EUROMED REPORT ON BASIC LEVELS OF SOCIAL PROTECTION in the euromediterranean region

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## 1. Introduction

At recent Euromed Summits of Economic and Social Councils and similar institutions, it was seen to be necessary to promote the development of social protection in the EuroMediterranean region or area. In the Final Declaration of the Summit held in Nicosia in 2014, the representatives of the economic and social councils and agents from the EuroMediterranean partner countries call on governments, with support from the ILO and other international organisations, to develop an effective social protection floor. This amounts to an investment contributing to wealth creation and is key for reducing the risk of poverty and promoting social inclusion, thus strengthening the potential for economic growth and social cohesion in the countries of the Mediterranean. Also, in the Final Declaration of the Summit held in 2015 in Brussels, attention was called to the need for the new European Neighbourhood Policy to acknowledge the importance of social protection as a factor for cohesion in societies.

In line with these statements, the purpose of this report is to emphasise one area of action, that of social protection, which has not yet figured explicitly among priorities for socio-economic cooperation within the Union for the Mediterranean or in the European Neighbourhood Policy. The diversity of “networks” and systems for social protection in the area, as well as the lack of adequate, up-to-date sources of information have contributed to this limited presence of social protection in the projects of the Union for the Mediterranean.

The right to social security, as recognised in the article 22 of the Universal Declaration of Human Rights, implies the entitlement for everyone to realisation, through national effort and international cooperation and in accordance with the organisation and resources of each State, of the economic, social and cultural rights indispensable for human dignity and the free development of personality. Social protection is an essential political tool for reducing poverty and inequality while stimulating inclusive growth and social peace, improving human capital and productivity, supporting internal demand and facilitating the structural transformation of national economies.

Achieving social protection with universal coverage is an essential task of the ILO which, ever since the 1952 *Convention (No.102) on Minimum Standards of Social Security*, has been building a set of internationally accepted norms that are binding for the countries that have ratified the Convention. The *Recommendation on national floors for social protection (No.202)*, adopted by 185 States in 2012, complements the framework of existing Conventions and Recommendations. Together with United Nations, the European Commission, ASEAN, the G20 and the OECD also declared that they were in favour of universal social protection. The common objective of the joint World Bank and ILO programme of action in this field is to increase the number of countries that provide universal social protection and to help them design and set up universal, sustainable social protection systems. This is based on the recognition that there are many ways of achieving universal social protection, and that it is up to each country to choose its own path and the means and methods that tie in best with its individual circumstances.

In 2016 the United Nations 2030 Agenda for Sustainable Development came into force, providing an opportunity to promote universal social protection for all and everywhere. Social protection systems are essential for achieving Goal 1 of the Sustainable Development Goals (to end poverty in all its forms everywhere), which proposes that appropriate national systems and measures should be set up for social protection for all, including basic levels and, by 2030, that substantial coverage should be achieved for the poor and vulnerable. Social protection policies are also considered in the goals relating to gender equality and the reduction of wage inequality.

To date, cooperation between the EU and the Mediterranean Member Countries (MMC), through both the European Neighbourhood Policy for the south and the Union for the Mediterranean, has been negligible in its promotion of social protection. However, the EU has expressed its intention to step up support of social protection in future development cooperation and acknowledges that it should promote systems of protection that are efficient, fair and sustainable in national contexts [[1]](#footnote-1). Social protection should be at the heart of dialogue with governments on national development strategies, and it should be guaranteed that social protection systems are based on principles aiming to achieve fair, universal and lifelong access to social protection. Special attention should also be paid to the most vulnerable such as children, the disabled and the elderly and, in general, to low-income situations and to the areas of protection that most need to be developed.

The global economic crisis of recent years has made social protection even more necessary at this time of economic uncertainty, low growth and increasing inequality. But, apart from the crisis, it must not be forgotten that the EuroMediterranean region is facing huge human and economic challenges, including humanitarian upheavals resulting from war and violence, food and human resources crises, problems of access to water and the consequences of climate change as well as movements of people for these reasons, and the challenges of democratic governance. The scope of these phenomena has stressed both the defensive role of social protection and the consequences of not having sufficiently efficient systems to help people cope with the various social risks that may arise during their lifetimes. In this context, it is necessary to establish mechanisms for preventing poverty from becoming chronic.

Clearly, the development of basic levels and systems of social protection is not sufficient for dealing with the causes of poverty and inequality which are closely related to these challenges and to the characteristics of the global economic system. Ideally, such development should form part of a more holistic approach to social, political and economic policies covering all these phenomena and not only aiming to mitigate the symptoms of poverty and inequality. However, this would obviously go beyond the purpose and real possibilities of this report because these are matters that are already being considered within the framework of the EuroMediterranean partnership of Economic and Social Councils and similar institutions.

## 2. Basic levels: meaning and context in the EuroMediterranean region

Over recent decades, social protection as a prime objective for development has received greater emphasis in the strategies of the main international organisations. Global food, financial and economic crises, political and military conflicts and forced migrations in the early years of the 21st century have indicated the immediate impact of this type of problem on lives, especially those of the poorest and most vulnerable people. In the context of globalisation, no country is free from the consequences of events in places that are geographically distant but economically connected. The worsening of the situation for the most vulnerable, together with the impoverishment of certain groups who previously were free from economic problems, are making it more difficult for societies to recover and are weakening their resilience against possible future crises. Strategies are needed to build capacity for sustainable and community-based recovery, and in them the existence of well-defined systems or programmes for social protection / Social Security is key[[2]](#footnote-2). As the ILO states, “Effective national social security systems are recognized as powerful tools to provide income security, to prevent and reduce poverty and inequality and to promote social inclusion and dignity. Social security is also an economic necessity. When well-designed and linked to other policies it enhances productivity, employability and supports economic development. In times of crisis, it acts as an economic and social stabilizer and thereby contributes to mitigating the economic and social impact of economic downturns, enhancing resilience and achieving faster recovery towards inclusive growth”[[3]](#footnote-3).

THE BI-DIMENSIONAL STRATEGY OF THE ilo AND BASIC LEVELS OF SOCIAL PROTECTION

The concept of basic levels of social protection on which this report aims to encourage reflection, as applied to the EuroMediterranean region, stems above all from the work of the ILO and, specifically, from the promotion of worldwide social protection that was one of the aims of Recommendation 202 on social protection floors (SPF).

Most countries in the EuroMediterranean region have ratified ILO Convention no. 102 on minimum standards for Social Security. Although dated in 1952, this Convention continues to serve as a point of reference for the gradual development of social security at national level and as a means of preventing the levelling-down of standards of social security systems worldwide. Convention no.102 has since been complemented by other regulatory instruments on Social Security that include more advanced or specialised standards (Table 1).

However, irrespective of the terms of such regulatory instruments, in view of the serious consequences of the global economic crisis, in about 2009 the Social Protection Floor Initiative (SPF-I) arose as one of the nine United Nations joint initiatives to mitigate the effects of the economic crisis[[4]](#footnote-4). In 2010 the Social Protection Floor Advisory Group was created for the purpose of global promotion and advocacy and to consider in greater depth certain conceptual aspects of social protection. Finally, in 2012, ILO Recommendation no.202 was issued on social protection floors. This Recommendation does not aim to interfere in the process of implementation of the pre-existing ILO regulations but to promote strategies for the horizontal and vertical extension of Social Security.

* *Horizontal extension* aims to extend Social Security coverage to the largest possible number of people, with fast application of basic guarantees.
* *Vertical extension* aims to gradually raise standards of protection in the framework of integrated social security systems based on the Convention on Social Security (minimum standards) 1952 (102) and the more advanced ILO instruments on social security.

###### graph 1

two-dimensional ILO strategy on social protection



Source: ILO, *The strategy of the International Labour Organization. Social security for all: Building social protection floors and comprehensive social security systems*, 2012.

While vertical extension continues to be gradually applied, the ILO is encouraging countries to establish as fast as possible basic social protection guarantees aiming to prevent or reduce poverty, vulnerability and social exclusion, and to keep them in their social protection systems. Such guarantees, which should be established by law and based on social dialogue and participation, should ensure, at a minimum, that those in need, during their life cyle, have access to a set of goods and services and to a guaranteed minimum income in various situations (Table 1). The Recommendation also provides guidance on the process to be followed by States when drawing up and applying strategies for extending social security.

table 1

**STRATEGY TO PROMOTE SOCIAL PROTECTION, ILO SPF INITIATIVE**

(ILO Recommendation on national social protection floors (SPF), R202 (2012), II.5 adopted at the 2012 International Labour Conference)

**Social protection floors** comprise a set of basic social guarantees for all (horizontal dimension) and the gradual application of more advanced standards (vertical dimension) to ensure that the whole population, and especially vulnerable groups, have income security and access to essential social services and should provide protection and build capacity for individuals throughout their lives.

Such Social Protection Floors should include, at a minimum, the following **basic social guarantees established by law**:

1. access to a nationally defined set of goods and services, constituting **essential health care**, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
2. **basic income security for children**, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
3. **basic income security**, at least at a nationally defined minimum level, **for persons in active age** who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
4. **basic income security**, at least at a nationally defined minimum level, **for older persons**.

The ILO experiences show that the adoption of a development policy aiming to promote social protection in line with the SPF initiative is viable for all countries, including low-income countries[[5]](#footnote-5). Even if adopted gradually, such a policy can give good results in terms of poverty reduction and social development. Progress can be made by coordinating existing social protection programmes, which often focus on certain groups or are excessively fragmented, in order to ensure that universal social guarantees are available while also guaranteeing minimum standards and progressing towards higher levels of social protection. It will not necessarily be easy: necessary requirements are political will, physical space for funding and efficient institutions[[6]](#footnote-6).

To consider the meaning and scope of basic levels of social protection in the heterogeneous political, economic and social reality of the Union for the Mediterranean is extremely complex. It does, however, seem clear that the challenge of adoption of the SPF initiative by the countries of the Union for the Mediterranean differs greatly between the north and the south.

However, as shown by the recent global economic and financial crisis, when countries have adequate systems for social protection plus a dynamic and inclusive labour market and a well-trained working population, they are more resilient: they can cope better during economic recessions, recover faster and are less vulnerable in political upheavals. The extension of such systems to as many people as possible should be considered amongst the social objectives of the Union for the Mediterranean.

CHALLENGES IN THE EU

Although the EU has one of the most advanced social models in the world, it also has high levels of long-duration unemployment, relative poverty and inequality, even during the initial years of economic recovery. After the recent crisis years, the Community authorities have reached the conviction that only societies with social cohesion are able to maintain fair and sustainable economic growth.

Although, as shown in the next section, there is a wide variety of models and solutions that pertain to the sovereignty of each country, the EU has an important legal and institutional acquis that backs the existence of minimum rights to social security. Some examples are the European Social Charter (1961), and the Charter of Fundamental Rights of the European Union (2000). Moreover, the EU has a mechanism for coordination in the field of social protection and social inclusion. This is the Open Method of Coordination (OMC), which is linked to application of the 2020 Strategy and is based on mutually agreed targets and indicators that pinpoint progress made and challenges still pending for each country.

In the EU, the crisis has served to emphasise the inseparable relation between countries’ economic and social performance. Newly-created mechanisms such as the evaluation in Europe every semester of progress in structural reforms and the prevention and correction of macroeconomic imbalance also monitor the performance of national methods for social protection. This gives rise to recommendations for each country on, for example, how to strengthen the effectiveness of unemployment protection or social services when fighting poverty or integrating the unemployed.

Minimum standards to be guaranteed by each State for its citizens and the scope of universal rights to social protection have been subjects of debate for decades. They link up with the ILO goal of establishing basic levels of social protection.

It is of interest to consider certain proposals that are currently under study within the EU to strengthen the social dimension of the economic and monetary union as well as social governance and legitimation in the context of the current institutional crisis. While some countries and sectors advocate stricter application of the principle of subsidiarity – which would imply strengthening the national nature of social policies – the European institutions are launching proposals for greater homogeneity among the services provided by countries in order to guarantee a minimum floor for social protection throughout the EU. Such specific services include the EESC initiative on the European minimum income[[7]](#footnote-7) and the proposal in the so-called Report of the five presidents on the possible creation of European unemployment insurance. Consultation is also under way on the definition of the “social pillar”, based on the Community acquis and existing instruments, which would lead to the definition of basic levels of different social rights, including the right to social protection[[8]](#footnote-8).

The European Parliament has recently made a statement on this pillar, stressing that adequate and sustainable social protection systems need to be reinforced, and urging the European Commission to present proposals to strengthen social rights by means of specific instruments (legislation, mechanisms for drafting policies and financial tools). The aim is to have a positive impact on people’s lives and, amongst others, to support national social protection systems, strengthen cohesion, solidarity and upward convergence in economic and social results, while guaranteeing adequate social protection, reducing inequality and achieving long-awaited progress in poverty reduction and social exclusion[[9]](#footnote-9).

CHALLENGES iN THE SOUTH

In view of the complex and heterogeneous situation among the countries along the southern banks of the Mediterranean, the question needs to be asked whether it would be feasible to adopt a law affording basic guarantees on social security so that all people in need can receive health care and a basic income, in line with ILO Recommendation no.202. It must be remembered that the provision of services requires not only legal recognition but also the prior existence of institutions and infrastructures which, especially in the case of health care, cannot be improvised from one day to the next.

Establishing such guarantees in countries that do not meet such requirements requires measures to design, organise and fund them, while meeting the targets of gradually setting up more integrated, more adequate systems. It would therefore be necessary to strengthen the tax systems on which the funding of social protection is based. This may require a considerable added effort in countries that are dealing with a complex economic, political and social situation. And it may be that, unless they receive the necessary support, certain countries in the EuroMediterranean region are not yet prepared to take such a step.

In view of the different situations to the north and the south, it is appropriate to consider interaction between their respective systems for social protection within the framework of the Union for the Mediterranean. In the context of globalisation, the increase in migratory flows, the problem of refugees and displacement of workers within the EuroMediterranean region all make it necessary to review the meaning and scope of application of basic levels of social protection from a transnational viewpoint. It should be remembered that, as part of the nine initiatives approved by United Nations in 2009 to deal with the crisis, the establishment of a basic level of social protection is inseparably linked to the initiative of achieving stability in humanitarian, security and social spheres. The latter refers to the adoption of emergency measures to protect life and livelihoods by meeting humanitarian and food needs, protecting displaced persons and strengthening social and security stability.

## 3. Social protection in the EuroMediterranean: situations and trends

### 3.1. Situations and general trends: extension, funding, expenditure and coverage

One of the main differences between the EU countries and the MMC is the level of development of social protection systems in the former. Though weakened by the crisis, they play a key role in supporting people in different situations of social risk who have seen their income decrease and have ended up in situations of poverty or social exclusion. Health care systems, unemployment protection and pensions mitigate the effect of loss of income on people’s lives, contributing to social inclusion and helping maintain their productive capacity.

In the countries along the southern shore, as in the Community countries, the situation is very varied. Formally, practically of them have public social security systems which legally recognise most benefits. However, there are serious shortcomings in contributory benefits in most of these countries, and limited scope for both health care and guaranteed minimum income, which the ILO is trying to promote.

EUROPEAN UNION

Social protection systems in the European Union have reached a high level of development, to the extent that they are the key to the so-called European social model.

The regulation and characteristics of social protection systems fall under the authority of individual countries although the EU, as already stated, has a mechanism for coordination in the fields of social protection and social inclusion (the Open Method of Coordination) which, based on shared targets and indicators, points to the advances made and the challenges still pending in each country. This mechanism, part of the Europe 2020 strategy, is the main path towards achieving shared targets in social protection in the EU and aims to promote social cohesion and equality through sustainable and accessible protection systems.

The different systems share a structure that usually combines contributory and non-contributory social benefits, with pay-as-you-go systems prevailing in most countries as the model for pension schemes, together with complementary regimes.

All these systems provide for benefits for old age, disability and survival, sickness and maternity, employment injuries, unemployment and family benefits (Tables 6 and 7). The majority of funding comes from the contributions made by employers and workers and from public transfers, with social contributions being the main source of funding for social benefits (tables 10 and 11).

However, the characteristics of social protection systems vary from country to country, combining the provision of public services in kind with economic transfers that may be contributory, non-contributory, means-tested or universal.

The maintenance of such social protection systems faces serious challenges resulting from ageing of the population and new social risks stemming from long-term unemployment and new poverty profiles, as well as greater needs among young people and families with children. Maintaining sustainability, extension and quality in a framework that is subject to fiscal consolidation targets (which in some countries have led to a reduction in support for social protection systems) are some of the main challenges within the EU. In this context, most of the Member States have tried to adapt their systems, especially their pension systems, with reforms aiming to make them financially sustainable. In some countries, however, there has been no clear message about maintaining the sustainability of such systems, and this has created concern and uncertainty among citizens.

Moreover, over recent years, the EU institutions have advanced in their recognition of the importance of systems to guarantee minimum income. In its Opinion of 2014[[10]](#footnote-10), the EESC stressed the need to guarantee a minimum income in the European Union and even suggested that a framework Directive be passed to this effect, aiming to fight poverty and to facilitate inclusion in the labour market. More recently, in its Social Investment package, the European Commission stressed the role of minimum income guarantee systems, as part of the integrated strategy for active inclusion and identified their adequacy, scope and coverage as the main challenges in this area. To develop this idea, the *European Minimum Income Network* has been set up to promote mutual learning and the sharing of good practices as well as to foster the sufficiency of minimum income systems by monitoring them every semester and developing a common methodology for calculation (the *European Reference Budget Network*).

EUROMEDITERRANEAN MEMBER COUNTRIES (MMC)

Before the situation of social protection in the southern Mediterranean countries can be analysed, it must be pointed out that it is difficult to obtain updated, comparable information. This makes analysis of the effectiveness and scope of social protection and social assistance systems difficult.

In southern countries, social protection systems are closely related to a number of socio-economic and demographic factors which determine social needs. In broad terms, these are the rural/urban gap, fast population growth, the weight of the informal economy and the low level of industrialisation.

Regarding the first of these factors, the large proportion of rural population in most MMC is leading to extensive migration from rural areas to cities, where social inclusion is not always possible, and this is generating pockets of poverty in urban areas. The rural origin of poverty is much more present in these countries than in Europe but it is being transformed into urban poverty. In addition to the direct impact of macroeconomic policies on the living conditions of people in rural areas, the lack of education and health infrastructures lies behind the decisions taken by many families with children to migrate although they end up suffering from urban poverty and degradation.

Demographic factors have serious economic consequences, especially the high fertility rate which aggravates the gender gap and increases the demand for education and social protection.

The informal part of the economy deprives many workers in these countries of their social rights and damages the funding of social protection systems. In addition, the productive structure of most of these countries does not offer sufficient employment opportunities for the large young populations, in an environment in which appropriate infrastructure and social benefits are not available to mitigate the consequences of unemployment and insufficient income. In fact, the labour markets are mostly characterised by a very low rate of participation by women, very high unemployment for young people and women and a high rate of vulnerable employment. All this leads to large migratory flows that deprive local economies of precisely the most enterprising and most skilled workers, and aggravates the vicious circle of poverty in the region.

Moreover, political instability in some MMC and the extreme situation in some places where there are armed conflicts multiply the effects of the profound economic and social crisis, giving rise to large numbers of displaced persons, most of whom aim to reach other countries in the EuroMediterranean area. Also, new types of social vulnerability are arising from the advancing process of climate change and the increasing frequency of natural catastrophes. These cause extensive human and economic damage and forced displacement of people.The effects of the migratory phenomenon, especially the refugee flows, need to be taken into account when implementing basic levels of social protection.

Although the situation differs from country to country, all the MMC have formal social security structures that are similar in design to the contributory systems that prevail in most of the EU countries, with key importance being placed on pension systems (Tables 6 and 7).

Most funding for such systems comes from the State, although contributions are also made by employers and workers (Table 8). In lower-income countries, multilateral organisations also play an important role. These are mainly UN programmes, funds and specialist agencies, which offer technical and financial support. There are also many local programmes set up by NGOs and religious organisations.

In spite of the widespread existence of social protection, in many of these countries expenditure on it is still limited and varied, representing from 2 to 16% of GDP (Table 5). Also, the systems are largely characterised by poor coverage of the population, insufficient coverage of contingencies, and serious funding problems.

Most of the countries analysed provide long-term benefits for old age, invalidity, survival and employment injuries, although they do not all provide benefits for unemployment, sickness, maternity or family protection (Table 6) and, where such benefits do exist, coverage tends to be very low. Similarly, in spite of the efforts made in many MMC over recent years, health care coverage is still insufficient and unattainable for a large proportion of the population.

In the case of old age, invalidity and survival, protection is mostly limited to workers in the public sector, including members of the armed forces, and to some workers in the private sector, but own-account, farm, domestic and migrant workers are often excluded.

Coverage is especially low among young people, because of their high levels of unemployment, and among women also because of unemployment but especially because of low levels of participation in the labour market. This is aggravated by low levels of family protection.

In addition, the existence of extensive informal employment, in a context in which most social security systems are contributory, means that a significant proportion of workers has no coverage. And even in formal employment, in some countries there is a large percentage of evasion of social security contributions. This not only leaves workers outside the system but also has a negative effect on the financial sustainability of protection systems.

It must also be remembered that social protection networks – and the term “networks” is used because such protection in these countries does not always come mainly from the public sector because the third sector and non-governmental, often religious, organisations play a key role – take the form of a variety of instruments for redistribution, which often differ from those used in the EU or in traditional social protection schemes. In a context of high inflation, great weight is often given to subsidies for basic consumer goods (fuel, cereals, etc.), ration books, money transfer programmes addressing specific groups or regions, transfer programmes that tie aid to requirements such as schooling, or transfers in kind (food, school materials, etc.). Such programmes, which are mainly run by the State, NGOs and religious organisations, often suffer from a lack of coordination and transparency, giving give rise to situations of over- or under-protection of those most in need.

Most MMC have set up social reforms in response to food, fuel and financial crises and to the concerns arising out of the Arab spring, some of which have been successful and have improved the extension of social security or the coverage of certain benefits in the area[[11]](#footnote-11).

### 3.2. Health care

Health care is a prime element in social protection systems because it guarantees human wellbeing while also promoting economic and social development and supporting economic recovery. Public health care systems facilitate access to care in the case of illness without requiring payment by citizens, thus helping to reduce the risk of poverty and of social inequality.

Also, people in good health are more likely to find work and will be more employable. Therefore, from the economic and production points of view, investment in health has important positive effects. Increased productivity and a larger workforce resulting from a smaller burden created by illness may be the direct result of applying universal health care systems. But the effect is even more direct when measured in terms of employment and economic activity in the health care sector itself.

Health care is therefore a key instrument for individual and collective wellbeing. Universal health care coverage is a challenge that has not yet been met in many countries, not even for essential services at national level as identified in the Recommendation on social protection floors. Availability (the existence of goods, services and programmes), accessibility (access without discrimination in each state), acceptability (services that respect medical ethics and individual culture) and quality (services that are appropriate from the scientific point of view) should be key components of the essential services considered in social protection floors.

Over the last two decades, important progress has been made in health care worldwide, with the extension of care to women during pregnancy, childbirth and postpartum, and with immunisation and care for children aged under five, among others. This has led to much greater life expectancy. Yet there are still great inequalities among countries, which can often be directly attributed to the scope of health care coverage which, in turn, largely depends on the country’s economic development.

health care challenges in the european union

One of the most important achievements of societies in the European Union is precisely that they have achieved high life expectancy, among the highest in the world (Table 4), although there are still significant differences within the Union which can clearly be attributed to different income levels. However, one of the consequences of longer life expectancy, and of low fertility, is ageing of the population which has become one of the main demographic features.

Regarding morbidity rates in the European area, there is a clear preponderance of chronic pathologies associated with ageing, as opposed to the acute nature of infectious diseases. Success in dealing with the latter has given rise to health care models that focus more on treating long-term disorders and diseases, including systems for holistic care for the elderly.

In the European Union, the extension of universal health care coverage is a reality in most countries, which have State and contributory funding systems as well as private insurance schemes. Concern about the sustainability of the health care spending that is implicit in universal coverage has existed for decades and has been sparked yet again by the economic crisis. It is also necessary to evaluate the impact of the fiscal consolidation measures taken by some States, which have entailed a reduction in public spending on health care and consequently have reduced both its quality and access to it. In many cases, transferring the economic burden from the public sphere to the private sphere of households has increased poverty and exclusion because of the high cost of treatment for certain diseases which many domestic economies cannot afford.

On average, public spending on health care in the European Union amounts to 6.7% of GDP, with marked differences from one member country to another, ranging from 3 to 10% (Table 5). Budget adjustments have led many States to reduce expenditure on health care, resulting in staff and service restrictions, and increased patient participation in the cost of certain services.

**challenges faced by mediterranean member countries**

Unlike the European societies, the main defining demographic feature of the countries along the southern banks of the Mediterranean is their youth (on average, only 6% of the population is aged over 65) although, as with other indicators, there are marked differences from country to country. Also, despite recent improvements, life expectancy at birth is slightly lower than the average for European Union countries. Morbidity involves more complex profiles as there are illnesses stemming from nutritional deficiencies alongside others such as obesity, as well as infectious diseases alongside chronic pathologies. There are also marked differences in health and in health care depending on the degree of urbanisation, with the possibility of receiving good-quality health care (including care for women during pregnancy and childbirth) being significantly lower in rural areas.

Despite the progress made in recent years, public spending on health care in the MMC is lower than that recorded in other parts of the world, which means that a large proportion of direct household expenditure goes on health services. With average expenditure of around 3.5% of GDP (Table 5), countries in the region still have a long way to go in an area of expenditure that is especially sensitive and is virtually able to reduce poverty rates and social inequality. In fact, however good the health care facilities in many of the MMC, the quality of care received largely depends on whether citizens can afford to pay for it.

### 3.3. Protection for children

The prevention and reduction of poverty and exclusion of children and families require social protection systems that can correct inequality and guarantee children’s rights. Such systems are of capital importance because poverty during childhood has consequences for children’s quality of life but also for them as they become adults and for their society as a whole. Hardship and deprivation during childhood (in food, education and other areas) create adults who are likely to find it difficult to become integrated in all dimensions of social life, thus jeopardising progress and the future wellbeing of societies. So, for this segment of the population, benefits in cash and in kind have a very important role to play in guaranteeing children’s rights and ensuring that societies can progress.

The total amount of resources allocated worldwide to the specific needs of children and families amounts to 0.4% of global GDP and 7.4% of total expenditure on social protection, excluding education and health. Here, too, there are large variations from one region to another, and it is especially notable that the countries with the least aged populations, that is, those with the largest young populations, spend less than those where the proportion of children is smaller.

IN THE EUROPEAN UNION

In many European Union countries, where average expenditure on child and family protection exceeds 2% of GDP, child poverty and the risk of exclusion increased during the years of the economic crisis, pointing to the need for stronger child protection mechanisms (Table 5). It has also become clear that policies relating to child welfare need to be mainstreamed, although this mainly depends on the situation and characteristics of family units. For example, the risk of exclusion is greater in single-parent families with several children so, even though benefits in cash and in kind to improve living conditions for children and families are particularly important at times of need, measures to guarantee regular income for families (job support and unemployment benefits, and tax support for families with children, amongst others) are the best instruments for prevention and amount to a real challenge in some countries.

IN MMC

There is a wide range of situations in the Mediterranean partner countries but, in general terms, it can be affirmed that a large proportion of children live close to or below the poverty line. Moreover, monetary poverty is found alongside other circumstances that make added efforts in social protection necessary, especially mainstreamed policies to improve the living conditions of children and their families. Nutritional deficiencies, especially in countries with medium to low levels of income, seriously affect the population aged under five. Improvements are also needed in aspects such as health (despite the achievements of recent decades which, amongst others, have reduced child mortality in many regions). Schooling rates vary substantially depending on the degree of urbanisation (over the last 20 years, the number of children not going to school has increased). Other ongoing concerns are child labour, which affects 10% of children aged between 5 and 14 and the marriage of young girls. Also, children who are displaced in situations of emergency and conflict are in a situation of special vulnerability.

With an average expenditure of 0.5% of GDP, specific programmes for child protection in the MMC create a reality that is not always well-known, and analysis of their results indicates that improvements are needed in the form of systematic data bases (an outline of the situation and of results is only available for a few countries). It would be desirable for data to be broken down by gender and age, so that specific needs can be identified and met through specific programmes.

Moreover, it is important to guarantee child protection because of the social relevance of child vulnerability which affects the future of societies with large young populations. Therefore, the evidence created by accurate information is a key element for States to position themselves regarding social protection and their “sensitivity” to children.

### 3.4. Support for people of working age: incapacity and unemployment

Employment, whether formal or informal, is the main source of income for people of working age. A temporary loss of employment for whatever reason may amount to a serious problem for the economic situation of households, even leading to poverty and social exclusion. In addition, there are many situations in which income is insufficient, creating the need for compensatory measures to prevent social exclusion. Such situations are potentially damaging for the society as a whole and for the production system in particular, so coverage of the contingencies associated with a temporary or permanent loss of employment is an important element for individual and collective equilibrium. In fact, income stabilisation in cases of loss of employment or incapacity (or the need to compensate for insufficient income) by means of mechanisms to cover the different contingencies plays a fundamental role in maintaining appropriate living standards, while also guaranteeing the maintenance of aggregate demand and, ultimately, making structural changes in economic systems possible.

According to Recommendation 202 on social protection floors, the goal is to guarantee the security of basic income defined on a national scale as minimum standards for people of working age who do not have sufficient income or are sick, disabled, unemployed or are mothers of small children. And the key areas are unemployment, sickness, disability and maternity benefits. However, bearing in mind that a large proportion of the working population finds itself in circumstances such as working outside the formal economy, not making enough money to move out of poverty, or long-term unemployment, ensuring a decent life for them makes it necessary to provide non-contributory, universal protection programmes or schemes.

Today, about 2.3% of global GDP is spent on protection for working-age people, but with marked regional differences.

*IN THE EUROPEAN UNION*

In the countries of the European Union, employment protection systems (unemployment, sickness, maternity, labour market programmes, etc.), which take up 6% of GDP (Table 5) generally take the form of contributory insurance systems. These are mandatory for employers and workers for both long-term pensions and short-term contingencies such as maternity, sickness or temporary unemployment. Permanent incapacity is treated in a similar way to retirement.

Regarding unemployment benefits, there are marked differences among EU countries regarding coverage and the intensity of protection, that is, the proportion of beneficiaries over the number of unemployed persons and the amount of benefits. During the crisis period, some systems had a greater capacity than others for mitigating the effects of increasing unemployment on workers’ quality of life and for stabilising aggregate demand, while others did not have sufficient capacity to avoid situations of poverty resulting from long-term unemployment.

*IN MEDITERRANEAN MEMBER COUNTRIES*

Despite the progress made in many countries in this area over recent decades, economic growth has not led to the creation of qualified jobs among a growing young population. Unemployment, under-employment and informal employment are still important challenges, all of which are especially grave for women and for workers in rural areas.

Although economic heterogeneity is also seen in the many different approaches to protection, the predominant method is contributory insurance programmes. However, this model usually only covers workers in the public sector and some of those in the private sector. Others, including temporary or informal workers, and farm, domestic and migrant workers are excluded from legal coverage in much of the area. Thus, only one third of the working population is covered, although there are great variations from one country to another. In the case of women, coverage barely reaches 10% because of the low level of integration in the formal economy.

Regarding non-contributory programmes for assistance, all countries offer them to specific groups of population, but they are mainly provided by non-governmental organisations. However, since such programmes are largely provided at discretion and are poorly coordinated, measures to make them more effective and efficient are desirable.

In general, social protection for working-age people leaves plenty of room for improvement. It would be desirable for coverage to be made universal to ensure that the effects of loss of income are mitigated, as has been possible in other regions. The quality of life of beneficiaries should also be improved, reducing the risk of poverty and exclusion while also ensuring that the production system can work, resulting in positive effects in the short and medium term during crisis situations.

### 3.5. Social protection for the elderly

The right to basic income security for the elderly implies receiving an adequate social security pension. It is also necessary to guarantee access for such people to good-quality social services, with a special emphasis on health care and long-term care.

Retirement pensions have been shown to have a marked effect on reducing poverty among the elderly. However, in many countries, especially those with a strong informal economy, only a small proportion of the elderly receive such a pension, while the majority depend on family support or live in poverty. Moreover, together with problems of coverage, which exist above all in low-income countries, there is a fairly widespread problem in the EuroMediterranean area regarding the adequacy of pensions for the elderly.

EUROPEAN UNION

In the European Union, social protection for the elderly is the main item of expenditure in social protection although there are significant differences among countries, largely because of the different weight of the elderly population over the total. Public expenditure on the elderly in the EU varies from 6 to 15% of GDP (Table 4).

Although there are differences, most member States have a similar structure for retirement, combining contributory pensions with assistance and voluntary or mandatory complementary regimes run by private entities or by employers. In most countries, ‘pay-as-you-go’ systems prevail, funded by company contributions and public transfers, but in others there are mixed systems with a combination of public pensions and complementary pensions (employers’ pensions schemes) and voluntary private savings (individual pension schemes).

In most of the member States, the amount of the pension is related to wages, and proof of income is often required. Also, in some countries the pension comprises a similar flat-rate component for all pensioners and a variable component depending on income, while in just a few countries the pension is universal and uniform for the whole population (Table 7).

The actual age of retirement also differs from one country to another, from 62 to 66, with early retirement varying between 57 and 63. In some countries, the ages are earlier for women than for men (Table 3).

Over recent years, the European Union pension systems have had to meet serious challenges such as the ageing population, increased life expectancy (which extends the period during which pensions are paid), the decrease in working population and a worse employment situation in terms of lower wages and greater instability.

In this context, most countries have undertaken reforms to guarantee the sustainability of their pension systems, although in most cases the measures have focused exclusively on reducing expenditure. The measures that have been adopted in most of the EU have delayed the age of retirement, changed the reassessment system, increased the period for calculating the pension, or applied a sustainability factor, amongst others. As a result, the sufficiency of pensions for the elderly may be affected in the long term.

MEDITERRANEAN MEMBER COUNTRIES

In the MMC, public expenditure on protection for the elderly is lower than in the European Union countries, varying from 2 to 7% of GDP (Table 4). Part of the difference is related to the fact that the population in MMC is younger (those aged over 65 represent just 3 to 11% of the total population), although the pension systems also have lower rates of coverage.

The MMC mostly have mandatory pension plans based on ‘pay-as-you-go’ systems, with limited benefits, and are funded by State contributions and those paid by employers and workers. Employees’ pension schemes are also common in the region to cover different employment segments. These, however, are associated with high costs and labour market fragmentation and lead to significant inequality among employment segments and therefore among the recipients of old-age benefits.

Generally speaking, only a small proportion of the population in the MMC is covered by a public pension plan, although there are marked differences from country to country. The rate of coverage varies between 20 and 80% of the working population. This means that in certain countries there are large segments of the elderly population who receive no income. While it is true that family networks in these countries have traditionally played a very important role in protecting the elderly, today’s migratory processes are placing the provision of such support at risk.

One of the reasons for the low coverage is the fact that it is not universal. In all the MMC, public sector workers and members of the armed forces are covered as are, in practically all of them, permanent workers in the private sector, but farm workers are excluded. There are not many countries where the systems cover farm, temporary, own-account, domestic or migrant workers.

In addition, the informal sector carries great weight, so part of the labour force is excluded from public pension systems. Also, many workers who are legally covered by the system do not actually pay their contributions, either out of ignorance or because they prefer to use that part of their wages for immediate consumption because of uncertainty about their future pensions and the associated transaction costs, mainly in the form of administrative procedures.

Over recent years, some countries have endeavoured to end the coverage of their pension systems, and in certain cases, non-contributory pensions have been established for the elderly to fill the gap and help guarantee income security for this segment of the population, in view of the important correlation between old age, poverty and social vulnerability[[12]](#footnote-12).

The retirement age in the MMC is relatively early in comparison with European Union countries, especially for women. The usual age is 60 for men and 55 to 60 for women (Table 3). The age of early retirement is 50 to 55 for men and 45 to 55 for women. Pension plans offer important incentives for early retirement in many of these countries, regarding both the age requirement and the amount, which is relatively high in comparison with the average pension in the system.

In general, pension systems in these countries are fairly generous regarding the replacement of wages, partly because the period considered for setting the initial pension is tied to the last few years of working life which are usually those with the highest wage levels. These high replacement rates, in a context of low coverage, high degrees of fraud, high administrative costs and inefficient policies for investing reserves, mean that public pension systems in the region suffer serious problems regarding financial sustainability.

Several countries have adopted reform initiatives aiming above all to extend coverage, raise retirement age, review formulae for setting pension amounts or limit administrative costs in order to improve system efficiency and guarantee an adequate level of income for the elderly. Finally, it seems appropriate to remember that in these southern Mediterranean countries increased longevity is also going to be an important socio-economic challenge in the long term, making it necessary to anticipate the development of protection for the elderly before demographic pressure makes more drastic reforms necessary.

## 4. Initiatives in the framework of EuroMediterranean cooperation: achievements and limitations

EuroMediterranean cooperation has suffered from the EU’s weak foreign policy regarding security and stability in the Mediterranean. This would need the sharing of resources and competencies which are currently held by each country. In 2015, the European Commission undertook a review of the European Neighbourhood Policy (ENP), reflecting on the principles behind it, its extension, instruments and the policies that could contribute most to cooperation, strengthening links between internal and external priorities[[13]](#footnote-13). The new priorities for cooperation in the framework of the ENP, as declared by the European Commission, are to strengthen regional cooperation with neighbours in the south and to guarantee protection for those who need it, although the top priorities for action will continue to be migration, security and energy.

To date, neither the European Neighbourhood Policy for the south nor the Union for the Mediterranean have directly included objectives for greater development of social protection. They have therefore not moved explicitly in the same direction as the main international organisations which have reaffirmed and promoted interaction between social and economic objectives.

Not long ago, the European Commission declared its commitment to greater support for the development of minimum standards of social protection within the European Union’s development cooperation, specifically in its Communication on social protection in development cooperation[[14]](#footnote-14). In this context, the Commission considers that social protection should be included in the Union’s political and strategic dialogue with its partners. Therefore, to strengthen social protection systems, the role to be played by European Union development cooperation should aim, in medium-income countries, to expand coverage and improve efficiency and, in low-income countries, to increase funding and develop institutional capacity (institutional reinforcement and technical cooperation).

In the latter, there have been some interesting experiences of cooperation between the EU and other countries. The *Socieux + EU Expertise in Social Protection* initiative was set up in 2014 with the aim of informing non-Community countries of the experience of Member States in the field of social protection and of providing specialised assistance to improve and develop systems in the countries interested in participating. This led to 37 actions in 23 countries, including some in the EuroMediterranean region. The new *Socieux + EU Expertise in Social Protection, Labour and Employment 2017-2020* not only provides for specialised assistance in the development and management of social protection systems but also expands its area of action to include employment policies.

SOCIAL PROTECTIOn ON UfM PROGRAMMES

Although socio-economic development of the region is one of the main objectives of the Union for the Mediterranean, its work in the field of social cohesion has mainly been linked to the promotion of other important dimensions, such as employment, education or gender equality. Programmes to support the development of minimum standards of social protection have not yet been specifically considered in any of its six strategic areas of action.

However, the area of business development has generated initiatives to support job creation, which is an essential dimension for maintaining and financing social protection systems. There have also been two Ministerial Conferences on labour and employment (2008 and 2010).

The area of civil and social affairs has focused on promoting gender equality, and programmes for extending social protection have not received any specific treatment in this area.

SHORTCOMINGS IN THE EUROPEAN COORDINATION OF SOCIAL SECURITY in mmc

In the context of increasing mobility in the region, overcoming obstacles to the portability of rights relating to basic standards of social protection by means of agreements or appropriate tools is clearly a way of improving prosperity and living conditions in the EuroMediterranean region as a whole.

Based on the principle of equality, European Union Regulations 859/2003 and 1231/2010, which regulate the coordination of the various Social Security systems, corrected the former exclusion of nationals from third countries that existed in the previous regulations. This means that nationals from third countries and Community citizens all enjoy the same provisions and treatment. However, the Community regulations are only applicable within the European Union territory and there are no mechanisms for coordination with the Social Security systems of third countries. There is therefore a risk that the rights to social protection enjoyed by Community and non-Community citizens working and residing within the Union may be diluted when they transfer to other countries.

This shortcoming has mainly been solved to date by bilateral agreements and by the EuroMediterranean Agreements[[15]](#footnote-15) and Partnership Agreements[[16]](#footnote-16). However, such agreements may be insufficient for guaranteeing rights to social protection for Community and non-Community citizens. On the one hand, bilateral agreements have to be adopted by each of the Member States of the European Union and each State defends its interests as it sees fit. On the other, while Partnership Agreements include common mechanisms for coordination between the Member States of the Union and third countries, their provisions are not immediately applicable. They require subsequent legislation based on the decisions approved by the Council as well as adoption and validation by the parties and, when these do not go ahead, the agreements are left in a legal limbo[[17]](#footnote-17).

In this context, it is necessary to adopt appropriate instruments to allow for effective European coordination and to circumvent the practical problems inherent in Partnership Agreements. In addition, it would be appropriate for the European Union to act as the single interlocutor in order to overcome the limited scope of bilateral agreements.

In conclusion, there should be firmer acceptance of the goal of promoting basic standards of social protection in the EuroMediterranean region and greater consistency among the various political strategies to support the Mediterranean countries when working towards it.

## 5. Conclusions and proposals

Social protection systems are key elements for dealing with the risk of poverty and for promoting social inclusion while strengthening the potential for economic growth and social cohesion of the EuroMediterranean countries.

Setting minimum standards for Social Security as recommended by the ILO, that is, extending Social Security coverage to the largest possible number of people in the EuroMediterranean region (“horizontal extension”) would help alleviate poverty, improve social cohesion and living conditions for the region’s population and promote economic recovery. This would not limit parallel advances, in countries where these are possible, towards higher levels of protection (“vertical extension”), in compliance with the ILO international standards in order to prevent the levelling-down of Social Security systems throughout the world.

It would also give rise to positive synergies with other strategies for cooperation in the region, such as the promotion of youth entrepreneurship and self-employment or gender equality, which are necessary for achieving sustainable and inclusive economic growth and for improving living standards for the population.

meaning OF BASIC STANDARDS

It is difficult to reflect upon the meaning and scope of basic levels or guarantees of social security in such a varied political, economic and social situation as that of the Mediterranean countries. The challenge of applying ILO Recommendation 202 is of a very different nature to the north and south of the Mediterranean.

Essential requirements are political will, a broad fiscal base for funding and an adequate level of institutional governance, and these are not yet met in all the countries of the region.

National situations are very varied so the question should be asked if it would be feasible in all of them to pass a law setting basic social security guarantees so that everyone in need would have the necessary health care and basic income. This might amount to an important added effort in countries that are already facing a complex economic, political and social situation. It may even be the case that certain countries in the EuroMediterranean region are not yet prepared to take such a step. It should be remembered, however, as stated by the ILO, that it is also possible to move forward by promoting the coordination of existing social protection programmes, which often focus on just a few groups or are excessively fragmented, in order to guarantee minimum standards of social protection.

SITUATIONS AND TRENDS IN THE EUROMEDITERRANEAN REGION

One of the main differences between the EU and the MMC lies in the degree of development of social protection systems in the former. Even though they were weakened by the crisis, they are essential for supporting people in different situations of social risk. In general, health care systems, unemployment protection and pensions mitigate the effect of loss of income, contributing to social inclusion and to maintaining productive capacity.

A mechanism also exists for coordinating social protection policies. Although these fall under the competence of States, the mechanism has served to set common targets which countries work towards by adopting reforms. There is also an information system based on standard indicators and a mechanism for monitoring progress.

In the case of the southern Mediterranean countries, knowledge on the social situation should be increased by improving information and evaluation systems. This would help promote the sharing of good practices for more efficient and innovative social protection networks in the EuroMediterrean region.

Despite the limited information available on the MMC, it is clear that the situation is very varied even though all the countries formally have social security structures that are similar in design to the contributory systems that prevail in most of the EU countries and all place priority on pension systems.

However, the effort made by most MMC in terms of public expenditure on social protection is still limited, and coverage is low. Not all contingencies are protected and there are serious funding problems, mostly related to the great weight of the informal economy.

Not all the systems cover protection for unemployment, sickness, maternity and families and, when they do, coverage is usually especially low. Similarly, in most cases, the coverage of health care is insufficient and unaffordable for a large proportion of the population. In addition, protection is mostly limited to public sector workers and to some workers in the private sector, with own-account, farm, domestic and migrant workers being excluded and coverage among young people and women being particularly low.

In spite of the social reforms undertaken in most of the MMC in recent years, there is still plenty of room for improvement in their social protection systems regarding their scope, efficiency, equity and sustainability.

The extension of social protection coverage is not only a social imperative but is also a necessary condition for the proper functioning of labour markets and for improving productivity and the economy as a whole. But, for this to be possible, there needs to be a transition in many of these countries from the informal economy to a formal economy in order to improve and guarantee workers’ rights, including access to social protection, and to generate sufficient public revenue to provide adequate social protection systems.

In addition, to improve social protection systems in most of the EuroMediterranean area, it is necessary to boost employment, introducing specific employment policies for the most vulnerable groups of population in this respect, such as young people and women. Cooperation and the sharing of experiences and good practices between the two shores of the Mediterranean must therefore be promoted.

The quality of education also needs to be stepped up, in all dimensions, offering training for employment, fostering better alignment between education and labour market requirements and contributing to greater productivity and, ultimately, to sustainable economic growth that will generate both jobs and funds for social protection.

Demographic factors are among the main challenges faced by the EuroMediterranean countries. In the EU, the ageing population represents a challenge in terms of a declining active population in the medium term, funding for social protection systems and living conditions for the elderly. In the MMC, the population can be expected to grow sharply over the next few decades, especially the potentially active population. This will lead to a greater demand for public services. These rely on economic, social and political development, which in turn is closely related to migratory trends. It should also be remembered that in the southern Mediterranean countries increased longevity is likely to become an important socio-economic challenge.

These socio-demographic challenges offer plenty of scope for interaction between the two shores of the Mediterranean with the aim of encouraging inclusive economic growth in the framework of EuroMediterranean cooperation.

Attention should be drawn to the rising number of displaced persons and refugees fleeing from armed conflicts in the EuroMediterranean and sub-Saharan region, a humanitarian catastrophe generating poverty and social exclusion that is placing great pressure on the services, infrastructure and local economies of the host countries, most of which are MMC, and is also increasing the risk of social conflict. It is also important to pay attention to other new types of vulnerability and the social and economic risks of the 21st century, to provide social protection for environmental refugees and the victims of natural catastrophes.The migratory flows in the EuroMediterranean area need to be managed consistently and with coordination, including the perspective of basic levels of social protection.

SOCIAL PROTECTION AND TOOLS FOR COOPERATION IN THE MEDITERRANEAN

To date, the main political tools for cooperation between the EU and the Mediterranean countries, that is, the European Neighbourhood Policy for the south of Europe and the Union for the Mediterranean, have not directly included the goal of promoting basic levels of social protection in the region. This goal needs to be considered in depth in order to guarantee basic social protection within the existing framework programmes for cooperation.

The various political strategies for supporting the Mediterranean countries should be more consistent. In particular, strategic cooperation between the European Neighbourhood Policy and the Union for the Mediterranean should be strengthened to deal with all the many crucial problems and to promote stability and economic and social development in the MMC, including the development of social protection systems and basic standards.

The right to social security is a human right. Accepting the development of social protection as an area of interest within the European Neighbourhood Policy for the south would be consistent with the objectives of this policy, which promotes human rights and democracy by means of several tools.

Within the Union for the Mediterranean, it would be desirable to improve instruments for information as well as advice and cooperation on the situation of Social Security guarantees and how these can be extended in the region. The UfM could promote the dissemination of information and the sharing of good practices in this connection.

To help align the different approaches on this matter in the region, it would be of interest for the Conference of Ministers of Employment to include the topic of basic levels of social protection on its debate agenda.

Tools should also be adopted for effective European coordination in order to guarantee the rights of non-EU migrants working within the European Union, and those of EU citizens working within the EuroMediterranean region.

## ANNEX

TABLE 1

ratificaTION OF ILO REGULATORY INSTRUMENTS



\*List updated on 24/06/2015. For Member countries, we give the year from which they have, uninterruptedly, been members of the ILO.

\*\*1919 to 1993 as part of Czechoslovakia.

\*\*\*Czechoslovakia.

\*\*\*\*\*(Updated) tools analysed:

C102 – Convention, Social Security (minimum standards), 1952 (no. 102)

R202 – Social protection floors recommendation, 2012 (no. 202)

C130 – Medical care and sickness benefits convention, 1969 (no. 130)

R134 – Medical care and sickness benefits recommendation, 1969 (no. 134)

C128 – Invalidity, old-age and survivors convention, 1967 (no. 128)

R131 – Invalidity, old-age and survivors’ benefits recommendation, 1967 (no. 131)

C121 – Employment injury benefits convention, 1964 [TABLE I amended in 1980] (no. 121)

R121 – Employment injury benefits recommendation, 1964 (no. 121)

C168 – Employment promotion and protection against unemployment convention, 1988 (no. 168)

R176 – Employment promotion and protection against unemployment convention, 1988 (no. 176)

C183 – Maternity protection convention, 2000 (no. 183)

R191 – Maternity protection recommendation, 2000 (no. 191)

SOURCE: ILO (International Labour Office): ILO International labour standards and national legislation database (NORMLEX) (incorporates the former ILOLEX and NATLEX databases). Submission of ILO social security Recommendations and Conventions: http://www.ilo.org/dyn/normlex/en/ [06/06/2014].

TABLE 2

ECONOMIC AND LABOUR INDICATORS



1 2015, except Syria (2007)

2 2015 except Libya (2011)

3 2014, except Egypt, Jordan and Tunisia (2013), Libya and Mauritania (2012), Syria (2010) and Lebanon (2007)

4 2014, except Algeria, Palestine and Egypt (2013), Lebanon (2007), Syria (2011) and Morocco, Jordan and Tunisia (2012)

5 2014

6 2015

Note: Vulnerable employment is defined as the percentage of unpaid family workers and of own-account workers over total employment.

Source: World Bank. *World Development Indicators.*

TABLE 3

DEMOGRAPHIC INDICATORS, 2015\*



\* Data for 2015, except for data on life expectancy at birth (2014), and for refugee population by host country for Jordan and Syria (2014).

Source: World Bank. *World Development Indicators.*

TABLE 4

DEMOGRAPHIC AND OTHER STATISTICS RELATED TO SOCIAL SECURITY



Note: Retirement ages refer to the general age for retirement or the age applied to most of the population covered.

a. Population aged 14 or less plus population aged 65 or more, divided by population aged 15 to 64.

b. This refers only to the general age for early retirement.

c. Irrespective of age, but subject to other requirements.

d. The country does not have an age for early retirement, only for specific groups, or the information is not available.

e. Irrespective of age, but subject to other requirements.

f. Retirement age is flexible.

Source: ISSA, *Social Security Programs throughout the world: Europe, 2016*; *Social Security Programs throughout the world: Africa, 2015* and *Social Security Programs throughout the world: Asia and the Pacific, 2014*.

TABLE 5

PUBLIC EXPENDITURE ON SOCIAL PROTECTION IN THE EUROMEDITERRANEAN AREA

(in percentage of GDP)



Sources:

1 ILO (International Labour Office): ILO Social Security Inquiry.

2 National source: Ministry of Finance.

3 ADB (Asian Development Bank): ADB Social Protection Index database.

4 WHO (World Health Organization): National Health Accounts (Global Health Expenditure database).

5 World Bank pensions data.

6 UNICEF country report.

7 HelpAge International: HelpAge's social pensions database.

8 OECD (Organisation for Economic Co-operation and Development). OECD Social and welfare statistics: Social Expenditure Database (SOCX).

9 European Commission, Eurostat, Living conditions and welfare: Social Protection Database (ESSPROS).

10 IMF (International Monetary Fund): Government Finance Statistics, March 2014.

11 Overseas Development Institute (ODI).

12 UN ECLAC (United Nations Economic Commission for Latin America and the Caribbean): Statistics and indicators, social public expenditure.

13 SSA (Social Security Administration of the United States); ISSA (International Social Security Association). Social security programs throughout the world: The Americas, 2013; Europe, 2012; Asia and the Pacific, 2012; Africa, 2013.

14 GSW (Government Spending Watch).

TABLE 6

**GENERAL OVERVIEW OF NATIONAL SOCIAL SECURITY SYSTEMS**



Note: The scope of coverage is measured by the number of areas of social security policy provided for by law. From 0 to 8, depending on the number of areas.

Symbols:

 At least one programme included in national legislation

 Limited provisions

 Only benefits in kind.

Source: International Labour Organisation.

TABLE 7

SOCIAL SECURITY PROGRAMMES



a. Employer’s responsibility

b. No programme exists, or the information is not available.

c. Coverage is provided under other programmes.

Source: ISSA, *Social Security Programs throughout the world: Europe, 2016*; *Social Security Programs throughout the world: Africa, 2015* y *Social Security Programs throughout the world: Asia and the Pacific, 2014*.

TABLE 8

COMPULSORY OLD-AGE INCOME SECURITY PROGRAMMES



a. The pension formula contains a flat-rate component and an income-related component.

b. A universal pension is paid irrespective of income or contributions, but the amount may vary. In some countries, the universal pension may be reduced or eliminated for individuals whose income surpasses a specific threshold.

c. The government provides a minimum guaranteed pension.

Source: ISSA, *Social Security Programs throughout the world: Europe, 2016*; *Social Security Programs throughout the world: Africa, 2015* y *Social Security Programs throughout the world: Asia and the Pacific, 2014*.

*Notes to TABLE 7:*

The different types of mandatory retirement system are defined as follows:

* **Flat rate**: A pension paying a standard amount or based on years of service or residence but not income-related.
* **Wage-related pension**: A pension based on income and funded by contributions paid by employees, employers, or both.
* **Means-tested pension**: A pension paid to people who are eligible because their income or family assets, or both, are below certain levels. Generally funded by State contributions, without contributions from employers or employees.
* **Universal flat rate**: MENA: a flat rate normally based on residence and regardless of income. Generally funded by State contributions without contributions from employers or employees. In the EU-28 countries, it is based on age, residence and/or citizenship, and is also regardless of income.
* **Employees’ retirement plans**: Employers are required by law to provide private retirement plans financed by the employer and, in some cases, by employees’ contributions. Benefits are paid as a global amount, annuity or pension.
* **Individual retirement plans**: Employees and, in some cases, employers pay a specific percentage of income into an individual account managed by a public or private fund manager chosen by the employee. The capital accrued in the individual account can be used to buy an annuity, for programmed retirement pay, or a combination of both, or may be paid as a lump sum.

TABLE 9

CONTRIBUTIONS BY INSURED PARTIES AND EMPLOYERS, IN mmc

(in percentages)



… not applicable.

a. All or some of the benefits are funded from another programme.

b. Employers pay the total cost or provide benefits to the insured party direct.

Source: ISSA, *Social Security Programs throughout the world: Europe, 2016*; *Social Security Programs throughout the world: Africa, 2015* and *Social Security Programs throughout the world: Asia and the Pacific, 2014*.

TABLE 10

CONTRIBUTIONS BY INSURED PARTIES AND EMPLOYERS IN THE eu-28

(in percentages)



… not applicable.

a. All or some benefits are paid by another programme.

b. Employers pay the total cost or provide benefits to the insured party direct.

c. Non-standard funding.

Source: ISSA, *Social Security Programs throughout the world: Europe, 2016*; *Social Security Programs throughout the world: Africa, 2015* and *Social Security Programs throughout the world: Asia and the Pacific, 2014*.

TABLE 11

contribution by insured parties and employers in the EU-28 (cont.)

(in percentages)



… not applicable.

a. All or some benefits are funded by another programme.

b. Employers pay the total cost or provide benefits to the insured party direct.

c. Non-standard funding.

Source: ISSA, *Social Security Programs throughout the world: Europe, 2016*; *Social Security Programs throughout the world: Africa, 2015* y *Social Security Programs throughout the world: Asia and the Pacific, 2014*.

*Notes to Tables 8, 9 and 10:*

* These tables offer a general overview and contribution rates are not directly comparable among programmes and countries.
* The income used to calculate pensions may vary and some contribution rates are capped.
* In some cases, only certain groups such as wage-earners are represented.
* When the contribution rate varies, the average rate or the lowest in the range is used. In most cases, contribution rates for individual accounts do not include administrative costs.
* In some countries, certain benefits such as those for disability and survival may be funded from another programme.
* Contributions for sickness and maternity include medical benefits only in countries where cash benefits and medical benefits are funded from the same contributions.
* When two sickness and maternity programmes are funded in different ways or at different rates, the aggregate rate is given or one rate for one programme with a footnote for the other, if appropriate.
* If there are two (or more) programmes, and the individual can choose, the social insurance rate is shown.

TABLE 12

HEALTH CARE SPENDING IN 2014



Source: World Bank. *World Development Indicators*

1. European Commission, *A decent life for all: ending poverty and giving the world a sustainable future*  COM (2013) 92 final, and the Commission Communication *Social protection in European Union development cooperation* COM (2012) 446 final. [↑](#footnote-ref-1)
2. Here, as in Recommendation no.202, we make no distinction between the terms Social Security and social protection, in order to cover all regimes, whether contributory or not, and social benefits and services that provide support in cash and in kind and also access to health care for people who are protected against one or more contingencies defined in Convention no. 102 and Recommendation no. 202. [↑](#footnote-ref-2)
3. ILO, “Social protection floors for social justice and a fair globalisation, Report IV(1), 101st Session of the ILC (2012), p.6. [↑](#footnote-ref-3)
4. 1. Additional funding for the most vulnerable; 2. Food security: strengthening of programmes to supply food to the hungry and extension of support for farmers in developing countries; 3. Trade: fight against protectionism and strengthening of initiatives on aid and funding for trade; 4. Green economy initiative; 5. Global Jobs Pact and promotion of decent work for all; 6. Social protection floor; 7. Humanitarian, security and social stability; 8. Technology and innovation; and 9. Surveillance and analysis. [↑](#footnote-ref-4)
5. *ILO World Social Protection Report 2014/2015*, op.cit [↑](#footnote-ref-5)
6. ILO, *Social Protection Floor for a fair and inclusive globalisation. Report of the Social Protection Floor Advisory Group.* Geneva, 2011. [↑](#footnote-ref-6)
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8. Joint opinion of the Employment Committee and the Social Protection Committee on the European pillar of social rights: state of play and views on the way forward, 26 September 2016. [↑](#footnote-ref-8)
9. European Parliament Resolution of 19 January 2017, on a European pillar of social rights (2016/2095(INI). [↑](#footnote-ref-9)
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