

## Substantive input from UNESCWA for 12<sup>th</sup> session

### Focus area 2: Economic security

Due to the ongoing demographic transition in Arab countries, ensuring the economic security of older persons is an increasingly topical issue across the region. The number of older persons (aged 65 and above) in the region is projected to increase from 20.8 million in 2020 to 71.5 million by 2050. In proportional terms, the number of older persons is set to more than double in the next 30 years, from around 5 per cent to nearly 11 per cent of the total population.

#### Challenges

Non-inclusive and inadequate social protection systems across the region continue to leave large groups of older persons vulnerable to poverty, disease, and heightened dependency. The proportion of older persons (60 and above) receiving a pension in the region is the second lowest in the world standing at a mere 38 per cent and is less than half of the world average (78 per cent).<sup>1</sup> This can largely be explained by widespread economic informality. Also many older persons continue to work beyond retirement age, are not covered by labour laws, and therefore more vulnerable to abuse or working in conditions that are not suitable. Moreover, the level of adequacy of many existing social protection schemes may be insufficient to guarantee the economic security of older persons.

The COVID-19 pandemic put further strain on already high out of pocket health expenditures in Arab countries. Additionally, households that include older persons face a higher degree of catastrophic health expenditures. Despite the presence of health insurance schemes in many Arab countries, they sometimes require the covered population to pay high user-fees (co-payments). Additionally, some health services may be inaccessible for and/or unresponsive to older persons.

Older women are more vulnerable to economic insecurity. The low female labor force participation rates across the region mean that few women are covered by formal social protection systems. Indeed, although the proportion of women among old-age pensioners is

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<sup>1</sup> ESCWA calculation based on ILO data

increasing, the gender gap remains considerable, with male pension coverage rates being five times higher than female coverage rates in some Arab countries.

Families, who traditionally are the primary care providers for older persons in the Arab region, are finding it increasingly challenging to fulfil this responsibility due to evolving socio-cultural norms and family structures, urbanisation and migration, among other factors as well as economic hardships that were accentuated by the pandemic. This in turn weakens the channels of intergenerational support and highlights the importance of the long-term care economy to offer alternative means of care for older persons.

Finally, age- and sex-disaggregated data remains limited, which hinders the ability to develop targeted policies and interventions that are age and gender sensitive.

### Promising practices

There have been noteworthy initiatives in the region to address economic insecurity and poverty in older age. Below are some examples:

- Some countries have created pension schemes for specific professional groups to increase social protection coverage rates among older persons.
- Several Arab countries have also implemented legal reforms to support older persons' economic security by lowering their out of pocket health costs, including extending subsidised health insurance coverage to all citizens aged 60 and above.
- Another promising practice seen in the region involved setting up social insurance schemes for self-employed workers.
- Certain countries in the region have revised the level of social protection benefits to be more responsive to evolving economic conditions.

### Way forward

In building forward better for older persons, Arab countries are encouraged consider the following:

- Develop more integrated policies that address ageing and older person issues in different sectors.
- Adopt a life-cycle approach to ageing that promotes healthy physical, financial, and other habits from a young age, which help secure economic security in old age.
- As the region undergoes historical demographic changes, countries should prepare to reap the demographic dividend as an opportunity. This requires providing formal economic opportunities for all, including women and youth.
- Reformulate social protection systems to be more inclusive and responsive. Arab countries should consider implementing universal or semi-universal pension schemes and ensure that social protection benefits allow older persons to lead dignified lives.
- Foster intergenerational solidarity through establishing supportive economic and social environments that facilitate exchange and cooperation across generations.
- Establish sensitive and high-quality long-term care services, that would reduce the care burden on the family and increase the ability of older persons to ‘age in place’.
- Build comprehensive, integrated, and inclusive data systems that provide updated, reliable, and accessible data disaggregated by age, sex, and location to help inform policy development.