This essay provides a critical overview of social policies in MENA and what is known about the conceptualization of well-being there. Given the recent impact of the Covid-19 pandemic, it also explores MENA country responses and the challenges that remain for social policy. In spite of the difficulties discussed, it is important to recognize that governments and civil society organizations in the region have actively provided modern forms of social welfare activities since the 1940s (the time of state independence). Due to the nature of the research on which it draws, the paper refers mainly to data on the Arab countries.

For clarity, the geography of MENA extends from Morocco to Turkey along the southern and eastern shores of the Mediterranean, as far east as Iran and south to Sudan, Saudi Arabia and Yemen. The region has a population of half a billion, which is mainly Muslim but equally defined by Christianity, Judaism and Zoroastrianism, amongst a range of other religious and ethnic groups.

In mainstream scholarship and policy debates, the predominant representation of MENA as a place of conservative or traditional social and economic practices and extremist religious ideologies makes it harder to discuss the existence and role of progressive social policy there. But, as this essay shows, the context is much more complex with myriad government, civil society and international actors actively shaping the experience of well-being in MENA. As such, the essay shows how social policy can greatly contribute to academic knowledge and public understandings of the MENA polities, especially in light of the recent Covid-19 pandemic which has heightened the awareness of policymakers about social and economic inequalities and the need to strengthen social protection systems in the recovery period.

**Natural Rent and Distributive Welfare Systems**

The post-war independence era was marked by nation-building attempts and vibrant citizen political activism, claiming work, gender and secular rights. Example social policies included the nationalization of foreign assets and large domestic enterprises such as the Suez Canal in Egypt; land reform; mass education and, in some cases, the secularization of the education system; support of low-income groups through direct financial transfers by the State, with Turkey leading the way (Jawad, 2019). The region experienced immense social transformation, due almost entirely to the sudden oil windfall. This was used to establish and fund state social services, such as guaranteed government employment for graduates; new labour legislation (favouring workers in large public enterprises) such as health insurance, retirement pay and maternity pay; free education; free hospital care; and basic consumer subsidies, the most important of which were food and housing. Urbanization and economic development were accompanied by significant attainments in education and enhanced female labour participation. However, this was short-lived. The overnight access to a major new source of capital that resulted from oil revenues concentrated wealth amongst the urban elite and left the majority of the populations poorly skilled and ruled primarily via patrimonial and tribal structures. This reliance on natural resource rents for social spending...
has earned MENA the label of “rentier” or “distributive,” since this is the primary source of economic activity and national wealth, which is generated by a minority and controlled by the government (Beblawi, 1990).

Observers of the region have also long alluded to a rentier mentality in the region, whereby the State becomes a provider of favours and benefits as opposed to the upholder of citizenship rights and obligations. Rentier behaviour can be found in the form of dependence on military or political aid, workers’ remittances and tourist expenditure, all of which are forms of external rent. However, both empirically and analytically, the rentier concept is inadequate. It neglects the way in which the social order is itself negotiated and how the State also exercises an influence on the formation of national identity and its symbols. Indeed, a more culturally sensitive analysis of social policy would suggest that non-state actors, especially in the form of religious movements, have a large stake in the social welfare settlement in MENA (Jawad, 2009).

There is also a general lack of harmonized social welfare expenditure data, and social issues tend to be seen as secondary to economic development and job creation.

Today, the Middle East is arguably the most unequal region in the world, with the share of income accruing to the top 10% and 1% exceeding 60% and 25%, respectively, of total regional income in 2016 (Alvarez et al, 2018). Particularly bad performers are the population-rich, oil-poor Arab countries, where income inequality levels are almost on a par with South Africa and Brazil. It is also noted that the Arab region suffers from a lack of data on taxation, wealth redistribution and public spending, due to weak state accountability. The dependence on oil revenues in Arab countries has further exacerbated the volatility of economic systems and effectiveness of social protection by fostering a rentier model of distribution, whereby political elites maintain their political dominance by avoiding taxation and controlling the distribution of rents in ways that only serve to entrench the political system and undermine the productive capacities of the economy (UN-ESCWA, 2022).

Universal principles of social policy are evident mainly in relation to commodity or fuel subsidies. The emphasis after the Arab Spring events remains on categorical, means-tested or earnings-related social protection, which exemplifies targeted systems of social policy. In the case of social insurance schemes, for instance, health insurance, formal sector employees are the primary beneficiaries. These are more likely to be working-age males, based in urban areas. A key challenge here is that Arab governments have traditionally spent large amounts on short-term poverty-alleviation policies, including subsidies, rather than on long-term economic and social investment that addresses the structural causes of poverty (UN-ESCWA, 2022).

Social expenditure trends have varied widely in the last two decades but remained below the world average with social assistance programmes showing a preference for unconditional cash transfers and food and in-kind transfers (UN-ESCWA, 2022). Although much criticism is directed at state agencies for reasons ranging from corruption to public mismanagement, the social policy context in MENA is made up of a mix of social policy actors including the State, private sector, community and family. It also relies heavily on informal and private sector providers of social protection (Jawad, 2009).

Key Socioeconomic Indicators

The 2009 Arab Human Development Report famously described the Arab countries as being richer than they were developed. Chart 4 below shows the poverty headcount based on USD1.9 per person per day among the countries for which data is available. The poverty headcount ratio reached the highest value in low-income countries: Yemen (18.3%), Sudan (12.2%) and Mauritania (6%), followed by Egypt (3.8%) (UN-ESCWA, 2022).

Chart 5 shows moderate levels of inequality with Gini coefficients varying from a low of 27.6 in Algeria and Libya to a high of 39.5 in Morocco. Most countries in the region have comparatively low to moder-
ate levels of income inequality. Inequality data among MENA countries is a matter of contemporary debate, with a focus on the accuracy of the World Bank measures in reflecting the reality on the ground. Alvaredo et al. (2019) estimate that the Middle East and North Africa region as a whole is the most unequal region in the world, with the share of income accruing to the top 10% and 1% exceeding 60% and 25%, respectively, of total regional income in 2016. In terms of unemployment, the regional rate in 2020 ranged from a low of 0.08% in Qatar to a high of 26.1% in Palestine, with an overall average of 9.83%.
This was relatively high compared to the global average of 5.42% for the same year. Overall, unemployment trends during the period 2015 to 2020 were relatively stable (9.7%-9.8%). A notable improvement is in Egypt, where unemployment fell from 13.0% in 2015 to 10.1% in 2020. The percentage of unemployment in the Arab Gulf was much lower than that of the other regions. However, in Palestine and Iraq, the unemployment rate increased between 2015 and 2020 from 23% to 26.1% and from 10.7% to 12.8%, respectively. In comparison to the global unemployment average of 5.63% (Chart 6), the GCC countries perform better, in contrast to the middle-income and low-income countries in the region. The highest difference from the global average is 8.03% for the Maghreb countries and the lowest difference is 3.09% for the GCC countries.

In terms of female employment, MENA has the lowest levels of female labour market participation (around 17%) compared to global averages. Youth unemployment rates in the Arab region for the year 2020 ranged from a low of 0.3% in Qatar to a high of around 51% in Libya, with an average of 21.9%. This is relatively high compared to the global average of 13.6% for the same year. Overall, youth unemployment in the region during the past five years (2015-2020) has been relatively steady (21.8%-21.9%).
Key Social Policy Profile

The MENA region is characterized by very similar types of social protection programmes to other world regions, and faces many similar challenges to those found in India, China, Brazil and South Africa. These range from cash transfers and targeted social assistance to vulnerable groups to earnings-related social insurance schemes. The policy capacity for universal social protection schemes is small, with the exception of fuel subsidies, which are currently being phased out across a range of countries, like Jordan, Lebanon, Egypt and the GCC. GCC states have made the biggest strides in extending health insurance, while various other countries such as Yemen, Jordan and Gaza and the West Bank have focused more on improving social assistance programme targeting.

Chart 7 above shows historical data on social expenditure as a % of GDP for the MENA region in comparison to other world regions. It shows that education expenditure occupies the largest share of the Arab region countries’ GDP and that social insurance remains among the lowest. Chart 7 also shows that, after education, spending on social assistance occupies the second largest share of GDP. In fact, the MENA region is considered to be the world’s highest spender as a region on social assistance. This situation reinforces the dominant understanding of social protection in terms of targeted social assistance to the deserving poor (Jawad, 2022).

Chart 8 above shows individual MENA societies’ distribution of social expenditure on social protection, as a part of gross domestic product, which ranges from very small proportions in Yemen to more substantial proportions in Iraq, Kuwait, Jordan and Egypt. Yet, western Europe, North America and central and eastern Europe spend a substantially higher proportion of their GDP on social protection than any of the MENA societies.

The Sustainable Development Goals (SDGs) along with the emphasis on social protection by international development are increasingly framing policy debates in MENA countries. Local crises like the Syrian war and more recently the pandemic have also spurred this on and are now compounded by economic and inflation concerns in countries like Leba-
non and Tunisia. New policies have appeared, which include the extension of employment-based health insurance, unemployment benefits for university graduates, reform of food and fuel subsidy programmes and unconditional cash transfer programmes. While not constituting a dramatic transformation of social policy, they are a step in the right direction, although they are policies which complement a neo-liberal perspective on social welfare duties and responsibilities.

The emphasis on private sector investment and employment-based social insurance is also evident when we consider the types of social security legislation available in the region (Table 8). These are all employment-based schemes and are primarily restricted to old age, disability and work injury.

In terms of welfare regime analysis, MENA countries demonstrate elements of residualism and corporatism (Jawad, 2009). Most are now adopting a neo-liberal stance whereby the private sector is the main engine of social and economic prosperity, the State provides social safety nets for poor and vulnerable groups, and the family (mainly the nuclear family) and charitable/religious organizations are expected to play a role in offering social support services. This relates to the classic definitions of residual or “productivist” social policy, in which economic growth is given priority over more equitable mechanisms of redistribution and universal non-contributory coverage. The Gulf states have traditionally occupied the category of rentier economies, although there is evidence of positive intentions in some Gulf states to diversify their economies in view of the eventual disappearance of oil and hydrocarbon resources.

But there is also a difficulty in the region in relation to the basic intellectual groundwork and policy evaluation process. With the exceptions of Egypt, Turkey, some of the Arab Gulf states like Saudi Arabia or Dubai and Israel perhaps, most governments in MENA do not have adequate statistical data to analyse the problem of poverty in their countries. There is also a general lack of harmonized social welfare expenditure data, and social issues tend to be seen as secondary to economic development and job creation. The reliance is on donor data, such as from the World Bank and International Labour Organization (ILO). Moreover, the definition of social welfare is based primarily on consumption smoothing and the fulfilment of human needs, as demonstrated by the emphasis on social safety nets in social policy. MENA countries are a long away from the discourse of social rights and citizenship that is more familiar in the West. Yet, the focus on needs and social safety nets contradicts government policy rhetoric in some MENA countries that seek to “help citizens achieve their full potential.” Thus, MENA countries remain socially conservative societies, where it is envisaged that the family will play the central role in issues of moral and social identity (Jawad, Messkoub and Jones, 2019).

In sum, MENA governments display two main orientations in social policy: employment-based social security, which means that formally employed private and public sector workers are the most likely to re-

<table>
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<tr>
<th>Country</th>
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<th>Disability and Survivors</th>
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Source: International Social Security Association (www.issa.int/)

*Information on Iraq is more than 10 years old. **Public sector employees only. *** Very strict rules apply.
receive social benefits and protection, primarily in terms of end-of-service indemnity pay, pensions, sickness pay, health and education. Some countries such as Lebanon do not even have old age pension schemes and we should consider that almost two thirds of labour is in the informal sector in the MENA region (Jawad, 2009). On the other hand, there is an over-reliance on social safety nets such as food and fuel subsidies and social care services to vulnerable groups. These are now increasingly being cut as part of World Bank – and IMF-led reforms plunging new populations into hardship. This situation exemplifies the other dominant tendency in MENA: the residual approach, which emphasizes the role of the family and community groups in social welfare and a male breadwinner model of social protection.

Impact of the Covid-19 Pandemic

Countries in the Arab region mobilized a wide range of social protection interventions to protect citizens and residents against the social and economic consequences of Covid-19. According to a major UN-ESCWA report (2022), cash transfers and food distribution to affected households were most common, followed by unemployment benefits or wage subsidies to workers affected by lockdown restrictions, as well as waivers or delayed payments for utilities such as electricity. Existing social protection programmes and payment platforms were also used where possible, but in many countries governments appealed to social solidarity funds for private donations, and religious practices such as Zakat and Ramadan were also used to mobilize resources. In low-income and conflict-affected countries, international donors and agencies played significant roles as sources of humanitarian financial assistance and food aid (UN-ESCWA, 2022). Given the dominant contributions made by religion, charity, NGOs, “social solidarity” and international assistance in providing temporary relief in response to the Covid-19 situation, longer-term benefits in terms of expanding and strengthening social protection systems may be limited.

The literature on the Covid-19 pandemic shows that the stronger the institutional and fiscal starting points of the country at the time of the outbreak (for example the maturity of the social protection system and the relative stability of the economy), the better the country will weather the pandemic crisis (ESCWA, 2022). Arab countries responded rapidly to deal with the economic effects of the crisis on firms and households, as well as to keep their financial markets in operation. The OECD (2020a) estimates that on average, 2.7% of GDP was allocated to fiscal measures and 3.4% of GDP in liquidity injections was delivered by central banks across the MENA region as a whole, during the first weeks of the pandemic.

Long-standing social and economic inequalities such as in relation to informal workers and women’s well-being are now being made worse by the Covid-19 pandemic. The Arab region’s fiscal deficit was projected to increase from 3.3% of GDP in 2019 to 10.8% of GDP in 2020, raising concerns regarding the sustainability of the countries’ economic responses given the continued social and economic needs in the recovery period. The GCC sub-region showed the largest fiscal stimulus package, which amounts to $6.9 billion, whereas the lower income countries accounted for the lowest fiscal stimulus of about $0.27 billion. Most Arab countries have provided temporary consumption smoothing programmes such as cash assistance or tax relief to vulnerable groups like the unemployed, women and children rather than extending social insurance and lifecycle programmes (UN-ESCA, 2022). This is because of a lack of an adequate tax base and reduced fiscal space resulting from high levels of debt, poor economic performance and reduced oil revenues. These factors account for the gap in social protection coverage during the pandemic and recovery period. Financial and programme sustainability can be achieved by strengthening governance structures and institutions such as transparency and anti-corruption measures, effective public procurement, the strength and capacity of digitalization and open government approaches, as well as a greater role for civil society. Arab countries should also factor in environmental sustainability, such as low-carbon economic recovery measures and access to essential resources like clean water (UN-ESCA, 2022).
Based on regional and global success stories such as Morocco and Pakistan, the use and extension of digital data systems to identify and reach households in need is a significant means of achieving innovative and sustainable changes to social protection following the Covid-19 response. Morocco is also taking positive steps by gradually replacing its subsidies with a family allowance programme. It is too early to assess the impact of the pandemic interventions, so, to better understand what mix of social protection financing works sustainably, Arab countries need to strengthen their data-recording, monitoring and evaluation capacities.

Conclusion

Coherent and well-integrated social policies have been an elusive goal for MENA governments for the last few decades. The Covid-19 pandemic has further reinforced their importance as a field of study and also as a legitimate arm of state action. The social policy agenda in MENA countries is forged by the priorities of the international donor agenda and humanitarian crises that arise as a result of conflict. Long-standing social and economic inequalities such as in relation to informal workers and women’s well-being are now being made worse by the Covid-19 pandemic.

MENA governments are facing up to the significant socioeconomic challenges and problems their societies now face, which were highlighted a decade ago by the “Arab Spring” and are now even more pronounced. Political will and an articulate plan for social policy have yet to be formulated by most Arab countries in the region. How countries move beyond oil revenue to finance social services and economic investment is a key issue for the future. The Islamic Republic of Iran and the other Arab Gulf countries are keen to find alternative ways of diversifying their economic bases further. Political instability and increasing conflict in the region may act as barriers to coherent and sustainable social policy: countries such as Iraq, Syria, Yemen and Libya and Lebanon are partially if not fully consumed by civil conflict, and emergency relief often impedes social policy development. The Syrian refugee crisis is now the worst humanitarian crisis in the region and the displacement of Syrian populations to neighbouring countries has placed added pressure on social and public services.

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