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Deficient Social Policies Have Helped Spark the Arab Spring

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The Arab spring has highlighted the need to clarify the important role that social policy could play in contributing to the emergence of socio-economic systems and political regimes that are both democratic and developmental. These new possibilities for social policymaking had been barred under the former autocratic regimes (see Karshenas and Alami, 2011).

Any new social policy regimes will have to be the outcome of complex social dialogue between different interest groups. Hence, it is important to underline the main contours of the issues that need to be addressed in such a dialogue in these early stages of the democratization process.

This Development Viewpoint highlights some of the key issues with regard to social protection, education and health provision. One of its main arguments is that the forms of social protection that had been based on the authoritarian social contracts of the 1950s and the 1960s in the Arab region have became increasingly dysfunctional during the era of globalization and economic reform.

Deficiencies in Social Protection

Social protection in Arab countries has consisted of two major components: a largely contributory social insurance system, based in the formal sector, and social assistance, consisting mainly of cash transfers and public subsidies. Social safety nets have also been provided by civil society organizations, but because these have not been integrated with public schemes, they have likely tended to increase social fragmentation.

Most importantly, publicly provided social protection has been neither rights-based nor comprehensive. And it has suffered from various practical problems, such as fragmentation and a lack of coordination. According to international rankings in the *World Social Security Report 2010/11*, countries in the Arab region span the gamut between a medium rank and one that indicates a high degree of vulnerability.

For example, Arab countries compare poorly with major countries such as Brazil, whose social security system now covers about two thirds of the population. In some respects, they also compare poorly, in general, with middle- and low-income countries. This is the case, for example, with the coverage of pensions, where the average Arab country (not in the Gulf Cooperation Council) falls well behind in the global rankings.

The statutory provision of social protection in Arab countries is limited or absent. Even where such provision exists, it is based mostly on the social insurance contributions of public-sector employees, who represent only a very small segment of the workforce. Consequently, social security systems are very limited in their population coverage (typically in the range of 30-40% of the workforce).

De facto coverage rates are even lower than de jure rates. For example, while Tunisia's unemployment scheme (which is a rarity in the region) has had a nominal coverage rate of 37% of the economically active population, in 2008 only 3% of the unemployed (namely, just 13,000 people) received benefits (ILO, 2011).

The limited coverage of social insurance, exacerbated by the virtual absence of unemployment insurance, has reinforced the segmentation of labour markets, thereby restricting labour mobility. Combined with the autocratic nature of the political regimes, which restricts participatory initiatives by independent associations of workers and employers, the lack of social protection has contributed to a unique combination of low productivity, high unemployment, and dismal job creation throughout the region.

Another major deficiency in Arab systems of social protection has been the lack of adequate statutory arrangements for maternity leave. Typically, insurance for maternity leave is either non-existent or inadequate. Where it exists, the burden is on the employer, not the state (ILO 2010). This is one of the reasons that Arab countries have some of the lowest female labour force participation rates in the world.

Social assistance across the region has also had a dismal performance in outreach and impact. The region does not have universal social grants or large-scale family allowance schemes, which are now being implemented by over 30 low- and middle-income developing countries in other regions. Also, the level of benefits paid by Arab states is low.

Rather than introducing insurance systems linked to the new requirements of the labour market, public resources have increasingly been channelled into poverty alleviation schemes through a fragmented institutional set-up within the state itself and have been increasingly disbursed by NGOs.

Such residual forms of social transfers, such as consumer subsidies, had come to be regarded by the autocratic regimes as charities bestowed upon a compliant population. The gap created by the inadequacies of the social welfare regime was increasingly filled by faith-based and communal-based charities. This trend created social fragmentation and in time contributed to growing social conflicts.

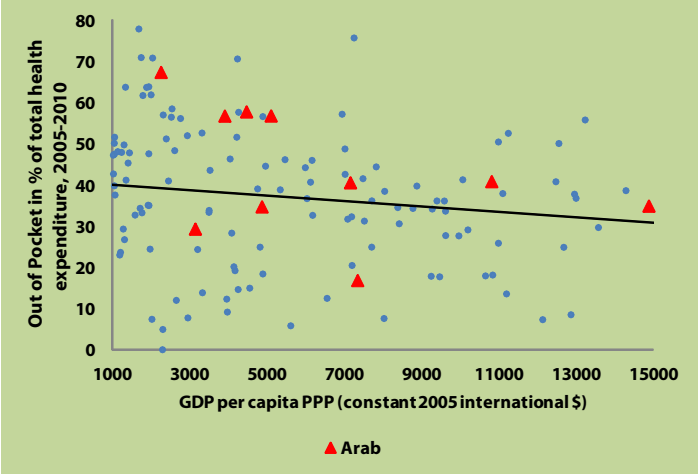
Deficiencies in Education

On the surface, educational progress in the Arab states has looked impressive. For example, the average number of years of schooling more than doubled, from under 3 years in 1980 to 6.8 years by 2010. However, the region still tends to lag behind its comparators in terms of average years of schooling. In 2010, for example, the average years of schooling in such countries as Mexico, Peru, Republic of Korea and Thailand were at least 9 years.

On the whole, the region has only attained 54% of the mean years of schooling that would be commensurate with its average per capita income. Thus, despite basic progress in reducing illiteracy, the region still lags significantly behind in terms of the depth of its education.

Moreover, educational deficiencies are particularly characteristic of the poorer income quintiles within countries. Access to education

Figure 1: Out of Pocket Health Expenditure (in total health expenditure) in Arab countries, 2005-2010



Source: Karshenas and Alami 2011

continues to be sharply differentiated by class, region and gender. For instance, in Arab countries 60% of the children not enrolled are girls. Moreover, out-of-school ratios for rural and urban areas are distinctly different—namely, 30% and 18%, respectively. Moreover, factors leading to marginalisation, such as poverty, gender and geography, tend to reinforce one another.

The region also performs worse than others on internationally comparable test scores. Its average number of grade repeaters is relatively high, indicating that the region has serious problems of educational quality and relevance. Where budgets have been trimmed, these problems have been compounded by inadequate physical resources and financial resources. Arab public education has progressively declined in quality and availability, and public schooling is often now considered synonymous with poor-quality and over-crowded education.

In order to secure a decent education for their children, families have increasingly had to resort to financing private education or tutoring. This has resulted in almost obligatory out-of-pocket spending, even for pupils in public institutions. Without paying private tuition, families are unable to get their children into universities or colleges. As a result, educational performances are now reinforcing existing inequalities in opportunities.

Furthermore, widespread unemployment in the region stems from two education-related problems. First, because low levels of educational attainment make Arab economies less competitive, the potential to expand employment generation in productive activities has been limited. Second, the mismatch between the required skills of the labour market and those produced by the education system has increased both structural and frictional unemployment.

Deficiencies in Health Provision

Most Arab countries have public health care systems, but these do not adequately cover the whole population – neglecting in particular rural areas and poorer income groups. These systems are urban based, focused on often mediocre tertiary care, and suffer from fragmentation.

Having access to basic health care is often regarded as a citizenship right. In practice, however, receiving good-quality medical care is far from being universally provided in the Arab region. Access is usually restricted to public sector employees and is based on social insurance contributions.

In effect, in most Arab countries, the private sector has become the dominant supplier of health services and coverage is available only to people covered by contributory insurance schemes. On average, public health insurance covers only 30%-40% of the population, but the rates are much lower in countries such as Egypt, Morocco and Yemen. Because of inadequate coverage, the population has unequal opportunities to access health services. And people remain highly vulnerable financially when they are injured or become seriously ill.

Public health systems have had to contend with shrinking or stagnant resources while they have been called upon to respond effectively to growing populations. Public spending on health as a share of GDP in the Middle East and North Africa (MENA) in 2005-2009 was consistently below international norms. In fact, most Arab countries had spending that was below the 2.7% average for sub-Saharan Africa.

This situation has been made worse by the low priorities placed on health provision by governments: the average share of public spending on health in total government expenditure in MENA countries in 2005-2009 was just over 7.7%, compared to 8.6% in middle-income countries as a whole and 15% in high-income countries.

Hence, access to health care in Arab countries has shifted from a principle of universality to one based on the ability to pay. As shown in Figure 1, Arab countries tend to have higher ratios of private out-of-pocket expenditures on health. In fact, countries such as Egypt and Syria, which are supposed to have universal public health systems, have experienced major deteriorations in health provision over time, bringing their levels closer to those in Yemen, the worst performer.

Conclusion

Arab social policies have clearly failed their populations, either directly through inadequate provision, or indirectly through their negative impact on economic development and employment generation. Hence, the region is badly in need of an entire paradigm shift to a fairer, rights-based, systematic approach to social provision, which will support viable new economic development strategies.

Political regimes have clearly lacked the political will or desire to respond to such a challenge, and at times have blocked the social dialogue through which these issues could have been discussed and debated. The social policy regimes that have survived have become critically incapable of responding to current economic conditions, and have played, in fact, an important role in spreading unemployment and underemployment, particularly among the youth.

These stark deficiencies in social policies in the region have undoubtedly contributed significantly to motivating the Arab Spring. And the ensuing social uprisings have only served to underline the political urgency of transforming social policies. Ensuring any kind of future social justice in the region will depend on such fundamental reforms.

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