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# SOCIAL JUSTICE IN THE POLICIES OF ARAB STATES DISCUSSION PAPER

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#### I. INTRODUCTION

1. The objectives of social justice, although their definitions vary, rank high in the priorities of the member States of the Economic and Social Commission for Western Asia (ESCWA), alongside efforts to implement internationally agreed goals on human rights, socioeconomic development and sustainable development, among others. While these objectives are generally enshrined in their constitutions, Member States acknowledge a number of challenges in their national visions and development strategies, which undermine the translation of these commitments into practical steps that would ensure just and fair societies.

Challenges include poverty, geographic inequalities, inequitable distribution of social services, unemployment, conflict and the consistent exclusion of vulnerable groups.

- 2. The popular uprisings that swept the Arab region with demands of justice, freedom and dignity came as a reaction to those factors. Moreover, public discontent and a sense of social exclusion have been fuelled by the biased allocation of resources, lack of transparency in governance systems, unfair competition for jobs and the concentration of crucial national assets in the hands of political and economic elites, with the majority of citizens denied of their right to benefit from the dividends of economic growth.
- 3. A resurgent Arab region is faced today with pressing demands for transformative change towards new development models that uphold the values of social justice, equitable development, democracy, freedom and human dignity. The shift towards such models is however far from simple. Arab States should rethink their social contracts, economic growth strategies, governance systems and legislative and regulatory frameworks

"The gap between the poorest and the wealthiest around the world is wide and growing ... Our shared goal should aim at taking practical steps to remove this formidable barrier to development and human dignity ... We must do more to empower individuals through decent work, support people through social protection and ensure the voices of the poor and marginalized are heard. As we continue our efforts to achieve the Millennium Development Goals and shape a post-2015 development agenda. let us make social justice central to achieving equitable and sustainable growth for all".

Ban Ki-moon Secretary-General of the United Nations Message for the 2014 World Day of Social Justice

in more inclusive ways, especially to safeguard the principles of equality, equity, rights and participation, upon which rests the concept of social justice.

4. The present paper contributes to this discussion. It seeks to provoke a dialogue among policymakers in the Arab region on the linkages between social justice; social and economic sustainable development; and broad-based participation, by discussing the concept of social justice. It then applies the concept to the Arab region to shed light on the deficits related to social justice before suggesting measures that might bridge such gaps. It concludes with a series of questions that aim to build consensus on the required tools and policies that should be developed to ensure that social justice principles are mainstreamed in national development strategies and plans.

#### II. DEFINING THE CONCEPT OF SOCIAL JUSTICE

## A. EVOLUTION OF THE CONCEPT OF SOCIAL JUSTICE IN RECENT HISTORY<sup>1</sup>

- 5. Since 2011, the term "social justice" has been actively debated among intellectuals, mainstream media and protesters on the streets of Arab cities. However, when it comes to defining the concept of social justice, there is no clear-cut nor common understanding. Historically speaking, the concept of social justice emerged in the wake of the Industrial Revolution, with the expansion of capitalism and the development of socialist doctrines. At that time, philosophers had addressed justice but very few looked at the concept from a social perspective. In 1840, Luigi Taparelli coined the term when building on the writing of Saint Thomas Aquinas. Subsequently, the term began to be employed when discussing inequality among people in society.<sup>2</sup>
- 6. Contemporary philosophers and thinkers have looked at social justice as a distribution concept. One of the most influential protagonists of this idea was John Rawls, whose book entitled *A Theory of Justice* advanced the idea of justice as fairness.<sup>3</sup> Some theorists have expounded on this perspective of social justice by linking it to what needs to be distributed and the patterns of such distribution. Others have argued that the distributive paradigm is insufficient as a justice framework. For example, Iris Young stated that social justice meant the elimination of institutionalized domination and oppression, where oppression was described as exploitation, marginalization, powerlessness and cultural imperialism.<sup>4</sup>
- 7. The development of the concept of social justice was undertaken without elaborating a unified definition, with various organizations interpreting the concept their own way. Differences in cultural backgrounds and value systems across the world led to various interpretations of the concept. Some protagonists might argue that social justice implies equal incomes, while others may consider that inequalities could exist, but with an agreed upon baseline under which no one should fall.

## B. SOCIAL JUSTICE DEFINED<sup>5</sup>

- 8. Many schools of thought have attempted to define social justice; nevertheless consensus on a single encompassing definition has yet to be reached. One definition states that social justice is a state of affairs in which: (a) benefits and burdens in society are dispersed in accordance with some allocation principle (or set of principles); (b) procedures, norms and rules that govern political and other forms of decision making preserve the basic rights, liberties, entitlements of individuals and groups; and (c) human beings are treated with dignity and respect not only by authorities but also by other relevant social actors including fellow citizens.<sup>6</sup>
- 9. The definition of the United Nations states that social justice may be broadly understood as the fair and compassionate distribution of the fruits of economic growth.<sup>7</sup> This process must assure that growth is

<sup>&</sup>lt;sup>1</sup> This section is adapted from Jihad Azour, "Social justice in the Arab world", background paper prepared for the Economic and Social Commission for Western Asia (ESCWA), April 2013.

<sup>&</sup>lt;sup>2</sup> Pius XI, "Divini Redemptoris: Encyclical of Pope Pius XI to the Patriarchs, Primates, Archbishops, Bishops, and other Ordinaries in Peace and Communion with the Apostolic See", 19 March 1937, para. 55. Available from <a href="https://www.vatican.va/">www.vatican.va/</a> holy father/pius xi/encyclicals/documents/hf p-xi enc 19031937 divini-redemptoris en.html.

<sup>&</sup>lt;sup>3</sup> John Rawls, *A Theory of Justice* (Cambridge, Belknap Press of Harvard University Press, 1971).

<sup>&</sup>lt;sup>4</sup> For further information, see ESCWA, "Social justice: concepts, principles, tools and challenges", 2013 (E/ESCWA/SDD/2013/Technical Paper.9), p. 2.

<sup>&</sup>lt;sup>5</sup> Parts of this section are also adapted from Jihad Azour, "Social justice in the Arab world".

<sup>&</sup>lt;sup>6</sup> John Jost and Kay C. Aaron, "Social justice: history, theory and research", in *Handbook of Social Psychology*, Susan T. Fiske, Daniel T. Gilbert and Gardner Lindzey eds. (2010), chapter 30, p. 1122. Available from <a href="http://onlinelibrary.wiley.com/doi/10.1002/9780470561119.socpsy002030/abstract">http://onlinelibrary.wiley.com/doi/10.1002/9780470561119.socpsy002030/abstract</a>.

<sup>&</sup>lt;sup>7</sup> United Nations, Social Justice in an Open World: The Role of the United Nations, 2006 (ST/ESA/305), p. 7.

sustainable, that the integrity of the natural environment is respected, that the use of non-renewable resources is rationalized and that future generations are able to enjoy a beautiful and hospitable earth. This definition is consistent with and has dominated international debates on the post-2015 agenda and sustainable development goals, putting great emphasis on the concepts of inclusive and sustainable growth and development, which are close to the concept of social justice.

- 10. The concept of social justice does not appear in the Charter of the United Nations, the Universal Declaration of Human Rights and the two International Covenants on Human Rights. However, it was frequently referred to in the Copenhagen Declaration on Social Development and the Programme of Action of the World Summit for Social Development, held in 1995.
- 11. In general, the United Nations makes no explicit distinction between international justice and justice among nationals; and social justice and justice among people. It does, however, tie the concept to economic justice, given that economic justice is reportedly hampered by the concentration of wealth and power that seems to accompany the dissemination of a capitalist ethos. For the United Nations Department of Economic and Social Affairs (DESA), social justice is equivalent to distributive justice; equality of rights, equality of opportunities and equity in living conditions for all individuals are the three guiding principles for achieving social justice. DESA also identifies the inequalities that need to be addressed to achieve social justice in the following areas:
  - (a) distribution of income;
  - (b) distribution of assets;
  - (c) distribution of work and remunerated employment;
  - (d) distribution of access to knowledge;
  - (e) provision of health services, social security and safe environments;
  - (f) distribution of opportunities for civic and political participation.<sup>9</sup>
- 12. The International Labour Organization (ILO) states that social justice is founded on equal rights for all peoples and the possibility for human beings across the world to benefit from economic and social progress. ILO uses the concept of social justice to elaborate on its mission, but it does not explicitly define the concept. Instead, it uses an accepted idea of social justice in its Constitution, which states that universal and lasting peace can be established only if it is founded upon social justice.<sup>10</sup>
- 13. In the framework adopted by the Organization for Economic Co-operation and Development (OECD), social justice is a situation whereby individuals are granted equal opportunities to cultivate their own capabilities to achieve a measure of life success. Therefore, for OECD, social justice leads to the empowerment of the individual through broad social participation, because being part of a social group or class should not negatively impact a person when making life choices.<sup>11</sup>
- 14. Although the World Bank does not dedicate documents solely to the concept of social justice, it does define it as equality of opportunities for intergenerational well-being, with regard to all economic, social and environmental aspects.<sup>12</sup>

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<sup>&</sup>lt;sup>8</sup> Ibid., p. 4.

<sup>&</sup>lt;sup>9</sup> Ibid., pp. 17-19.

<sup>&</sup>lt;sup>10</sup> International Labour Organization, "The International Labour Organization and Social Justice", February 2011. Available from www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/publication/wcms 151740.pdf.

Bertelsmann Stiftung, *Social Justice in the OECD – How Do the Member States Compare? Sustainable Governance Indicators 2011* (Gütersloh, 2011), p. 11. Available from <a href="https://www.sgi-network.org/pdf/SGI11\_Social\_Justice\_OECD.pdf">www.sgi-network.org/pdf/SGI11\_Social\_Justice\_OECD.pdf</a>.

<sup>&</sup>lt;sup>12</sup> Tatyana P. Soubbotina and Katherine A. Sheram, *Beyond Economic Growth: Meeting the Challenges of Global Development* (Washington D.C., World Bank, 2000), chapter 1. Available from <a href="https://www.worldbank.org/depweb/beyond/global/chapter1.html">www.worldbank.org/depweb/beyond/global/chapter1.html</a>.

15. All the above-mentioned organizations therefore describe the concept of social justice as an aspiration to build equal opportunity societies and to improve the overall socioeconomic conditions that govern the well-being of individuals.

## C. REVISITING THE CONCEPT OF SOCIAL JUSTICE IN THE ARAB REGION

- 16. The concept of social justice is not new in the Arab region. It is a long-standing belief firmly anchored in Arab-Islamic contexts, where its pillars revolve around the following three basic elements: freedom of conscience; the complete equality of all humans; and the social interdependence of members of society.<sup>13</sup>
- 17. More recently, the concept of social justice has become a recurrent topic in political discourse and has regained the interest of analysts, thinkers and institutions, in particular in societies undergoing transitions towards new systems of government and representation. The demand for democratic practices in the Arab region has led analysts and research organizations to recognize the opportunity to advance ideals that contribute to social justice and cohesion.
- 18. Given these heightened demands for social justice, it is essential to reach a common understanding on the nature of social justice and its implications for development policies in ESCWA member States, founded on a sound definition of the concept, integrating the many aspects of social justice identified by different thinkers and taking into account regional specificities. In response to this need, ESCWA has developed the following preliminary comprehensive definition of social justice: social justice means equal rights and access to resources and opportunities for all, men and women, paying particular attention to the removal of barriers that hinder the empowerment of disadvantaged groups to fulfil their potential to participate in decisions that govern their lives. Social justice is thus a concept that focuses on the principles of equality, equity, rights and participation.

## 1. Equality

19. The idea of non-discrimination, equal treatment and fair access to goods and services is a fundamental principle of social justice, implying that all people, regardless of their race, colour, sex, language, religion, political affiliations, opinions, national and social origins, property, and birth and social statuses, are entitled to benefit from their society's public goods and resources and be treated equally by the law. This includes access to decent livelihood, justice, education, water, sanitation, energy, information, health services, employment and job opportunities. In democratic societies, the concept of equality also extends to the political sphere, whereby effective decision-making processes are implemented to ensure an equal voice for all citizens.

## 2. Equity

20. The principle of equity derives from the understanding that the concept of fairness as "equal or uniform distribution" is not always implemental, especially in view of existing injustices that prevent or reduce the ability of certain individuals or groups to gain equal access to public goods, resources and opportunities in the first place. Equitable treatment therefore implies that all people reap benefits equivalent to their economic, social, political and cultural contributions. This may mean differential treatment to compensate for deficits in terms of access to opportunities for individuals and groups that are initially disadvantaged. Hence, a just society that works towards fairness and equal opportunities for all its members strives to remove or overcome the barriers that prevent certain individuals and groups, including people with disabilities and the poor, from fulfilling their potential.

<sup>&</sup>lt;sup>13</sup> Al-Hafez al-Nouainy, The values of political theory: Justice in Islam, a model, as seen by Jamal al-Din al-Afghany, 2013.

#### 3. Rights

The observance of human rights is a key principle of social justice. The Copenhagen Declaration 21. provides that social development and social justice cannot be attained in the absence of peace and security, or in the absence of respect for all human rights and fundamental freedoms.<sup>14</sup> International instruments view human rights as inherent, indivisible, inalienable and interdependent. This applies to political and civil rights, such as the right to life and equality before the law; economic, social and cultural rights, such as the right to work, social security, health and education; and collective rights, such as the right to development and self-determination. Arab States have ratified most human rights conventions and are therefore committed to their legal obligations.<sup>15</sup> To promote human rights at the national level, countries are bound by the following three obligations: respect, protect and fulfil. The first obligation requires countries to ensure that government institutions respect the human rights of individuals. The second obligation relates to the protection of the rights of individuals from violations by third parties (such as individuals or private sector institutions) through the establishment of legal protection frameworks and enforcement mechanisms. The third obligation requires countries to fulfil human rights by promoting them through the institutionalization of special procedures and enactment of positive and affirmative action, especially for disadvantaged and vulnerable groups.

## 4. Participation

22. Participation in the context of social justice means involving people in decision-making processes that govern their lives. While participation is a right, it is also a process without which equality, equity and rights can never be fully secured. Participation goes beyond the procedural aspect of influencing decisions to the duty of each citizen to engage in and fulfil their obligations and respect the principles of social justice. This includes deciding on the kind of public services needed in their area, but also participating in the management of natural resources and in political and cultural life. More specifically, the rationale for public participation is twofold: achieving better distributive outcomes and strengthening democracy. For the latter, the notion of participation is linked to power, whereby participation enables traditionally weak and marginalized groups and individuals to move into a stronger position vis-à-vis other actors, including public and social institutions.<sup>16</sup>

#### D. MEASURING SOCIAL JUSTICE<sup>17</sup>

- 23. Measuring social justice is important to assess the relevance and efficacy of the tools available and determine the trade-offs of different policy options adopted to pursue social justice goals, including evaluating the impact of different options for financing social policy and adjusting them as necessary.
- 24. At the global level, OECD designed a detailed framework to measure social justice and evaluate member countries on the basis of a clear set of key performance indicators. The OECD approach, set out in the Bertelsmann Stiftung report, measures social justice indicators and compares and ranks OECD member countries based on their level of performance in achieving social justice according to the following six key indicators: poverty prevention; access to education; labour market inclusion; social cohesion and non-discrimination; health; and intergenerational justice. Each of these indicators is weighted according to its importance in the framework of social justice (figure I).

<sup>&</sup>lt;sup>14</sup> United Nations, Copenhagen Declaration on Social Development (1995), para. 5.

<sup>&</sup>lt;sup>15</sup> There are nine core human rights treaties adopted by the United Nations General Assembly. For the list of ratifying countries, see the United Nations Treaty Collection database, available from <a href="https://treaties.un.org/Pages/Treaties.aspx?id=4&subid=A&lang=en">https://treaties.un.org/Pages/Treaties.aspx?id=4&subid=A&lang=en</a>.

<sup>&</sup>lt;sup>16</sup> ESCWA (2013). *Social Justice: Concepts, Principles, Tools & Challenges*. Available from <a href="https://www.escwa.un.org/">www.escwa.un.org/</a> information/publications/edit/upload/E ESCWA SDD 13 TP 9 E.pdf.

<sup>&</sup>lt;sup>17</sup> Adapted from Jihad Azour, "Social justice in the Arab world".



Figure I. Social justice index

Source: Bertelsmann Stiftung, Social Justice in the OECD – How Do the Member States Compare?, p. 14.

- 25. Although the OECD framework is a good starting point for measuring social justice in the region, implementing this approach in Arab countries is mainly challenged by the lack of accurate, timely and disaggregated data and the lack of appropriate collection methods, owing to several reasons including weak institutional capacities; lack of unified definitions of statistical variables to ensure comparability between countries; insufficient financial resources; in addition to conflict in some countries and foreign occupation, in particular the Israeli occupation of Palestine and its occupation of the Syrian Golan and other Arab territories.
- 26. At the regional level, the Arab Reform Initiative attempted to measure certain dimensions of social justice through the Arab democracy index, in which 7 of 40 indicators are used to measure the level of equality and social justice in Arab countries. These seven indicators are: gender equality; social security; education; school dropouts; women in the labour force; equality in wages; and public expenditure on social needs as compared to security. The latest report of the Initiative was published in 2011. However, since the beginning of the Arab uprisings, updates have not been provided. These seven indicators of equality and social justice, contained in the 2011 report, could possibly be used as a starting point to measure the level of social justice in several countries of the region.
- 27. Another regional attempt to measure social justice was undertaken by the Modern Sciences and Arts University (MSAU) in Egypt, which tried to build an index to measure the level of progress in social justice in the Arab region by adapting the Bertelsmann Stiftung index to the Arab environment. Instead of following the OECD approach of multiple indicators, <sup>19</sup> MSAU utilized one major subindicator for each dimension of social justice.

<sup>&</sup>lt;sup>18</sup> The Arab Reform Initiative and the Palestinian Center for Policy and Survey Research, *The State of Reform in the Arab World: The Arab Democracy Index 2011* (March 2011). Available from <a href="http://www.arab-reform.net/sites/default/files/Full%20">http://www.arab-reform.net/sites/default/files/Full%20</a> Report 0.pdf.

<sup>&</sup>lt;sup>19</sup> These were: the multidimensional poverty index; secondary school disenrollment; unemployment rate; Gini coefficient; infant mortality rate; and public debt to GDP ratio. See Heba E. Helmy, "An approach to quantifying social justice in selected developing countries", *International Journal of Development Issues*, vol. 12, No. 1 (2013), p. 69.

- 28. All Arab countries being classified as developing countries, the Bertelsmann Stiftung index could apply to the region; however, since most countries do not have reliable data, only Egypt and Jordan were included in it. The MSAU study could thus serve as a basis for devising an Arab social justice index, which would include the following: multidimensional poverty; secondary school disenrollment; unemployment; Gini coefficient; infant mortality; and ratio of public debt to gross domestic product (GDP).
- 29. Building on these international and regional attempts, the related human development and multidimensional poverty indices and previous work on social exclusion; and on the basis of the OECD conceptual framework mentioned earlier, ESCWA proposes a set of social justice indicators (see the annex to this report).<sup>20</sup> These indicators are grouped according to the following three domains:
- (a) Fair access to basic goods and services: includes food, housing, water and sanitation and personal security;
  - (b) Equal opportunities: includes personal rights, freedoms and social inclusion;
- (c) Well-being: includes health, education, access to knowledge and information, and ecological sustainability.
- 30. As noted earlier, one of the biggest challenges of measuring social justice in the Arab region remains the absence of reliable data. Where data is available, the inconsistency of measuring techniques makes cross-country or cross-regional comparisons difficult. Social justice is an abstract concept and it is acknowledged that measures do not fully encapsulate individuals' complex experiences of social justice.

#### III. SOCIAL JUSTICE IN THE ARAB REGION

## A. SOCIAL JUSTICE BEFORE THE ARAB UPRISINGS<sup>21</sup>

- 31. In recent decades, the region has witnessed, albeit in varying degrees, adequate economic performance that has continued unabated, even following the 2008 global financial crisis. This relative economic growth has brought about substantive gains in select human development and social development indicators, manifested by significant increases in life expectancy and average years of schooling; reductions in maternal and infant mortality; and improvements in social welfare mechanisms.
- 32. Despite these gains, multiple social, economic and political injustices and exclusions prevail. These injustices are mainly the result of social contracts between Arab countries and their citizens, founded on the logic of welfare and security rather than the rights and responsibilities of citizenship. Moreover, political economy has favoured a socioeconomic approach focused on a growth-first modality, while neglecting the nexus of equality, equity, rights and participation. Notably, the reforms suggested by the Breton Woods institutions in the 1980s and onwards weakened the role of States in providing for their citizens and neglected the needs and rights of the larger disadvantaged classes. Following those reforms, public expenditures were reduced, subsidies were cut, taxes increased and public employment decreased without the provision of alternative job opportunities. In turn, social policy measures were projectized and reduced to

The proposed set of indicators is limited, as it is beyond the scope of this report to provide a comprehensive set of indicators for all social justice dimensions. In fact, the assessment of levels and trends of social justice across countries in the region involves devising a comparable set of reliable and relevant national-level indicators for the above-mentioned dimensions. Although a composite index of social justice, such as that of the OECD, is feasible, there are a number of methodological issues that must be addressed before embarking on such an exercise, such as weighting and aggregation. An overall index can be useful for comparative purposes regarding overall achievement of social justice, but it cannot be easily used for policy interventions. Specific strengths and weaknesses of social justice can instead be identified by indicators for each dimension. Each dimension is quite wide and may include several indicators. For example, "freedom" may include indicators for freedom of speech, assembly, movement and choice.

<sup>&</sup>lt;sup>21</sup> This section was adapted from ESCWA, *The Promises of Spring: Citizenship and Civic Engagement in Democratic Transitions*, 2013 (E/ESCWA/SDD/2013/3).

safety nets to cushion the adverse effects of economic restructuring on more vulnerable groups. The privatization of state-owned enterprises and deregulation also led to the flourishing of select elites in an environment where public accountability was limited. In the same vein, the liberalization of the economy led to a reduction in the Arab middle class, largely composed of civil servants who were the main beneficiaries of social policies and implicit social contracts.<sup>22</sup>

- 33. As a result, the marginalization of individuals increased and manifested itself in rural/urban inequalities, income gaps and lost opportunities in terms of access to employment and social services. Furthermore, public perceptions of corruption and exclusion from decision-making processes were quite widespread. More critically, civic activism was scrutinized and left to organize around charities, poverty alleviation and timid microfinance initiatives. The accumulation of these hardships over the last three decades boiled down to several protests and "bread riots" and subsequently catalysed the popular Arab uprisings that intrinsically connected social, political and economic demands.
- 34. Most Arab Governments responded to the political developments that have unfolded in the region since 2010 with a crisis management approach rather than addressing the root causes of the injustices that drove people to the streets. Governments ordered new handouts that included boosting public salaries, reducing taxes and increasing public employment. In some cases, these were accompanied by lavish one-time bonuses or grants. A haphazard expansion of welfare programmes was also recorded post-2010 in several countries, including ones that did not experience protests, notably in terms of improving old age pensions, providing unemployment benefits and ramping up subsidies and cash transfers (table 1).

TABLE 1. SOCIAL POLICY MEASURES ANNOUNCED BY ARAB GOVERNMENTS IN RESPONSE TO THE ARAB UPRISINGS OVER THE PERIOD 2011-2012

Country	Increases in public sector salaries	Expansion of employment in the public sector	Increases in subsidies	Changes in pensions	Unemployment benefits	Cash transfers	Other social assistance programmes
Algeria			X	X			
Bahrain	X	X		X		X	
Egypt	X	X	X	X			
Jordan	X	X	X	X		X	X
Kuwait	X		X	X		X	X
Libya	X		X			X	
Morocco	X		X	X			X
Oman	X	X	X	X	X		
Qatar	X					X	
Saudi Arabia	X	X	X		X	X	X
Syria	X	X	X			X	X
Tunisia			X		X	X	
Emirates	X		X				
Yemen	X	X				X	

Source: Compiled by ESCWA from experts' articles and national and international media reports over the period 2011-2012.

35. In addition to pre-emptive social handouts, several Arab Governments announced discreet political reforms. Some dissolved or reshuffled cabinets; others announced constitutional and electoral reforms, initiated national dialogues and introduced changes to security and judicial systems (table 2).

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Naren Prasad, "Broken relationship: social policies, the Arab States and the middle class", paper prepared for ESCWA, 30 April 2014 (E/ESCWA/EDGD/2014/Technical Paper.2).

TABLE 2. POLITICAL REFORMS ANNOUNCED BY ARAB GOVERNMENTS IN RESPONSE TO THE ARAB UPRISINGS OVER THE PERIOD 2011-2012

			Reforming				Creating	Granting	
			judicial	Holding	Reforming	Enhancing	instruments	amnesty	
	Constitutional	Government	and audit	national	electoral	civic	to fight	and	Reforming
Country	reforms	restructuring	systems	dialogues	systems	participation	corruption	pardons	legislation
Algeria				X		X			
Bahrain				X		X		X	
Egypt	X	X			X				X
Jordan	X	X		X	X	X	X	X	X
Kuwait									
Libya								X	
Morocco	X		X	X		X	X	X	X
Oman		X	X						
Saudi Arabia			X				X		
Syria		X	X	X	X	X		X	X
Tunisia	X				X	X			
Yemen				X					

Source: Compiled by ESCWA from experts' articles and national and international media reports over the period 2011-2012.

- 36. It should be noted that, in several countries, government-led measures were accompanied by notable progress on the participation front; a key principle of social justice. During and after the uprisings, the region witnessed an upsurge in civic activism and democratic practices. New social movements and public spaces of dissent were created, which quickly zoomed in on problems associated with cronyism, corruption and political repression as having a direct impact on social justice. Furthermore, new forms and trajectories for producing social change and ensuring political representation also emerged, especially among young people and women. On the first day of the referendum, held in Egypt on 14 and 15 January 2014 to endorse the new Constitution, Prime Minister Hazem el-Beblawi reported that more women turned out to vote than men, with a high participation rate. It was estimated that 55 per cent of registered women voters turned out for the referendum.<sup>23</sup>
- 37. In Tunisia, civil society organizations mediated a political breakthrough. In Yemen, civil society played a watchdog role and provided substantive input to the national dialogue. These new forms of participation, especially among traditionally marginalized social groups such as young people, women and the urban poor, have certainly empowered individuals and created a sense of belonging and national solidarity.
- 38. Nevertheless, social justice will be difficult to attain if Arab countries continue with the current assistance-based approach, for several reasons: firstly, this approach is unsustainable, especially for countries with fewer resources. Subsidies and other transfers are costly and current spending on fuel, water and electricity encourages unrestricted and unsustainable patterns of consumption. In the long term, it will be difficult to reverse these new entitlements. Secondly, in the absence of transparent and reliable targeting mechanisms, there is no guarantee that social transfers will actually reach those who need them the most. Thirdly, these policies have only managed to offer short-term solutions rather than address structural issues, especially those related to employment. Fourthly, in the absence of coherent social security schemes, increases in pensions will also exacerbate existing deficiencies in terms of coverage and sustainability, particularly in resource-poor countries.

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Edward Yeranian, "Officials push for high turnout on final day of Egypt referendum", *Voice of America*, 15 January 2014. Available from <a href="https://www.voanews.com/content/egyptians-vote-on-final-day-of-constitutional-referendum/1830389.html">www.voanews.com/content/egyptians-vote-on-final-day-of-constitutional-referendum/1830389.html</a>.

## B. KEY FORMS OF INJUSTICE

39. Prior to the uprisings, several forms of injustice existed across the Arab region, including discrimination and social exclusion; poverty and income inequality; gender inequality; conflict and occupation; and corruption, all of which undermine efforts to achieve social justice. The following sections will examine these different forms of injustice and exclusion, the population groups most affected by them, and the challenges hindering the attainment of social justice in select areas, such as education, health, employment, social protection, access to knowledge and information and environmental sustainability.

#### 1. Discrimination and social exclusion

40. Traditionally mariginalized and socially excluded groups in the Arab region include persons with disabilitites, young people, older persons, migrant workers and refugees. These groups suffer from multiple forms of discrimination, exclusion and disempowerment, on the basis of identity, status and role. Women are particularly affected by these disadvantages. For example, women with disabilities are disadvantaged as women and as persons with disabilities.

### (a) Persons with disabilities

- 41. Persons with disabilities represent one of the world's largest and most vulnerable social groups. Approximately one billion people (15 per cent of the world's population) are estimated to be living with disabilities. In contrast, Arab countries report relatively low disability prevalence rates ranging from 0.4 per cent to 4.9 per cent; a trend which indicates significant differences and challenges in the collection and analysis of disability data in the region.
- 42. According to data compiled by ESCWA from national sources persons with disabilities experience significant marginalization and limited opportunities in accessing labour markets and quality education. In many Arab countries, employment rates for persons with disabilities are half or even one-third those of total populations, while the proportion of people considered illiterate is up to four or five times higher for persons with disabilities in comparison to total populations.<sup>24</sup> Thus, persons with disabilities face multiple forms of social injustice given that they face unequal and inequitable treatment, are unable to access their rights and are unable to participate in society.

#### (b) Young people

43. Although youth (15-24 years) represent around 20 per cent of citizens in Arab societies, this age group faces specific disadvantages, such as limited access to resources and opportunities, particularly among women and girls and those residing in the least developed parts of the region. Youth unemployment average rate in the region is the highest in the world: 23.2 per cent, compared to an adult unemployment rate of 14.4 per cent.<sup>25</sup> Of particular concern is the situation of educated young people who are forced to accept work opportunities that are below their qualifications and aspirations so as to maintain a minimum livelihood, because of the lack of decent jobs. This livelihood vulnerability extends beyond economic non-viability to negatively affect the capacity of young people, particularly young women, to invest in their well-being, family formation and self-actualization, thus impacting their social mobility. This situation has also weakened the capacity of Arab countries to benefit from the demographic dividend to foster equitable development.

<sup>&</sup>lt;sup>24</sup> ESCWA (2014). Disability in the Arab Region: An Overview. Available from <a href="http://www.escwa.un.org/divisions/div\_editor/Download.asp?table\_name=divisions\_other&field\_name=ID&FileID=1658">http://www.escwa.un.org/divisions/divisions/divisions\_other&field\_name=ID&FileID=1658</a>.

<sup>&</sup>lt;sup>25</sup> United Nations Development Programme (UNDP) and ILO, *Rethinking Economic Growth: Towards Productive and Inclusive Arab Societies* (Beirut, 2012), p. 52.

44. The marginalization of youth in Arab countries extends beyond the economic sphere to also involve social and political life. Only 19 per cent of youth were found to participate in civil society organizations, compared to 32 per cent of their counterparts in Africa.<sup>26</sup> Furthermore, the frustration of youth with political processes was reflected in their rate of participation in elections, standing at 48 per cent compared to a global average of 59 per cent, while their participation in popular demonstrations was found to be double that of the global average, standing at 28.9 per cent compared to a global average of 15.2 per cent.<sup>27</sup> These indicators illustrate the predicament of young men and women in accessing their economic, social, and political rights in Arab countries.

## (c) Older persons

- 45. Older persons (aged 65 and above) constituted only 4.1 per cent of the total Arab population in 2010.<sup>28</sup> Nevertheless, demographic trends show that the elderly are increasing both in absolute numbers (from about 6 million in 1980 to 14.4 million in 2010) and as a proportion of the total population (from 3.6 per cent in 1980 to 4.1 per cent in 2010), with the pace of the increase expected to pick up after 2025, rising to 7.3 per cent in 2035, 9.8 per cent in 2045 and 11.7 per cent in 2050.<sup>29</sup> The ageing phenomenon in the Arab region is happening at a faster pace than in more developed regions, but in a context of lower levels of socioeconomic development, which adds a particular urgency to this situation, as it risks exacerbating existing development challenges and leaving countries with little time to adjust their infrastructure and institutional frameworks to the requirements and consequences of ageing populations.
- 46. Older persons are not a homogeneous group and regional variations exist in line with the level of socioeconomic development in different countries. However, older persons across the region share common socioeconomic characteristics that put them at a major disadvantage and increase their vulnerability to social injustice. These include low education levels and high rates of illiteracy; high occurrence of poverty; and enforced extended participation in the labour force, especially in the informal sector, because of inadequate provision and coverage of pension and health insurance schemes.
- 47. The prevailing gender inequalities in the region put older women at an even greater disadvantage. This is particularly important given that women tend to live longer than men, meaning that there are more old women than men. Older persons residing in rural areas are also more disadvantaged and marginalized, especially since inequality in access to services is more pronounced in rural settings. Care and support for older persons mainly relies on intergenerational solidarity and social customs, which further increases the vulnerability of older persons in rural areas when they are left behind as a result of the migration of the working age population to urban areas in search of better opportunities.
- 48. At the societal level, families in the Arab region extremely value their elderly and provide care for them; however the protection of the rights of older persons is not always adequately reflected in laws and legislation. Also, a key factor that increases the marginalization of older persons in the Arab region is that their issues and concerns are not a priority in national agendas and their voice is not always heard. This is an important indicator, particularly as the number of older persons is gradually increasing and will exceed the number of children in eight countries of the region by 2050.<sup>30</sup> This adds significant pressure on Arab societies to create the necessary infrastructure to fulfil the rights of older persons.

Mercy Corps 2012, Civic Engagement of Youth in the Middle East and North Africa: An Analysis of Key Drivers and Outcomes, p. 11. Available from <a href="http://www.mercycorps.org/sites/default/files/mena">http://www.mercycorps.org/sites/default/files/mena</a> youth civic engagement study - final.pdf.

<sup>&</sup>lt;sup>27</sup> Ibid. Mercy Corps data were retrieved from the Arab Democracy Barometer Surveys administered in nine Arab countries (see www.arabbarometer.org for further information).

<sup>&</sup>lt;sup>28</sup> United Nations, World Population Prospects: The 2012 Revision. Available from http://esa.un.org/wpp.

<sup>29</sup> Ibid.

<sup>&</sup>lt;sup>30</sup> Those countries are: Bahrain, Lebanon, Libya, Oman, Qatar, Saudi Arabia, Tunisia and the United Arab Emirates. Estimates are calculated using data provided in *World Population Prospects: the 2012 Revision*.

#### 2. Discrimination against women

- 49. Despite the fact that Arab countries have signed and ratified most international human rights treaties that enshrine the principles of equality, equity, rights and participation, including the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW),<sup>31</sup> a review of the work of committees on human rights treaties indicates the deeply entrenched shortcomings in the region with regard to the equal enjoyment of rights by women and men. Gender inequality in Arab countries is manifested at all legal, political, economic and social levels, with varying degrees and magnitudes. At the level of policy development and decision-making, the 2012 Global Gender Gap Report indicates that the majority of Arab countries continue to fare quite badly,<sup>32</sup> in part as a consequence of the consistently low female political participation that has plagued the region for decades.<sup>33</sup>
- 50. The Third Arab Report on the Millennium Development Goals 2010 and the Impact of the Global Economic Crises reveals wide gaps in equal access to decent employment and wage earnings.<sup>34</sup> Furthermore, national legislation in most countries of the region is inadequate in protecting the economic, social and constitutional rights of women. The CEDAW Committee has repeatedly expressed its concerns with regard to discriminatory laws and practices that institute inequality and injustice against women in a number of member States. They do not guarantee equal benefits and entitlements and do not prohibit discrimination against women in their access to employment opportunities.
- 51. Part of the struggle for social justice during the recent Arab uprisings was focused on the failure of States to assume obligations and duties to respect, protect and fulfil the human rights of all individuals (men and women). Although women were at the forefront of these popular uprisings, their activism came at a hefty price, with many of them being systematically subjected to sexual harassment, violence and other means of political intimidation. Consequently, public discussion turned away from debates on women's rights to questions of morality and indecency through the alleged statements and actions of some political officials.<sup>35</sup>
- 52. It should be noted, however, that this struggle for justice did in fact lead, in the case of Egypt and Tunisia, to the introduction of constitutional guarantees for the protection of women's rights and for the enhancement of justice principles. The new Egyptian Constitution recognizes equality between men and women in all civil, political, economic, social and cultural rights. It accords women the right to full citizenship, including the right to give their nationality to their children. It also identifies protection measures from gender-based violence as a state obligation.<sup>36</sup> Similarly, the new Tunisian Constitution enshrines women's rights,<sup>37</sup> with article 46 stipulating that the State shall commit to protecting women's

<sup>31</sup> Somalia and the Sudan are not parties to CEDAW.

<sup>&</sup>lt;sup>32</sup> The Global Gender Gap Index benchmarks national gender gaps on economic, political, education and health criteria, and provides country rankings that allow for effective comparisons across regions and income groups, and over time. For more information, see Ricardo Hausmann and others, *The Global Gender Gap Report 2012* (Geneva, World Economic Forum, 2012), p. 9.

<sup>&</sup>lt;sup>33</sup> The weak political participation of women is also flagrant in conflict and post-conflict settings. Only two women were appointed to the National Transitional Council in Libya. Tunisian women filled 27 per cent of parliamentary seats (identical to the percentages that were recorded prior to the political changes) and in Yemen there was only one woman in the 301 member Parliament and 3 female ministers out of 35 in the transitional National Unity Government (December 2011).

<sup>&</sup>lt;sup>34</sup> United Nations and the League of Arab States, *The Third Arab Report on the Millennium Development Goals 2010 and the Impact of the Global Economic Crises* (E/ESCWA/EDGD/2010/3), p. 36.

<sup>&</sup>lt;sup>35</sup> ESCWA, "Women and participation in the Arab uprisings: a struggle for justice", 2013 (E/ESCWA/SDD/2013/Technical Paper.13), p. 7.

<sup>&</sup>lt;sup>36</sup> Constitution of Egypt, 2014. Available in Arabic from <a href="http://www.egypt.gov.eg/arabic/laws/download/Constitution\_2014.pdf">http://www.egypt.gov.eg/arabic/laws/download/Constitution\_2014.pdf</a>.

<sup>&</sup>lt;sup>37</sup> Constitution of Tunisia, 2014. Available in Arabic from www.anc.tn/site/main/AR/docs/constit\_proj\_26012014.pdf.

achieved rights and shall seek to support and develop them, and shall guarantee equal opportunities between men and women in the bearing of various responsibilities in all fields. Article 46 of the Tunisian Constitution also provides that the State shall try to balance the number of men and women serving in elected councils. Furthermore, the Constitution captures the need to protect women's rights in both public and private spheres, with article 46 indicating that the State shall take the necessary measures to eliminate violence against women.

- 53. Against this backdrop, it is evident that women's rights and gender equality are critical factors for achieving social justice in the Arab region. Marked improvements have been recorded in some countries, including the enactment of a law in Lebanon to protect women from domestic violence and the appointment of 30 women in Saudi Arabia in the Consultative Shura Council. Nevertheless, legislative frameworks and structural hurdles continue to marginalize women from the power structure, limit their socioeconomic and human rights and undermine principles of social justice throughout the region.
  - 3. The rights of migrant workers and refugees
- (a) Migrant workers
- 54. It was estimated that there were over 30 million international migrants in the Arab region in 2013, constituting 8.4 per cent of the population of the region; an increase from 6.7 per cent in 1990. The six countries of the Gulf Cooperation Council (GCC) alone host over 22 million of these migrants, who make up almost 46 per cent of the population of GCC countries and indeed constitute a demographic majority in some of them, such as Bahrain, Kuwait, Qatar and the United Arab Emirates.<sup>38</sup> Lebanon and Jordan also host important populations of migrant workers, while the North African Arab countries host large numbers of irregular migrants from Sub-Saharan Africa, who had set out to reach Europe. Around 11.5 million of migrants in the region (almost 38 per cent of total migrants in the Arab region) are from other Arab countries, while the vast majority of the remaining migrants come from South and South-East Asia (figure II).
- 55. International migrants in the region face major discrimination across the four dimensions of social justice. They are denied equal treatment and fair access to goods and services, with social protection systems generally discriminating against migrants (for example, by forcing them to pay for services such as health care which are free for citizens) or denying them access to social protection systems.
- 56. Meanwhile, rather than pursuing equity, countries of the region put major barriers in the way of enabling migrants to improve their situation through the *kafala* (sponsorship) system, which ties a migrant's visa, residency and employment to a single employer (*kafeel*) who is responsible for the migrant. A migrant can only change jobs with the permission of their current *kafeel*. Any unauthorized change of employment puts the migrant in an irregular situation, subject to arrest and deportation. This system effectively makes migrants dependent on their employers, not only for salaries, but also for housing, access to social services and, crucially, their continued residence in the country of destination. It also puts major barriers in the way of migrants who wish to improve their situation, which is particularly concerning in situations where *kafeels* abuse their positions to exploit migrants by underpaying them, housing them in inadequate conditions or subjecting them to violence. Despite reforms to the system in countries such as Bahrain, which allows migrant workers to change jobs without their sponsor's permission, the fundamental aspects of the system remain in place throughout the region.

<sup>&</sup>lt;sup>38</sup> United Nations Department of Economic and Social Affairs, Trends in International Migrant Stock: The 2013 Revision, United Nations database. Available from <a href="http://www.un.org/en/development/desa/population/publications/migration/migrant-stock-age-2013.shtml">http://www.un.org/en/development/desa/population/publications/migration/migrant-stock-age-2013.shtml</a>.

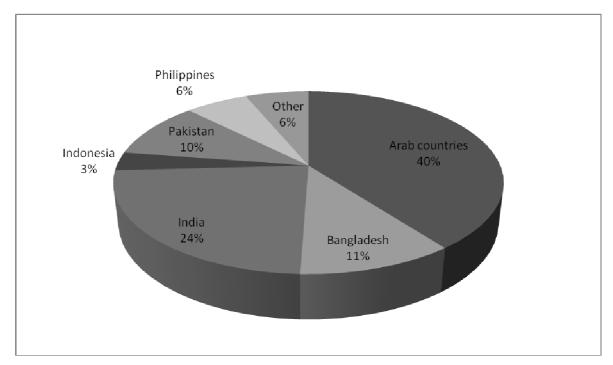


Figure II. Origin of migrants in the Arab region, 2013

*Source*: United Nations, Department of Economic and Social Affairs, Trends in International Migrant Stock: Migrants by Destination and Origin (United Nations database, POP/DB/MIG/Stock/Rev.2013).

Arab countries have largely ratified international human rights standards; however none of the major countries of destination in the region (with the exception of Libya) have ratified the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.<sup>39</sup> Algeria is the only country to have ratified the ILO conventions relating to migrant workers (97 and 143). Arab countries still have to exert a lot of efforts in respecting migrants' rights, protecting those rights and fulfilling them. The delegation of responsibility for the migrant to the kafeel and the important role of private employment agencies, coupled with the limited capacities of labour inspection agencies, means that protection of migrants' rights against third-party abuses is limited. Although special procedures to reach out to migrants have been put in place, such as hotlines to receive complaints and shelters for migrants in distress, the capacity of such services is limited. Migrant domestic workers, who are mostly women, are particularly vulnerable across all of these dimensions. They are excluded from labour legislation in the majority of Arab countries; however, some States have recently started to draft separate labour regulations for them. In 2009, Jordan was the first Arab State to enact legal provisions for domestic workers through "the regulation of domestic workers, cooks, and gardeners". 40 Kerbage and Esim indicate that despite progress in this area, the current legal frameworks and contractual agreements regarding domestic workers in Arab countries "can have the effect of depriving workers of the protection they are due", according to the ILO recommendation 198.41

<sup>&</sup>lt;sup>39</sup> Algeria, Egypt, Mauritania, Morocco and the Syrian Arab Republic – largely countries of origin for migrants – have ratified the Convention.

<sup>&</sup>lt;sup>40</sup> Kerbage, Carol and Simel Esim, "The situation of Arab domestic workers in Arab States : a legislative overview", paper presented at the Interregional Workshop on Strengthening Dialogue to Make Migration Work for Development in the ESCAP and ESCWA Regions, Beirut, 28-30 June 2011.

<sup>&</sup>lt;sup>41</sup> ILO, R198 – Employment Relationship Recommendation, 2006 (No. 198). Available from <a href="http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100">http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100</a> INSTRUMENT ID:312535.

58. Finally, regarding participation, most migrants are excluded from the possibility of being involved in decisions that affect them. Migrant workers have the right to freely join trade unions and any such association and to take part in meetings and activities of trade unions, established in accordance with law, with a view to protecting their economic, social, cultural and other interests, subject only to the rules of the organization concerned.<sup>42</sup> However, in many cases, migrants are barred from participation in trade unions and such associations in the Arab region. Although there are some encouraging trends to promote migrant workers' involvement in decisions that affect them, such as the provision for the equal participation of foreigners in local elections in the 2011 Moroccan Constitution and the adoption of an integration policy for migrants in Saudi Arabia, most migrants are effectively unable to participate in decision-making processes.

#### (b) Refugees

- 59. Most Arab countries have been and continue to be extremely generous in opening their borders to allow people to flee wars in their home countries. The Office of the United Nations High Commissioner for Refugees (UNHCR) counted almost 2.3 million refugees in Arab countries in the first half of 2013, out of a global refugee population of around 10.5 million. Jordan, Lebanon and Yemen hosted the bulk of the refugee population; nevertheless the number of refugees in each of Egypt, Iraq, the Sudan and the Syrian Arab Republic was no less than 100,000.<sup>43</sup> Most refugees came from Iraq, Somalia, the Sudan and the Syrian Arab Republic. There are also around 5 million Palestinian refugees in the region, assisted by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA);<sup>44</sup> and over 5.6 million internally displaced persons, mainly concentrated in Iraq, Somalia, the Sudan, the Syrian Arab Republic and Yemen.
- 60. The vast majority of refugees are in a very vulnerable position, due in part to their circumstances that often involve leaving behind homes, livelihoods and assets, and moving to a new location where they potentially lack social networks, job prospects and even basic shelter. This is exacerbated in the Arab region because most refugees move to countries where they are forced to compete with equally vulnerable local populations in host communities for scarce resources such as housing, food, water and livelihood opportunities.
- 61. Refugees and other forms of displaced people are victims of social injustice in the first instance by being forced to leave their homes because of a well-founded fear of persecution. Their right to life and other rights relating to their physical safety from bodily and psychological harm are therefore jeopardized. Upon their arrival in host countries, refugees face a range of restrictions that risk further compounding this original injustice. For example, the right of Palestinian refugees to work in Lebanon has historically been restricted to specific sectors and depends on clearing a number of administrative hurdles, resulting in a population experiencing much higher levels of vulnerable employment and exploitation. Syrian refugees in Lebanon face difficulty accessing schooling and employment.

<sup>&</sup>lt;sup>42</sup> See the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, article 26 (A/RES/45/158).

<sup>&</sup>lt;sup>43</sup> UNHCR, *Mid-Year Trends 2013*, (Geneva, 2013), annex, table 1. Available from <a href="http://unhcr.org.uk/fileadmin/user\_upload/docs/Mid\_year\_trends\_2013.pdf">http://unhcr.org.uk/fileadmin/user\_upload/docs/Mid\_year\_trends\_2013.pdf</a>.

<sup>&</sup>lt;sup>44</sup> UNRWA, "UNRWA in figures", January 2013. Available from <a href="www.unrwa.org/sites/default/files/unrwa\_in\_figures\_new">www.unrwa.org/sites/default/files/unrwa\_in\_figures\_new</a> 2014 10nov2014.pdf.

<sup>&</sup>lt;sup>45</sup> ILO, Labour Force Survey among Palestinian Refugees Living in Camps and Gatherings in Lebanon, 2011: Executive Summary (2012). Available from <a href="http://reliefweb.int/sites/reliefweb.int/files/resources/lfsurvey\_en.pdf">http://reliefweb.int/sites/reliefweb.int/sites/reliefweb.int/files/resources/lfsurvey\_en.pdf</a>.

<sup>&</sup>lt;sup>46</sup> ILO Regional Office for the Arab States, *Assessment of the Impact of Syrian Refugees in Lebanon and their Employment Profile, 2013* (Beirut, 2014). Available from <a href="www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms\_240134.pdf">www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms\_240134.pdf</a>.

62. In Jordan and Lebanon, the difficulties associated with achieving social justice for refugees can largely be attributed to the sheer scale of the refugee population and its implantation in communities that were already marginalized and poor. However, beyond this, refugees are vulnerable to social injustice in the context of the low ratification level of the United Nations Convention and Protocol Relating to the Status of Refugees. Only nine Arab countries have ratified these documents, which not only define the status of refugees but also set out conditions for their treatment in terms of access to the labour market, conditions of work, education and social security.<sup>47</sup> Ratifying the Convention and its Protocol is therefore the first step towards securing the economic and social rights of refugees in host countries.

#### 4. Poverty and income inequality

- 63. Extreme poverty eradication, not only as a focus of the Millennium Development Goals and the global post-2015 agenda, is necessary to achieve social justice in terms of assuring equality in development opportunities. Although extreme poverty, measured by the proportion of people whose income is less than 1.25 United States dollars (\$) a day, is relatively low in the Arab region, the goal to eradicate extreme poverty and hunger will not be met by 2015. Poverty has recently been increasing in the region, despite the economic achievements of the past decades. As a result of achievements in Egypt, Jordan and the Syrian Arab Republic during the 1990s, extreme poverty in the region decreased from 5.5 per cent in 1990 to 4.1 per cent in 2010. However, extreme poverty has since increased to 7.4 per cent in 2012, even surpassing the 1990 benchmark of 5.5 per cent. Taking into account the recent socioeconomic downturn in Yemen, the conflict in the Syrian Arab Republic and recent data for Iraq and the Sudan, the incidence of extreme poverty for the region increases to well over 8 per cent. Page 1990 benchmark of 5.5 per cent.
- 64. Extreme poverty in the least developed Arab countries reached a high of 21.6 per cent in 2012, up from 13.9 per cent in 1990. Poverty has recently increased in many countries mainly as a result of political instability and conflict. For example, in the Syrian Arab Republic, ESCWA estimates that the average poverty rate according to the national poverty line increased from 14 per cent in 2009 to 45 per cent in 2014. 50
- 65. Although adequate data disaggregated by sex is unavailable in most countries, extreme poverty is expected to be especially high among women and rural populations, because women, especially rural women, face additional legal, structural and cultural barriers that inhibit their access to education, credit, legal property rights and mobility. Inequalities hamper progress on all Millennium Development Goals and women, in particular the most vulnerable and disadvantaged women, continue to be excluded from full access to the benefits of development.<sup>51</sup>
- 66. Children also suffer disproportionally from poverty and exclusion. More than 25 per cent of children in the lowest economic strata in Egypt, Morocco and the Syrian Arab Republic are chronically malnourished.<sup>52</sup> The percentage of underweight children under 5 years of age has increased from around

<sup>50</sup> ESCWA, The Development Goals in the Syrian Arab Republic in 2013: Decades of Lost Development and a Hope for Recovery (forthcoming).

<sup>&</sup>lt;sup>47</sup> Those countries are: Algeria, Djibouti, Egypt, Mauritania, Morocco, Somalia, the Sudan, Tunisia and Yemen.

<sup>&</sup>lt;sup>48</sup> Naren Prasad and Khalid Abu-Ismail, *On the Relevance of the Post-2015 Development Agenda for the Arab Uprisings* (forthcoming), p. 7.

<sup>49</sup> Ibid.

Lakshmi Puri, Deputy Executive Director, United Nations Entity for Gender Equality and the Empowerment of Women, "Opening remarks on the MDGs, post-2015 development agenda, gender equality and the empowerment of women and girls in the Arab region", statement delivered at the League of Arab States, Cairo, 23 February 2014. Available from <a href="https://www.unwomen.org/en/news/stories/2014/2/opening-remarks-by-lakshmi-puri-at-the-league-of-arab-states">www.unwomen.org/en/news/stories/2014/2/opening-remarks-by-lakshmi-puri-at-the-league-of-arab-states</a>.

<sup>&</sup>lt;sup>52</sup> Joana Silva and others, *Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa* (Washington D.C., World Bank, 2012).

- 14.5 per cent in the 1990s to around 15.3 per cent in 2010, mainly owing to a steep increase in the least developed countries, although other subregions have done fairly well. In the least developed Arab countries, around one in every three children is underweight.<sup>53</sup> Recent estimates show that 31 per cent of children aged 6 to 59 months in Egypt experience stunt growth due to poverty and malnutrition.<sup>54</sup>
- 67. At the turn of the century, the poverty ratio between urban and rural areas was 1:4 in Jordan, 1:9 in Yemen, 2:9 in Egypt, and 4:9 in Tunisia. Across the region, roughly twice as many people remained impoverished in rural areas than their urban counterparts.<sup>55</sup> According to a study by the Food and Agriculture Organization of the United Nations (FAO), a quarter of the region's overall population is estimated to be poor, 58 per cent of whom, or about 52 million, live in rural areas. Over the years, rural poverty in the region has been decreasing much more slowly than urban. While poverty rates in urban areas have diminished to an average of 18 per cent over the last decade, poverty rates in rural areas remain at 34 per cent.<sup>56</sup> Nevertheless, subareas of urban settlements are also problematic, and around 28 per cent of urban dwellers in Arab countries live in slums.
- 68. Data on income inequality for the Arab region are less than ideal, but looking at the World Development Indicators and calculating an average Gini in terms of percentages from the year 2000 onwards for Arab countries with available data offers a general idea (figure III). An extensive study also shows that Arab countries are in the middle range of inequality when using consumption expenditures as a measure. Whereas most countries for which data are available exhibited moderate inequality in the 1990s, a few showed very low inequality (such as Egypt, Kuwait and the Syrian Arab Republic),<sup>57</sup> while others showed higher inequality (such as Morocco and Tunisia).<sup>58</sup>

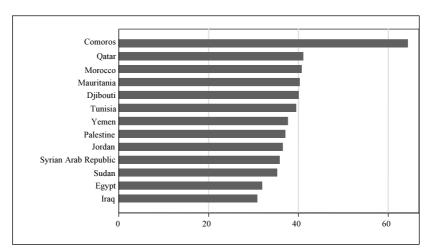


Figure III. Average post-2000 Gini in selected Arab countries

Source: World Bank, World Development Indicators database.

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<sup>&</sup>lt;sup>53</sup> Khalid Abu-Ismail and others, "An Arab Perspective on the post-2015 agenda: national targets, regional priorities and global goals". ESCWA Working Paper Series (2014). Available from <a href="http://css.escwa.org.lb/SDPD/3315/7.pdf">http://css.escwa.org.lb/SDPD/3315/7.pdf</a>.

World Food Programme, Fighting Hunger Worldwide. Available from <a href="http://www.wfp.org/countries/egypt/overview">http://www.wfp.org/countries/egypt/overview</a>.

Khalid Abu-Ismail, "Rethinking poverty and inequality measurement in Arab countries", presentation made at the United Nations Children's Fund (UNICEF) Conference on Measurement and Policy Approaches to Enhance Equity for the New Generations in the Middle East and North Africa, Rabat, 22-23 May 2012.

<sup>&</sup>lt;sup>56</sup> FAO and International Fund for Agricultural Development, *The Status of Rural Poverty in the Near East and North Africa* (Rome, 2007).

<sup>&</sup>lt;sup>57</sup> It should be noted that, in some countries, there is a gap between official survey data and the situation on the ground. Data on the wealthiest segments of the population are not always available and survey results can thus wrongly reflect low inequality.

Sami Bibi and Mustapha K. Nabli, "Equity and inequality in the Arab region", Policy Research Report No. 33 (Cairo, Economic Research Forum, February 2010), p. 31. Available from http://www.erf.org.eg/CMS/uploads/pdf/PRR33.pdf.

- 69. Inequality between countries is limited in the Arab region in comparison to other regions, such as Latin America or Sub-Saharan Africa, and has remained stable over the last three decades. Recent studies estimate that the Gini index for income inequality among countries of the Arab region decreased from 0.381 in 1988 to 0.367 in 2002. Inequality in the region is mostly driven by inequalities within countries. Moreover, there is a clear gap between subregional groups of countries, as GCC countries have higher levels of income than non-GCC countries. This can be illustrated by computing subgroup Gini indices: the Gini index for income inequality among the following seven selected countries, the Comoros, Egypt, Jordan, Mauritania, Morocco, Tunisia and Yemen, was 0.053 in 1998; but when adding the United Arab Emirates, a country from the GCC subregion, the index surges up to 0.47, revealing significant income differences between countries.
- 70. Inequalities in poverty, especially between men and women, and between rural and urban areas, also exist. Women are usually more deprived than men for various reasons, such as discrimination and exclusion in the labour market. In many Arab countries, women are subject to social practices that deprive them of their right to ownership and inheritance of land. In the Arab region, women's access to land is most heavily restricted in the Sudan and least restricted in Egypt, Kuwait, Lebanon and Tunisia.

## 5. Conflict and occupation

71. The Arab region continues to be subjected to protracted conflicts and their spillover effects, undermining public and civic instruments that work towards social justice. The conflict in the Syrian Arab Republic has resulted in the displacement of over 6 million people. Jordan and Lebanon bear the brunt of the socioeconomic burden and face security ramifications linked to the sudden influx of refugees. According to the United Nations High Commission for Refugees, there were one million refugees registered in Lebanon alone in April 2014 and one person a minute enters the country (figure IV). The number of Syrian refugees in Jordan, as of 9 July 2014, is 605,719 refugees. In both countries, critical infrastructure and essential services are being greatly overstretched. In Lebanon, the World Bank estimates that 170,000 Lebanese will be pushed into poverty and the economy will lose \$2.8 billion in lost economic activity as a result of the Syrian crisis. 62

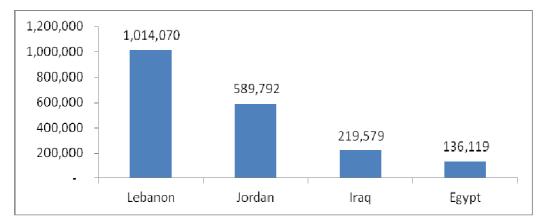


Figure IV. Number of Syrian refugees in the region as of 13 April 2014

Source: UNHCR data, available from <a href="http://data.unhcr.org/syrianrefugees">http://data.unhcr.org/syrianrefugees</a>.

<sup>&</sup>lt;sup>59</sup> Ibid., p. 33.

<sup>60</sup> Ibid.

<sup>&</sup>lt;sup>61</sup> UNHCR data, available from <a href="http://data.unhcr.org/syrianrefugees">http://data.unhcr.org/syrianrefugees</a>.

<sup>&</sup>lt;sup>62</sup> World Bank, *Lebanon: Economic and Social Impact Assessment of the Syrian Conflict* (20 September 2013, Report No. 81098-LB), pp. 48 and 63.

72. These same countries also bear the consequences of the continued Israeli occupation of Palestinian and other Arab territories, including having to shoulder the burden of displaced Palestinians who live in poor conditions in refugee camps. At present, the number of registered Palestinian refugees in Jordan, Lebanon and the Syrian Arab Republic exceeds 3 million (figure V). It should be noted that Palestinians have been subjected to displacement a number of times, whether within the Israeli occupied territories or from refugee camps in host countries.

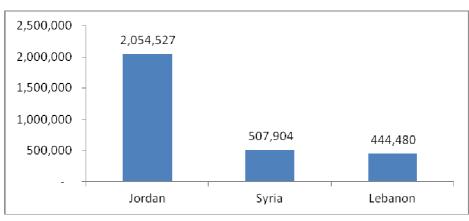


Figure V. Number of registered Palestinian refugees, 2014

Source: UNRWA data, available from www.unrwa.org/where-we-work/.

73. Within the occupied Palestinian territory, the construction of settlements and a separation wall by the Government of Israel comes at the detriment of the Palestinian population (table 3).

TABLE 3. ISRAELI SETTLER POPULATION GROWTH IN THE WEST BANK

Year	1992	1997	2002	2007	2010	2012
Israeli settlers	241 500	308 689	383 275	461 169	517 774	563 546

Source: <a href="http://www.btselem.org/English/Settlements/Settlement-population.xls">http://www.btselem.org/English/Settlements/Settlement-population.xls</a>; and Human Rights Watch, Seperate and Unequal: Israel's Discriminatory Treatment of Palestinians in the Occupied Palestinian Territories (December 2010). Data include East Jerusalem.

74. Israeli settlements and the separation wall undermine the rights of the Palestinian people to self-determination, non-discrimination, freedom of movement, equality, due process, fair trial, protection from arbitrarily detainment, liberty and security of persons, freedom of expression, freedom of access to places of worship, education, water, housing, adequate living standards, property, access to natural resources and effective remedy. These settlements were established for the exclusive benefit of Israelis and are being maintained and developed through a system of total segregation between the settlers and the rest of the population living in the occupied Palestinian territory. The achievement of social justice is therefore being gravely undermined by occupation. 63

## 6. Corruption

75. Corruption undermines the full enjoyment of civil, political, economic, social and cultural rights by individuals. Corruption in government institutions is fairly widespread in the Arab region and a main driver of the popular uprisings and an institutional precursor of social injustices. Libya under Muammar Gaddafi functioned on patronage networks and monopoly of abundant natural resources; Tunisia under Zine

<sup>&</sup>lt;sup>63</sup> See report A/HRC/22/63 presented to the twenty-second session of the Human Rights Council (2013) under agenda item 7 on the human rights situation in Palestine and other occupied territories.

El Abidine Ben Ali suffered from engrained nepotism and cronyism; Egypt under Hosni Mubarak was tainted by security sector corruption; and Yemen under Ali Abdullah Saleh did not fare better with centralized institutions, an affluent ruling elite and a poverty-ridden population.<sup>64</sup> Prior to the eruption of the 2011 uprisings that swept the region, Arab countries scored poorly on World Bank governance indicators. It was the region with the lowest scores in the world in terms of "voice and accountability" and ranked second worst after Sub-Saharan Africa in "political stability and absence of violence", "government effectiveness", "regulatory quality", "rule of law" and "control of corruption".<sup>65</sup> Furthermore, illicit financial flows (IFFs), which are funds illegally earned, transferred, or utilized, are an extremely serious issue in Arab countries and reflect the extent of corruption plaguing them, as their value exceeds \$111 billion a year.<sup>66</sup>

76. Despite the significant steps made in terms of setting up new laws and institutions to prevent and combat corruption, and efforts to promote regional cooperation in this regard, particularly through the Arab Anti-Corruption and Integrity Network (ACINET),<sup>67</sup> there is still significant room for progress. Citizens continue to be weary and apprehensive of corruption in their countries. In Transparency International's 2013 Corruption Perceptions Index (CPI),<sup>68</sup> only seven countries scored more than the global average of 43 points (on a scale of 0 to 100 points where 0 means that a country is perceived as 'highly corrupt' and 100 means that it is perceived as 'very clean'). Those countries were, in descending order, the United Arab Emirates, Qatar, Bahrain, Oman, Saudi Arabia, Jordan and Kuwait. Fourteen countries, constituting two thirds of the Arab countries, scored less than the global average. Out of those, Somalia, the Sudan, Iraq, Libya, Yemen and the Syrian Arab Republic scored the lowest in the region. Table 4 shows the 2013 corruption rankings of 21 Arab countries surveyed in 2013. The CPI results corroborate the findings of a 2010 Global Integrity report that mapped corruption trends in Egypt from 2006 to 2010 and ranked the country as fifty fourth out of 100 surveyed countries on its integrity index. Other countries in the Arab region, such as Lebanon, Morocco, the Syrian Arab Republic and Yemen, fell to the bottom of the 2010 Global Integrity rankings, corroborating citizens' perceptions that corruption was a widespread and dangerous phenomenon.

TABLE 4. RANKING OF 21 ARAB COUNTRIES ACCORDING TO THE 2013 CORRUPTION PERCEPTIONS INDEX

Country	Rank	Score
United Arab Emirates	26	69
Qatar	28	68
Bahrain	57	48
Oman	61	47
Saudi Arabia	63	46
Jordan	66	45

<sup>&</sup>lt;sup>64</sup> See Lynch, Marc, *The Arab Uprising: the Unfinished Revolutions of the New Middle-East* (New York, Public Affairs, 2012), pp. 73-75; 85-87; and 106; and Transparency International, "Corruption in the MENA region", Working Paper No. 02/2009 (Berlin, 2009).

<sup>65</sup> Paul Salem, "The Arab state: assisting or obstructing development?", Carnegie Papers, No. 21 (April 2010), pp. 3-4.

<sup>&</sup>lt;sup>66</sup> Kar, Dev and Devon Cartwright-Smith, *Illicit Financial Flows from Developing Countries: 2002-2006* (Washington D.C., Global Financial Integrity, 2008).

<sup>&</sup>lt;sup>67</sup> The Arab Anti-Corruption and Integrity Network (ACINET) is the leading regional mechanism specialized in supporting Arab countries to act against corruption in accordance with their national priorities and based on related international and regional standards. ACINET includes 44 ministries and governmental and judicial authorities from 17 Arab countries, namely Algeria, Bahrain, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Palestine, Qatar, Saudi Arabia, the Sudan, Tunisia and Yemen.

Transparency International, Corruption Perceptions Index 2013. Available from <a href="http://www.transparency.org/cpi2013">http://www.transparency.org/cpi2013</a>. This index cannot be taken as a comprehensive measure of the state of corruption and efforts to counter it, but is still a good indicator of public opinion on some forms of corruption in the public sector.

<sup>&</sup>lt;sup>69</sup> Global Integrity, *Global Integrity Report: 2010 – Key Findings*.

TABLE 4 (continued)

Country	Rank	Score
Kuwait	69	43
Tunisia	77	41
Morocco	91	37
Algeria	94	36
Djibouti	94	36
Egypt	114	32
Mauritania	119	30
Lebanon	127	28
Comoros	127	28
Yemen	167	18
Syria	168	17
Iraq	171	16
Libya	172	15
Sudan	174	11
Somalia	175	8

Source: Transparency International, Corruption Perceptions Index 2013.

77. In the first Arab Opinion Index, conducted early in 2011 by the Arab Centre for Research and Policy Studies, citizens of Egypt and Tunisia were asked to report on reasons behind the uprisings. A large section of both samples stated that the corruption and nepotism of the Mubarak and Ben Ali regimes had been major contributing factors to the popular movements (20 per cent in Egypt and 40 per cent in Tunisia).<sup>70</sup>

#### C. SOCIAL JUSTICE CHALLENGES

#### 1. Significant yet incomplete steps in education

- 78. Education is essential as both a tool and an outcome of social justice. It is a right in itself, as well as a facilitator of greater equity, equality and participation in society. The United Nations Committee on Economic, Social and Cultural Rights issued general comment No. 13 (1999) to clarify state obligations regarding the fulfilment of the right to education, as stipulated in the International Covenant on Economic, Social and Cultural Rights (ICESCR). In this context, the Committee identified the following four main criteria:
  - (a) Availability of sufficient educational institutions within the jurisdiction of the state;
- (b) **Accessibility** of these educational institutions to everyone, especially to the most vulnerable groups, without discrimination;
- (c) **Acceptability** of the form and substance of education, including curricula and teaching methods, which should be relevant, culturally appropriate and of good quality;
- (d) **Adaptability** of education, i.e., flexible education that adapts to the needs of changing societies and communities and responds to the needs of students within their diverse social and cultural settings.<sup>71</sup>
- 79. In the Arab region, despite high government spending, returns on education have been modest and fulfilment of the four above-mentioned criteria has been partial. On average, since 1999, Arab countries

Arab Centre for Research and Policy Studies, *The Arab Opinion Project: The Arab Opinion Index 2011* (Doha Institute, March 2012), pp. 22 and 24. Available from http://english.dohainstitute.org/release/5083cf8e-38f8-4e4a-8bc5-fc91660608b0.

<sup>&</sup>lt;sup>71</sup> See General Comment No. 13: The Right to Education (Art.13) of the United Nations Committee on Economic, Social, and Cultural Rights (E/C.12/1999/10).

have been dedicating 5.5 per cent of their gross national product (GNP) to education. This percentage is high, ranking second highest in the world following North America and Western Europe, but is masked by regional disparities. Tunisia has been spending around 6.6 per cent of its GNP on education but Lebanon only 1.8 per cent. Poor families in the region cannot afford quality education that is often not available through the public system.<sup>72</sup>

- 80. Significant strides in school enrolment rates have been met with persisting inequalities in access to education, especially those based on socioeconomic status and gender. According to the 2013 Arab Millennium Development Goals Report, although significant gains were made in net primary education enrolment rates in the region (92 per cent in 2011) a drop has occurred in conflict-ridden countries such as Iraq, Palestine and the Syrian Arab Republic. Major obstacles to education in the region also include poverty and inequalities. In Egypt, for example, only 20 per cent of the poorest children receive primary education compared to 100 per cent of the richest that complete secondary school. The richest segment of the population spends four times more on their children's education than the poorest households. Moreover, around 9 million children are still out of school in the region; 60 per cent are girls. Gender disparity in accessing education is most evident in Algeria, Iraq, Oman, the Syrian Arab Republic and Yemen, where more than two thirds of out-of-school children are girls.
- 81. The gender gap in education is further compounded by location and wealth. Based on a 2005 assessment, almost all Iraqi children from rich households had been to school, whereas 34 per cent of girls from poor families in the south of the country had never been to school, compared to 15 per cent of boys from the same area and socioeconomic background. The income divide in educational attainment is also evident in Egypt and Morocco, where children in the poorest quintile are more likely to drop out of school before ages 16-18. In Yemen in 2005, 21 per cent of 7-15 year olds in the country had never been to school, this percentage was further aggravated by poverty and gender. An immense 43 per cent of the poor within the same age group had never been to school, and the rate increased to a staggering 58 per cent of girls from poor families who had not received any form of education. Such disparities indicate a lack of equity in access to education with regard to gender, rural-urban and socioeconomic divides. This situation undermines the "availability" and "accessibility" criteria, as prescribed by the Committee on Economic, Social and Cultural Rights, for the full enjoyment of the right to education.
- 82. Illiteracy rates remain high in Arab countries. Although adult literacy rates have improved, 25 per cent of adults in the Arab region remain illiterate; equal to 50 million people of which over two thirds are women. Egypt ranks among the top 10 countries in the world for adult illiteracy, given that around 10 million Egyptians cannot read or write.<sup>77</sup> Even when students are able to attain some level of education, the quality provided, especially by public education institutions, is often lacking. Schooling in Arab countries is often dependent on rote memorization and didactic learning, thus failing to equip students with analytical and problem solving skills. Data from 13 Arab countries showed that 56 per cent of primary school and 48 per cent of secondary school students are not truly "learning", as indicated by lower scores on numeracy and

<sup>&</sup>lt;sup>72</sup> United Nations Educational, Scientific and Cultural Organization (UNESCO), "Education for All Global Monitoring Report – Regional fact sheet: education in the Arab States", January 2013, pp. 2-3. Available from <a href="http://unesdoc.unesco.org/">http://unesdoc.unesco.org/</a> images/0021/002191/219170e.pdf.

United Nations and the League of Arab States, *The Arab Millennium Development Goals Report: Facing Challenges and Looking beyond 2015*, 2013 (E/ESCWA/EDGD/2013/1).

<sup>&</sup>lt;sup>74</sup> UNESCO, Education for All Global Monitoring Report 2013/4: Teaching and Learning, Achieving Quality for All, Summary (Paris, 2014), p. 8. Available from <a href="http://unesdoc.unesco.org/images/0022/002256/225654e.pdf">http://unesdoc.unesco.org/images/0022/002256/225654e.pdf</a>.

<sup>&</sup>lt;sup>75</sup> Joana Silva and others, Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa.

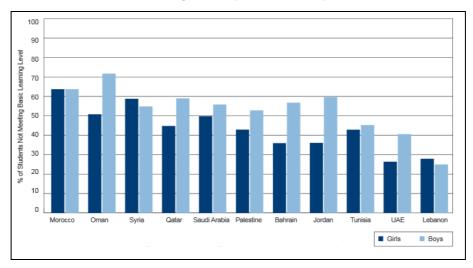
<sup>&</sup>lt;sup>76</sup> UNESCO, "Education for All Global Monitoring Report - Regional fact sheet: education in the Arab States", pp. 3-4.

<sup>&</sup>lt;sup>77</sup> Ibid., p. 1.

literacy assessments.<sup>78</sup> This in turn undermines the "acceptability" and "adaptability" criteria set by the Committee on Economic, Social and Cultural Rights for the full enjoyment of the right to education; especially in relation to the "adaptability" of education to the changing needs of society and the labour market. Incidentally, girls are better at meeting the basic learning level in most Arab countries, as indicated in figure VI below.

Figure VI. Percentage of lower secondary students not meeting basic learning level by sex, 2011-2012

(Average literacy and numeracy)



Source: Liesbet Steer and others, Arab Youth: Missing Educational Foundations for a Productive Life? (Washington D.C., Center for Universal Education at the Brookings Institution, 2014), p. 10.

83. Of concern is that most Arab countries do not provide education for employment. In other words, Arab education systems have broadly speaking failed to provide youth with the requisite skills to compete fairly and effectively in the marketplace and enable them to move away from informal, low value jobs towards productive and competitive employment. An increasing number of private employers perceive that only one third of fresh graduates with higher education are ready for the workplace. Young people have expressed doubt regarding the quality of the education that they have received: only a third of young people surveyed in a study by the International Finance Corporation and the Islamic Development Bank believe that their education had adequately prepared them for the job market. As a result, the link between human capital accumulation, employment and economic development in most Arab countries remains weak.

#### 2. Unfulfilled right to employment and decent work

84. Employment, like education, is both an essential tool for the achievement of social justice and an outcome of a just society. All people should be able to access decent work, defined by ILO as "opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns and organize and participate in the decisions that affect their lives, and equality of opportunity and treatment for both women and men". This kind of work provides opportunities for greater equality and equity in incomes, employment rights and participation, in the workplace and beyond. However, the mismatch between labour supply and demand in the region has led to high rates of unemployment, pushing workers into the informal sector, which is characterized by poor working conditions, a situation that thereby undermines the fulfilment of the above-mentioned elements of decent work.

<sup>&</sup>lt;sup>78</sup> Liesbet Steer and others, Arab Youth: Missing Educational Foundations for a Productive Life?, p. 9.

<sup>&</sup>lt;sup>79</sup> International Finance Corporation and the Islamic Development Bank, *Education for Employment: Realizing Arab Youth Potential* (Washington D.C., April 2011), p. 10. Available from <a href="https://www.e4earabyouth.com/pdf/MGLPDF136022536640.pdf">www.e4earabyouth.com/pdf/MGLPDF136022536640.pdf</a>.

<sup>80</sup> http://www.ilo.org/global/topics/decent-work/lang--en/index.htm.

- 85. There is an oversupply of educated young men and women looking for decent jobs. This not only reflects demographic pressures, but also the fact that the economic model adopted by the majority of Arab countries has been unable to create the opportunities required to absorb the high number of jobseekers. In other words, the region has been unable to transform growth into employment, as demonstrated by a relatively low employment to growth elasticity that averaged at 0.69 between 2000 and 2008. During the same period, this ratio reached 0.57 in Egypt and 0.42 in Tunisia. 82
- 86. Between 1990 and 2010, the region registered some improvements on labour markets, with unemployment rates decreasing from 12.4 per cent to 10.0 per cent; however this decrease was concentrated in the Maghreb countries; and mostly derived from an increase in marginal employment rather than from the creation of decent work opportunities. Most of the jobs created were in low-value and low-productivity sectors. Productivity in the Arab region is very low compared to that of other developing regions. During the period 1991-2010, the rate of productivity growth in Arab countries was 0.9 per cent compared to 1.9 per cent for low-income countries and 4.2 per cent in South Asia<sup>84</sup>. This was also a result of inadequate macroeconomic policies and labour regulations, as well as costly and complex business environments that hindered private investment in productive sectors and limited job creation. Recent estimates show that labour markets have been negatively affected by the global financial crisis and the economic and political situation in several countries of the region. Unemployment trends have reversed and unemployment rates were estimated at a level of 14.5 per cent in 2012. Per cent in 2012.
- 87. At the same time, changes in the sectoral composition of Arab economies over the last 20 years have caused corresponding shifts in the sectoral division of employment. For example, employment in the agricultural sector declined by nearly 20 per cent during this period. Though it remains an important component of the economy, employing 30 per cent of the total working population in the Maghreb subregion and 22 per cent in the Mashreq subregion, agricultural development has been limited and unemployment in this sector is high. According to ILO, "agriculture has lost its share of value added, while rural areas remain centres of low-productivity, unrewarding employment and high poverty". In order words, the agricultural sector should be modernized in order to achieve higher added value and, through that, higher wages for workers. The main constraints to the development of the agricultural sector remain the lack of arable land and scarce water resources. The latter is especially binding, as "86 per cent of the Arab region is desert, which makes it the world's region most subject to water stress". 88
- 88. This approach to economic policy has also resulted in a high demand for public sector jobs and increased labour market segmentation along public/private and formal/informal lines, and in terms of gender and nationality. Despite variations between countries, the public sector represents on average a third of total employment in the region and its wage bill constitutes 38 per cent of government expenditures, which is double the world average.<sup>89</sup>

Employment to growth elasticity describes the employment intensity of economic growth or, in other words, what the percentage change of employment is expected to be in response to a one percentage point change in the growth rate.

<sup>&</sup>lt;sup>82</sup> ESCWA, "People-centered, equitable, and sustainable development and growth in the Arab world", presentation made at the Think Tank Meeting on Integrating Social Justice in the Post-2015 Development Agenda: Perspectives from the Arab World, Beirut, 18 December 2013.

<sup>83</sup> United Nations and the League of Arab States, The Arab Millennium Development Goals Report, 2013, p. 10.

<sup>&</sup>lt;sup>84</sup> ESCWA. "People-centered, equitable, and sustainable development and growth in the Arab world".

<sup>85</sup> ESCWA, The Promises of Spring: Citizenship and Civic Engagement in Democratic Transitions, p. 42.

<sup>&</sup>lt;sup>86</sup> United Nations and the League of Arab States, *The Arab Millennium Development Goals Report*, 2013, p. 10.

<sup>&</sup>lt;sup>87</sup> UNDP and ILO, Rethinking Economic Growth: Towards Productive and Inclusive Arab Societies, p. 33.

<sup>&</sup>lt;sup>88</sup> United Nations and the League of Arab States, *The Arab Millennium Development Goals Report*, 2013, p. 14.

<sup>&</sup>lt;sup>89</sup> ILO, "Growth, employment and decent work in the Arab region: key policy issues", thematic paper presented at the Arab Employment Forum, Beirut, 19-21 October 2009.

- 89. The pervasive segmentation of the labour market has forced many to engage in informal and unprotected work. Informality is difficult to measure but most estimates place it at a figure of one-third to one-half of total employment in the Arab region. For example, in 2009, the informal economy accounted for 40 to 50 per cent of non-agricultural employment in Algeria, Egypt, Morocco and Tunisia, and 20 per cent in the Syrian Arab Republic. Such high rates of informal employment are a source of concern because informal workers are very vulnerable to poverty, illness and work-related accidents. Young people, migrant workers, refugees, displaced people and persons with disabilities are often engaged in informal work and are therefore susceptible to risk and exclusion from national social security schemes.
- 90. Such distortions of the labour market have beset the Arab region with one of the highest unemployment rates in the world. In 2010, the overall unemployment rate was 13 per cent, or roughly 14 million people, with significant variations between countries. At the national level, the latest available figures on unemployment for the population aged 15 and over were 9 per cent in Morocco (2012); 12.2 per cent in Jordan (2012); 12.7 per cent in Egypt (2012); 17.8 per cent in Yemen (2010); and 23 per cent in Palestine (2012), which is double the regional average (2012). Comparatively speaking, unemployment rates are lower in GCC countries, standing at 0.5 per cent in Qatar (2012); 4 per cent in Bahrain (2011); 3.6 per cent in Kuwait (2011); and 5.5 per cent in Saudi Arabia (2012).
- 91. The average unemployment in the region went up to 14.4 per cent in 2012. In 2014, the Arab Labour Organization declared that 20 million persons were currently unemployed in the region, 16 per cent more than in 2013. In Egypt, more recent estimates place unemployment at 13.4 per cent, with youth representing 69 per cent of the total unemployed. 94
- 92. In addition to high unemployment rates, the region is also marked by the lowest female labour force participation in the world. Only 26 per cent of women are employed in the region, compared to a world average of 51 per cent. Some Consequently, women, who perform most of the unpaid family work and outnumber men in low-productive agriculture and service sectors, are not sufficiently protected by social security schemes. This low level of women's economic participation is prompted by legal, structural and cultural factors. Legal barriers include lack of adequate maternity leave policies, and the absence of laws protecting women from sexual harassment in the work place. In addition, the wage gap persists in the region, as women get paid less than their male counterparts by an average of 30 per cent. Structural factors that hinder women's economic participation, especially rural women, include lack of adequate infrastructure and

<sup>&</sup>lt;sup>90</sup> UNDP, Arab Human Development Report 2009: Challenges to Human Security in the Arab Countries (New York, 2009), p. 111.

<sup>&</sup>lt;sup>91</sup> Jad Chaaban, "Job creation in the Arab economies: navigating through difficult waters", Arab Human Development Report Research Paper Series (New York, UNDP Regional Bureau for the Arab States, 2010).

<sup>&</sup>lt;sup>92</sup> Data from national statistical offices compiled by the ESCWA Statistics Division.

<sup>&</sup>lt;sup>93</sup> "20 million unemployed in the Arab world", *Middle East Monitor*, 21 February 2014. Available from <u>www.middleeast monitor.com/news/middle-east/9909-20-million-unemployed-in-the-arab-world</u>.

<sup>94</sup> Paul Salem, *Al Hayat*, 14 March 2014 (Arabic only). Available from <u>alhayat.com/Opinion/Writers/1089004/-إلى-</u> قيادة اقتصادية -جريئة.

<sup>95</sup> UNDP and ILO, Rethinking Economic Growth: Towards Productive and Inclusive Arab Societies, p. 50.

<sup>&</sup>lt;sup>96</sup> With the exception of Morocco, most countries of the region do not meet the ILO standards for maternity protection. The ILO Maternity Protection Convention adopted in 2000 states that a woman should be entitled to a period of maternity leave of not less than 14 weeks. While the labour laws in Egypt and the Syrian Arab Republis are close to the minimum international standards with respectively 90 and 75 days of maternity leave, Jordan, Kuwait, Palestine and Saudi Arabia only provide 70 days of maternity leave with pay; Yemen provides 60 days, Lebanon 7 weeks, the Sudan 6 weeks and the United Arab Emirates only 45 days. Oman provides 42 days of maternity leave but these are considered sick leave or leave without pay. Most of the burden is financed by employers' contribution and public subsidies. For more information, see the Women, Business and the Law Database of the World Bank (2013, available from <a href="http://wbl.worldbank.org/data">http://wbl.worldbank.org/data</a>, accessed 15 July 2014).

safe public transportation networks. Furthermore, prevailing patriarchal norms still emphasize women's reproductive role and generally discourage them from joining the workforce.

- 93. Unemployment in the region is also marked by the highest average regional youth unemployment rate, with current estimates placing it at 23.2 per cent compared to a global average of 13.9 per cent.<sup>97</sup> It is also estimated that middle- and low-income Arab countries should produce 92 million jobs by 2030 to reach full employment and raise women's labour force participation rate to 35 per cent.<sup>98</sup>
- 94. At the same time, inequality of opportunity in employment in the region is correlated with income and rural-urban inequalities. As previously mentioned, at the subnational level, poverty in the Arab region is heavily concentrated in rural areas. In addition, the benefits of the economic reforms undertaken in many Arab countries were felt mainly in the cities. In Tunisia, for example, almost 90 per cent of new jobs created in 2010 were in the coastal region, where 60 per cent of the country's population lives, which left the interior of the country economically neglected and disproportionately drove up unemployment in these areas.<sup>99</sup>
- 95. The employment situation in the Arab region deprives people, especially young people and women, from enjoying access to decent work and traps them in situations of social injustice. To achieve social justice in employment, a wide range of reforms ensuring access to decent work for all are urgently required.
  - 3. Right to health: the road not yet travelled
- 96. The right to the highest attainable standard of health is a key component of social justice, which is intimately bound up with questions of equality, equity and participation. The Committee on Economic, Social and Cultural Rights identified the following criteria to highlight state obligations for guaranteeing the full enjoyment of this right:
- (a) **Availability** of a health system translated into functioning public health and health-care facilities, goods and services, as well as programmes that have to be available in sufficient quantity within the state;
- (b) **Accessibility** of health facilities, goods and services that have to be accessible to everyone without discrimination, within the jurisdiction of the state. Accessibility includes physical and economic accessibility, as well as access to information on health issues;
- (c) Acceptability of the health system, whereby all health facilities, goods and services must respect medical ethics and the culture of individuals, minorities, peoples and communities; be sensitive to gender and life-cycle requirements; and be designed to respect confidentiality and improve the health status of those concerned;
- (d) **Quality** of the health system, whereby health facilities, goods and services must be scientifically and medically appropriate and of good quality. This requires, among other things, skilled medical personnel, scientifically approved and unexpired drugs, hospital equipment, safe and potable water; and adequate sanitation.

<sup>&</sup>lt;sup>97</sup> Ibid., p. 52.

<sup>&</sup>lt;sup>98</sup> UNDP, Arab Development Challenges Report 2011: Towards the Developmental State in the Arab Region (Cairo, 2011), p. 6.

<sup>&</sup>lt;sup>99</sup> Mongi Boughzala and Mohamed Tlili Hamdi, "Promoting inclusive growth in Arab countries: rural and regional development and inequality in Tunisia", Global Working Paper No. 71 (Washington D.C., Brookings, February 2014).

Committee on Economic, Social and Cultural Rights, Substantive Issues Arising in the Implementation of the International Covenant on Economic, Social and Cultural Rights, General Comment 14 (2000) on the right to the highest attainable standard of health (article 12 of the Covenant), E/C.12/2000/4.

- 97. In the last three decades, overall accessibility to and the quality of health services provided improved in the region. This was translated into key health indicators in the Arab region. For example, the child mortality rate dropped from 90 deaths per 1,000 live births in 1990 to 58 deaths per 1,000 live births in 2011. Both Mashreq and Maghreb subregions have managed to reduce maternal mortality by 60 per cent, while GCC countries have halved it, reaching 15 deaths per 100,000 live births, lower than the average for developed countries. However, access to healthcare has been disproportionate within and across countries and remains a key challenge for many in the region.
- 98. Comparatively speaking, the least developed Arab countries, such as the Comoros, Djibouti, Somalia, the Sudan and Yemen, continue to struggle with high infant and under-5 mortality rates, as well as high maternal mortality rates. Within countries, poor rural populations and other vulnerable groups, such as persons with disabilities, are particularly disadvantaged. For example, in Morocco, children under 5 who belong to the poorest quintile are three times more likely to die than children in the richest quintiles. Improvement in health outcomes is also affected by rural-urban inequalities: a study on the utilization of antenatal health-care services in the Sudan showed that this service was five times higher among urban women, compared to women in rural areas. Particular social groups, such as persons with disabilities, also face substantial barriers in accessing general and specialist health-care services, including prohibitive costs and lack of physical accessibility to health-care facilities. According to a recent survey in Palestine, 79.4 per cent of persons with mobility-related disabilities experienced some or great difficulty in accessing medical services.
- 99. At the same time, improved water and sanitation services and facilities have had positive impacts on health conditions. Nevertheless, data from the Joint Monitoring Programme of the World Health Organization/United Nations Children's Fund (UNICEF) indicated that, in 2011, nearly 17 per cent of the Arab population (60 million people) did not have access to improved drinking water sources and 20 per cent (71 million people) did not have access to improved sanitation facilities, with the most critical conditions being observed in the least developed Arab countries, namely Djibouti, Mauritania, Somalia, the Sudan and Yemen. These averages further mask important discrepancies between rural and urban areas, where around one in every three Arabs living in rural areas lack access to an improved water source and improved sanitation facilities, thereby greatly impacting health conditions. 105
- 100. In general, access to health insurance mirrors the segmentation of the labour markets. As noted earlier, only those who work in public and other formal sectors are covered against illness through contributory insurance systems, while informal workers are left without or with minimal health coverage. At the same time, public health insurance covers on average only 30 to 40 per cent of the population. These deficiencies are further compounded by decreases in public investment in health services in some highly populated Arab countries, such as Egypt, Saudi Arabia and Yemen. Although the share of public health expenditures as a proportion of GDP in the Arab region increased from 2.3 per cent in 2000 to 2.7 per cent in 2011, this share was less than half of the world average and significantly less than the average of Latin America and the Caribbean in 2011 (table 5).

United Nations and the League of Arab States, The Arab Millennium Development Goals Report, p. 30.

<sup>&</sup>lt;sup>102</sup> Abdesslam Boutayeb and Uwe Helmert, "Social inequalities, regional disparities and health inequity in North African countries", *International Journal for Equity in Health*, vol. 10, No. 23 (31 May 2011).

 $<sup>^{103}</sup>$  Adil H. Ibnouf and others, "Utilization of antenatal care services by Sudanese women in their reproductive age", *Saudi Med J*, vol. 28, No. 5 (May 2007).

Palestinian Central Bureau of Statistics and Ministry of Social Affairs, *Disability Survey 2011: Press Conference Report* (Ramallah, June 2011), p. 43. Available from <a href="http://82.213.38.42/Portals/">http://82.213.38.42/Portals/</a> pcbs/PressRelease/disability e2011.pdf.

<sup>&</sup>lt;sup>105</sup> ESCWA, Water Development Report 5: Issues in Sustainable Water Resources Management and Water Services in the Arab Region, 2013 (E/ESCWA/SDPD/2013/4).

Randa Alami and Massoud Karshenas, "Deficient social policies have helped spark the Arab spring", *Development Viewpoint*, No. 70 (February 2012).

Table 5. Public spending on health as a share of GDP in select Arab countries and world regions

Year												
Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Algeria	2.6	3.0	3.0	2.9	2.4	2.2	2.3	2.7	3.0	3.6	3.5	3.2
Egypt	2.2	2.3	2.5	2.2	2.0	2.0	2.3	2.0	2.0	2.1	1.9	2.0
Iraq	0.0	0.0	0.0	1.7	4.1	3.2	2.3	3.4	3.7	6.6	6.9	6.7
Kuwait	1.9	2.9	2.8	2.6	2.2	1.9	1.8	1.7	1.5	3.3	2.1	2.2
Lebanon	3.2	3.5	3.8	3.3	3.6	3.7	3.3	3.3	3.0	2.8	1.7	1.6
Libya	1.9	2.6	3.1	2.3	2.0	1.6	1.4	1.4	1.4	2.2	2.1	3.0
Mauritania	4.0	2.9	4.0	3.4	3.8	3.2	2.2	2.5	2.2	3.4	4.0	3.3
Morocco	1.2	1.4	1.4	1.4	1.4	1.4	1.7	1.9	1.9	2.0	2.1	2.1
Oman	2.5	2.5	2.7	2.6	2.4	2.1	1.9	2.0	1.6	2.4	2.2	1.9
Qatar	1.6	1.9	2.0	3.5	3.0	2.5	2.2	1.9	1.6	2.1	1.6	1.5
Saudi Arabia	3.1	3.3	3.1	2.9	2.6	2.6	2.8	2.7	2.1	2.7	2.6	2.5
Sudan	0.9	1.0	1.0	1.1	1.3	1.4	1.6	2.0	2.3	2.1	2.0	2.4
Syria	2.0	2.2	2.3	2.5	2.1	2.1	1.9	1.9	1.6	1.6	1.6	1.8
Tunisia	3.0	2.8	2.8	2.8	2.9	2.9	3.0	3.0	3.0	3.2	3.1	3.4
Emirates	1.7	1.9	1.7	1.7	1.5	1.4	1.4	1.5	2.0	3.3	2.7	2.5
Yemen	2.4	2.5	2.4	2.6	2.0	1.7	1.7	1.6	1.7	1.4	1.2	1.1
Arab region	2.3	2.5	2.5	2.5	2.3	2.2	2.2	2.3	2.2	3.0	2.7	2.7
East Asia and the Pacific (developing only)	1.7	1.6	1.7	1.7	1.8	1.7	1.8	2.0	2.2	2.5	2.5	2.6
Latin America and the Caribbean (developing	2.2	2.2	2.1	2.1	2.2	2.2		2.4				
only) World	3.2	3.2	3.1	3.1	3.2	3.2	3.3	3.4	3.5	3.8	3.9	3.8
vv orta	5.3	5.5	5.7	5.9	5.9	5.9	5.8	5.8	5.9	6.4	6.2	6.0

Source: World Bank, World Development Indicators database. Available from <a href="http://data.worldbank.org/indicator/SH.XPD.PUBL/countries?display=default">http://data.worldbank.org/indicator/SH.XPD.PUBL/countries?display=default</a> (accessed 20 March 2014).

101. Low spending on health care occurred in tandem with increased out-of-pocket payments. In fact, the majority of private health expenditure in Arab countries is out-of-pocket (table 6).

TABLE 6. OUT-OF-POCKET HEALTH EXPENDITURE IN SELECT ARAB COUNTRIES IN 2011 (Percentage of private expenditure on health)

Country	Percentage
Algeria	94.7
Comoros	100.0
Egypt	97.7
Iraq	100.0
Jordan	76.5
Lebanon	75.8
Morocco	88.3
Saudi Arabia	58.1
Sudan	96.5
United Arab Emirates	63.2
Yemen	98.7

*Source*: The World Bank (2014). World Development Indicators Database. Available from <a href="http://data.worldbank.org/indicator/SH.XPD.OOPC.ZS">http://data.worldbank.org/indicator/SH.XPD.OOPC.ZS</a> (accessed 20 March 2014).

102. As a result, access to health care in the Arab region depends on the ability of individuals to pay for services, thus representing a challenge to equality and equity and a barrier to the fulfilment of rights, as defined by ICESCR.

# 4. Social protection: Right to assistance or to development?

- 103. Social protection schemes aim to reduce inequalities through the redistribution of wealth and the empowerment of people so that they can access their economic and social rights. In Arab countries, as a result of prevailing social contracts, social policy and social protection have not been linked to broader citizenship rights. Social policy is considered as a tool to mitigate the negative impact of structural adjustments; it aims to provide safety nets for the vulnerable until they begin reaping the benefits of growth. In other words, social protection mechanisms have not been integrated into broader social policy frameworks designed to promote inclusive social development and universal coverage.
- 104. As a result, the delivery of social protection services in Arab countries has been marked by a fragmented and project-oriented approach, which assumes that the provision of improved services for the poor is best carried out at the local level with the support of charities and other civil society organizations, without addressing the root causes of inequality and poverty. For example, even though the national agenda of Jordan sought to adopt an intersectoral approach to development at the macro level, most outcomes were focused on specific projects rather than broad-based policies that addressed the root causes of poverty. Poverty reduction was targeted through narrowly defined projects, such as increasing the coverage of some programmes or linking support from the national aid fund to educational outcomes. Consequently, despite reductions in poverty, measures such as conditional cash assistance and other transfers of funds will not be sustainable in the long run.
- 105. Moreover, despite promising initiatives to expand coverage and reform social security programmes, a number of deficits remain. As noted earlier, contributory social insurance schemes cover mostly public sector employees, military personnel and formal private sector workers, and are focused primarily on providing security for old age, illness and disability. However, in many countries of the region, the majority of workers in the informal sector, as well as temporary, agricultural and migrant workers, do not benefit from such schemes. Moreover, only a few countries provide unemployment and child benefits.
- 106. Many Arab countries continue to make positive strides to expand the scope of coverage and offer short-term benefits to traditionally unprotected groups, such as the unemployed, agricultural workers, the self-employed and foreigners (table 7). However, these programmes remain insufficient. Almost one third of the people in the region are covered by pension schemes with variations ranging from as low as 8 per cent in Yemen to 87 per cent in Libya. These levels indicate the extent of exclusivity and segmentation of pension schemes in the region. Moreover, even when the partial coverage of the self-employed is included, the coverage rate of contributory schemes in the region remains below 50 per cent. This figure is less than that of Latin America but higher than that of East Asia. An additional concern is the limited access to social security for women resulting from the low level of women's economic participation and their concentration in unpaid family or informal work.

<sup>&</sup>lt;sup>107</sup> ESCWA, "Enhancing fiscal capacity to attain the Millennium Development Goals: financing social protection", 2012 (E/ESCWA/EDGD/2012/Technical Paper.1), p. 13.

<sup>&</sup>lt;sup>108</sup> ILO, World Social Security Report 2010/11: Providing Coverage in Times of Crisis and Beyond (Geneva, 2010).

Yemen

Country Unemployed Agricultural workers Self-employed Foreigners Algeria X X X Bahrain X X X X Egypt X X X Iraq Jordan X Kuwait X X Lebanon X X Libya X Morocco X Oman X X Tunisia X Saudi Arabia X Syria

TABLE 7. EXPANSION OF PUBLIC SCHEMES COVERAGE IN ARAB COUNTRIES

Sources: UNDP and ILO, Rethinking Economic Growth: Towards Productive and Inclusive Arab Societies, p. 93 and Markus Loewe, "Pension schemes and pension reforms in the Middle East and North Africa", paper prepared for the United Nations Research Institute for Social Development (Geneva, January 2009), p. 12.

107. At the same time, non-contributory programmes or social safety nets, such as conditional and non-conditional cash transfers, have had an insufficient impact on the reduction of poverty and inequality in the region. In Egypt, Iraq and Yemen, their return on poverty reduction was only 3 per cent. Additionally, two out of three people in the poorest quintile are not reached by non-subsidy social safety nets in Arab countries, with the exception of Palestine, where the Government, donors and non-governmental organizations cover more than half of the poorest quintile. These types of programmes are generally small and not flexible enough to quickly respond to emergent crises. Moreover, most of non-subsidy social safety nets are fragmented among small programmes and suffer from low coverage and poor targeting, leading to high leakage. The coverage of non-subsidy social safety nets in the bottom quintile in each of Egypt, Iraq, Jordan, Morocco and Yemen is consistently lower than the world average. 110

108. Furthermore, the Arab region continues to rely heavily on food and fuel subsidies which represent on average 5.7 per cent of GDP, as opposed to 1.3 per cent in the average benchmark country. 111 In Egypt, for example, subsidies make up around a quarter of the annual budget. Despite their contribution to poverty alleviation, subsidies are costly and encourage dependency. While half of the energy subsidies in the world are in the Arab region, 113 fuel subsidies have failed to make a positive impact on the lives of those who need them most, because more powerful, high-income groups reap most of the benefits. In Egypt, Jordan and

<sup>&</sup>lt;sup>109</sup> Joana Silva and others, Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa – Overview (Washington D.C., World Bank, September 2012), p. 21.

<sup>&</sup>lt;sup>110</sup> Ibid., p. 22.

<sup>111</sup> In the original source, Joana Silva and others, Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa - Overview (Washington D.C., World Bank, September 2012), p. 19; it is stated that "...subsidy spending in the Middle East and North Africa is much higher in both absolute and relative terms than it is in other regions. In particular, the region's countries spend, on average, 5.7 per cent of GDP on subsidies, as opposed to 1.3 per cent of GDP in the average benchmark developing country". In this respect, the source does not identify the benchmark country; it rather includes a figure that displays a comparative sample of developing countries without specifying them.

<sup>112 &</sup>quot;Bakers become latest victims of Egypt subsidy cuts", The Guardian, 19 March 2013. Available from http://www.theguardian.com/world/2013/mar/19/bakers-egyptian-subsidy-cuts.

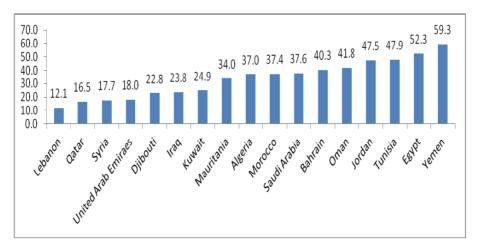
<sup>113</sup> International Monetary Fund (IMF), "Energy subsidies in the Middle East and North Africa: lessons for reform", March 2014. Available from <a href="http://www.imf.org/external/np/fad/subsidies/pdf/menanote.pdf">http://www.imf.org/external/np/fad/subsidies/pdf/menanote.pdf</a>.

Yemen, for example, the richest quintile of the population captures 40 to 60 per cent of all fuel subsidy benefits, because the rich consume more energy products than the poor. 114

109. Similarly, other forms of social protection programmes, such as active labour market policies, employment services and public work programmes, have not been very successful because of inadequate targeting and implementation. In Yemen, for example, the number of training programmes and microcredit opportunities provided by the National Welfare Fund are minimal compared to the large number of fund beneficiaries.<sup>115</sup>

110. Overall, social protection deficits in the Arab region, according to an ESCWA study, did not result from low social spending. Public expenditure in most Arab countries is high compared to other countries, and a large share of it is indeed allocated to social services. According to IMF, in countries such as Egypt and Saudi Arabia, government expenditure amounted to more than 36 per cent of GDP in 2013, well above the level of other emerging market economies such as China (25 per cent), Chile (24 per cent), India (27 per cent), Indonesia (20 per cent), or South Africa (33 per cent). Similarly, government expenditures in Yemen corresponded to almost 32 per cent of GDP in 2013 as compared to an average of 25 per cent in other low-income countries, to 17 per cent in Bangladesh, 29 per cent in Senegal and 25 per cent in Uzbekistan. Amounts assigned to social services represent a significant share of public expenditure in most Arab countries, ranging from 12 per cent in Lebanon to almost 60 per cent in Yemen (figure VII). Hence, the deficits in terms of the provision of social services cannot be attributed to a lack of resources but rather raise questions on the manner in which these resources are allocated and on the distribution of funds.

Figure VII. Government spending on social services, 2010 (Percentage of total expenditure)



*Note*: Social service expenditures include all current expenditures by the Government on education services; health services; social security, welfare and social transfers; housing and public utilities services; and cultural, entertainment and religious services.

Source: ESCWA, "Enhancing fiscal capacity to attain the Millennium Development Goals: financing social protection", p. 11.

<sup>&</sup>lt;sup>114</sup> Joana Silva and others, *Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa*, p. 23.

For further information, see ESCWA, *The Promises of Spring: Citizenship and Civic Engagement in Democratic Transitions*, p. 46.

<sup>&</sup>lt;sup>116</sup> IMF, Fiscal Monitor - Public Expenditure Reform Making Difficult Choices (Washington, April 2014), statistical tables 3, 7 and 10, pp. 70-77.

111. In the same context, despite the role of non-governmental organizations and faith-based institutions in providing assistance, especially in times of crisis, their interventions have been random and unable to contribute effectively to larger development goals because of the absence of a comprehensive policy vision and the weakness or lack of participatory mechanisms that would allow civil society organizations to affect social policymaking.

## 5. Access to knowledge and information

- 112. The last three decades have revealed the undeniable impact of information and communication technologies (ICTs) on the behavioural and cognitive processes of individuals, families and societies. Many Governments and international organizations, such as the United Nations, have given rightful attention to encouraging the expansion of access to information and knowledge to citizens. Access to information is vital to the development and maintenance of social justice, because individuals who do not know their rights are unable to access them or mobilize when they are infringed. Likewise, if citizens are not aware of the political and social resources available to them, then these resources may generate further inequality rather than bridge gaps.
- 113. With globalization, ICTs have revolutionized the way individuals connect with each other, access information and mobilize, thus changing the rules of the game for economic, political and social development planning. New Internet cultures emerged, significantly contributing to the uprisings that swept across the Arab region since 2010. These uprisings, in the eyes of many observers, were aided by the power of social media forums such as Facebook and Twitter, which enabled people to express themselves outside regulated state media and less accessible broadcasting methods such as television and radio. Though these new spaces for expression and information-sharing did not single-handedly drive the Arab uprisings, it has been reported that they "altered the capacity of citizens and civil society actors to affect domestic politics". During the uprisings and after, Arab citizens used social media, not only to communicate with friends and family, but also to raise domestic awareness about social and political issues, spread information about their cause to international audiences, organize events and coordinate with other activists.
- 114. A survey conducted in March 2011 revealed that nearly 9 out of 10 Tunisians and Egyptians were using Facebook or Twitter to organize and find information about protests. According to the Arab Social Media Report, social media played a critical role in mobilization, empowerment, shaping opinions and influencing change. A recent World Bank report concurs, adding that widespread Internet access was a major driver of economic growth, job creation and social inclusion. In this sense, the exchange of information, particularly on social media forums accessible to a wide sector of the population, is vital to developing vibrant dialogue among civil society actors and empowering citizens to hold their Governments accountable when basic rights are threatened.
- 115. The issue of access (or lack of access) to information and knowledge in the Arab region continues to be a significant challenge. Although significant technological developments have been made in the region in recent years, resulting in expanded access, the Arab region remains underdeveloped compared to other world regions. In 2011, only 3.8 per cent of Internet users worldwide were from Arab countries. <sup>120</sup> although this

Philip Howard and others, "Opening closed regimes: what was the role of social media during the Arab Spring?" Project on Information Technology and Political Islam, Working Paper 2011.1 (Seattle, University of Washington, 2011).

<sup>&</sup>lt;sup>118</sup> Carol Huang, "Facebook and Twitter key to Arab Spring uprisings: report", *National*, 6 June 2011. Available from <a href="https://www.thenational.ae/news/uae-news/facebook-and-twitter-key-to-arab-spring-uprisings-report">www.thenational.ae/news/uae-news/facebook-and-twitter-key-to-arab-spring-uprisings-report</a>.

Natalija Gelvanovska and others, *Broadband Networks in the Middle East and North Africa: Accelerating High-Speed Internet Access* (Washington D.C., World Bank, 2014). Available from <a href="https://openknowledge.worldbank.org/bitstream/handle/10986/16680/9781464801129.pdf?sequence=1">https://openknowledge.worldbank.org/bitstream/handle/10986/16680/9781464801129.pdf?sequence=1</a>.

<sup>&</sup>lt;sup>120</sup> Miniwatts Marketing Groups, Internet World Stats database. Available from <a href="http://www.internetworldstats.com/stats5.htm">http://www.internetworldstats.com/stats5.htm</a> (accessed May 2014).

number is expected to grow by 23 per cent annually, which is 1.6 times higher than the global average.<sup>121</sup> According to 2012 statistics, there were roughly 72 million Internet users in the Arab region, equalling only 19.7 per cent of its total population,<sup>122</sup> excluding more than three quarters of the population from the proliferation of information being shared online. With the exception of GCC countries, fewer than 25 per cent of Arab households have access to the Internet. The World Bank estimates that, for low-income Arab families, gaining Internet access would cost them roughly 30-40 per cent of their income.<sup>123</sup> As of 2012, Iraq has the lowest Internet penetration in the region at 7.1 per cent, and Qatar has the highest penetration at 86.2 per cent.<sup>124</sup> This digital divide, or information poverty as it is sometimes called, is caused by high cost and "refers to the uneven pace of progress in access and a debilitating lack of awareness vis-à-vis ICT for many of the developing countries in comparison to the developed nations".<sup>125</sup>

- 116. The digital divide exacerbates existing social and economic gaps between countries, within countries and across generations. Domestically, these gaps are most apparent between the educated and the illiterate, the elite and the underprivileged, the youth and the elderly and the urban and rural populations. The generational divide has become so apparent that many suggest that a new generation of people called "digital natives", or young people born after the advent of the internet, is emerging. <sup>126</sup> It is worth noting that women, especially in conservative societies, were able to take advantage of the digital revolution to strongly express their voice through the use of social media. They were able to launch virtual campaigns, and mobilize their counterparts regarding several women's rights issues, including violence against women and citizenship rights.
- 117. Although progress is being made in ensuring that men and women in Arab countries are able to access information to enable their participation in society, a significant divide still remains between those who are connected and those who are not, hindering the achievement of social justice.
  - 6. Natural resources and intergenerational justice
- (a) Access to water and sanitation services
- 118. Access to water and sanitation services is a fundamental principle of social justice and has been recognized by the United Nations General Assembly and Human Rights Council as a human right that is essential for the full enjoyment of life and all human rights. Specifically, increased coverage of water and sanitation services for the poor reduces their financial burden and improves their health conditions. This in turn contributes to poverty alleviation and reduces social inequality.
- 119. The Arab region relies on different types of water resources to meet its water demand, such as internal renewable resources, external renewable resources and non-renewable resources. Unconventional sources of water, such as desalination and treated wastewater, are used to bridge the gap between water demand and

<sup>&</sup>lt;sup>121</sup> Karim Sabbagh and others, *Understanding the Arab Digital Generation* (Booz and Company, 2012). Available from <a href="http://www.strategyand.pwc.com/media/file/Strategyand\_Understanding-the-Arab-Digital-Generation.pdf">http://www.strategyand.pwc.com/media/file/Strategyand\_Understanding-the-Arab-Digital-Generation.pdf</a>.

<sup>&</sup>lt;sup>122</sup> Ghanah Qasem, "MENA internet statistics in a nutshell", 27 August 2012. Available from <a href="http://arabnet.me/mena-internet-statistics-nutshell-infographic">http://arabnet.me/mena-internet-statistics-nutshell-infographic</a>.

<sup>&</sup>lt;sup>123</sup> Natalija Gelvanovska and others, *Broadband Networks in the Middle East and North Africa: Accelerating High-Speed Internet Access*, p. 6.

<sup>&</sup>lt;sup>124</sup> Internet World Stats database, 2012.

Rami Olwan, "ICT and Digital Divide in the Arab World", 11 July 1008. Available from <a href="https://www.scribd.com/doc/3901334/">www.scribd.com/doc/3901334/</a> <a href="https://www.scribd.com/doc/3901334/">ICTand-Digital-Divide-in-the-Arab-World</a>.

<sup>&</sup>lt;sup>126</sup> John Palfrey and Urs Gasser, *Born Digital: Understanding the First Generation of Digital Natives* (New York, Basic Books, 2008).

<sup>127</sup> Internal renewable water resources consist of river flows and aquifer recharge generated by precipitation within any given country. External renewable water resources are those generated outside the country, including inflows from upstream countries (both surface water and groundwater). Non-renewable water resources are the portion of water bodies (both surface and underground) that are being consumed faster than the rate of natural replenishment.

natural water supply. With the current trend in population growth, many countries are rapidly mining their non-renewable groundwater resources. This is particularly true in the water scarce countries of the Arabian Gulf, where non-renewable groundwater resources form the majority of the natural water resources available for use (figure VIII).

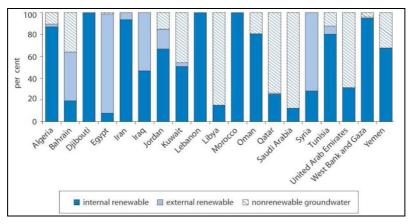


Figure VIII. Percentage of water resources available by source

Source: World Bank, Making the Most of Scarcity: Accountability for Better Water Management Results in the Middle East and North Africa (Washington D.C., 2007), p. 143.

120. According to the latest progress reports on the Millennium Development Goals, the Arab region as a whole shows relatively high access to water services (83 per cent coverage) and sanitation services (80 per cent coverage). Significant variations between countries exist, whereby the least developed Arab countries (Mauritania, Somalia, the Sudan and Yemen) have less than 55 per cent access to improved water sources and improved sanitation facilities, indicating that these countries are not on track in achieving water and sanitation targets. In Yemen, water scarcity is particularly severe; farmers have deepened their wells by an average of 50 meters over the past 12 years, while the amount of water they are able to extract has dropped by two thirds, <sup>128</sup> over 90 per cent of which is consumed by the agricultural sector. <sup>129</sup> The occupied Palestinian territory also faces severe water scarcity as a result of discriminatory Israeli policies on water consumption. Amnesty International estimated in 2009 that over 80 per cent of water from underground sources, the only source of water in the West Bank, was used by Israel, thus restricting the access of Palestinians to 20 per cent, in addition to completely cutting off their access to the Jordan River. As a result, some 180,000-200,000 Palestinians living in rural communities have no access to running water and the Israeli army often prevents them from even collecting rainwater, a situation which has been characterized by a French Parliament report as water apartheid. <sup>130, 131</sup>

121. These inequalities also manifest themselves within countries. Data on the Millennium Development Goals for 2011 show significant rural-urban inequalities in access to improved water sources (92 per cent in urban areas compared to 73 per cent in rural areas). For example, access to improved water sources in Iraq drops from 94 per cent in urban areas to 67 per cent in rural areas; in Morocco from 98 per cent to

<sup>&</sup>lt;sup>128</sup> United Nations Environment Programme, Water Scarcity Index. Available from <a href="www.unep.org/dewa/vitalwater/article77.html">www.unep.org/dewa/vitalwater/article77.html</a>.

<sup>&</sup>lt;sup>129</sup> Qahtan Yehya al-Asbahi, "Water resources information in Yemen", paper presented at the International Work Session on Water Statistics, Vienna, 20-22 June 2005. Available from <a href="http://unstats.un.org/unsd/environment/envpdf/pap\_wasess3a3yemen.pdf">http://unstats.un.org/unsd/environment/envpdf/pap\_wasess3a3yemen.pdf</a>.

<sup>&</sup>lt;sup>130</sup> Amnesty International, "Israel rations Palestinians to trickle of water", 27 October 2009. Available from <a href="https://www.amnesty.org/en/news-and-updates/report/israel-rations-palestinians-trickle-water-20091027">www.amnesty.org/en/news-and-updates/report/israel-rations-palestinians-trickle-water-20091027</a>.

<sup>&</sup>lt;sup>131</sup> France, Assemblée Nationale, *Rapport d'Information Déposé par la Commission des Affaires Étrangères sur la Géopolitique de l'Eau* (Rapport No. 4070, Paris, 13 décembre 2011). Available from <a href="http://www.assemblee-nationale.fr/13/pdf/rap-info/i4070.pdf">http://www.assemblee-nationale.fr/13/pdf/rap-info/i4070.pdf</a>.

<sup>&</sup>lt;sup>132</sup> See <a href="http://unstats.un.org/unsd/mdg/Data.aspx">http://unstats.un.org/unsd/mdg/Data.aspx</a>.

61 per cent; in Somalia from 66 per cent to 7 per cent; and in Yemen from 72 per cent to 47 per cent. This has several negative impacts, especially on women and children, who often bear the burden of fetching water over long distances. Similarly, access to improved sanitation facilities drops from 91 per cent in urban areas to 65 per cent in rural areas: in Djibouti, it drops from 73 per cent in urban areas to 22 per cent in rural areas; in Mauritania from 51 per cent to 9 per cent; in Morocco from 83 per cent to 52 per cent; in Somalia from 52 per cent to 6 per cent; in the Sudan from 44 per cent to 13 per cent; and in Yemen from 93 per cent to 34 per cent.<sup>133</sup>

## (b) Access to energy resources

- 122. Equal access to natural resources, such as energy, is also essential for achieving social justice and inclusive and sustainable development, since the benefits from the use and export of energy sources, such as oil and gas, trigger economic growth and contribute to overall population welfare.
- 123. Many Arab countries are among the world's largest producers and exporters of hydrocarbon products in the world. In 2011, the total share of Arab countries in world exports exceeded 35 per cent for crude oil and 20 per cent for natural gas. For the same year, the region's share of proven world reserves exceeded 48 per cent for oil and 28 per cent for natural gas. Yet energy resources are unequally distributed among Arab countries and, in most cases, are not used in a sustainable manner. For instance, Arab countries are using about twice the amount of energy that European countries use to produce the same GDP, indicating a high potential for energy efficiency gains. Low conventional energy prices, maintained by substantial direct and indirect subsidies and weak institutional and policy frameworks to promote energy efficiency investments, are largely contributing to unsustainable trends in energy consumption.
- 124. Moreover, the environmental impacts of energy production and consumption in terms of air pollutants, carbon dioxide emissions and other polluting agents might also have an extremely negative effect on future generations, which will certainly bear the costs of the accumulation of these environmental impacts if momentous and targeted actions are neglected by the present generation. In 2010, the average of world carbon dioxide emissions per capita, stemming from the burning of fossil fuels, the manufacture of cement and the consumption of solid, liquid and gas fuels and gas flaring, was around 4.88 metric tonnes, up from 4.21 metric tonnes in 1990, while per capita emissions of Arab countries averaged 4.6 metric tonnes in 2010, up from 3.2 in the 1990s (figure IX).

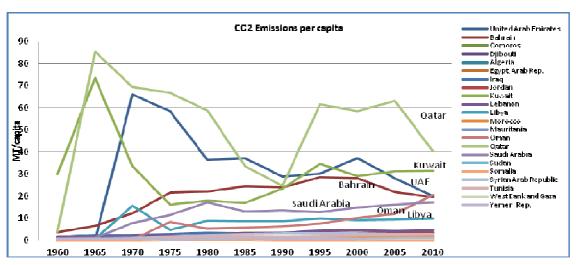


Figure IX. Carbon dioxide emissions per capita

*Source*: World Bank, World Development Indicators database. Available from <a href="http://data.worldbank.org/indicator/EN.ATM.">http://data.worldbank.org/indicator/EN.ATM.</a> CO2E.PC/countries.

World Bank, World Development Indicators database. Available from <a href="http://data.worldbank.org/data-catalog/world-development-indicators">http://data.worldbank.org/data-catalog/world-development-indicators</a>.

- 125. Broadly speaking, the proportion of total primary energy production devoted to satisfy the local energy needs of ESCWA member States increased from approximately 25 per cent in 2000 to 36 per cent in 2010, indicating a sharp increase in energy consumption. At the same time, for the net energy-exporting countries, the total energy exports represented 3.8 times their energy consumption in 2001, but in 2010 this figure declined to 1.9. In general, these trends can have critical implications for both hydrocarbon exporting and non-exporting countries. 134
- 126. For Arab countries with economies relying on revenues from fossil fuel exports, namely Iraq, Kuwait, Libya, Qatar, Saudi Arabia and the United Arab Emirates, a substantial reduction in hydrocarbon products destined for export will result in a dramatic fall in potential revenues. This is a major risk to national development given that the incomes of these countries are largely skewed towards oil and gas revenues. Future generations may not be able to benefit from such resources if no significant revenues are saved for dedicated investment mechanisms.
- 127. In the case of Arab countries that had some energy exporting capacity, namely Egypt, Oman, the Syrian Arab Republic, Tunisia and Yemen, the current growth in energy consumption puts them on an inevitable path towards joining the net importers of energy.
- 128. For Arab counties that are already net importers of energy, namely Jordan, Lebanon, Morocco, Palestine and the Sudan, the current growth in energy consumption will increase their vulnerability to international energy price fluctuations and eventually weaken their energy security. Future generations in these specific countries are consequently expected to face an even more critical situation.
- 129. Furthermore, a remarkable increase in peak electrical demands took place in recent years, pushing the region to adopt forecasts calling for a sharp increase in power plant capacities to meet these increasing loads, with many countries considering the introduction of nuclear energy in their energy mix. In fact, the maximum electrical load increased in Arab countries by an average of about 9 per cent between 2009 and 2010. When compared with 2010 figures, peak electrical demands are expected to practically double by 2020, necessitating a comparable increase in power plant capacities. Electrical energy generation is also expected to increase by the same order of magnitude. <sup>135</sup> It is clear that there is a high demand and an urgent need to promote and implement new and more sustainable energy consumption patterns.
- 130. Saving and investing natural resource rents can result in substantially increasing the wealth of resource-rich economies. Since they are not produced, natural resources can be considered special economic goods. The economic profits generated from their use can become important financial resources for sustainable socioeconomic development. Although physically unsustainable, the mining sector, for example, can sustain economic activities beyond its limited lifetime by transforming the wealth generated from the resource units into other more sustainable forms of economic capital and activities, including manufacturing, agriculture and services.

## (c) Access to land

131. Access to land is also key to achieving social justice. From an intergenerational perspective, the most important factors to take into consideration are land conservation; appropriate land use planning; and the preservation of soil and land from degradation. To promote social justice, Arab countries should also aim to improve and support the agricultural sector given its important role in poverty alleviation, as it provides formal and informal employment to a large proportion of the rural population and contributes to food security, thus promoting national stability.

Mongi Bida, "Up-scaling energy efficiency in the residential and tertiary sectors in the Arab region", presentation made at the Beirut Energy Forum – Fourth Edition, Beirut, 26-27 September 2013.

ESCWA, "Sustainable energy: examples of the GCC countries - Is energy intensity a useful tool for GCC countries?", presentation made at the AFED Annual Conference on Sustainable Energy in Arab Countries, Sharjah, 28-29 October 2013.

- 132. On average, the regional employment level in agriculture, discounting unpaid family labour in farms, was reported at 22.2 per cent of total employment in 2008. At the country level, according to the latest available data, according to the latest available data, employment in agriculture varies from 40 per cent in Morocco, 29 per cent in Egypt, 25 per cent in Yemen and 16 per cent in Tunisia; to 11-14 per cent in Algeria, Palestine and the Syrian Arab Republic; to as low as 1-6 per cent in Jordan, Lebanon, Oman, Qatar, Saudi Arabia and the United Arab Emirates. 137
- 133. More critically, a declining trend in agricultural employment during the past decade is observed in some countries. In the Syrian Arab Republic and Yemen, for example, agricultural employment dropped by 50 per cent between 2000 and 2011, mainly as a result of drought, thus contributing to internal rural-urban migration, urbanization and unemployment. In terms of economic productivity, available data show that agriculture has a modest to moderate contribution to GDP, with an overall average of 6 per cent for the entire Arab region and varies between 23 and 24 per cent in the Syrian Arab Republic and the Sudan (2010); 15-16 per cent in Egypt, Mauritania and Morocco (2011); 8-9 per cent in Algeria, Tunisia and Yemen (2010); and 1-4 per cent in Jordan, Lebanon, Saudi Arabia and the United Arab Emirates (2011). To promote social justice, Arab countries should aim to improve and support the agricultural sector given its important role in poverty alleviation.

## (d) Intergenerational issues and social justice

134. Intergenerational issues on how best to balance the needs of the current generation against the needs of future generations are a salient topic. Intergenerational equity is at the heart of sustainable development, as Amartya Sen and Sudhir Anand argued in their seminal 1994 paper. 140 Views differ on how far future generations have a right to natural resources. This question depends to a large extent on the abundance or scarcity of each resource. While this becomes less relevant in the case of renewable resources (unless they are polluted to the extent that renders them useless or even harmful), it becomes rather complex when a natural resource is limited and non-renewable. The returns from the use of non-renewable water resources are much less in value and are diffused among a large number of beneficiaries. In other words, unless some non-renewable water reserves are physically preserved, the rights of future generations to these resources are literally being violated by the current use pattern; wasteful or not. For example, unsustainable use of groundwater resources is threatening the future of Sana'a. It has been reported that "if current trends continue, by 2025 the city's projected 4.2 million inhabitants will become water refugees, forced to flee their barren home for wetter lands. In preparation, some officials have already considered relocating the capital to the coast. Others have proposed focusing on desalination and conservation to buy time". <sup>141</sup> In such cases, managing non-renewable natural resources in a manner that guarantees benefits for future generations means: limiting extraction so as to maintain some reserves for future use; or converting resources into wealth to be invested in long-term and more sustainable economic activities, including industry.

Reported data on Algeria, Egypt, Jordan, Morocco, Palestine, Qatar, Saudi Arabia, the Syrian Arab Republic and Tunisia are for 2011. Data on Oman and Yemen are for 2010, and those on the United Arab Emirates and Lebanon are for 2009.

<sup>&</sup>lt;sup>137</sup> World Bank, World Development Indicators database. Available from <a href="http://data.worldbank.org/indicator/SL.AGR.EMPL.ZS">http://data.worldbank.org/indicator/SL.AGR.EMPL.ZS</a>.

According to World Development Indicators database data, employment in agriculture stood at 14 per cent in 2010 in the Syrian Arab Republic, and the contribution of agriculture to GDP reached 23 per cent in the same year. Although this may raise questions, it may be explained by the fact that the productivity of the agriculture sector is being gradually adjusted to the rapid drop in agricultural employment, leading to a time lag to reach a new state of equilibrium, and this unexpected high productivity would probably decrease in the following years. Unfortunately due to the ongoing conflict in the country, no records are reported for agriculture contribution to GDP beyond 2010.

World Bank, World Development Indicators database. Available from <a href="http://data.worldbank.org/indicator/SL.AGR.EMPL.ZS">http://data.worldbank.org/indicator/SL.AGR.EMPL.ZS</a>.

Amartya Sen and Sudhir Anand, "Sustainable human development: concepts and priorities", UNDP Human Development Report Office Occasional Papers (1 September 1994). Available from <a href="http://ssrn.com/abstract=2294664">http://ssrn.com/abstract=2294664</a>.

Adam Heffez, "How Yemen chewed itself dry", *Foreign Affairs*, 23 July 2013. Available from <a href="www.foreignaffairs.com/articles/139596/adam-heffez/how-yemen-chewed-itself-dry">www.foreignaffairs.com/articles/139596/adam-heffez/how-yemen-chewed-itself-dry</a>.

135. Although some Arab countries are enjoying economic prosperity from the sale of oil and gas, given the current elevated population growth rates and undiversified economies, the issue of future generations' rights to these natural resources remains a discussion point; while the economic and financial returns from oil and gas are tangible and can partially be reserved for future generations. It is worth examining the different approaches followed in countries like Norway and several Arab countries to establish sovereign wealth funds. In 2006, Norway established the Government Pension Fund of Norway (as a result of the restructuring of the Norwegian pension reserve funds) and the Government Pension Fund Global (formerly the Petroleum Fund). The latter is mandated to manage oil reserves with the aim of supporting the long-term management of petroleum revenues, so as to help cope with future financial obligations associated with an ageing population. Kuwait holds the oldest sovereign wealth fund in the world (table 8). Its General Reserve Fund and the Future Generations Fund were established in 1953 to achieve a long-term investment return on financial assets so as to provide an alternative to oil reserves.

TABLE 8. SELECTED ARAB SOVEREIGN WEALTH FUNDS

	Sovereign wealth	Assets			Linaburg-Maduell
Country	fund name	(\$ billion)	Inception	Origin	Transparency Index
Emirates-Abu Dhabi	Abu Dhabi	773	1976	Oil	5
	Investment Authority				
Saudi Arabia	SAMA Foreign	737.6	n/a	Oil	4
	Holdings				
Kuwaint	Kuwait Investment Authority	410	1953	Oil	6
Qatar	Qatar Investment Authority	170	2005	Oil and gas	5
Emirates-Abu Dhabi	Abu Dhabi Ivestment Council	90	2007	Oil	n/a
Algeria	Revenue Regulation Fund	77.2	2000	Oil and gas	1
Emirates-Dubai	Investment Corporation of Dubai	70	2006	Oil	5
Libya	Libyan Investment Authority	66	2006	Oil	1
Emirates-Abu Dhabi	International Petroleum Investment Company	65.3	1984	Oil	9
Emirates-Abu Dhabi	Mubadala Development Company	60.9	2002	Oil	10
Iraq	Development Fund for Iraq	18	2003	Oil	n/a
Emirates-Federal	Emirates Investment Authority	15	2007	Oil	3
Oman	State General Reserve Fund	13	1980	Oil and gas	4
Bahrain	Mumtalakat Holding Company	10.5	2006	Non-commodity	9
Oman	Oman Investment Fund	6.0	2006	Oil	4
Saudi Arabia	Public Investment Fund	5.3	2008	Oil	4
Emirates-Ras Al Khaimah	RAK Investment Authority	1.2	2005	Oil	3
Palestine	Palestine Investment Fund	0.8	2003	Non-commodity	n/a

Source: Sovereign Wealth Funds Institute data. Available from www.swfinstitute.org/fund-rankings/, accessed July 2014.

136. Ideally, intergenerational equity should go above and beyond the preservation of the environment for future generations and should include, at the very least, the economic and social options of succeeding generations, which, in the light of development, should match or exceed those of their parents. Implications of intergenerational equity thus revolve around the fair inter-temporal distribution of natural resource wealth

(for example, by setting up a fund from which present and future generations can benefit); just taxation and just accumulation of national debt (not the accumulation of debt without bounds for future generations to pay off); physical stocks of capital (maintaining a country's infrastructure); and social and education systems (having a sustainable social floor in place and good social institutions and educational systems that improve over time). Intergenerational equity should also assure similar or improved income brackets and social mobility for new generations, a social justice objective that could be stifled by rising income inequalities.<sup>142</sup>

#### D. MECHANISMS AND STRATEGIES TO FOSTER SOCIAL JUSTICE

## 1. Social protection as a tool for justice

- 137. Social protection is a universal human right recognized in international treaties. In the context of the ongoing global financial crisis and the current discussions about the United Nations post-2015 development agenda, social protection is increasingly recognized not only as a means to address rising levels of vulnerability but also to fight exclusion and redistribute wealth, thus promoting social justice. If designed properly, social protection can provide income security during illness, unemployment and old age, and improve the resilience of vulnerable groups to adverse economic and environmental conditions by ensuring access to income, education and health services. At the same time, social protection is essential for macroeconomic stability and has important linkages with employment: better and more productive jobs contribute to the tax base that finances social protection and other policies which, in turn, improve social capital and hence the employability and productivity of citizens.
- 138. Social protection instruments abound and are implemented as a set of short, medium and long-term interventions. They include the following:
- (a) Social pensions schemes (or contributory schemes) that cushion risks associated with unemployment, poor health, disability, work injury and old age;
- (b) Social assistance programmes (or non-contributory schemes) for vulnerable groups, such as female headed households, older persons and persons with disabilities. These can be also grouped under conditional or unconditional cash transfers;
  - (c) Subsidies for food, housing and energy, among other things.
- 139. Social assistance schemes and subsidies are also known as social safety nets. Other schemes to assist specific communities or the informal sector, such as active labour market policies, agricultural subsidies, social funds, public employment and community development programmes, are also implemented in some countries.
- 140. In this context, it is important to note that Arab countries have long applied the concept of social safety nets, deriving largely from alms giving or zakat, which is one of the five central pillars of Islam. It obligates all Muslims who are able to do so to give a fraction of their own capital as cash or in-kind contributions to people in need. In Saudi Arabia, zakat is a national requirement collected by the State; and in Bahrain, Jordan, Kuwait and Lebanon, zakat is voluntary but state-regulated. If properly managed, zakat provisions can be instrumental in poverty alleviation and the long-term sustainability of social protection schemes.

<sup>&</sup>lt;sup>142</sup> OECD, Divided We Stand: Why Inequality Keeps Rising (Paris, 2011).

<sup>143</sup> It should be noted that, in this context, *zakat* is different from the voluntary act of charity or *sadaqa*, where persons opt to give to the needy as frequently as they please.

- 141. In the absence of comprehensive contributory schemes, cash transfers are increasingly promoted by international development organizations as a better social protection option than the costly fuel and food subsidies currently favoured in Arab countries. The growing popularity of cash transfers is partly associated with their ability to link poverty reduction to other key Millennium Development Goals, namely education and health. More specifically, conditional cash transfers provide money to poor families on the condition that they fulfil a specific requirement associated with human development goals. Some programmes require parents to ensure that their children attend school regularly or utilize basic preventative nutrition and health-care services. Conditional cash transfers have allowed countries like Brazil and Mexico to make important progress in poverty reduction.
- 142. However, conditional cash transfers have their own setbacks, particularly in poor and conflict-ridden countries, which often lack the administrative capacity to ensure optimal targeting and monitor programme implementation. They are also criticized for their inability to address the structural causes of inequality, such as unequal access to productive resources. Unconditional cash transfers are thus sometimes deemed a fairer social protection tool since they can reach more people and are a more effective means of redistributing social benefits among all society members.
- 143. Examples of successful unconditional cash transfer programmes include the LEARN project of Action Against Hunger in the Otuke District of Uganda, where unconditional cash transfers had a significant impact on the livelihoods of beneficiaries, who mostly invested in livestock, and non-beneficiaries, local farmers for example, with whom beneficiaries traded, thus positively impacting the local economy. In the Arab region, the Palestinian National Cash Transfer Programme (PNCTP) is the largest social transfer programme in terms of coverage and funding. The launch of PNCTP resulted in an important shift to poverty-based targeting, a substantial expansion of coverage and the creation of a unified registry or database of beneficiaries. PNCTP beneficiaries are also entitled to a range of complementary welfare programmes, including food and government health insurance, as well as a waiver on university tuition fees and an emergency grant.
- 144. In the last decade, international organizations, spearheaded by ILO, have encouraged moving beyond the selective safety nets approach towards a minimum social protection floor or basic social security guarantees.<sup>147</sup> The social protection floor initiative includes guarantees of the following:
- (a) Basic income security in the form of social transfers, such as pensions, child benefits, income support benefits and/or employment, and services for the unemployed and the working poor;
  - (b) Universal access to essential social services, including health, education and nutrition.

Hana Brixi and Yasser el-Gammal, "It's time for the Arab world to invest in people not subsidies", The World Bank Blog, Voices and Views: Middle East and North Africa, 15 February 2013. Available from <a href="http://blogs.worldbank.org/arabvoices/ittime-arab-world-invest-people-not-subsidies">http://blogs.worldbank.org/arabvoices/ittime-arab-world-invest-people-not-subsidies</a>.

Silke Pietzsch, "Unconditional cash transfers: giving choice to people in need", *Humanitarian Exchange Magazine*, Issue 49 (February 2011). Available from <a href="https://www.odihpn.org/humanitarian-exchange-magazine/issue-49/unconditional-cash-transfers-giving-choice-to-people-in-need">https://www.odihpn.org/humanitarian-exchange-magazine/issue-49/unconditional-cash-transfers-giving-choice-to-people-in-need</a>.

Nicola Jones and Mohammed Shaheen, *Transforming Cash Transfers: Beneficiary and Community Perspectives on the Palestinian National Cash Transfer Programme. Part 2: The case of the West Bank* (London, Overseas Development Institute, 2012). Available from <a href="www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8179.pdf">www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8179.pdf</a>.

<sup>&</sup>lt;sup>147</sup> Social protection floor refers to the following: "A minimum level of social protection needs to be accepted and undisputed as part of the socioeconomic 'floor' of the global economy". See ILO, *A Fair Globalization: Creating Opportunities for All* (Geneva, 2004), p. xiii. Available from <a href="https://www.ilo.org/public/english/wcsdg/docs/report.pdf">www.ilo.org/public/english/wcsdg/docs/report.pdf</a>.

#### **Social protection floors**

Social protection floors are nationally defined sets of basic social security guarantees that should ensure, as a minimum, that over a life cycle all in need have access to essential health care and basic income security, which together secure effective access to goods and services defined as necessary at the national level.

National social protection floors should comprise at least the following four social security guarantees, as defined at the national level: access to essential health care, including maternity care; basic income security for children, providing access to nutrition, education, care and any other necessary goods and services; basic income security for persons of active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and basic income security for older persons.

*Source*: ILO definition of the social protection floor. Available from <a href="www.ilo.org/secsoc/areas-of-work/policy-development-and-applied-research/social-protection-floor/lang--en/index.htm">www.ilo.org/secsoc/areas-of-work/policy-development-and-applied-research/social-protection-floor/lang--en/index.htm</a>.

145. Experiences from across the world have validated the effectiveness of social protection floors and provided good practices for countries considering similar strategies. The Colombian General System of Social Security in Health, a universal health coverage programme, has targeted 90 per cent of the population. The programme has made the Colombian health system more accessible and has facilitated its use, especially among rural and poor segments of the population. It has reduced poverty by over 2 percentage points and inequality by over 3 percentage points. Similarly, the Thai Universal Coverage Scheme provides universal health-care access to 80 per cent of the population. The programme has increased both access to and quality of health-care services, and has prevented 88,000 households from falling below the poverty line in 2008 alone. 149

146. In the same vein, Argentina devised a Universal Child Allowance scheme in 2009 as an extension to the Universal Family Allowance. To address the impact of unemployment and informality, the programme covers children of unemployed and informal workers up to the age of 18, with transfers equivalent to those provided under family allowances for children of formally employed and salaried persons. These programmes reduced poverty by around 22 per cent and extreme poverty by 42 per cent, enhancing household income especially for the poorest households and improving access to other services such as education and healthcare. <sup>150</sup>

147. There is no single basic social protection package that fits all countries. Each country must tailor its social protection package to include the most valued elements of social protection. The choice of a particular package depends to a large extent on its affordability, which in turn depends on the fiscal space, political will and financing options available in each country. To assist Arab countries in calculating the cost of a social protection floor, a costing tool was developed by UNICEF and ILO, incorporating a number of parameters and demographic, labour-market and economic data. The costing of a basic social protection package for selected Arab countries, based on data from 2011, showed that the cost of universal disability, pension, unemployment and child benefits would range between 5 and 7 per cent of GDP, and is likely to be affordable, provided that countries prioritize public expenditure on comprehensive social security systems (table 9). This basic package, which excludes health services, would cost in 2011 \$1.1 billion in Yemen, under \$2 billion in Tunisia and Lebanon, \$3.7 billion in Morocco, \$7.7 in Algeria, \$8.8 billion in Egypt and almost \$21 billion in Saudi Arabia.

<sup>&</sup>lt;sup>148</sup> UNDP and others, Sharing Innovative Experiences: Successful Social Protection Floor Experiences (New York, 2011), pp. 209-238.

<sup>&</sup>lt;sup>149</sup> Ibid., p. 16.

<sup>&</sup>lt;sup>150</sup> Ibid., pp. 23-41.

TABLE 9. OVERALL COST OF THE SOCIAL PROTECTION PACKAGE (*Percentage of GDP*)

Country	Estimated cost of social protection package (\$ billion)	GDP 2011 (\$ billion)	2011	2015	2020	2030
Algeria	7.763764	199.0709	3.9	4.7	5.2	6.4
Egypt	8.496026	236.0007	3.6	4.4	4.7	5.6
Lebanon	1.523	40.07894	3.8	4.6	5.1	6.5
Morocco	3.67082	99.21134	3.7	4.5	5.0	6.1
Saudi Arabia	20.75471	669.5067	3.1	3.6	3.9	5.0
Syria			3.3	4.0	4.4	5.0
Tunisia	1.838045	45.95113	4.0	4.9	5.5	7.0
Yemen	1.109877	29.2073	3.8	4.4	4.8	5.3

*Notes*: Cost estimates are based on social protection packages covering pension and disability benefits, child benefits and unemployment programmes. GDP 2011 figures are taken from the World Bank World Development Indicators.

Source: ESCWA estimates, using the costing tool developed by UNICEF and ILO; in ESCWA, "Enhancing fiscal capacity to attain the Millennium Development Goals: financing social protection".

- 148. Additional benefits can also target lower income groups as a means of compensating for their relative disadvantage and vulnerability. Targeting within universalism ensures that universal social protection schemes become more responsive to the needs of vulnerable groups.<sup>151</sup>
- 149. A universal, rights-based and integrated approach to social policy is therefore key to achieving social justice. In other words, any comprehensive social protection policy should not only focus on creating minimum social protection floors or safety nets but should also combine universal rights, social insurance and social assistance mechanisms together as one element in a broader social policy framework, aimed at redistribution, risk management, poverty reduction and investment. Issues of administrative and implementation capacities, financing instruments, the role of civil society in policy design and implementation and political economic factors are therefore as pertinent as social protection tools.

## 2. Minimum wage policies

150. Minimum wage policy, together with efficient social policy, can be a mechanism to reduce poverty and income inequality, thus improving living standards and securing more social justice. International experiences show that a minimum wage should be between 40 and 60 per cent of nominal average or median wage. Many Arab countries, such as Palestine, Qatar, the United Arab Emirates and Yemen, do not have a statutory minimum wage policy. The Maghreb and Mashreq have higher levels of minimum wage than GCC countries if measured against GDP per capita. However, in United States dollars, minimum wages in such GCC countries as Bahrain, Oman and Saudi Arabia tend to be much higher than in other Arab countries for which comparable data are available (table 10).

<sup>&</sup>lt;sup>151</sup> Thandika Mkandawire, "Targeting and universalism in poverty reduction", Programme Paper Number 23 (Geneva, United Nations Research Institute for Social Development, December 2005, UNRISD/PPSPD23/05/6), p. 17.

<sup>&</sup>lt;sup>152</sup> Adapted from Maha Yahya, "Social protection as development: a concept note".

TABLE 10. MINIMUM WAGES IN ARAB COUNTRIES

		Local currency units			United States dollars			
Country	2000	2005	2011	2012	2000	2005	2011	2012
Algeria	6 000	10 000	15 000	18 000	80	136	206	232
Bahrain			300	300			798	798
Comoros				55 000				144
Egypt	35	35	400	700	10	6	67	116
Jordan	80	95	150	190	113	134	211	268
Kuwait			60	60			217	214
Lebanon	300 000	300 000	500 000	675 000	199	199	332	448
Libya			250	250			204	204
Mauritania		21 041	30 000	30 000		79	107	101
Morocco	1 674	1 842	2 231	2 231	158	208	276	276
Oman			200	225			520	585
Saudi Arabia				3 000				800
Sudan	30	125		425	12	51		119
Syria	2 664	3 200			237	285		
Tunisia	169	200	246	302	123	154	175	193

Source: Calculated from the ILO Global Wage database, 2012.

- 151. Nevertheless, the need for a minimum wage in the Arab region has been recognized. Article 34 of the Arab Charter on Human Rights (2004) provides that every worker has, among others, the right to enjoy just and favourable conditions of work which ensure appropriate remuneration to meet his or her essential needs and those of his or her family. In addition, article 8 of the Arab Labour Charter (1965) approves joint studies to set standards on minimum wages and reduce, to the extent possible, the differences between them, thus making implicit reference to combating the unfair competition that is often associated with minimum wage policies. Moreover, Arab Convention No. 15 concerning the determination and protection of wages, adopted by the Arab Labour Conference in 1983, provides only for the possibility and not the obligation for States members of the Arab Labour Organization to adopt a minimum wage system, which must be applied to all categories of workers.<sup>153</sup>
- 152. A minimum wage could also tackle the discrimination that women are facing in the labour market in Arab countries, at least at one end of wage distribution: women are paid less than men on comparable positions. For example, women are paid 50 per cent of men's wages in Palestine; 65 per cent in Kuwait; 66 per cent in Egypt; 68 per cent in Jordan; and 79 per cent in the Syrian Arab Republic. 154
- 153. The positive effects of setting a minimum wage surpass the negative ones. Nevertheless, the negative effects must be taken into account: a minimum wage could push more workers from the formal sector to the informal, as employers might still want to take advantage of cheaper labour and would therefore not declare their employees, as is the case in most developed countries.

## 3. Inclusive economic growth

154. As mentioned earlier in this paper, although the majority of Arab countries have enshrined the concept and goals of social justice in their national visions and development plans, they have for the most part focused on the economic dimensions of social justice, such as economic growth and competitiveness, rather than inclusive policies.

<sup>&</sup>lt;sup>153</sup> ILO, Minimum Wage Systems - General Survey of the Reports on the Minimum Wage Fixing Convention, 1970 (No. 131), and the Minimum Wage Fixing Recommendation, 1970 (No. 135) (ILC.103/III/1B, 2014).

United Nations Statistics Division, Millennium Development Goals database. Available from <a href="http://mdgs.un.org/unsd/mdg/Default.aspx">http://mdgs.un.org/unsd/mdg/Default.aspx</a> (accessed April 2014).

- 155. Pro-poor policies are of the greatest benefit to the most disadvantaged. They result in the income of the poor increasing faster than average, leading to a reduction of poverty and to improvements in the achievement of the Millennium Development Goals. They also contribute to progress in human development and human poverty indicators. Furthermore, pro-poor policies focus labour more than on capital; target sectors that disproportionately employ the poor; create income and employment opportunities for the disadvantaged; and reduce inequality.
- 156. Pro-poor growth has three sources, namely growth of average income; elasticity of poverty to growth; and reduction in inequality. In developing countries during the 1980s and 1990s, more than 90 per cent of the variation in poverty could be attributed to the first cause, growth in average incomes, which is thus key to poverty reduction that feeds directly into social justice. <sup>155</sup>
- 157. The remaining two sources are associated with changes in inequality. Changes in the distribution of income can contribute to changes in the elasticity of poverty to growth, and countries that combine economic growth with inequality reduction are able to reduce poverty 10 times faster than countries that have economic growth but increasing inequality. Moreover, an average income increase of 1 per cent reduces poverty by 4.3 per cent in countries where inequality is low, but only 0.6 per cent in countries where inequality is very high. Finally, a comparison between Burkina Faso and Senegal, which had similar income growth levels at a similar interval, shows that poverty declined more in Senegal (2.5 per cent annually) than in Burkina Faso (1.8 per cent annually), because Senegal is a less unequal society.
- 158. The negative correlation between income inequality and GDP per capita (unconditional correlation between the two for the past 30 years is at -0.15), although weak, is statistically significant, implying that, in terms of unconditional association, higher inequalities in income are associated with lower incomes in society, and vice versa. Some research also suggests that more equal distribution of certain assets, such as land, helps countries to grow faster.<sup>159</sup>

## 4. Financing for social justice

- 159. The possibilities of financing the measures aimed at improving social justice can be summarized within the so-called fiscal space diamond, the four sides of which represent the following four sources of finance for a government:<sup>160</sup>
  - (a) Official development assistance;
  - (b) Domestic revenues mobilization;
  - (c) Deficit financing; 161
  - (d) Reprioritization and efficiency of expenditures.

Aart Kraay, "When is growth pro-poor? Cross-country evidence", Working Paper No. 04/47 (Washington D.C., IMF, March 2004). Available from <a href="https://www.imf.org/external/pubs/cat/longres.aspx?sk=17208.0">www.imf.org/external/pubs/cat/longres.aspx?sk=17208.0</a>.

François Bourguignon, "The growth elasticity of poverty reduction: explaining heterogeneity across countries and time periods", Working Paper 28104 (Washington D.C., World Bank, 2003). Available from <a href="http://go.worldbank.org/VZQMI29PT0">http://go.worldbank.org/VZQMI29PT0</a>.

Martin Ravallion, "Growth, inequality, and poverty: looking beyond averages", Development Research Group Paper (Washington D.C., World Bank, 2001). Available from <a href="http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-2558">http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-2558</a>.

Louise Cord and others, ""When I use a word…" Pro-poor growth and poverty reduction", September 2003. Available from <a href="http://siteresources.worldbank.org/INTPGI/Resources/15179">http://siteresources.worldbank.org/INTPGI/Resources/15179</a> Page Lopez Cord - When I use a word.pdf.

<sup>&</sup>lt;sup>159</sup> Klaus Deininger and Lyn Squire, "A new data set measuring income inequality", *World Bank Economic Review*, vol. 10, No. 3, pp. 565-591.

Development Committee, *Fiscal Policy for Growth and Development: An Interim Report* (Background report presented to the IMF Development Committee Meeting of 23 April 2006, DC2006-0003). Available from <a href="http://siteresources.worldbank.org/DEVCOMMINT/Documentation/20890698/DC2006-0003%28E%29-FiscalPolicy.pdf">http://siteresources.worldbank.org/DEVCOMMINT/Documentation/20890698/DC2006-0003%28E%29-FiscalPolicy.pdf</a>.

Deficit financing arises when government expenditure is higher than government revenues, with the difference being covered by borrowing or printing new money.

160. As official development assistance depends on donors and deficit financing depends on the domestic and foreign willingness to lend, the only sources of finance under direct government control are: (a) domestic revenues mobilization; and (b) reprioritization and efficiency of expenditures. The bulk of the former is first and foremost taxes; while an important part of the latter in the Arab region is subsidies. Taxes and subsidies are therefore possible ways of financing measures for increasing social justice that are directly under government control.

## (a) Taxes

- 161. In the same vein as pro-poor policies, pro-poor taxation is taxation that has fewer direct detrimental effects on the poor. Taking into account the first order effects only (partial rather than general equilibrium), pro-poor taxation prefers progressive taxes, such as progressive income tax, to regressive taxation, such as value added tax (with the exception of having a higher rate for luxury items), which represents a higher burden to the economically disadvantaged than to others. Pro-poor taxation also prefers corporate and wealth taxes to income taxes, as the poor do not normally have stakes in companies, and they rarely have capital gains or real-estate holdings that can be taxed.
- 162. Broadly speaking, taxation systems are considered the most basic instrument for achieving social justice from a redistribution perspective. Typically, Governments levy a mix of taxes, including personal and corporate income taxes, property taxes and wealth transfer taxes; and can excise or impose higher or lower taxes on certain goods. Tax fairness therefore depends on the purpose behind the tax, the goods on which it is imposed and the income bracket on which the burden of the tax falls.
- 163. While tax reforms are crucial to ensuring fiscal stability, a socially motivated approach to this issue requires a careful balance between social and economic goals to ensure an equitable allocation of tax burdens and social service benefits, and "to reduce the share of out of pocket financing and raise the share of government revenue financing". From a distributive justice perspective, taxation systems are the most basic instruments to "regulate social and economic behaviour and to shape the distribution of economic resources". Arab countries should explore and assess different possibilities regarding their ability to boost economic growth on a par with social fairness, in contribution to income-based rather than debt-based household consumption.
- 164. Measures to explore include "increasing the progressivity of taxation, extending refundable tax credits to low-income households and taking initiatives to improve the collection of revenue and broaden the tax base". These measures have been implemented in many countries with positive results and experts on the topic assert that progressive taxation and the well-being of countries are positively associated, as expressed by citizens' satisfaction with public services such as public transportation and public education). <sup>165</sup>
- 165. In Morocco, which utilizes a progressive income tax rate system, tax revenues have increased by an average of 8 per cent per year from 2000 to 2009. From 2004 to 2008, tax revenues increased by 15 per cent per annum. In 2010, taxes accounted for 24 per cent of GDP in Morocco and tax revenues have contributed to poverty reduction, inequality reduction and public investment in infrastructure, among other social benefits. <sup>166</sup>

<sup>&</sup>lt;sup>162</sup> European Parliament, Feasibility of Social Protection Schemes in Developing Countries (February 2013, EXPO/B/DEVE/FWC/2009-01/Lot5/34), p. 4.

David G. Duff, *The Social Contract Revisited: Tax Fairness and the Tax Mix* (Oxford, The Foundation for Law, Justice and Society, 2008). Available from <a href="https://www.fljs.org/sites/www.fljs.org/files/publications/Tax%2520Fairness%2520and%2520the%2520Tax%2520Mix.pdf">www.fljs.org/sites/www.fljs.org/sites/www.fljs.org/files/publications/Tax%2520Fairness%2520and%2520the%2520Tax%2520Mix.pdf</a>.

<sup>&</sup>lt;sup>164</sup> ILO, *Jobs, Growth and Justice: Report of the ILO Director-General to the 9th European Regional Meeting of ILO* (Oslo, 8-11 April 2013). Available from <a href="https://www.worldwewant2015.org/node/316187">www.worldwewant2015.org/node/316187</a>.

Shigehiro Oishi and others, "Progressive taxation and the subjective well-being of nations", *Psychological Science*, vol. 22, No. 1 (January 2011), pp. 86-92.

Lahcen Achy, "Morocco's experience with poverty reduction: lessons for the Arab world", *Carnegie Papers*, No. 25 (December 2010). Available from <a href="http://carnegieendowment.org/files/morocco\_poverty1.pdf">http://carnegieendowment.org/files/morocco\_poverty1.pdf</a>.

- 166. Scandinavian countries present prime examples of positive results achieved by adopting progressive taxation systems. In Norway, for example, the progressive tax system has redistributive effects and is linked with solid empirical grounds that lower taxation on low- and middle-income groups, stimulating greater participation of these groups in work and economic life while distributing income more equally. Under such a scheme, persons with the lowest incomes pay little to no tax. Norway has high levels of taxation paired with successful and well developed social security schemes. Its taxes have accounted for 39 to 45 per cent of GDP since 1980, while taxes in Denmark have accounted for 41 to 51 per cent of GDP.
- 167. One fiscal policy measure for redistributing social benefits is increasing pro-poor taxation, given that Arab countries collect very little taxes as a share of GDP. For example, Algeria, Libya, the Syrian Arab Republic and Yemen are at or below 10 per cent of GDP. The average for selected Arab countries in the period from 2000 to 2010 was only 13.3 per cent of GDP. Low dependence on taxes is one of the reasons often cited as contributing to poor accountability and poor governance. Increasing the amount of collected taxes leads to increased funds for development expenditures; it can also lead to better governance in a country. The issue is how to collect additional taxes while avoiding adverse consequences on the economy and implementing pro-poor taxation.
- 168. The tax base should be as broad as possible, which allows for lower tax rates overall. Expanding revenues through domestic tax resource mobilization can either mean new taxes, increasing tax rates, improving enforcement or broadening tax bases. Tax systems must be simple and transparent, without complexities and exceptions that lead to tax evasion and tax avoidance. Tax administration should be simplified, as this is often cited as more of a burden than the tax rates themselves. This would lead to a more progressive tax system; however, the tax system should not discourage entrepreneurship, especially the development of small and new firms, as low income taxes promote and advance the accumulation of capital to form new firms.
- 169. There is a positive relationship between increased taxes and socioeconomic development. As shown in the above-mentioned case of Morocco, increased tax revenues can contribute to poverty alleviation and reduced inequality. In Jordan, it is estimated that increasing the tax effort by only two percentage points would trigger several other economic benefits. Time-series analysis conducted by ESCWA shows that "in Jordan there is a strong causal relationship between tax revenue and other economic variables. As a direct result of the higher tax revenue, the estimate shows that GDP per capita will increase by approximately 5 per cent, employment will grow by 3 to 9 per cent, and household consumption will increase 10 to 15 per cent". The crucial issue is what the taxes are going to be used for and the quality of public goods provided as a result.
- 170. Arab countries can be divided into two groups with regard to taxes: GCC countries on the one hand, which do not impose taxes on their citizens and mainly rely on oil revenues, and non-oil producing countries on the other hand, which depend on foreign sources of income or a mixture of aid and rent sources of finance. The second group of countries have primarily resorted to indirect taxation, with no distinction between rich and poor, and to additional fees to generate tax revenue.<sup>172</sup>

Norway, Royal Ministry of Finance, "*The Norwegian tax system - main features and developments*", chapter 2 of the bill and draft resolution on taxes (Oslo, 8 October 2012), pp. 1-5. Available from <a href="www.regjeringen.no/pages/38271121/chapter2\_tax\_budget2013.pdf">www.regjeringen.no/pages/38271121/chapter2\_tax\_budget2013.pdf</a>.

<sup>&</sup>lt;sup>168</sup> Khalid Abu-Ismail and others, "Is there fiscal space for financing an Arab development transformation?", Working Paper No. 88 (Brasilia, International Policy Centre for Inclusive Growth, UNDP, 2012).

<sup>&</sup>lt;sup>169</sup> OECD, *Promoting Pro-Poor Growth: Private Sector Development* (Paris, 2006). Available from <a href="https://www.oecd.org/development/povertyreduction/36427804.pdf">www.oecd.org/development/povertyreduction/36427804.pdf</a>.

<sup>&</sup>lt;sup>170</sup> Charlie Karlsson and others, "Relating entrepreneurship to economic growth", Electronic Working Paper Series No. 13 (Sweden, Royal Institute of Technology, Centre of Excellence for Studies in Science and Innovation, September 2004).

ESCWA, "Enhancing fiscal capacity to attain the Millennium Development Goals: financing social protection".

For further information, see Ibrahim Saif, "Arab world: the absent debate on progressive taxation", 26 August 2011. Available from <a href="http://latimesblogs.latimes.com/babylonbeyond/2011/08/arab-world-the-absent-debate-on-progressive-taxation.html">http://latimesblogs.latimes.com/babylonbeyond/2011/08/arab-world-the-absent-debate-on-progressive-taxation.html</a>.

- 171. In view of the huge income and geographic inequalities within Arab countries, Governments must take into consideration the spatial variations in living standards and household income between rural and urban areas when rethinking taxation systems, as well as ways to ensure more equality of opportunities.
- 172. However, developing a comprehensive tax system with clear redistributive objectives and implementing expenditure reform is not sufficient to achieve social justice. Such policies have a limited impact if the institutional aspect is neglected. The tax administration must have the capacity to collect taxes and mobilize resources efficiently, and do so fairly and impartially. Tax evasion by all economic actors must be controlled; transparency and open information regarding public accounts should be implemented across all levels and segments of the public sector; Governments should design a stable taxation policy that promotes redistribution while encouraging private sector activity; and the eradication of corruption should be given priority since that it acts as a negative tax that disproportionately affects the poorest segments of society. Countries that collect public revenues from commodities also require comprehensive policies that promote the redistribution of gains from those resources across generations, through instruments such as sovereign wealth funds working under clear and transparent rules.

## (b) Subsidies

173. Other than taxes, a very salient potential public finance resource could arise from subsidy reform in the Arab region. Annual expenditures on energy subsidies are extremely high, amounting to nearly 8.5 per cent of the region's GDP in 2011, or \$240 billion.<sup>173</sup> Food subsidies account for a far smaller percentage of regional spending, estimated at 0.7 per cent of GDP in 2011.<sup>174</sup> Subsidies therefore represent a large portion of government expenditure in many Arab countries (figure X), though, at the same time, citizens continue to receive insufficient social protection.<sup>175</sup>

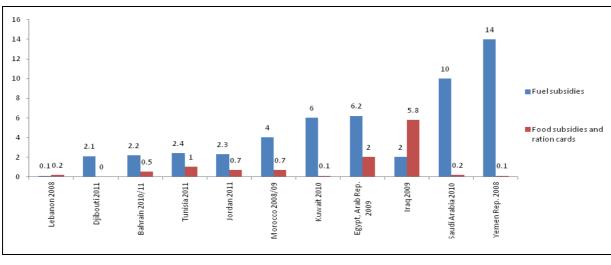


Figure X. Subsidies in the Arab region (Percentage of GDP)

Source: Joana Silva and others, Inclusion and Resilience: The Way Forward for Social Safety Nets in the Middle East and North Africa.

Bassam Fattouh and Laura el-Katiri, "Energy subsidies in the Arab world", Arab Human Development Report Research Paper Series (Cairo, UNDP Regional Bureau for Arab States, 2012). Available from <a href="http://www.undp.org/content/dam/undp/library/Environment%20and%20Energy/Energy/%20Subsidies%20in%20the%20Arab%20World.pdf">http://www.undp.org/content/dam/undp/library/Environment%20and%20Energy/Energy/%20Subsidies%20in%20the%20Arab%20World.pdf</a>.

Abdulla Zaid and others, *Arab Uprisings and Social Justice: Implications of IMF Subsidy Reform Policies* (Washington D.C., New America Foundation, 2014). Available from <a href="https://www.newamerica.net/publications/policy/arab\_uprisings\_social\_justice">www.newamerica.net/publications/policy/arab\_uprisings\_social\_justice</a>.

<sup>&</sup>lt;sup>175</sup> IMF, Energy Subsidy Reform: Lessons and Implications (Washington D.C., 2013).

174. Subsidy and social protection reforms are linked with broader institutional reforms that should be undertaken beforehand. Indeed, "prior to the implementation of subsidy reforms, and alongside the development of comprehensive social protection systems, the region's structural and institutional challenges must be addressed". These challenges include the sizable informal sector, institutional corruption and overall political and security situations. Experts propose short- and medium-term interventions, adding that in the short-run, Arab countries can start demonstrating better results using existing social security systems by tweaking the design of existing programmes, building unified registries, or piloting new programmes such as targeted cash transfers and workfare plus. The medium-run, the focus of reforms should shift to a more universal social protection approach, such as the creation of a social protection floor. Engaging a broad spectrum of stakeholders in an inclusive and open dialogue can facilitate the envisioned reforms and promote an empowering role for comprehensive social protection in the region.

## 5. Improving transparency and accountability

- 175. The empowerment of citizens through public consultations about their needs and the monitoring of government performance can be instrumental to improving social justice. Citizen empowerment can be included within the social accountability framework, organized around three key principles: transparency, accountability and participation. Social accountability is an approach to governance that involves citizens in public decision-making and holds Governments accountable for their actions, policies and resource management. Social accountability is therefore particularly relevant for countries undergoing democratic transitions.
- 176. However, the effectiveness of citizen empowerment, and hence social accountability, depends on the following key enabling conditions: an appropriate political and legal framework; supportive Governments; and adequate capacity of civil society organizations. That is why social accountability entails a wider governance reform agenda.
- 177. The heightened interest in democratic governance shown during the Arab uprisings highlighted the need for citizen participation to improve policymaking, service delivery and public financial management. Social accountability programmes are at their nascent stage in the Arab region, with some pilots tested in the Tunisian health sector and the Yemeni water sector, for example.
- 178. Argentina, Chile, Indonesia, Mexico, Peru, the Philippines, South Korea and Turkey provide valuable lessons learned on how to enhance social accountability. Some of the key lessons include the following:
- (a) Appropriate legislation to promote and enforce freedom of expression, free information, free and independent elections and freedom of association;
- (b) Government transparency in terms of publicly disseminating realistic plans and expected time tables for achieving milestones;
- (c) Institutional strengthening and capacity development must be part of the reform effort from the outset;
  - (d) Broad engagement with stakeholders.

<sup>&</sup>lt;sup>176</sup> Abdulla Zaid and others, Arab Uprisings and Social Justice: Implications of IMF Subsidy Reform Policies.

World Bank, Inclusion and Resilience: The Way forward for Social Safety Nets in the Middle East and North Africa – Overview.

#### IV. WAY FORWARD: POLICY REFORM OPTIONS

- 179. The present paper has shown that key social, economic and political deficits are closely connected to the specificities of Arab social contracts, which favour economic growth without taking citizen rights into account. Today, social contracts between States and citizens should be adjusted based on the rights of citizens to freedom, justice, equality, access to law, participation; and their obligations and responsibilities, such as tax payments and respect for the law. Promoting social justice on the basis of the principles of rights, equity, equality and participation entails a review of the development model and the role of States in development. This also entails reforming the current top-down systems of decision-making in Arab countries in ways that empower local government, promote participation and ensure effective institutional dialogue and coordination.
- 180. Against this background, this paper presents the main issues related to the achievement of integrated and comprehensive social justice to serve as a basis for a deeper discussion of the following questions:
- (a) How to establish a connection between rights, equality and equity? What pillars should policy packages that redress injustices be founded on?
- (b) Should a poverty reduction strategy be formulated for the region with specific reference to different national conditions together with the identification of an appropriate funding mechanism supported by a regional or international financial institution? What specific policy interventions are required to tackle extreme rural poverty trends in the region? And what policies are required to deal with the considerable number of urban dwellers who live in urban slums in several Arab countries? How can existing state institutions in Arab countries promote inclusive development strategies that address poverty and social injustice?
  - (c) How to combat different forms of injustice in relation to different segments of society?
    - (i) Persons with disabilities: What types of efforts are needed to promote the full participation of persons with disabilities in social, economic and political life on an equal basis with others? What are the measures needed to eliminate physical, communication and attitudinal barriers that persons with disabilities face in accessing decent work opportunities and services, such as health care and education? How can the availability and reliability of disability data, a key component for the formulation of evidence-based policies, be enhanced; indicators for measuring policy impact be developed; and monitoring and evaluation mechanisms be strengthened?
    - (ii) Young people: How can social protection schemes take into account the needs of young people and focus on assisting them in this transitional stage of their lives? How can Governments help young people, especially young women, to make informed choices and overcome the disadvantages that they may have had earlier in their lives? How can the provision of high-quality tertiary education and technical and vocational training; appropriate health services; and support for first-time job seekers in the form of active labour market policies help address the challenges that they are facing?
    - (iii) Older persons: What kind of pension and empowerment programmes can be adopted to support the elderly in Arab countries, especially women who have not contributed to pension systems throughout their lives? How can health-care systems be adapted to provide affordable specialized care for older persons?
    - (iv) <u>Women</u>: How do Arab countries address gender inequalities? What constitutional reforms and legal revisions can genuinely recognize women's rights? What are the types of policies and concrete legislative measures that would accelerate the complete and full elimination of all forms of discrimination against women in Arab countries?

- (v) <u>Migrant workers</u>: How can ESCWA member States ensure universal access to social protection, including for migrant workers, and access to social services in line with international instruments, such as the Convention on the Protection of the Rights of Migrants Workers and Members of their Families? What legal reforms could be undertaken to abolish discriminatory laws and institute a paradigm shift that promotes the inclusion of migrants from a social justice perspective? What measures could ensure the realization of civil rights, including the right to organize and collective bargaining, access to health, education and skills upgrading?
- (vi) <u>Refugees</u>: Why is the ratification of the Convention relating to the Status of Refugees (1951) by host countries the first step towards ensuring the rights of refugees? How can national civil registration systems include refugees? How can forcefully displaced populations be included in all national civil registration and vital statistics systems?
- (d) What structural changes at the governance and institutional levels should take place to create an environment of visibility, transparency and participation in democratic decision-making? How could countries affirm their commitment to fighting corruption in order to increase citizens' trust in institutions?
- (e) What should be the focus of comprehensive educational reforms to address socially unjust policies? Should it be revising existing curricula to foster creativity and sustain talents as well as promote the values of responsible citizenship and civic engagement? How can Governments synchronize human capital accumulation with labour market demands and allocate knowledge into innovative, labour-intensive activities that can generate growth and contribute to social justice? Should this be done by investing more in education, technical education and vocational training? Or should it be undertaken by focusing on policies that can create the requisite number of jobs in dynamic and productive sectors of the economy?
- (f) How do Governments increase access to quality health services and ensure justice in access and delivery of health-care services? How can they develop modern and integrated health systems that respond to the changing needs of the population? Should ministries of health continue to play leadership and regulatory roles or give way to the increasing role of market-run services? How do Governments mainstream the principles of equity, equality and human rights in their health plans and projects? What are the measures needed to promote better governance of health-care systems? Should these efforts include institutional strengthening of health ministries, equitable and adequate financing of basic health services, quality control, increasing availability, access and use of information, promoting health awareness and engaging communities in local health programmes?
- (g) How to address unemployment? What are the short-term solutions to ease social tension, while putting in place long-term reforms? Would long-term solutions include addressing industrialization policy, diversification of the economic structure and enhancement of economic competitiveness, business environments and economic governance systems? How to increase women's employment incentives? Would there be a need to address labour market rigidities while maintaining social security mechanisms? What are the requisite measures, legislative or otherwise, to reduce to the fullest extent possible the number of workers outside the formal economy who have no social protection?
- (h) How to ensure fair distribution and sustainability of natural resources? How would participatory approaches that involve local stakeholders in the planning, development and management of water resources help in ensuring more efficient water management? How to empower local communities to take the lead in the management and fair allocation of water resources? How do countries ensure access to land for the poor through legal tenure and protected ownership to increase productivity?
- (i) How to formulate inclusive growth policies with a focus on social justice and equity? What are the foundations of national development? How to end reliance on rents, explore other sources of growth and ensure that future growth is inclusive of social dimensions, and that it will ensure intergenerational justice and create sufficient jobs, especially for young people? What are the means available to enhance fiscal space

for development expenditures? What are the options available to introduce subsidy reforms, in particular energy subsidies? How to expand fiscal space through privatization or the amended use of natural resource revenues?

- (j) Should government efforts to enhance fiscal space be combined with efforts to reduce inequality through progressive taxation policies, especially income, property and capital gain taxes? Should Governments prioritize the drastic reduction of poorly targeted fuel subsidies in order to fund comprehensive social protection floors? How can Arab countries increase tax revenues as a share of GDP with a view to promoting economic growth, generating employment and increasing household consumption? How can existing taxation systems be reformed to tackle spatial differentials in living standards between rural and urban areas? How can oil-producing countries ensure a more effective use of fuel-related and other natural resource revenues to promote more egalitarian and just societies? Should sovereign wealth funds prioritize policies to redistribute gains from present natural resource gains to the benefit of future generations?
- (k) How to build comprehensive social protection systems? The following measures could be considered: changing the existing set of untargeted subsidies, given that subsidies are regressive; designing and implementing universal social protection floor schemes by prioritizing key social expenditures; designing unconditional cash transfer programmes in collaboration with civil society organizations to alleviate the living conditions of the poorest sections of society; decentralizing public expenditure and improving service delivery by redefining the roles and responsibilities of central and local Governments while increasing their accountability to citizens?
- (l) How to develop systematic and comprehensive approaches to monitor developments and analyse current trends in governance, taking into consideration the specificities of the Arab region, in particular countries undergoing political transition? How to promote an ethic of responsible citizenry and civic engagement at the lowest local level to ascertain that reforms are the product of consensus and broad-based participation?

## Annex

# PROPOSED INDICATORS FOR MEASURING SOCIAL JUSTICE

Domain	Dimension	Indicator
Fair access to basic goods and services	Food	Percentage of undernourished children
	Housing	<ul> <li>Share of private expenditure on housing (imputed rent)</li> <li>Crowding percentage</li> <li>Quality of flooring material</li> <li>Access to electricity (network)</li> </ul>
	Water and sanitation	<ul> <li>Access to piped water</li> <li>Access to improved sanitation</li> </ul>
	Personal security	<ul> <li>Homicide rate</li> <li>Traffic injuries (deaths)</li> <li>Reported violent crimes</li> <li>Deaths from political violence</li> </ul>
Equal opportunities	Personal rights	<ul> <li>Political rights</li> <li>Electoral democracy (or percentage of voters in national elections)</li> </ul>
	Freedoms	<ul> <li>Freedom of speech</li> <li>Freedom of movement</li> <li>Freedom of assembly</li> <li>Freedom of press</li> <li>Child marriage</li> <li>Contraceptive (modern) prevalence rate</li> </ul>
	Social inclusion	<ul> <li>Corruption control</li> <li>Unemployment insurance</li> <li>Social protection floor</li> <li>Percentage of women in managerial occupations</li> <li>Access to social services by non-citizens</li> <li>Tolerance of immigrants and refugees</li> <li>Income and expenditure inequality (Gini)</li> <li>Poverty rate</li> <li>Percentage of educated women compared to men</li> </ul>
Improved well-being	Health	<ul> <li>Life expectancy</li> <li>Infant mortality rate</li> <li>Maternal mortality rate</li> <li>Percentage of obese adults</li> <li>Deaths from non-communicable diseases</li> <li>Ratio of health to military expenditure</li> </ul>
	Education	<ul> <li>Adult literacy</li> <li>Primary school enrolment</li> <li>Average years of schooling for all Gender parity in secondary education</li> </ul>
	Access to knowledge and information	<ul><li>Internet users</li><li>Mobile telephone subscribers</li></ul>
	Ecological sustainability	<ul><li> Greenhouse gas emissions</li><li> Water wastage (leakage)</li></ul>

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