to say that there will be no ‘one-size fits all’ approach.

In the short/medium term, needless to say that every effort should be made to remove financial barriers to healthcare for all, including migrant workers, to protect those who have lost their jobs (e.g. through the expansion of unemployment benefits, where they exist) and critically also to ‘retain jobs’ – for instance, through wage support and other measures for impacted businesses, and particularly MSMEs, given their contribution to employment and greater vulnerability.


Towards inclusive social protection – financing challenges

The SP financing challenge should be gauged against the fact that, in the context of a systemic shock like COVID-19 – where vulnerabilities and risks of impoverishment are widespread, dynamic, and stretch well beyond the ‘neediest’ and those typically considered as ‘poor or most vulnerable’ – too narrowly targeted approaches to the provision of social assistance could prove administratively difficult to implement and would risk excluding many vulnerable people.39

Because fiscal pressures are likely to increase tremendously as a result of the crisis and the responses to it,40 creating fiscal space will be key to sustaining the social protection response in a context where efforts to expand social protection are likely to compete with many other priorities. Whilst considering various options in the short/medium term, it should be noted that while some countries have some leeway (e.g. the debt ratio in Saudi Arabia was estimated at 23.2 percent of GDP in 201941), support from the donor community and international financial institutions is likely to be critical for the many financially strained and crisis-affected countries of the region.42 While ODA is not a sustainable solution to create fiscal space, the integration of these funding streams into formal social protection systems could also be further explored and supported.44

40  Although the savings afforded by low oil prices to governments of oil-importing countries could help free-up resources for social protection.
41  International Monetary Fund (IMF), “World Economic Outlook Database”, October 2019.
42  For more details see Chapter 2 on macroeconomic impacts.
44  For an analysis of options to create fiscal space for social protection in the region see: Bloch, C., et al., 2019, op. cit.
This should be complemented by commensurate efforts to scale-up and sustain social assistance for the most vulnerable (including migrants and refugees). Efforts to expand coverage to all informal workers should be considered of the upmost priority, especially in oil-importing MICs and FCCs, where informality is widespread.

As noted in Box 9.1, the widespread vulnerabilities generated by the crisis generally warrant more universal approaches to the provision of emergency social assistance. Unconditional emergency cash transfers could mitigate the acutest immediate effects of the shock on the poor and vulnerable groups that often do not have access to social protection in the region. A temporary basic income (TBI) could provide a minimum income above the poverty line and, in most cases, this seems to be fiscally affordable (see Annex IV for simulations on the potential fiscal implications).

In the medium/longer term, it seems important to explore the possibility of embedding the (quite ad-hoc) support provided to informal workers in many oil-importing MICs into more permanent programs and structures. However, this should go hand-in-hand with reforms to address the root causes of informality in labour markets, including expanding the access of men, women and particularly young people, to both decent job opportunities and well-functioning (both contributory and non-contributory) social security systems (see, also, Chapter 5 on labour markets). The current crisis and the spectrum of future shocks would also invite SP policy makers and practitioners to consider the possibility of gradually establishing minimum social security levels for all (‘social protection floors’) – and particularly the most vulnerable.45

Integrated approaches to social protection will be key to supporting recovery and building resilience in the region, and the response should pay special attention to the following:

**Responsiveness to the specific needs of women and youth:** efforts to make the SP response more gender-responsive will be critical to avoid the worsening of gender inequalities. As recommended by UNICEF46 and others, both governments and businesses should strive to expand paid leave, flexible working policies, as well as child or family benefits, whilst protecting essential childcare services for workers. Expanding women’s access to healthcare via fee waivers or automatic health insurance enrolment will be vital to preserve access to critical maternal and child health and reproductive


health services – particularly for the most vulnerable. The expansion of cash transfer programs, including through humanitarian assistance, should also seek to ensure that they do not create additional burdens for women and children and take into account the risks of gender-based violence – particularly where they target women. Care subsidies could notably be used to acknowledge that the care burden includes the care of the sick and elderly as well as the young. To the extent possible, gender equality messaging should be embedded in program design and delivery. Likewise, and because youth will be key to recovery efforts, their specific needs should be carefully and more systematically assessed and mainstreamed in the response.

**Linking social protection and green recovery:** to the extent possible, efforts should be made to strengthen linkages between social protection, particularly cash assistance and livelihoods; access to essential services, including healthcare; disaster risk management; and safeguarding the environment. For instance, social protection instruments, such as cash-for-work and labour-intensive works programs, could be scaled-up and made more supportive of people’s accessibility to social services and the sustainable management of the environment.

**Harnessing digitalization for inclusive and enhanced delivery:** the SP response to COVID-19 featured an increased use of digital delivery modalities. This involved using existing/newly established online platforms (Egypt, Jordan, Morocco) and mobile applications (Saudi Arabia); facilitating registration or payments of social security contributions (Algeria, Jordan, Tunisia); and using e-wallets for cash transfers (Jordan, Tunisia, Morocco). The digitalization of SP delivery systems could be considered an important area for further investment to improve the shock-responsiveness of social protection systems, while also helping to advance financial inclusion in the region, particularly among women. This should go along with commensurate efforts to reduce the digital divide and improve digital literacy.

**Strengthening linkages between humanitarian social assistance and national social protection systems:** in crisis-affected countries, where humanitarian aid is of high relevance to the social protection response, efforts should be made to better align humanitarian and national cash transfer systems with national systems. Promising approaches have already emerged – for instance, in the response to the Syrian refugee crisis – such as the use of common systems, tools and platforms to improve coverage and harmonize targeting across refugee populations and host communities – a vital measure for safeguarding social cohesion.

---

47 This is in line with the World Humanitarian Summit (2016) and the New York Declaration on Refugees and Migrants (2016), which specifically call on governments, humanitarian and development actors to “invest in the development of social assistance delivery mechanisms while strengthening capacity at national and sub-national levels”.
