New Directions in Social Policy in MENA Region

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Overview

The main aim of this research proposal is to map out the institutional frameworks for social policy in the case study countries and to critically examine key developments in a specific number of policy areas for each country. These policies areas cover a broad range; from fiscal policy, employment policy to cash transfers to public health policies. This policy mapping process will culminate in an institutional analysis summative of social policy formation in the chosen country cases.

The research will comprise primarily of an extensive desk review of readily available qualitative and quantitative data, supplemented by interviews with policy-makers and stakeholders within the policy areas chosen. The country case studies chosen for this research, Oman, Jordan, Morocco, Tunisia and Egypt, will provide a systematic review of social policy developments that represent wider experiences in the region. In particular the research will focus upon four key policy areas of social protection / welfare / public policy namely – employment and the labor market, income substitution or cash transfer programmes, education and health. The data collection will comprise of an extensive policy document review to analyses policy content and context in the case study countries. Up to 20 interviews and focus groups will be conducted in each country with key policy makers in the key policy sectors we will focus on. These will comprise of state and non-state actors.

The main output from this research project will be a comprehensive report (around 50 pages) for UNRISD that addresses the main questions outlined for this research call (discussed in the next section). The report will offer a descriptive overview of social policy changes in the five countries under study as well as summative evaluation of policy impact in reducing social inequalities and income-poverty.

Background

Since the mid-20th century, social science scholarship on the MENA region has made slow theoretical advances, in large part due to the over-arching dominance of "Area Studies" approaches in the study of politics and society in MENA (Stetter, 2012; Zubaida, 2011). This narrow body of work has allowed the near unrivalled reign of a narrow set of simplistic conceptualisations of the MENA region which broadly reflect the trends and interests of global policy-makers in international security and MENA geo-politics. Instead of using social scientific theory in a comparative manner to analyse the ways in which politics and society in the MENA region are similar to or differ from other regions or populations, academic scholarship on MENA has emphasised Orientalist perspectives favouring the so-called Arab/Islamic exceptionalism (Stetter, 2012; Zubaida, 2011). In this view, politics and society in the MENA region buck world trends such as in their embrace of modern secular forms of Capitalism and Democracy or in their integration into the global economic market. This truncated view has allowed the flourishing of narrow paradigms to understand the social policy systems that are in operation in the MENA region (the focus of this research proposal) and which have a fundamental role to play in attaining social cohesion and wide-spread prosperity – two goals which the literature depicts are elusive in MENA.

Within this broad framework, conceptual understanding of social policy systems and congruent processes of public policy change in the MENA region has been underdeveloped. The Rentier state and crony capitalism paradigms have dominated the literature focusing attention on the role of sectarian and tribal elites in siphoning off public resources as well as an over-reliance on natural resource rent revenues to fund social services, amid a generalized status quo of state illegitimacy and incapacity to formulate effective social policies. This prompted paradoxical descriptions of the MENA region such as "more rich than it is developed" by the 2009 Arab Human Development Report in 2009. Indeed, it is important to note that most countries in the MENA region are classed by the most recent UNDP human development report (2014) as

having medium or high human development in part due to the high GDP per capita in some countries. But equally, the policy tide began to turn in the 2000s, and ever more so after the Arab uprisings of 20111 when greater recognition among international and MENA policy-makers grew around the diversity of the region, the role of civil society groups and the openness of policy-makers within government for social policy reform.

Starting in the 2000s academic research, particularly in the UK began to pay attention to the make-up and outcomes of the social welfare systems in regions of the world which did not have the tradition of the welfare states that emerged in post-War Europe and North America. The literature in this field was scant but was led in large parts by the works of mainly British or American authors such as Gough and Woods et al. (2003); Gough and McGregor et al., Davis (2003), Walker and Wong. (2009) and Anthony Hall and James Midgley (2001) who employed theoretical insights from social policy and development studies, or in some cases used Esping-Andersen's (1990) worlds of welfare regimes approach. This new breed of writers shifted the traditional debates around issues of social justice and wellbeing in non-OECD or non-Western country contexts to new heights where the concern became more focused on national social security systems of countries in African, Latin America and the Asian continent, how these operated, failed or succeeded in ensuring the prosperity of their citizens; or indeed how wellbeing was to be viewed subjectively from the perspectives of local populations in developing countries. None of these seminal works paid attention to MENA leaving key questions unanswered about the social and political dynamics of its populations who share similar histories and contemporary social problems.

The most important of these questions would be one with potentially quite positive connotations for the MENA region: that beyond the well-known media, policy and academic debates about political Islam, the Palestinian-Israeli conflict, crony capitalism and economic underdevelopment MENA countries might indeed have welfare systems and forms of social action which did protect citizens, did meet basic needs, to affirm certain social welfare rights, did uphold certain principle of citizenship. This empirical possibility, verified and studied in-depth for the first time from a social policy perspective by the PI (Jawad, 2008; 2009) constitutes a crucial shift in academic scholarship which highly significant policy implications (UNDP, 2014). It emphasises the possibility that the MENA region is socially dynamic, that it exhibits the same tendency as other world regions, liker Latin America or Africa to combine both "modern" and "traditional" forms for social and political behaviour with varying forms of engagement in the global economic market (Stetter, 2012; Zubaida, 2011). After all, the Arab uprisings began unexpectedly through grassroots mobilization in Tunisia. More importantly, this new focus on what MENA states and societies already do to help the poor and vulnerable or to provide jobs and social protection for their populations could pave the way for new forms of social action that are rooted in the systems already place in the MENA region.

In these respects, MENA is very similar to the situation of social policy in some Sub-Saharan African states where the formulation of a social contract is still not a reality (Green, 2012). Green (2012) emphasises the importance of taking a broad governance approach for understanding the way in which states operate in the African context. She argues that a narrow conceptualisation of citizenship has emerged in African states which favours a notion of fiscal citizenship and equates it to political accountability. This has led to an oversight of the more fundamental and ways in which states interact with citizens through the process of policy and service delivery. Green (2012) points to the importance of political struggle in Latin America and India as the only way forward for relations between state and society to be harmonised and for a social space to be created whereby citizens can claim their social rights. Crucially, these changes have occurred in Latin American and India not as a result of development policy transfer but of "situated political society" (Green, 2012:24). Other authors such as Bowker (2012) argue for the importance of developing a social contract in the MENA countries after the 2011 Arab uprisings. Citing Robert Cox, Bowker (2012: 224) notes: "Beware underrating state power, but in addition give proper attention to social forces and processes and see how they relate to the development of states and world orders."

A small number of authors have made important contributions to the study of non-state and in particular, religiously motivated Islamic welfare activity. Bonner (2003); Singer (2008), Benthall and Bellion-Jourdan (2003), Heyneman (2003), Clark (2003). These authors helped to fill a gap in academic knowledge about social welfare among Muslim and Middle Eastern populations by exploring the ideals and values that inform the Islamic faith and how these intersected with various social groups in society. The emphasis on the Islamic and religious character of social welfare action overarched other concerns with the role of the state in social policy although Heyneman (2003) examined particular social policies such as in the area of primary health or the system of zakat in particular Muslim countries like Pakistan and Iran or particular social groups such as women and gender relations. This approach to the study of social welfare action from an ideational perspective is also shared by political scientists with MENA regional interest such as Baylouny (2010) and Cammett (2013) who focus on Islamic social movements or "Kin Mutual Aid associations" as the main lens through which to understand social welfare action in the MENA region. Finally, an UNRISD publication in 2006 examined the outcomes of various social policies on a number of country case studies which explored mainly the impact on poverty or social equality but without an overarching analysis of social policy systems. Jawad (2009) has begun to expand the field of view and offer broad comparative analysis not just of countries but also types of providers and types of programmes. Though focusing primarily on the role of religious groups so far, but placing these in the wider context of state social policy, Jawad (2009) has shown that across the board there are spontaneous forms of social welfare action in various MENA countries which are fostering civic association and responding to human needs in effective ways.

In policy-making circles, interest in social protection has become much-more widespread since the 2000s in MENA, bearing in mind that countries there only began to recognise the existence of poverty in the 1990s (Jawad, 2009). The Middle East and North Africa Region (MENA) has traditionally occupied a large proportion of humanitarian aid for Western governments and their foreign aid efforts. Indeed, the importance of engaging with this region both on the development and international security fronts has only intensified since the Arab uprisings of 2011, as clearly signalled by EU commission reports such as *A partnership for democracy and shared prosperity with the Southern Mediterranean* (EU Commission, 2011). Immigration as well the threat of Islamic terrorist activity remain high on the agenda for Western governments. The turbulent events of the "Arab Spring" have brought to the fore the intrinsically "social" nature of the long-standing and ever-intensifying problems the MENA faces.

For the first time in MENA policy circles, there is recognition that social protection and social policies have a key role to play in allaying the historical unrest over political instability and the apparently newer unrest over social injustice. Clearly, both of these forms of unrest are inter-connected and both donor and humanitarian agencies alike recognise that long-term political stability and economic prosperity need to be based on a viable social contract and local institutional structures. The donor agencies which are leading this policy debate (such as the World Bank, ILO and various UN agencies) have made advances in the direction of various policy proposals centred around the need to promote the "resilience" and "social risk management" of poor people or extending social security coverage to MENA residents starting again with a programme of targeted social provision to poor populations. These shifts in policy-making have helped to develop new programmes targeted at improving the existing data base and targeting mechanisms for people living below US$3/day and some MENA countries have made tentative steps in initiating new social security provision to promote employment-based social protection programmes such as health care or unemployment security. Hence, the interest in social protection as a policy tool marks a departure from the targeted safety net approach of development policies in the 1980s and 1990s. This was a period marked by a sharp rise in poverty and vulnerability worldwide, linked in large part to the workings of the global economy, and the associated implementation of structural adjustment programs which also impacted on the countries considered in this proposal.

Main Research Objectives and Research Questions

The main aim of this research proposal is to map out the institutional frameworks for social policy in the case study countries and to critically examine key developments in a specific number of policy areas for each country. These policy areas have been identified in the previous section and they cover a broad range; from employment policy to cash transfers to health and education. This policy mapping process will culminate in a summative evaluation of social policy impact on levels of social inequality and income-poverty in the countries examined – but this impact analysis will be based on the available documentary evidence which will form the main part of the data collection process. The overarching conceptual framework of this review will be loosely based on the welfare regimes approach but will be
restricted by the primarily documentary nature of the data collection.

The conceptual framework is outlined in more detail in the next section. The project will address the key questions outlined for this research call. These questions will structure the report that will be produced as the final output. The proposal deals flexibly with the set of questions suggested by the call and would choose those fitting directly the case study countries:

1. The Nature of Social Policies and Programmes:

- What forms of "new" social policies and programmes are being pursued by the five countries and with what results?
- What are the historical and contemporary conditions that shape social policies in these states?
- To what extent are policies moving from residual to more comprehensive and potentially transformative systems?
- What meaning is social protection acquiring in the countries under examination?

2. Links Between Social, Economic and Environmental Policies:

- What is the relationship between the economic, environmental and social policies being pursued?
- How do competing values and norms on such issues as growth, distribution, and environmental protection affect the nature and forms of social policies?
- To what extent does the state's policy space for alternative economic and environmental policies affect social policies?

3. The Politics and Political Economy of Policy Choice:

- What political or political-economy factors influence or determine policy choices in economic, social and other policy spheres?
- Within states, what different interests or alliances (e.g., between welfare and finance ministries) shape social policies?
- What forms of politics underpin or support different combinations of economic and social policies, or might account for the timing, sequencing or combination of policies?

4. The Implementation and Institutionalization of Social Policies:

- What are the key institutions shaping the financing and management of social policy?
- What factors drive social policy retrenchment or expansion, and support the institutionalization of social policies within the policy making context?

5. The Scope for Policy Transfer:

- What mechanisms exist for sharing policy experiences? How are ideas and experiences currently spreading or being shared?

- What economic, political and institutional conditions need to be in place to facilitate exchange and transfer of ideas, or the adaptation or replication of programmes?
- The country case studies chosen for this research will provide a systematic review of social policy developments that represent wider experiences in the region. In particular the research will focus upon four key policy areas of social protection / welfare / public policy namely – employment and the labor market, income substitution or cash transfer programmes, education and health. The types of social policy regimes and how they operate along these four pillars of policy will be structured according to:
    - Social actors in the provision of policy – formal / informal institutions and non-state actors
    - Policy mechanisms and instruments (Discussion of possible mechanisms and policy levers to enhance social protection - Social Protection Floor (SPF) Jordan. Patterns and levels of social expenditure and how systems are financed – oil / non-oil /varying tax bases of each country
    - Forms of entitlement: universalism vs. targeting; contributory vs. non-contributory

Conceptual Framework

The Production of Social Welfare and the Usefulness of Welfare

Regime Classification for the MENA Region

A variety of forces combine to produce social policy which the welfare regime approach allows us to classify in simpler form so as to aid policy formulation. In order to discuss the usefulness of classification, it is apt that we begin with some notion of how social welfare is produced. There are two overarching accounts of the evolution of welfare states, one focusing on the role of industrialisation and the social needs it generates, particularly unemployment and poverty which make the provision of state welfare inevitable; the other focusing on the role of political conflict and competition which highlights class conflict and in particular, labor movements in claiming their rights to social protection. This latter perspective highlights how new political groups such as industrial workers, feminists or ethnic minorities emerge and seek to have their interests represented in government and thus their needs met through the welfare state. It is the industrialisation thesis which has tended to dominate accounts of social policy. Neither approach is fully applicable to the MENA region (Jawad, 2009).

This split in perspective parallels two opposing approaches in the study of social policy, both of which rest upon the tension between state and market in the provision of social welfare services: the first approach considers social policy as subsidiary to capitalist development, a tool for serving the needs of the capitalist market and for alleviating the social problems which market forces cause. At the opposite end is a view of social policy as a central pillar of progressive social change, actively employed to achieve a more equitable and just society. In practice, whichever stance is adopted, the key dynamics underpinning the nature and scope of social policy in any particular national setting are affected by the interplay between the main institutions of society: the state, the market and the family/community. For this reason, it is more appropriate to speak of the institutional configuration or 'welfare mix' of a particular country which refers to the varying configurations of state, market and family/community in the provision of social protection. This means that different elements (of welfare) are delivered in different measure by different means. As Bonoli (1995) argues, social policy is multidimensional in nature and is the product of a combination of institutional, political, cultural and economic forces. At the same time, it is possible to find common patterns in social policy making among different countries. This is why the possibility of classifying counties according to groups sharing common features is useful.

Classifying countries according to the types of social policies they have assumes that social policy operates as an internally coherent system whereby institutions and policies follow a particular inner logic, very often located within a particular political ideology. Classification is often based on a single dimension, meaning that a common characteristic is identified among a group of countries which is then used to produce an ideal type to explain how the social welfare system in that group of countries works. The classification of welfare systems is thus, a central feature of comparative social policy which allows us to simplify complexity, explain how social policy has developed and also what is the likely future path of policy reform. It is possible to examine MENA countries as representing groupings of cases sharing common social policy features.

Traditionally, the classification of welfare systems has been based on the measurement of how much is spent on social welfare, otherwise called social welfare expenditure (Bonoli, 1995). This focus on 'quantity of welfare' is primarily Anglo-Saxon and contrasts with the continental European/French approach to classification which focuses on how welfare is delivered and financed. This single dimension quantity-based approach to classification has allowed some useful analysis of the welfare systems of Europe and America but research has shown that the focus on welfare expenditure levels misses other important dimensions of welfare provision such as redistribution, or that it is simply incorrect to compare countries with different social policy models in quantitative terms. This leads us to the argument made by Esping-Andersen (1990) that not all expenditure counts equally. Thus, Esping-Andersen (19900 developed the welfare regime approach as a deliberate attempt to break away from the over-emphasis on quantification methods in social welfare classification (Bonoli, 1995), as explained in the next section.

The welfare regime approach offers both opportunities and challenges for analyzing social policy change in the MENA region the task at hand because it is possible to apply only some aspects of it, and to a certain extent. Moreover, the argument works the other way, in that the particular construction of the welfare regime approach may not capture the entire dynamics of social policy in the ESCWA region. This is because, the welfare regime approach is underpinned by particular assumptions and values about social welfare which have been described in section 3 above and which highlight the debate surrounding the transferability of the welfare regime approach to developing countries. Thus, by employing a process of elimination, it becomes clear what elements of the welfare regime classification we can use for the ESCWA region. This also begins to draw a picture of the configuration of social policy in the ESCWA region.

There are five key elements of analysis which will focus the discussion on policy change in the proposal:

i. Social welfare expenditure data: some comparable data has emerged in the last few years such as by the World Bank, ILO on UN-ESCWA on social expenditure in the MENA region. These will be used to examine patterns and trends.

ii. Political regime analysis: the research will take into account the role of the state and broader political currents in MENA in the development of social policy. This will help to identify the key actors involved in policy-making decisions.

iii. Social security schemes: based on data from the International Social Security Association (http://www.issa.int/aiss/Observatory/Country-Profiles) and on general research which has been published on the region, social security schemes are still in their infancy in the Arab region but data can be accessed from various sources. This will help the mapping exercise which is a key objective of this proposal.

iv. Benefit levels and rules of entitlement: it is difficult to accurately measure benefit levels and to be confident that rules of entitlement are being correctly applied in MENA. The

supplementary interviews that will be conducted will help to provide data for this analysis in the proposal.

v. Income and social status inequalities: disaggregated data on income groups and social status in the MENA region are not readily available. The proposal will use ILO, World Bank and other similar reliable sources to explore this aspect of the analysis.

Methodology

The research will comprise primarily of an extensive desk review of readily available qualitative and quantitative data, supplemented by interviews with policy-makers and stakeholders within the policy areas chosen. The interviews will help to better gauge the nature of the policy changes taking place in the countries studied. Indeed, it would not be possible to answer some of the questions posed for this research call without recourse to primary interviews. As part of the desk review, micro-data analysis (household-level analysis) will also be conducted, such as DHS surveys for health and demographic outcomes and LSMS to assess the levels of households consumption and poverty.

The researchers who will be working on the desk review already have extensive contact with policy-makers and relevant stakeholders and are able to access key government social policy documents and national development plans.

The countries which our proposal will examine are: Oman, Jordan, Morocco, Tunisia and Egypt. This selection of countries provides a broad spread of social welfare settings and politico-economic settings across the Southern Mediterranean, North African and Arab Gulf regions. In all of these countries there are important social policy changes taking place that can help to address the key research questions for this call. The research will focus on four policy areas: fiscal policy, labour and employment, income-substitution and cash transfer programmes to vulnerable groups and health. The research will offer a general overview of the policy objectives and institutional configuration of the social policy system in each country based on the chosen policy areas. The rationale for each country is as follows:

Oman: Oman is the highest income country and the only Arab Gulf country in this study. It has one of the highest levels of per capita income in the MENA region and social policies are heavily reliant on oil wealth. Oman has been able to reduce income inequalities which is worth examining in more detail. The country has also recently embarked on some new initiatives in the arena of youth policy and seeking to actively become part of the global economy. It is working more closely with the ILO, Beirut-based office to implement the social protection floor programme.

Jordan: Jordan provides a series of case study examples of how social policies have reacted to both internal and external pressures over the last 4 years particularly after the Arab Spring, the conflict in Syria and the role of international organizations in promoting austerity packages which has greatly affected the coverage of social policies and protection. It has traditionally performed well with regards to its social indicators however the country has enacted policies like tightening eligibility criteria for state subsidized healthcare for economically deprived and uninsured individuals as well as the removal of universal subsidies on fuel to be replaced by targeted cash transfers.

Morocco: There is an ongoing set of initiatives being tested and partially evaluated in the last 5 to 10 years such as INDH (social assistance) and Tayssir (Cash transfer for education) and RAMED (Medical Insurance for the Poor), etc. There is also an ongoing policy debate about reforming the pension system that seems to be at huge risk of bankruptcy in a few years given the larger numbers retiring and fewer contributions compared to the past decades. These initiatives have been running in the last few years but seem to lack a coherent vision so whilst

there are important policies to study, the country has some important social challenges in relation to poverty and unemployment which would need to be addressed.

Tunisia: Health policies in Tunisia are of particular importance in this study. Policies related to HIV prevention for example, have been quite effective in the country. Medical care is free in Tunisia for all HIV infected persons by providing them with the tritherapy. There is emphasis on the use of information, education, communication and awareness-building campaigns. Considerable resources were allocated to the health sector and various measures are implemented to improve the quality of health care and to bring the various health services closer to the population.

Egypt: Egypt contains about half of the population of the MENA region. It is also one of the main Arab countries with a strong tradition of social protection. It is also a country with large income disparities and access to public services, and played a key role in the Arab Spring uprisings It is a country of strategic importance to the research.

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