ESCWA's Contribution to the normative content on social protection and social security issues examined at the 10th session of the Open Ended Working Group¹

Social protection, defined as "all measures providing benefits in cash or in kind to guarantee income security and access to health care", ² is a key component of the social contract. It contributes to consolidating social cohesion, elevating poverty, and accelerates the achievement of sustainable development. For older persons, social protection is crucial to secure their income and overall wellbeing, as clearly marked in the objectives of the Madrid International Plan of Action on Ageing.

Social security, often used interchangeably with contributory social protection, was established as a human right in the 1948 Universal Declaration of Human Rights. It includes social insurance and health insurance and is based on the contributions by the employee and/or the employer. In principle they are fully financed by contributions, but in practice are often subsidized by Governments. Non-contributory social protection is provided on a non-contributory basis (free of charge to everyone or through targeted non-contributory health-care provision), usually financed by general government revenue. Several factors determine eligibility for non-contributory social protection including citizenship and/or residency, socioeconomic status, location.

States across the globe struggle to provide inclusive social protection to all its population, and often resort to targeting vulnerable groups such as workers in informal sectors, women, and older persons. In this regard the 2012 International Labor Organization's <u>Social Protection Floors Recommendation (No.</u> 202), stresses that the States should target persons in need that fall outside the scope of social protection through social protection floors, which it defines as "sets of basic social security guarantees that should ensure, as a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level."³

In the Arab region, all countries provide some sort of social protection programmes for health, education and pensions; however, universal coverage is lacking, and the coverage and efficacy of those programmes vary for older persons.⁴ In most countries social protection is contributory and primarily covers old-age, survivorship, invalidity and employment disability.

Contributory social protection systems in the Arab region face significant challenges that reduce its efficiency, including low coverage, financial unsustainability, narrow economic base, and fragmentation. Non-contributory social protection on the other hand mostly consists of universal subsidies, while other

https://www.unescwa.org/sites/www.unescwa.org/files/publications/files/social-protection-reforms-arabcountries-2019-english.pdf

¹ This document was prepared based on the findings of ESCWA's report titled Social Protection Reform in Arab Countries published in 2019 and available at

² United Nations Department of Economic and Social Affairs (2018). Promoting Inclusion through Social Protection: Report on the World Social Situation 2018. New York.

³ ILO, Social Protection Floor. <u>https://www.ilo.org/secsoc/areas-of-work/policy-development-and-applied-research/social-protection-floor/lang--en/index.htm</u>.

⁴ Economic and Social Commission of Western Asia. Population and Development Report Issue 8: Prospects of Ageing with Dignity in the Arab Region. 2018. Available at: <u>file:///C:/Users/263662/Downloads/population-</u> <u>development-report-8-english%20(1).pdf</u>

forms of social assistance and non-contributory health-care services remain very limited. ⁵ In most countries, levels of public expenditure on social protection for pensions and other benefits are low when compared to other regions.

Countries across the region face several challenges that threaten the wellbeing and protection of older persons. These include low pension coverage, which does not exceed 30 per cent of the workforce in the region given high unemployment rates and the pervasive informal economic sector. Out of pocket expenditure on health is high in many countries across the region, exceeding 70% of total health expenditure in some of the least developed countries. Geriatric care services are underdeveloped or lacking. ⁶ As a result, large groups of older persons are left at risk of poverty, ill-health, and vulnerability. Older women and older persons in rural areas are more vulnerable given the prevalence of illiteracy and unemployment or employment in the informal sector, and higher risks of disease and disability.

Arab governments are faced with difficult choices and constraints regarding social protection policies and reforms. They struggle to address often competing social protection priorities of different social groups especially the poor and vulnerable including older persons, in light of their youthful societies and increasing fiscal pressures.

To fulfill the rights of social security and social protection, some entry points to develop social protection systems could include:

- Expand the coverage of social protection systems to insure inclusiveness as well as sustainability of funds;
- Adopt a cohesive and holistic approach to developing social protection systems to avoid fragmentation and ensure optimal efficiency;
- Determine the most vulnerable groups of older persons that require targeted social assistance ;
- Ensure universal health coverage for older persons and improve geriatric health care and accessibility;
- Improve coordination with local governments and strengthen their role in social protection systems given their potential to deliver assistance and services to the marginalized groups such as older persons in rural areas.
- Ensure participation platforms for older persons to contribute to the decision-making process regarding social protection;
- Ensure coordination and collaboration between all relevant stakeholders including relevant ministries and institutions as well as non-governmental actor such as the private sector, care providers, and advocacy groups and civil society organizations.
- Develop integrated data systems (such as databases and registries) to ensure a consolidated social protection system that connects social insurance, health care and social assistance components of the system.

⁵ Economic and Social Commission of Western Asia. Social Protection Reform in Arab Countries. 2019. Available at <u>https://www.unescwa.org/sites/www.unescwa.org/files/publications/files/social-protection-reforms-arab-countries-2019-english.pdf</u>.

⁶ Ibid, p.40.