

## Social Protection in a Changing World of Work: Towards a future with social protection for all in the Arab States

“Only %20 of the world’s population has adequate social-security coverage; more than half lack any coverage at all. That is why the work of the International Labour Organization, which was established in 1919, is still relevant today. In a world of increasingly automated workplaces and eroding employee-employer relationships, the values encoded in the ILO’s labour standards are more necessary than ever.”

Guy Ryder, Director General of the International Labour Organization (ILO), 22 January 2015, “Labour in the Age of Robots”

### Introduction

This note looks at the ways in which social protection systems in the Arab States will be affected by technological, demographic, economic and environmental changes that are taking place in the world of work. It then examines the key issues as well as the challenges and opportunities which need to be taken into account in future debates, bearing in mind the already existing social protection deficits in the region.

Social protection policies play a critical role in realizing the human right to social security for all, reducing poverty and inequality, and supporting inclusive growth – by boosting human capital and productivity, supporting domestic demand and facilitating structural transformations of national economies and contributing to political stability. While the need for social protection is widely recognized, the fundamental human right to social security remains unfulfilled for the large majority of the world’s population and a large number of people in the Arab States. The strong positive impacts have brought social protection to the forefront of the development agenda. Social protection is a key element of national strategies to promote human development, political stability and inclusive growth. The ILO Social Protection Floors Recommendation, 2012 (No. 202), reflects a consensus on the extension of social security reached among governments and employers’ and workers’ organizations from 185 countries at all levels of development. Social protection is also explicitly mentioned as a key instrument for the achievement of Sustainable Development Goal (SDG 1) (End poverty in all its forms everywhere) and SDG 10 (Reduce inequality within and among countries). In addition, SDG 1 sets as one of its targets (1.3) the implementation of nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable. The

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roll-out of social protection floors is also endorsed by the G20 and the United Nations.

However, while there has been a global trend towards the extension and reform of social protection in several Arab States, the refugee crisis and political instability, as well as fiscal consolidation and new forms of work are jeopardizing the effectiveness of social protection systems in the region. Seven out of ten Arab countries experienced decline in their social protection expenditure during the period 2000-2010. While the global average investment in social protection as a percentage of GDP is estimated at 8.6 per cent, only two countries in the Arab States are investing at that level and beyond.<sup>(1)</sup>

Both the effectiveness and relevance of social protection systems in the region depend on:

- How the countries adapt to new economic, social and political realities while simultaneously filling the gaps of existing social protection deficits, and
- How the countries are implementing the ILO Social Protection Floors Recommendation, 2012 (No.202)<sup>(2)</sup> and the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102).<sup>(3)</sup>

## Changes in the World of Work

Over time, major changes in the political economy have led to shifts in the structure of employment and work relationships. The world of work is part-and-parcel of the changing economy, heavily influenced by globalization, international value and global supply chains, more division of labour and digital disruption.

Technological changes are occurring in many areas, including agriculture, energy efficiency, machine tools and information-related technologies. New technologies have far-ranging, yet unrealized, potentials extending well beyond their direct impact on the labour market. With technological advances being more rapid and diffused than ever, access to such technologies will prove to have both promises as well as pitfalls for the world of work. Technological changes enable growth and productivity, enhance product quality, creates potential for increased earnings and can improve occupational safety and health (OSH).<sup>(4)</sup> In the process, it can also lead to job losses.

Many of the major drivers of transformation currently affecting global industries are expected to have a significant impact on jobs, ranging from significant job creation to job displacement, and from heightened labour productivity to widening skills gaps. The higher the level of skill, the more likely it is that technology is a complement to the job. Nonetheless this does not exclude risks of replacement, for instance by rapid advances in artificial intelligence and “big data”. Studies show that some low-skilled manual tasks, especially routine and non-cognitive tasks, are being automated through new technologies<sup>(5)</sup> which may lead to job losses in the short term. The extent of potential job losses will vary, depending on the current structure of production, policies and institutional frameworks. Beyond substituting or complementing existing jobs, technological innovation is likely to create entirely new occupations. In numerous industries and countries, the most in-demand occupations or jobs did not exist 10 or even five years ago, and

<sup>(1)</sup> *Statistical Report The Decent Work Decade 2015 -2006: Asia- Pacific and The Arab States, ILO (Bangkok, 2016).*

<sup>(2)</sup> *Cited hereafter as Recommendation No.202*

<sup>(3)</sup> *Cited hereafter as Convention No. 102*

<sup>(4)</sup> *This section largely draws on Building an inclusive future with decent work: Towards sustainable development in Asia and the Pacific, 16th Asia REPORT OF THE DIRECTOR-GENERAL and the Pacific Regional Meeting, Bali, Indonesia, 9-6 December 2016, ILO Geneva, 2016.*

<sup>(5)</sup> *D. Campbell and P. Egger: The future of work in Asia-Pacific: What do the disparate trends portend? Background paper for the 16th Asia and the Pacific Regional Meeting 2016, ILO (Bangkok, 2016).*

<sup>(6)</sup> *McLeod, Scott and Karl Fisch, “Shift Happens”, <https://shifthappens.wikispaces.com>.*

the pace of change is set to accelerate. By one popular estimate, 65 per cent of children entering primary school today will ultimately end up working in entirely new job types that don't yet exist.<sup>(6)</sup>

Work will no longer be a static concept but an umbrella term for roles performed in a different manner and under different legal arrangements. New forms of enterprises in the “gig” economy, symbolized by e.g. the taxi service Uber, have created economic activity and brought flexibility, but for many workers, this activity is low-paid and outside formal arrangements.<sup>(7)</sup> While a traditional taxi driver is most often a wage earner, an Uber driver performing the same service is classified as self-employed.<sup>(8)</sup> Freelancing, telecommuting or teleworking have become widespread forms of jobs bringing about flexibility and benefits for both workers and employers. Crowd-work is another example of flexible jobs in countries like Japan where “job for lifelong” was predominant for years. Thus, the traditional lines between “employer” and “employee” are increasingly blurred, and franchising, subcontracting and the globalization of supply chains mean that responsibility for worker's basic rights, including social security rights, is diluted – or ignored.<sup>(9)</sup> A consequence of the existing market segmentation is that it will create winners and losers in the process of technological change.

Transformational changes in the world of work presents multiple opportunities and challenges for shaping the social contract in the 21st century. Fuelled by the advancement of technological innovation and telecommunications, this turbulent change is influencing the balance between social protection as a human right and income security against vulnerability and poverty as a human need at the individual worker and employer levels. Employment is a major structural element of the social contract, shaping the rights and responsibilities of workers and employers, labour and capital, strongly influencing the distribution of resources and power in a society. The employment relationship plays a critical role in the conceptualization and the delivery of social protection and hence, building trust and strengthening social justice as the main pillar of a balanced social contract is of utmost importance. Social protection providers, such as social security institutions and other public entities responsible for broader social policies, are major elements in advancing the dialogue with social partners responsible for the promotion of social protection on the national and global levels. As such, social protection systems are shaped around the employment relationship: employees and employers usually contribute directly to the financing of social protection policies; through contributions and taxation they contribute to the delivery of both social protection and broader social policy goals. Hereby, social protection systems, together with tax systems, are key instruments for redistributive policies.

The employment relationship, together with social protection systems, has been an essential means of improving living and working conditions around the globe. The challenges ahead, therefore, are not merely individual, but institutional and political. Therefore, up-dating and up-grading labour market institutions to deal with the effects of the technologically-induced displacement of jobs and ensuring decent work, including social protection, in new types of employment, will be critical.

<sup>(7)</sup> <https://iloblog.org/28/07/2016/does-uber-signal-the-end-of-social-security/>

<sup>(8)</sup> *Campell and Egger: The Future of Work in Asia-Pacific: What are the disparate trends portend?, op.cit.*

<sup>(9)</sup> *See: https://iloblog.org/28/07/2016/does-uber-signal-the-end-of-social-security/*

# Employment trends and composition, challenges for extending social protection in the Countries of the Arab States

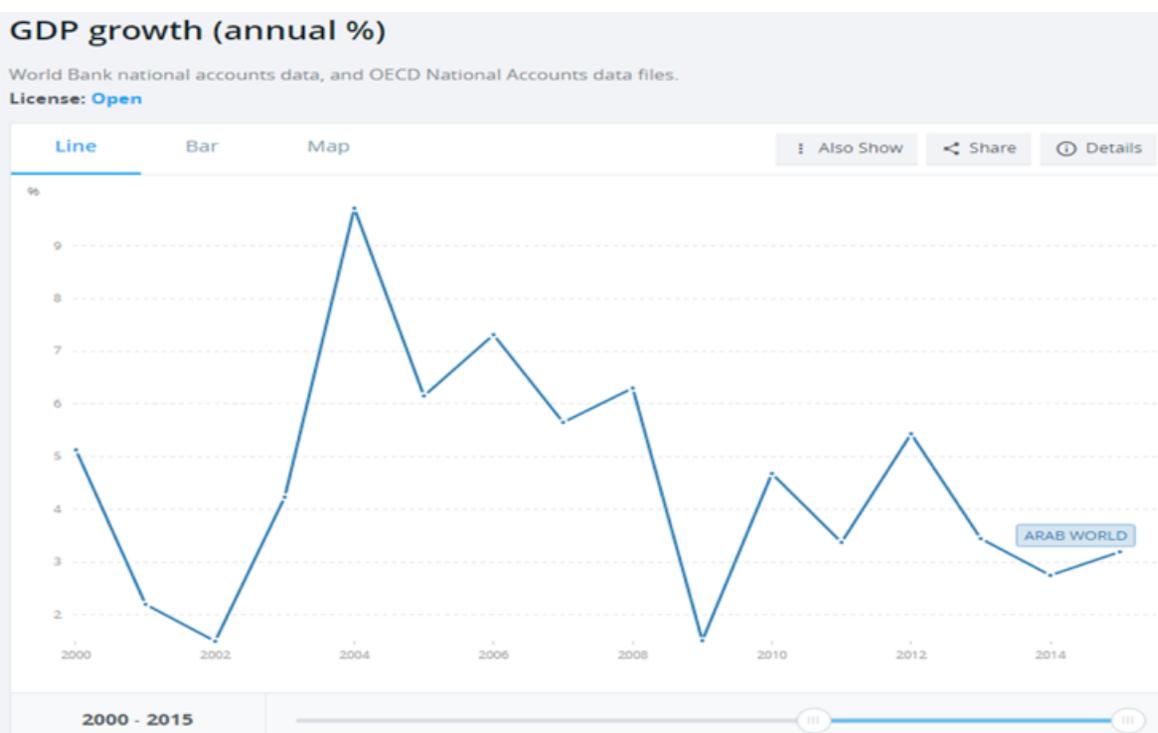
<sup>(10)</sup> World Employment Social Outlook Trends. ILO (Geneva 2016).

<sup>(11)</sup> *ibid.*

The rapid changes in the world of work go hand-in-hand with sluggish growth and high levels of unemployment, increasing rates of poverty, income insecurity and informality.

The Arab States are not spared from these worldwide trends. More specifically, the on-going war in Syria and the conflicts in Iraq and Yemen, as well as political instability in several other countries in the region have resulted in increased unemployment, vulnerable employment and working poverty, especially among female and young workers.

Table 1: Annual GDP growth in the Arab States (2000 – 2015)



Unemployment rates in the Arab States are the highest regional rates, estimated at a total of 10.2 per cent; 15.5 per cent in non-GCC states, and 4.6 per cent in GCC states in 2016<sup>(10)</sup>, while the worldwide average was estimated at 5.8 per cent. Women are even more affected, as the female unemployment rate in the Arab states is viewed to be three times greater than male unemployment rates making female unemployment rate the highest in the world.<sup>(11)</sup>

The situation is even worse for the youth: only one-quarter of the youth population in GCC countries is actively engaged in the labour market, while the proportion is less than one in five for youth across non-GCC economies. Such low youth participation rates are partly due to deep-rooted social and economic traditions, but a high reliance on public sector employment has also played a key role in this regard. Linked to the high unemployment rates are low Labour Force Participation Rates (LFPR) in the Arab States, which stood at 52 per cent in 2016, in comparison to a worldwide average of 62.8 per cent. It is noteworthy, that the Arab States performed well in terms of job creation relative to their economic growth, compared to their counterparts of the Asia and Pacific Region, as they were the only countries which improved their Employment-to-Population-Ratio (EPR) and Labour Force Participation Rates (LFPR) during the Asian Decent Work Decade 2006 – 2016.<sup>(12)</sup> Bearing in mind the multiplying effect of the rapid change in the world of work and the economic outlook of the Arab States the potential future challenges of youth and female unemployment will represent even greater challenges for these countries.

<sup>(12)</sup> *Statistical Report of the Decent Work Decade 2015 -2006: Asia- Pacific and the Arab States. ILO (Bangkok, 2016).*

The Arab States are also characterized by huge gender gaps in employment, as demonstrated by the low female labour force participation rate of 21.2 per cent, compared to a world average female labour force participation rate of 49.5 per cent in 2016.

Table 2: Gender and age decomposition of unemployment rates across regions with the widest gaps, 2016 (percentage points)

**Gender and age decomposition of unemployment rates across regions with the widest gaps, 2016 (percentage points)**



Source: ILO Trends Econometric Models, November 2016.

Vulnerable employment in non-Gulf Cooperation Council (GCC) countries rose to above 33 per cent in 2016, and incidence of working poor (workers with income less than US\$3.10 per day (PPP)) increased from 31.8 per cent in 2014 to 38 per cent in 2015. Despite increased economic growth prospects in 2017, there are not enough jobs available, and many of the jobs created are low skill or low quality jobs; thus, the total unemployment rate (10.2 per cent in 2016) is expected to remain generally unchanged with large decent work deficits in the Arab States.

Poverty and income insecurity are also still common issues faced by Arab societies. Recent estimates suggest that about 20 per cent of the Arab population, equivalent to 34.6 million people, lived in poverty. Another struggle in many of the Arab countries is high informality, which translates into high social security coverage gaps. In addition, the Middle East has the highest shares of migrant workers in the world: in the GCC countries, migrants represent a large number of the population, up to 75.5 per cent in Qatar, and above 50 per cent in the overall average. In most countries of the region, they are working without social security protection.

Table 3: Unemployment, vulnerable employment and working poverty trends and projections, Arab States (2017 – 2018)

Unemployment, vulnerable employment and working poverty trends and projections, Arab States, 2007–18							
Country/region	Unemployment rate, 2007–18 (percentages)				Unemployment, 2016–18 (millions)		
	2007–2015	2016	2017	2018	2016	2017	2018
Arab States		10.7	10.6	10.5	5.8	5.9	5.9
GCC		5.5	5.6	5.5	1.4	1.5	1.5
Saudi Arabia		5.5	5.5	5.5	0.7	0.7	0.7
Non-GCC		15.5	15.2	15.0	4.4	4.4	4.5
	Vulnerable employment rate, 2007–18 (percentages)				Vulnerable employment, 2016–18 (millions)		
	2007–2015	2016	2017	2018	2016	2017	2018
Arab States		17.8	17.9	18.0	8.6	8.8	9.1
GCC		2.7	2.7	2.7	0.7	0.7	0.7
Non-GCC		33.3	33.2	33.1	7.9	8.1	8.4
	Extreme working poverty rate, 2007–18 (percentages)				Extreme working poverty, 2016–18 (millions)		
	2007–2015	2016	2017	2018	2016	2017	2018
Arab States		4.2	3.9	3.7	2.0	1.9	1.9
GCC		1.9	1.8	1.8	0.5	0.5	0.4
Non-GCC		6.6	6.1	5.7	1.6	1.5	1.5
	Moderate working poverty rate, 2007–18 (percentages)				Moderate working poverty, 2016–18 (millions)		
	2007–2015	2016	2017	2018	2016	2017	2018
Arab States		17.2	16.9	16.7	8.3	8.4	8.4
GCC		5.9	5.8	5.7	1.4	1.4	1.4
Non-GCC		29.0	28.2	27.5	6.9	6.9	7.0

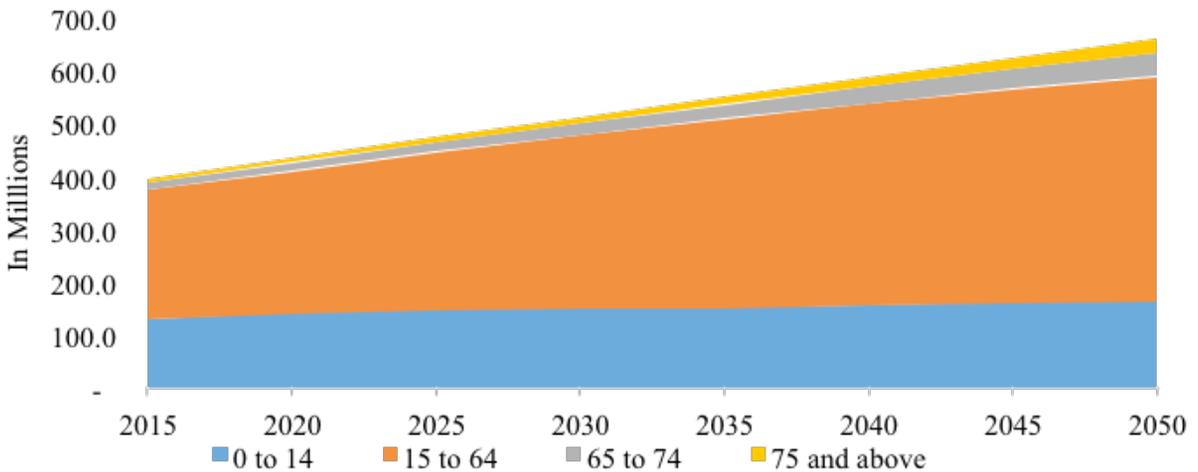
Note: Vulnerable employment rate is defined as the share of own-account workers and contributing family workers in total employment. Moderate and extreme working poverty rates refer to the shares of workers living on income or consumption per capita between US\$1.90 and US\$3.10 per day (PPP) and less than US\$1.90 per day (PPP), respectively. GCC aggregate refers to those countries belonging to the Cooperation Council for the Arab States of the Gulf, namely Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. Non-GCC refers to the country group comprising Iraq, Jordan, Lebanon, Occupied Palestinian Territory, and Yemen.

Source: ILO Trends Econometric Models, November 2016.

# Demographics

One of the main challenges facing the Arab States lies in their changing demographics. While the population between the ages 65 and 74, and those 75 and above, are expected to grow at an annual rate of 4 per cent and 4.4 per cent respectively, the youth population in the Arab States is expected to increase only by 0.7 per cent annually due to declining rates of fertility. Thus, the population of 65 and above will quadruple from 17 million today to 70 million in 2050. Dependency ratios or support ratios are set to double in the near future representing higher burden on social security systems due to increased longevity in benefits and higher health care expenditures.

Table 4: Projected demographic changes in the Middle East (2015 – 2050)



This demographic change, together with inherent structural deficits in design and governance, especially in the absence of long-term funding policies which balance assets and liabilities in future, will bring about significant concern regarding the financial sustainability of social security schemes in the Arab countries.

# Social Protection Challenges

Few countries in the Arab States have developed coherent national social security policies. In most countries, social protection remains fragmented, relying on a variety of tools such as public employment and social insurance for a few in formal employment, and subsidies and hand-outs for those without formal employment contracts.

In most countries, existing social security schemes cover only workers in the public sector and private sector on regular contracts, while temporary and casual workers, agricultural workers, domestic workers, informal economy workers, migrant workers, and to large extent self-employed workers, are usually excluded from legal coverage. The limited coverage of the existing social security systems combined with low labour force participation rates leads to high social security coverage gaps, which in selected countries are often above 50 per cent of the population. Women's

social protection coverage is drastically low due to their low labour force participation rate, as few countries in the Middle East reach coverage rates of more than 10 per cent of the population for women.

Social insurance schemes rarely provide the full range of benefits: unemployment; maternity; medical care and sickness; employment injury; family; and old-age, survivor and invalidity. Only Bahrain, Jordan, Kuwait and Saudi Arabia have unemployment insurance schemes in place, which play an important role as social and economic stabilizers in times of crisis and economic downturn. Also, most countries do not have maternity insurance schemes in place, and the burden to pay women's salaries during maternity leave rests on the employer. This practice raises the labour costs of women in comparison to men and thus, does not contribute to the strengthening of women's labour market participation. In addition, none of the countries have sickness and family benefits in place, provided through social security.<sup>(13)</sup>

Most Arab countries also lack protection against catastrophic health expenditure, a critical factor contributing to vulnerability and poverty.

Many countries in the Middle East offer some kind of tax financed social assistance programmes, however, these programmes are not rights-based and thus, benefits are granted on a discretionary basis, as opposed to clear rights and entitlements. The providers of these programmes range from different government entities, often lacking appropriate coordination, and thus, resulting in the duplication of support to some groups, while others are hardly covered by the available benefits. Another issue of these social assistance programmes is their funding, which is often decided on an ad-hoc basis, creating a high level of insecurity for institutions and the beneficiaries.

<sup>(13)</sup> Some countries have legislative arrangements anchored in their labour laws, which grant a number of paid days with very limited scope. These provisions are viewed by employers as a considerable financial burden.

Table 5: Social protection schemes throughout the countries in the Middle East

	Bahrain	Iraq	Jordan	Kuwait	Lebanon	oPt	Oman	Qatar	Saudi Arabia	Syria	UAE	Yemen
Old age	SI	SI	SI	SI	OI	...	SI	SI	SI	SI	SI	SI
Survivors	SI	SI	SI	SI	...	...	SI	SI	SI	SI	SI	SI
Invalidity/ disability	SI	SI	SI	SI	OI	...	SI	SI	SI	SI	SI	SI
Employment injury	SI	...	SI	SI	...	...	SI	SI	SI	SI		...
Sickness	...	...	...	...	SI	...	...	...	...	...	...	...
Medical care	...	...	...	...	SI	...	...	...	...	...	...	...
Maternity	...	...	SI	...	...	...	...	...	...	...	...	...
Unemployment	SI	...	(SI)	SI	...	...	...	...	SI	...	...	...
Family	...	...	...	...	SI	...	...	...	...	...	...	...
Social assistance	SN	SN	SN	SN	SN	SN	SN	SN	SN	SN	SN	SN

SI = Social Insurance; OI = Other Ins. Arrangement (Prov. Fund, etc.); SSA = statutory social assistance (rights-based); SN = Safety Net Programme (not rights-based)  
Source: ISSA Observatory Country profiles

Finally, austerity measures in most non-GCC Countries force governments to reduce or cut subsidies. The savings from these subsidy cuts, however, are not redirected to strengthen social protection measures, thus they are contributing to increased vulnerability and poverty.

## Progress in extending social protection coverage

Many countries in the region have implemented measures to adapt social protection systems to changing realities in the world of work; for example, through the extension of coverage to certain categories of self-employed workers; or the inclusion of new benefits in their social security system.

Bahrain, for instance, was the first country in the Middle East to adopt an unemployment insurance system which provides unemployment benefits for a certain period to workers in the private sector upon loss of employment, as well as unemployment assistance and training to first time job seekers. In 2013, Saudi Arabia, followed by Kuwait, implemented similar schemes for unemployed workers and first time jobseekers. Oman, the Kurdistan Region of Iraq and the United Arab Emirates are in the process of examining the feasibility of establishing their first unemployment insurance schemes. Moreover, Oman has introduced a self-employed insurance scheme on a voluntary basis, targeting workers in the informal sector. The system is subsidized by the government for the low-income earners. Self-employed women and small business enterprises are among the main beneficiaries.

In 2014, Jordan adopted the new Social Security Law No. 1 (2014) which extends social security coverage to self-employed workers and includes the first maternity benefit scheme in the Arab States. The new Jordanian social security law also reformed the old-age, disability and survivors' pension scheme, which will become the main poverty reduction mechanism in Jordan within the next years.

Table 6: Jordan: Projected impact of existing social insurance/protection schemes on life course poverty in 2025



In 2014, the Kurdistan Region of Iraq revised its social security law to include the coverage of casual and construction workers and their family members for old age, disability and death benefits as well as employment injury benefits.

In 2016, the Occupied Palestinian Territory (OPT) introduced the first ever social security law for private sector workers and their families, which will provide coverage to 82,646 workers in 2016, with the aim of reaching 336,440 workers by 2030.

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#### Establishment of the first social security system in the Occupied Palestinian Territory (OPT)

The first social security law for private sector workers and their family members was adopted by the Palestinian President in March 2016. Amendments to this new law were introduced during the course of 2016 to bring it in line with international social security standards and best practices, and were signed into law by the Palestinian President on 29 September 2017. OPT now has an appropriate legal framework for its first private sector social security system, which will provide defined benefits in case of old-age, disability and death, as well as in case of employment injury and maternity for private sector workers and their family members. The framework of this new national social security system was developed in 2013 by the tripartite National Social Security Committee, based on an actuarial evaluation that assessed the system's parameters to ensure its sustainability in the long term. The tripartite Board of Directors formed under the new social security law is now working towards the establishment of an independent and tripartite social security institution, which will administer and implement the new social security system.

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In 2016, Lebanon launched the “Comprehensive Primary Health Care Project”, as a prelude towards Universal Health Coverage. Tripartite stakeholders in Lebanon are also in the process of reviewing the new draft pension law which will reform the end-of-service indemnity into a pension scheme providing old-age, disability and death pensions to workers insured under the National Social Security Fund.

In addition, some of the GCC countries have reformed and consolidated their pension schemes so as to ensure the schemes' financial sustainability in the long-term.

Finally, Jordan as well as several GCC Countries are in the process of reforming their health care systems towards universal health care coverage.

## Responding to challenges through effective social protection policies

While several countries have already implemented measures to adapt social protection systems to changing realities in the world of work, for example through the extension of coverage to certain categories of self-employed workers, these have not gone far enough to ensure universal coverage

and adequate benefit levels. More efforts are needed to ensure that social protection mechanisms can continue to deliver as an indispensable mechanism of social solidarity, based on the principles of the pooling of risks, as well as equity both with regard to financing (taking into account contributory capacities) and benefits (according to needs).

Public policies will need to respond to the new challenges and trends in the world of work and benefit from the agility that comes with the new forms of work, while mitigating the downsides and undesirable outcomes. Governments need to find innovative ways to provide social protection adapted to the needs of workers and their family members in this changing economy. Social protection policies are key instruments for redistributive policies, pursuing inclusion, social cohesion and social justice. Social protection should thus, be one of the key mechanisms to ensuring that the new developments in the world of work serve the society as a whole, and not only a few.

Bearing the considerable social protection gaps in the countries in the Arab States in mind, it is even more critical for these countries to adapt their social protection policies to non-standard forms of employment, often linked to short and long-term labour migration, informality, and rapidly ageing populations, which are bringing serious implications for pensions and for health systems. Many households will no longer comprise a male breadwinner and a stay-at-home carer. As the typical gender roles gradually undergo changes, countries will need to develop child- and family-centred transfers and, most importantly, maternity, paternity and parental care leave, taking into account the characteristics of informal sector and migrant workers. The increasing rates of refugee population in the Arab States which is considered by recent estimates to be 60 per cent of the global refugee population,<sup>(14)</sup> puts additional challenges to the social protection policies' goals, since their implementation requires to cover a wider base and different needs.

Social protection policies should aim at universal protection, better portability of social protection rights and adapted social security administrations. With a view to reducing inequalities, the countries of the Arab States need to aim for a social protection floor for all, irrespective of gender, ethnic or social origin, religion or occupation. This implies a comprehensive package of benefits based on the guarantees of the Social Protection Floors Recommendation, 2012 (No. 202):

- access to essential health care,
- income security for children,
- income security for persons in active age who are unable to earn sufficient income, and
- income security for older persons.

Future reforms, guided by ILO standards such as Convention No. 102, and Recommendation No. 202, are increasingly necessary. Recommendation No. 202, which was adopted nearly unanimously by ILO constituents in 2012, provides guidance to member States in building comprehensive social security systems and extending social security coverage by prioritizing the establishment of national floors of social protection accessible to all in need.

Future reforms must be based on the principle of pooling of risks and establishing a balance between adequate benefit provision and sustainability. Financing of social protection through a combination of taxation and expanded social insurance will be a priority for governments. Several contingencies are often still an employer liability and consequently do not offer adequate protection.

<sup>(14)</sup> *World Employment Social Outlook Trends. ILO (Geneva 2016).*

Social protection reform will only be successful when based on national dialogue. This requires that the social protection interests of different groups of workers, and in particular informal economy workers, and employers are effectively represented. Sustaining effective bi- and tripartite dialogue is of utmost importance in an era when many labour market institutions are facing challenges from the changes in technology, demography and integration that promote non-standard forms of work. This requires building the capacities of workers' and employers' organizations to represent and serve their members, enhance their own legitimacy, contribute to stable industrial relations and engage effectively at all levels – regional, sub-regional, national, industry and enterprise.

Whether countries are able to provide adequate employment and social protection to workers in different forms of work will constitute a litmus test for their preparedness for the future of work. Only then will workers be able to seize economic opportunities, including those provided by digitalization and automation. Ensuring social protection for workers in the new, as well as old forms of employment characterized by high vulnerability, volatility and exposure to different risks is critical. Some countries already have mechanisms in place to ensure social protection for non-salaried and vulnerable workers, including those with multiple employers, own-account workers and solo entrepreneurs<sup>(15)</sup>, as well as those in disguised self-employment. These can serve as valuable models for adapting social protection systems to meet workers' needs.<sup>(16)</sup>

<sup>(15)</sup> *World social protection report 2015/2014: Building economic recovery, inclusive development and social justice* (Geneva, ILO).

<sup>(16)</sup> *This section largely draws on Social Contract and the Future of Work: Inequality, income security, labour reaction, and social dialogue. The Future of Work Country Initiative, ILO.*

<sup>(17)</sup> *Ibid.*

## Key issues for a renewed social contract for the 21st century<sup>(17)</sup>

The trends described above are likely to affect the effectiveness of social protection systems. Higher inequality, insecurity, instability and informality have fundamentally challenged the social contract at the beginning of the 21st century. In fact, these issues are already being debated in various ways: how can countries develop a new “social compromise which benefits employers and workers alike”; “a new social settlement that is able to meet the challenges of the twenty-first century” and a “social compact 2.0”. Each of these formulations reveals an important focus on a renewed social contract. Building on ongoing discussions, debates can be further advanced by considering the following overarching questions:

- How can we ensure that the social protection systems encompasses the most vulnerable groups in society, and engages all actors, including those operating across national borders (financial sector, multinational enterprises)? –
- How can the ILO, as the “global parliament of labour” contribute to enhancing social protection and strengthening social justice at the global level in the context of the 2030 Development Agenda?

## Addressing inequalities and ensuring a fair distribution of resources

How can legal frameworks and other forms of regulation be adapted to the changing context, and ensure both security and flexibility? How can public policies be implemented in a more effective way, and how can the necessary fiscal space be ensured through effective and equitable tax systems? How can the equitable and sustainable financing of social protection and other inequality-reducing policies be ensured? How can social cohesion and collective interests be strengthened in the face of pressures to individualize risks?

## Enhancing institutional frameworks to strengthen voice and participation:

How can social dialogue adapt to the new trends and ensure the representation of workers, in particular workers in the informal economy and in non-standard forms of work, in social protection policy making and social protection administration? How can good governance of social security systems be implemented and governing bodies adhere to best practices in the management of social security systems? Who is voicing the next generations of workers on the Boards of social security institutions?





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