



**Standing Committee  
for Economic and Commercial Cooperation  
of the Organization of Islamic Cooperation (COMCEC)**

**Accessibility of Vulnerable Groups to Social  
Protection Programmes in the OIC Member Countries**



**COMCEC COORDINATION OFFICE  
January 2016**



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This report has been commissioned by the COMCEC Coordination Office to the project team comprised of Dr. Rana Jawad, Dr. Adam Coutts and Dr. Hicham Ait Mansour. Views and opinions expressed in the report are solely those of the author(s) and do not represent the official views of the COMCEC Coordination Office or the Member States of the Organization of Islamic Cooperation. Excerpts from the report can be made as long as references are provided. All intellectual and industrial property rights for the report belong to the COMCEC Coordination Office. This report is for individual use and it shall not be used for commercial purposes. Except for purposes of individual use, this report shall not be reproduced in any form or by any means, electronic or mechanical, including printing, photocopying, CD recording, or by any physical or electronic reproduction system, or translated and provided to the access of any subscriber through electronic means for commercial purposes without the permission of the COMCEC Coordination Office.

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## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY.....</b>	<b>1</b>
<b>INTRODUCTION .....</b>	<b>5</b>
<b>1. CONCEPTUAL FRAMEWORK AND METHODOLOGY .....</b>	<b>9</b>
1.1. Defining Vulnerability.....	9
1.2. Defining Social Protection .....	10
1.3. Good Practice Examples from non-OIC Countries.....	12
1.4. Data and Methodology .....	17
<b>2. OVERVIEW OF OIC MEMBER COUNTRIES.....</b>	<b>18</b>
2.1. Rationale for Social Protection Policies in the OIC Member Countries.....	18
2.2. Overview of Vulnerability in the OIC Member Countries.....	19
2.2.1. Demographic Structure and Economic Growth in the OIC Member Countries.....	20
2.2.2. Vulnerability Indicators of the OIC Member Countries.....	26
2.3. Overview of Social Protection Systems in the OIC Member Countries .....	35
2.3.1. Total Expenditure on Public Social Protection and Health Care .....	35
2.3.2. Social Insurance.....	39
2.3.3. Social Assistance and Targeted Service Delivery.....	42
<b>3. Case Studies.....</b>	<b>46</b>
<b>3.1. Iran.....</b>	<b>46</b>
3.1.1. Current Legislation Covering Vulnerable Groups.....	46
3.1.2. Population Segments Defined as Vulnerable.....	46
3.1.3. Extent of Effective Coverage.....	47
3.1.4. Efforts towards Increasing the Inclusiveness of the Social Protection System.....	53
<b>3.2. Lebanon.....</b>	<b>54</b>
3.2.1. Current Legislation Covering Vulnerable Groups.....	54
3.2.2. Population Segments Defined as Vulnerable.....	55
3.2.3. Extent of Effective Coverage.....	56
3.2.4. Efforts towards Increasing the Inclusiveness of the Social Protection System.....	57

<b>3.3. Oman .....</b>	<b>58</b>
3.3.1. Current Legislation Covering Vulnerable Groups.....	58
3.3.2. Population Segments Defined as Vulnerable.....	60
3.3.3. Extent of effective coverage.....	61
3.3.4. Efforts towards Increasing the Inclusiveness of the Social Protection System.....	64
<b>3.4. Sierra Leone .....</b>	<b>65</b>
3.4.1. Current Legislation Covering Vulnerable Groups.....	65
3.4.2. Population Segments Defined as Vulnerable.....	66
3.4.3. Extent of Effective Coverage.....	69
3.4.4. Efforts towards Increasing the Inclusiveness of the Social Protection System.....	71
<b>3.5. Morocco .....</b>	<b>71</b>
3.5.1. Current Legislation Covering Vulnerable Groups.....	71
3.5.2. Population Segments Defined as Vulnerable.....	72
3.5.3. Extent of Effective Coverage.....	73
3.5.4. Efforts towards Increasing the Inclusiveness of the Social Protection System.....	78
<b>4. CONCLUSION and POLICY OPTIONS .....</b>	<b>80</b>
<b>REFERENCES .....</b>	<b>83</b>
<b>ANNEXES.....</b>	<b>88</b>

## LIST OF BOXES

Box 1: Categorizing social protection programmes for vulnerable groups.....	11
Box 2: Overall framework of social protection and the main types of programmes.....	12

## LIST OF FIGURES

Figure 1: Total Population in the OIC Countries (in Millions).....	21
Figure 2: Child mortality by income groups in the OIC Countries.....	22
Figure 3: Maternal Mortality by Income Groups in the OIC Countries.....	22
Figure 4: Prevalence of undernourishment in the OIC Countries.....	23

Figure 5: GDP average annual growth in the last ten years (2004-2014).....	25
Figure 6: Vulnerable employment in OIC Countries.....	28
Figure 7: Long-term unemployment in some OIC Countries.....	29
Figure 8: Child Labour in the OIC Countries.....	30
Figure 9: Poverty Headcount Ratio at \$2 a day per person in OIC countries.....	31
Figure 10: Poverty Headcount Ratio at \$1.9 a day per person in OIC countries.....	32
Figure 11: Total public social protection and health care expenditure, (% of GDP) in HICs.....	36
Figure 12: Total public social protection and health care expenditure, (% of GDP) in UMICs.....	37
Figure 13: Total public social protection and health care expenditure, (% of GDP) in LMICs.....	37
Figure 14: Total public social protection and health care expenditure, (% of GDP) in LICs.....	38
Figure 15: Out of Pocket Payments for health care in OIC countries.....	39

## LIST OF TABLES

Table 1: Number of Iranian Household by Gender and Age of Headed Households in National Census, 2006 and 2011.....	47
Table.2 Number of the Iranian Households by Gender and Type of Activity of Headed Households in Two National Census 2006 and 2011.....	48
Table 3: Female-Headed Household Supported by Imam Khomeini Relief Committee, 2011.....	48
Table 4: Per Capita Monthly Cash Benefit of Female Headed Households 2011 (\$=1226 rial).....	48
Table 5: Female Headed Households Companion group (1).....	48
Table 6: Number of Disabled Supported by Behzisti.....	49
Table 7: Number of households received Rehabilitation and Assistance allowance and the number of Households in waiting list from 2011-2013.....	49
Table 8: Number of elderly supported by Imam Khomeini Relief Committee in rural and urban areas.....	49
Table 9: Number of households and individuals supported within Shahid Rejaei Plan in 2013.....	50
Table 10: Number of elderly and disabled people received services from day centers of Behzisti.....	50
Table 11: Number of elderly and disabled people received rehabilitation services in their home and Day care centers of Behzisti.....	50
Table 12: Social services provided by the Alavi foundation.....	51
Table 13: Number of Orphans supported by Orphanages in the country (1).....	51

Table 14: Number Orphans of supporters and number of orphans who receive support in Ekram Plan.....	52
Table 15: Number of Poor ( <i>madad-jo</i> ) Households Received Permanent Income Support	52
Table 16: Number of Vulnerable Households Supported by Imam Khomeini Relief Committee.....	52
Table 17: Number of Insurer by Iran Health Insurance Organization.....	53
Table: 18: Lebanon: Vulnerable populations in need .....	56

## Glossary of Key Terms \*

**Social Policy:** Interventions in the public sphere (encompassing all forms of social security and human rights legislation, regulations, guidelines for public and private programmes and services,) designed to enhance social and individual wellbeing. It is possible to speak of social policy in both 'narrow' and 'broad' terms depending on how much importance is placed on addressing social inequalities and the choice that is given to individuals and markets to provide the essential services required for living a decent life with dignity.

**Social Protection:** A government wide policy implemented through a set of intersectoral programmes which respond to the economic, social, political and security risks that poor and vulnerable people face and which will make them less insecure and more able to participate in economically and socially in society. Social protection can also be extended to members of the working population as a right of citizenship and insurance against social and economic risks.

**Social Protection Floor:** Nationally defined sets of basic social security guarantees that should ensure that, as a minimum, over the life course all in need have access to essential health care services and to basic income security which together provide access to goods and services defined as necessary at the national level.

**Social Assistance or Social Safety Nets:** Social assistance programs are non-contributory transfers in cash or in-kind and are usually targeted at the poor and vulnerable which are intended to have an immediate impact on reducing poverty and on boosting prosperity, by putting resources in the hands of the poorest and most vulnerable members of society. Some programs are focused on improving chronic poverty or providing equality of opportunity; others more on protecting families from shocks and longstanding losses they can inflict for the unprotected poor. These programmes are also known as social safety net programmes, and include cash transfers (conditional and unconditional), in-kind transfers, such as school feeding and targeted food assistance, and near cash benefits such as fee waivers and food vouchers.

**Social Security or Social Insurance:** Socially-supported institutional arrangements to meet conditions of adversity such as sickness, accidents and old age. May also include the social provision of a critical minimum to meet basic wants such as food health, education and housing.

**Vulnerable:** Individuals or groups who, due to age, poor health, minority status, or their otherwise disempowered position in society, may be open to physical, emotional, financial, or psychological deprivation or exploitation. The condition of being vulnerable may also be brought out by structural factors in the wider social environment such as discrimination, lack of job opportunities or natural disasters.

\* The definitions of the glossary terms are derived from various sources, namely the ILO, World Bank, UN and various government social strategy documents in the COMCEC group of countries.

## EXECUTIVE SUMMARY

The group of countries that belong to the Organisation of Islamic Countries (OIC), also referred to in this report as OIC countries consist of a variety of socially and economically diverse countries spanning the continents of Africa and Asia. They include some of the highest income countries in the world such as Qatar and Saudi Arabia as well as some of the poorest such as Sierra Leone and Afghanistan. The discussion of access to social protection programmes and vulnerability in this report reflects the social, economic and political diversity of these countries. However, it should be acknowledged that these countries do have one common feature: none can be described as traditional 'welfare states' in the Northern European sense in terms of possessing universal and comprehensive systems of social welfare and public service delivery that are based on the entitlement of all citizens to basic social rights. Existing research shows that on the whole, OIC member countries have a broad range of social assistance, social insurance and labour market programmes but coverage of the poor and vulnerable groups of society remains scattered and in some cases non-existent. This is the situation despite most OIC Member States having experienced economic growth (as measured by Gross National Product GNP) over the last twenty years although more recently lowered oil prices and associated weak fiscal positions have seen stagnation and deterioration of economic growth in a number of states.

The aim of this report is to understand the challenges and opportunities of social protection systems in OIC member countries. This is achieved by exploring the coverage of the social protection programmes at various levels or stages of economic development. The objectives of this report are to:

- i. provide a detailed audit of social protection strategies, policies and institutions in the OIC member countries
- ii. map out the social and economic situation of vulnerable groups in OIC members states
- iii. analyse where OIC member countries stand in light of the new global trends in social protection policies
- iv. highlight the main challenges facing the increased coverage of the social protection systems in these countries and to provide policy options and recommendations to help overcome these challenges.

The report uses a combination of qualitative and quantitative methods incorporating a desk-based review, statistical analysis of secondary data sets and in-depth interviews with key policy stakeholders within case study countries: Lebanon, Oman, Iran, Morocco and Sierra Leone. The desk based review and evidence is generated from research reports and empirical studies, which were accessed via United Nations agencies, academic research organisations and regional government departments. Literature and evidence searches were conducted using academic search engines.

The numerical data cited draws mainly from the ILO World Social Security Report database of 2014 and the World Development Indicators, which uses data from different sources including UNDESA, the ILO, the World Bank, WHO, UNICEF, among other sources. The main indicators included in the analysis are population structure, economic growth, GDP per Capita, out of pocket health payments (OoPP), social protection expenditure, public expenditure in social sectors such as health, education, as well as outcome indicators such as health, nutrition, education, child and maternal mortality, vulnerable employment and poverty headcount ratio.

The two guiding concepts in the analysis undertaken are vulnerability and social protection. Vulnerable groups are understood as “groups that experience a higher risk of poverty and social exclusion than the general population. Ethnic minorities, migrants, disabled people, the homeless, those struggling with substance abuse, isolated elderly people and children all often face difficulties that can lead to further social exclusion, such as low levels of education and unemployment or underemployment”.<sup>1</sup>

Social protection is understood as including programmes for social insurance (contributory programs, principally pensions), labour markets programmes (for example job training and back-to-work interventions), and non-contributory social assistance programmes (or social safety nets) which include humanitarian and disaster relief programs, cash transfers, food stamps, school feeding, in-kind transfers, among others. Social insurance and labour market programs tend to benefit higher income groups and those with higher levels of qualifications and skills, whereas social assistance programs generally (but not exclusively) focus / target the most poor and vulnerable”.<sup>2</sup>

Social protection has two broad aims: to manage economic risk through policies or services that protect against the sudden loss of income from life events such as accidents and the need for urgent health care. And secondly to promote social mobility through policies that affect the structural causes of social and economic inequalities. For instance via changes in legislation, land reform and taxation systems. It is hoped that this may also present political opportunities for vulnerable groups to be heard.

This report shows that there OIC Member States are made up of a variety of economic conditions and groups, from the very wealthy to the absolute poor. A diverse range of social protection policies have been implemented across OIC states. Overall four conclusions can be drawn from the analysis:

- High Income Countries (HICs) invested heavily in social safety net policies. They now face the challenge of reducing their financial and economic dependency on oil revenues to stimulate social enterprise and levels of youth employment. The key challenge for these countries is to develop human capital and effective active labour market programmes.
- Upper-Middle Income countries (UMICs) have large income inequalities to deal with and would benefit in the short to medium term from administrative reform of their social assistance and assurance schemes in order for social protection services to better coverage of vulnerable groups. A number of these countries are also experiencing political instabilities and this poses further risks to vulnerable groups.
- Lower-Middle Income Countries (LMICs) have large populations of vulnerable groups or those in vulnerable / insecure economic situations and employment. A key task for these countries is to create economic opportunities and to support economic growth in addition to introducing basic social protection policies and services.
- Low Income Countries lack basic social protection services and suffer from serious humanitarian and development issues such as drought, malnutrition, high infant mortality and illiteracy. These countries are often heavily dependent on foreign aid to

<sup>1</sup> European Union, 2014: 5 cited in COMCEC terms of reference for this project.

<sup>2</sup> Fiszbein, Kanbur, Yemtsov, 2013.p.1.

fund social protection and development programmes. Not all these countries are resource poor in terms of natural resources but many suffer from high levels of ineffective usage of financial resources and lack human capital resources.

The report makes a series of recommendations for the extension of social protection services to vulnerable groups. These consists of a combination of social safety nets, basic social insurance and labour market programmes. They entail: targeted social pension programmes, permanent labour intensive public works programmes, cash transfer programmes to very poor families with children; active labour market interventions including the formalisation of migrant workers and the informal workforce force in countries where national income is high. A key proposal relates to the provision of universal access to essential primary health care services.

## INTRODUCTION

Since the early 2000s, the OIC countries have shown a growing interest in the contribution of social protection policies to human development, in large part due to the impetus of the Millennium Development Goals (MDGs) and the post-2015 UN development agenda. This is also in line with a wider global development policy shift: the World Bank is increasingly in favour of cash transfer programmes and more cognisant of the rising income inequalities that are brought on by economic liberalization and technological change. The ILO (2009) has succeeded in mainstreaming the idea of the Social Protection Floor (SPF) in non-OECD contexts with countries such as Jordan, Oman, Pakistan and Mauritania introducing back protection packages for vulnerable populations. These policy shifts reflect realities on the ground: the ineffectiveness of the 'growth first' approach; the persistence of extreme poverty and the protracted nature of social problems in the OIC Member States.

In the OIC countries, government rationales for social protection vary according to the types of social protection institutions that are in place and the extent to which social policies have intrinsic or instrumental value in their own right. Issues of social justice and welfare have traditionally played a subsidiary role to economic growth in the OIC countries; they have been relegated to the domain of the family via the male-breadwinner model of social protection (Jawad, 2014). The National development programmes for many OIC states make clear that the economic function of social protection is the priority. A second rationale for social protection is to ease social discontent. This has become more evident after 2011 with various Arab Gulf countries as well as Syria, Jordan and Morocco embarking on reforms or increasing social assistance services. But historically, the extension of social insurance, the introduction of public works programmes and other types of social protection policies have been initiated by concerns to promote state legitimacy. The third and least well-developed rationale for social protection in the OIC countries is the welfare function. Arguably, this is the most complex to achieve as it requires institutional and political reform. In these respects, the OIC states are characterised by the situation of social policy in the African states where the formulation of a social contract is still not a reality (Green, 2012).

In this regard, the aim of this report is to understand the accessibility of vulnerable groups to social protection systems in the OIC member countries. This is achieved by exploring the coverage of the social protection programmes at various levels or stages of economic development. The objectives of this report are to:

- Provide a detailed audit of social protection strategies, policies and institutions in the OIC member countries
- Map out the social and economic situation of vulnerable groups in OIC members states
- Analyse where OIC member countries stand in light of the new global trends in social protection policies
- Describe the main challenges facing the increased coverage of the social protection systems in these countries and to provide policy options and recommendations to help overcome these challenges.

The battery of indicators presented in this report provides an overview of the levels of vulnerability from a macro perspective and particular populations groups who are vulnerable within OIC countries. These indicators provide an overview of the social and economic needs within countries as well as gaps in social protection coverage. The main indicators are labour

market vulnerability such as vulnerable employment, unemployment especially among youth and women and child labour. The report considers labour force participation rates and employment to population ratios in OIC Member States to provide an overall picture of the size of the productive labour force in each country income grouping before tackling the more specific indicators of vulnerability such as vulnerable employment, unemployment and child labour.

With regard to economic growth, paradoxically low-income countries achieved higher rates of economic growth compared to higher income groups. However, the level of GDP per capita has not seen any significant increase indicating the very limited transformative nature of economic development, also translated by very slow progress in reducing poverty, which remains very high in these countries. The capacity to absorb the most important factors of vulnerability in low-income countries relies heavily on the level of resources available in these countries more than expanding the productive economic activities.

In terms of demographic structure, low-income countries have large population share of young population under 14 years old and a low share of the elderly. Generally high rates of poverty and of poor quality of education and low rates of retention as well as poor training to labour transition identify children and youth as some of the main vulnerable groups. It follows that social protection policies in these countries should prioritize these groups.

Lower middle-income although they share some features with low income countries in terms of young population and the challenges they face, have an additional challenge of increasing the elderly population. In this group, the most exposed portions of the population are children and youth to a lesser extent but also the elderly without protection against illness, old age as well as appropriate medical services.

In the upper middle-income countries, the proportion of dependent elderly becomes more pronounced and is expected to increase further in the next few decades to form the most vulnerable group in this income group. In the high income countries, the elderly dependency proportion declines along with the proportions of dependent young people probably due to the small size of populations. It becomes apparent that the most exposed groups to major risks are the working age populations. The vulnerable employment and long-term unemployment rates in some of these countries reinforce this perception.

Child and maternal mortality identify the most vulnerable groups in low income countries and to a lesser extent in lower middle-income countries and much less in upper middle-income countries. High rates of maternal and child mortality, generally due to preventable risks, indicate poor social conditions that affect a wider proportion of the population beyond the figures of mortality indicators. In a related issue, undernourishment is generally correlated with poverty and vulnerability. Low-income countries are largely affected ranging from 15% to 30% with a few exceptions.

In terms of labour market, relatively high and sometimes very high employment to population ratios in all OIC countries, there exist serious vulnerabilities in this sector expressed by the rate of vulnerable employment and long-term employment. Except high income countries all of which have labour markets dominated by foreign labour and the majority of OIC countries suffer from high rates of insecure employment. Informal sector is predominant in many countries of the three income groups, which offer little social protection in terms of income,

health and safety and unemployment insurance. On the other hand, long-term unemployment affects many countries regardless of the income level. This range from around 30% in some high income countries to 78% in the only one low income country for which data is available for this indicator. It follows that working age population are very much affected and represent the most vulnerable. However, given the high rates of dependent young people especially in low income countries and lower-middle income countries, much wider groups of the population is also indirectly affected.

Mostly because of high informal sector, large segments of populations in the OIC countries are outside the frame of social insurance policies. Especially, unemployed able-bodied men and women, female-headed households who have care responsibilities for children, disabled family members of elderly relatives (and are unable to work), rural workers, self-employed people and street children and children in employment are vulnerable due to the inadequate social insurance policies.

The child labour indicator shows that children especially in lower-middle income countries and more severely in low income countries are the most vulnerable group of the population. Poor access to social services in the areas known to have high child labour prevalence, but social safety net programmes will not be sufficient to overcome such huge structural deficit. More transformative intervention is needed which looks holistically into the wider population and addresses the wider dimensions of vulnerability such as health, education and the labour market.

In a similar vein, amongst the main risks associated with the lack of efficient social protection systems is the challenge of very high poverty rates especially in low and lower-middle income countries. This again calls into question the efficiency of social safety nets widely applied in many of these countries which do not address the multidimensional nature of poverty starting from education and training systems, health systems as well as labour market policies.

Finally, besides poverty, which challenges the current policies in many low and lower-middle income countries and to a lesser extent some upper middle income countries, there is a major challenge of inequality which is very acute in many of these countries. The implication for vulnerability and accessibility to social protection concerns the fact that the lowest 20% of the population in the income distribution are not only deprived of access to basic social services and social protection but also occupy a weak position in terms of command over material resources. Transformative social protection are needed beyond social safety net efforts in order to promote more social cohesion and more equitable access to social protection services through education, labour and other transformative measures. Such a political choice does not consider targeting as the main intervention but only of a temporary nature, whereas the focus is put on transformative interventions in the mid and long run.

As a result, there is a need of extension of social protection services to vulnerable groups. These consists of a combination of social safety nets, basic social insurance and labour market programmes. They entail: targeted social pension programmes, permanent labour intensive public works programmes, cash transfer programmes to very poor families with children; active labour market interventions including the formalisation of migrant workers and the informal workforce force in countries where national income is high. In this regard,

- OIC countries should embark on establishing a basic social protection floor for the most vulnerable nationals and migrants within their countries.
- Targeted social pension programmes could offer a minimum income to war victims, adults with disabilities, poor female-headed households, people aged over 60 years and older people without a pension who cannot work and have no other source of income.
- Reform of existing public works programmes in some of the low-income OIC states may be needed to provide more stable for vulnerable groups, particularly those who are unable to work and those in insecure employment.
- New measures to help beneficiaries make sustainable transitions or “graduate” from active labour market and public works programmes such as skill upgrading should be considered.
- OIC countries should also establish cash transfers to very poor families with children and other dependents such as the elderly or persons with disabilities.
- OIC countries need to also promote free and universal health care coverage.
- OIC governments need to install new institutional arrangements for the monitoring and impact evaluation of the strategy and associated social protection interventions and policies.