

**MAKING SOCIAL PROTECTION WORK FOR WOMEN: LESSONS FROM
INTERNATIONAL EXPERIENCE**

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EXECUTIVE SUMMARY

Social policy is the foundation of strong economies. It helped lifting up many emerging economies and should not be perceived as an additional burden. Conditional on having efficient targeting mechanisms, social policy could be the basis for a dynamic economy.

International experiences vary in their targeting mechanisms. While universal social programs ensure reaching the poor, tight targeting programs bear the risk of possible exclusion. In this context, the Egyptian economy is still suffering from social and economic pressures, and a reshape of the existing social policy could be a significant factor pulling the economy out of the current crisis.

However, the difference between social protection and social justice in Egypt is unclear, and still not sufficiently tackled. In designing social programs, gender equality needs to be emphasized. A dialogue between non-governmental organizations and the government is needed to design better policies that address gender equality. Working mothers, for example, have interrupted careers for childcare, so they contribute with fewer years and end up with lower pensions compared to men. Social transfer programs should address the income gap problem between men and women. Finally, successful public work programs ensure the presence of decent childcare facilities for working women to encourage their enrollment in such programs.

الملخص التنفيذي

السياسات الاجتماعية هي الأساس في بناء الاقتصادات القوية، وقد ساعدت في ارتفاع العديد من الاقتصادات الناشئة، لذا لا ينبغي أن يُنظر إليها كعبء إضافي. كما يمكن أن تشكل السياسات الاجتماعية الأساس لاقتصاد ديناميكي، شريطة وجود آليات استهداف فعالة.

وتختلف التجارب الدولية في آليات الاستهداف، فبينما تضمن البرامج الاجتماعية الشاملة الوصول إلى الفقراء، قد تنطوي برامج الاستهداف المحدود على خطر الإقصاء. في هذا السياق، لا يزال الاقتصاد المصري يعاني من ضغوط اجتماعية واقتصادية عديدة، ومن شأن إعادة صياغة السياسة الاجتماعية أن تشكل عاملاً مهماً لخروج الاقتصاد من الأزمة الحالية.

غير أن الفرق بين الحماية الاجتماعية والعدالة الاجتماعية في مصر مازال غير واضح، ولم يتم تناوله بالقدر الكافي. كما ينبغي مراعاة المساواة بين الجنسين في تصميم البرامج الاجتماعية، وإجراء حوار بين الحكومة والمنظمات غير الحكومية لوضع سياسات أفضل لضمان تحقيق المساواة بين الجنسين. فعلى سبيل المثال، تمر الأمهات العاملات بفترات انقطاع عن العمل لرعاية الأطفال، وبالتالي يكون عدد سنوات اشتراكها في التأمينات الاجتماعية أقل من الذكور، ومن ثم تحصلن على معاشات تقاعد أقل. لذلك، لا بد أن تعمل برامج التحويلات النقدية الاجتماعية على معالجة الفجوة في الدخل بين الذكور والإناث في سوق العمل. كما يجب أن تضمن برامج العمل العامة وجود مرافق لائقة لرعاية الأطفال لتشجيع التحاق النساء بهذه البرامج.

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PART I

MAKING SOCIAL PROTECTION WORK FOR WOMEN: LESSONS FROM INTERNATIONAL EXPERIENCE

INTRODUCTION

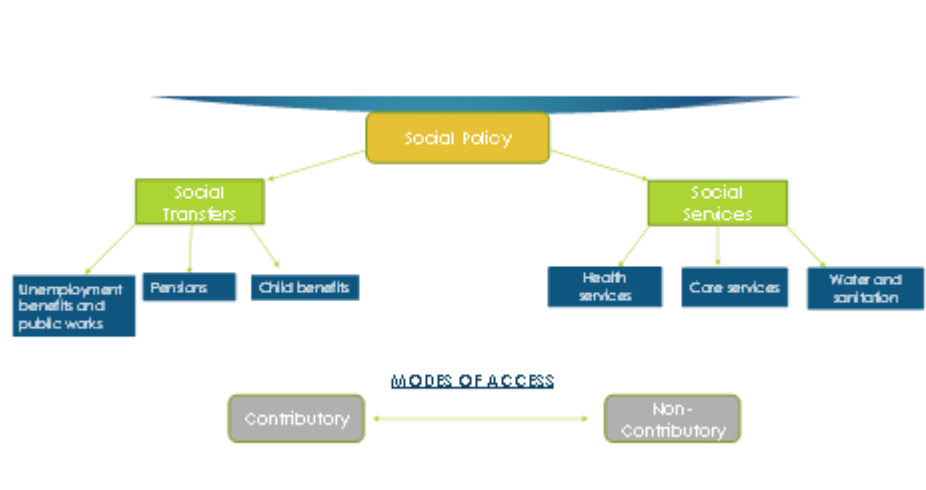
Countries use economic and social policies in order to reach adjusted and strong economies. In this regard, social policies build human capital by applying a variety of social policy instruments. Many dynamic economies have used social policies in tandem with economic policies to build a strong foundation; investing in education, health and care services. The profile of social policy is increasing its presence in the international scene when countries undertake structural changes and economic reform programs. Social policies could help economies emerge from recessionary periods; naming Argentina as an example. Although Egypt is going through a difficult time due to its economic crisis, this can be seen as an **opportunity** to **reshape** its social policy system to emerge from the crisis. Putting the money in the hands of the poor is a **stimulus** to economic development. In this regard, social policy is seen as a basis for a **dynamic** economy.

It is important to note that social policies are not by nature gender responsive; sometimes they can produce inequality, hence room for social dialogue is necessary. Better policies are designed when there are vocal unions, NGOs and groups creating the needed dialogues. In addition, ‘Path Dependencies’ is an important element when designing social policies, as it has become very difficult to make radical shifts after policies become effective. Hence, it is important to ensure the sustainability of the building blocks that are put in place for social policies. Social policies affect the welfare of people and commonly include topics such as income security, pension for elderly people, health, housing and education. The goal of

social policies is to help reduce the poverty gap to achieve the minimum standards of living, by reducing inequality and building human capabilities. These policies address the issue of human rights, such as the right to good housing, decent food and adequate education, and are considered a mechanism for articulating social and human rights. International experiences vary in their targeting mechanism when implementing social policy programs, ranging from targeting the fourth and fifth quintile of the poor to universal targeting. For example, the UK’s universal health care insurance builds ownership among citizens and thus is backed up by sufficient political support.

The key elements of social policy are social services and social transfers as highlighted in Figure (1) below. It also highlights the modes of access.

Figure 1. Key elements of social policy to support gender equality



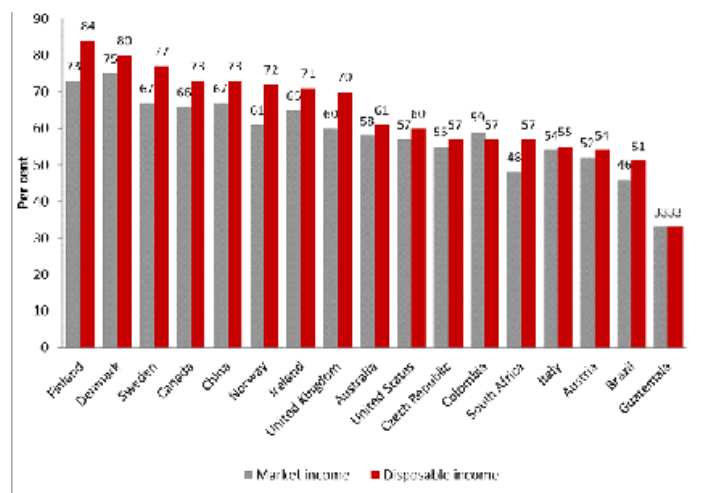
Social Protection Floors (SPF) are a set of **minimum** guarantees, including basic income security for children, working-age adults, older people and people with disabilities, and essential health care for all, including maternity care. SPF, a unified UN policy, is founded on

the basis that building infrastructure and equality is important for economic growth, “Leave no one behind.”

SOCIAL TRANSFERS AND ELIMINATION OF THE INCOME GAP

It is very important to capture the nature of work of mothers when **designing** social programs. Working mothers have **interrupted careers**, as they leave work to give birth and take care of their children, thus, they contribute with fewer years in official social security systems, which results in lower social security pensions than men. As such, social transfers programs have to tackle the issue of income gap. For example, in Finland, women’s market income is 73 percent of men’s income, but as we add the social transfers the income gap is reduced; where women’s disposable income reaches 84 percent of men’s disposable income as highlighted in Figure (2). Guatemala is another example where the social transfer system does not reduce the income gap. It is important to note that the percentage never reaches 100 percent, thereby raising the importance of the labor market. Transfers can never replace market income.

Figure 2. Across countries, social transfers narrow but do not eliminate the gender gap in income from paid employment



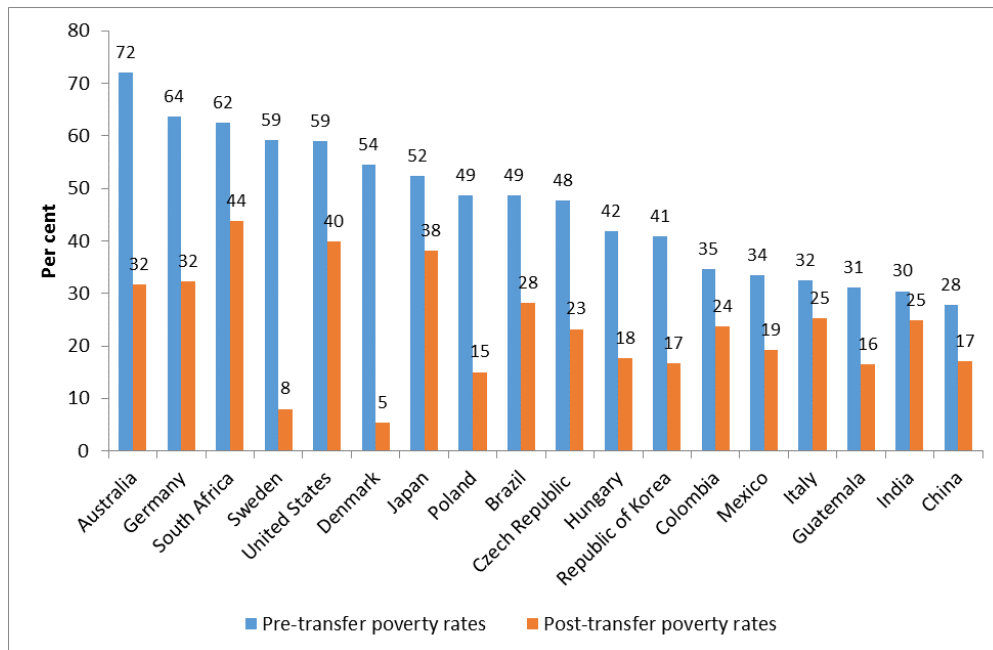
Source: Gornick and Jantti 2014, based on data from the Luxembourg Income Study database.

Note: Market and disposable income are both net of taxes. Data refers to the most recent available during period specified.

Types of Social Transfers Programs

i. Conditional cash transfer programs in Egypt have expanded in recent years, providing mothers and single mothers with cash transfers for children in school. This can be seen as a way to **equalize** opportunities and ensure that children are not penalized as they come from poor families, as well as reduce poverty for single mothers. Similar programs in Sweden and the Republic of Korea have resulted in a huge reduction in poverty for single mothers and led to an improvement in health and education systems as highlighted in Figure (3).

Figure 3. Social transfers are essential for reducing poverty among single mothers



Source: Gornick and Jantti 2014, based on data from the Luxembourg Income Study database.

Note: Data refers to the most recent available during period specified.

ii. Public works programs are usually focused on manual labor. However they can also include childcare and other social services in their design. This is particularly significant during times of crises where the government becomes employer of last resort. Successful

examples of these programs are the public works programs implemented by India and South Africa, where more than 60 percent of beneficiaries in the latter were women. Such programs resulted in raising wages in the vicinities where women live. In this regard, childcare service has triple dividend: 1) It enables women to work, 2) It helps in child development through establishing reliable day care centers, and 3) It acts as an employment engine for women who work in children day care centers.

iii. Pensions can be gender biased, as women tend to live longer than men, and with the nature of their interrupted careers explained above, they end up having fewer assets and savings. This results in women not having **enough pensions** because of their **working patterns** and having to **work lesser hours** to take care of their children. This necessitates the intervention of the government to provide income security for working women. It is worth noting that the **income gap** in Egypt is **significant**, namely for women working in the informal sector in agriculture. Latin American countries have tackled the issue of pension for working mothers, most notably in Chile, where it provided generous social pension for working mothers who **disqualify** from having official pension. In this regard, Chile has introduced care credit for women who take maternity and childcare leaves to ensure that working mothers are not penalized in the pension system. Finally, it is important to highlight the importance of investing in social services such as health, care and sanitation, as they can be gender responsive.

PART II: SUMMARY OF THE DISCUSSION

A number of questions were directed to Dr. Shahra Razavi and Dr. Abla Abdel Latif, addressing the monitoring mechanism that measures the performance of programs in rural areas. Questions covered various relevant issues, including whether in kind transfers are better for the poorest segments of the population; the necessary measures that should be observed in the program design; whether an hourly wage-based comparison between male and female workers better than weekly or monthly wage-based comparison; how to ensure that the adopted targeting criteria don't have inclusion or exclusion errors; how to calculate the amount of social transfers to ensure that the transferred amount will not make beneficiaries reluctant to work; and finally the progress in the government's cash transfers program "Takaful and Karama".

Dr. Razavi and Dr. Abdel Latif noted that there are rigorous monitoring systems for cash transfers programs. For example, the Mexican cash transfer program "Progressa" has a good monitoring and evaluation system that ensures social accountability. Subsidies have proven to be more effective than cash transfers, particularly at times of high inflation, when the value of cash transfers erode over time. However, it depends on how subsidies and cash transfers are designed. Social transfers will not discourage workers from working, as they provides low incentives even with the more generous cash transfer programs. Implementing targeting criteria requires good management and financial resources. In cases where 80 percent of the citizens are poor, it is less expensive to do universal targeting.

To the same end, weekly monitoring of wages provides a better picture for women's income. Having to take care of their children, women often experience career interruptions, so they contribute with fewer years and end up with lower pensions compared to men. Social transfer programs should address the income gap problem between men and women, and

public work programs should provide decent childcare facilities for working women to encourage their enrollment in such programs.

Social justice is not on the ground yet in Egypt. The “Takaful and Karama” programs are not enough to reach social justice. Furthermore, the constitution percentage of expenditure on health and education is not implemented yet. There is currently a quota for the first five years in the parliament for women, and for the next round, women have to prove themselves to enter the parliament. However, there is a fixed quota for women at the local municipalities.

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