



Thinking Ahead
for the Mediterranean



WP 7 - Human capital, social protection, inequality and migration

Education and Social Protection Systems in Southern and Eastern Mediterranean Countries

Alia el Mahdi, Ola el Khawaga and Ashraf el Araby

MEDPRO Technical Report No. 20/January 2013

Abstract

This report assesses the current status of the education and social protection systems in 11 southern and eastern Mediterranean countries. It compares these countries using various education indicators and attempts to highlight the main differences in the social protection systems among the countries using qualitative analysis. The report finds that despite the differences among the countries, they share a common feature: when measured by the UN Development Programme's Human Development Index (HDI), their inequality-adjusted values are significantly lower than their HDI values and ranks when not taking inequality into account. Nevertheless, significant improvements have been achieved in all the quantitative indicators for education, while the qualitative performance is still modest in the majority of the countries studied. As to the social protection aspect, the research reveals that various social protection programmes are being adopted in the 11 countries. As most of their financing is covered by government budgets, however, this places a high fiscal burden on them. Yet few of the countries (Turkey being the most notable) are trying to improve the sustainability of their social insurance schemes.

This paper was produced in the context of the MEDPRO (Mediterranean Prospects) project, a three-year project funded under the Socio-economic Sciences & Humanities Programme of DG Research of the European Commission's Seventh Framework Research Programme. MEDPRO Technical Reports give an indication of work being conducted within MEDPRO thematic Work Packages (WPs) and aim at stimulating reactions from other experts and academics in the field.

Unless otherwise indicated, the views expressed are attributable only to the authors in a personal capacity and not to any institution with which they are associated.

ISBN 978-94-6138-267-2

Available for free downloading from the MEDPRO (www.medpro-foresight.eu) and CEPS (www.ceps.eu) websites

© Copyright 2013, Alia el Mahdi, Ola el Khawaga and Ashraf el Araby

Contents

1. Introduction	1
2. Educational developments in the 11 SEMCs.....	3
2.1 Overview of the education systems.....	3
2.1.1 Introduction.....	3
2.1.2 Structure of the school system	4
2.2 Inputs into the education systems.....	4
2.2.1 Growth rates of enrolments by education level and gender	4
2.2.2 Pupil–teacher ratio	5
2.2.3 Expenditures on education	5
2.3 Access and equity.....	6
2.3.1 Gross enrolment rates by education level and gender.....	6
2.3.2 Gender parity index within the gross enrolment rate	7
2.3.3 Gini coefficients for the number of years of schooling.....	8
2.4 Efficiency	8
2.4.1 Retention rates at grade 5.....	8
2.4.2 Percentage of repeaters by education level	9
2.4.3 Dropout rate	10
2.5 Outcomes and quality.....	10
2.5.1 Literacy rate by gender	10
2.5.2 Labour force participation rates	11
2.5.3 Unemployment rates	12
2.5.4 Educational attainment of the population aged 25 and older	13
2.5.5 TIMSS scores.....	13
2.6 Future scenarios for education	14
2.7 Conclusions	15
3. Comparative assessment of social protection systems in the 11 SEMCs	16
3.1 Introduction.....	16
3.2 General overview of social protection systems in the 11 SEMCs.....	16
3.2.1 Macroeconomic indicators	16
3.2.2 Population and poverty	17
3.2.3 Health status indicators	18
3.2.4 Total expenditures of the social insurance system	18
3.3 Social protection systems in the 11 SEMCs.....	18
3.3.1 Introduction.....	18
3.3.2 Social protection systems in the 11 SEMCs: A comparative analysis	20
3.4 Conclusions	29
References	30
Appendix 1. Statistics.....	37
Appendix 2. Technical note on scenario building: Forecasting the education variables	49

Education and Social Protection Systems in Southern and Eastern Mediterranean Countries

Alia el Mahdi, Ola el Khawaga and Ashraf el Araby*

MEDPRO Technical Report No. 20/January 2013

1. Introduction

This report attempts to assess the current status of the education and social protection systems in 11 southern and eastern Mediterranean countries (SEMCs).¹ It also seeks to analyse and compare the different aspects of development taking place in the 11 countries, identifying areas of weakness or strength within them.

Despite the differences among the countries, they share a common feature, namely that when measured by the UN Development Programme's Human Development Index (HDI) of 2010,² which has been calculated for such countries as Israel, Tunisia, Jordan, Turkey, Egypt, Syria and Morocco, their inequality-adjusted values and ranks drop significantly in comparison with their HDI values and ranks. The main reasons for this significant drop invariably relate to educational achievement. Therefore, education remains a problem in all 11 countries, as regardless of their average performance, there is a high degree of inequality among youth in terms of their share of enrolment in and benefits from the education systems. The children coming from relatively better off families seem to benefit more from the current, mostly free education systems in the countries, whereas a relatively higher percentage of the children coming from poor families tend to become drop-outs, repeaters or do not join the education system from the start. Thus the fruits of the education policies seem to be reaped more by the children from middle-/high-income households than those from poorer households. This bias negatively affects the opportunities of the poor when they enter the labour market seeking jobs. Their lack of skills and knowledge reduces their chances and their wages.

Whereas the comparisons of educational inputs, outputs and quality are made possible thanks to the numerous domestic and international indicators that are available, the same cannot be said about the social protection indicators. Therefore, this report compares the 11 countries using the various education indicators, and attempts to highlight the main differences in the social protection systems among the countries using qualitative analysis.

This report is split into three main sections: section 2 covers education, including an overview of the education systems in the region, the main inputs, access and equity, efficiency, and outcomes and quality as well as scenarios for the future. Section 3 offers a comparative analysis of the social protection systems in the 11 SEMCs, including a general overview of the countries, comparisons of the social protection systems and future prospects.

Yet, it might be useful at the beginning to highlight some of main results derived from the comparisons.

* Alia el Mahdi is Professor of Economics, Faculty of Economics and Political Science, Cairo University; Ola el Khawaga is also Professor of Economics, Faculty of Economics and Political Science at the same university; Ashraf el Araby is Assistant Professor of Economics at the National Institute of Planning in Cairo.

¹ The 11 countries are Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Turkey.

² The *Human Development Report 2010* (UNDP, 2010) was the first report to include the inequality estimates and indicators.

First, where educational developments are concerned, there are several points to consider:

- During the past decade, the numbers of students enrolled at the secondary and tertiary levels in the countries have been growing at a steady rate, with differences among the 11 SEMCs.
- Gross enrolments rates in primary education are consistently higher than rates in secondary schools in all 11 countries.
- The gap between male and female enrolments in schools is lower at the primary level compared with secondary and tertiary education; however, it is growing narrower over time.
- The growth rates achieved in female enrolments are higher for all countries with respect to total enrolments, except in Israel in secondary education and Libya at the primary and secondary levels. This indicates that even if female enrolments are lower than male enrolments in some countries in the region, this gender gap is diminishing over time, with female enrolments growing faster than male enrolments.
- The majority of the 11 countries provide compulsory education free of charge or with subsidised tuition fees, and some countries extend free education until tertiary education. This requires the governments to direct a considerable and regular portion of their public spending towards financing the education system.
- The higher share of public spending on education is directed at the primary and secondary levels, while university education receives a smaller share.
- Gini coefficients in the 11 SEMCs are high relative to other regions, such as East Asia.
- In most of the countries, female retention rates exceed the male rates. The highest retention rate in education among the 11 SEMCs is achieved by Israel, reaching 99.21% on average for the period 2000–08, while the lowest rate is found in Morocco, at 81.26%.
- The education systems in the region still suffer from two main obstacles: first, efforts have been exerted on expanding the education system while public accountability has been given limited focus; second, there is a mismatch between the education system outcomes and labour market demand, given that the graduates of the system are not sufficiently qualified with the skills and knowledge needed in the labour market.
- Some of the 11 countries are close to fully eradicating illiteracy, while other countries still suffer from high illiteracy rates.
- Labour force participation rates for both genders and for females in 11 countries are lower than the world averages of 65% and 52%, respectively.
- The 11 SEMCs have high unemployment rates compared with the world average of 5.7% in 2008.
- In an attempt to evaluate the prospects for education in the countries, an econometric exercise was conducted to extrapolate the gross enrolment rates (for primary, secondary and tertiary levels) of the 11 countries for the period 2011–30.
- The results of the econometric model for each education level for the different countries indicate that the variations of gross enrolment rates (GERs) are related to a number of explanatory factors that differ from one country to another. The most relevant variables in this case are the GDP growth rates, the official development assistance (ODA) (especially the EU-15 ODA in some of the 11 SEMCs), the population growth rates in certain age brackets, the proportion of public expenditures on education as a percentage of GDP and poverty levels.
- Three scenarios are forecasted: business-as-usual, an optimistic one and a pessimistic one.

- The forecasted data imply different directions and magnitudes of growth among the countries and across various education levels. Still, the educational attainment levels are expected to improve, if at different rates and depending on the type of scenario considered.
- The optimistic and pessimistic figures of some countries, such as Lebanon and Syria, deviate a lot from the figures in the business-as-usual scenario, as they have high standard deviations. Also, it is worth mentioning that possible deviations from the expected values are higher for secondary education compared with other education levels.

Second, comparisons of the social protection systems reveal the following findings:

- Most of the selected countries are considered upper-middle income countries, with the sole exception of Israel, which is the highest-income OECD country in the region. Meanwhile, Egypt, Syria, Palestine and Morocco are lower-middle income countries.
- The percentage of the population below the national poverty line exceeds 50% in Palestine, while it is around 20% of the total population in Egypt, Turkey, Israel and Algeria. The share is in the range of 13.3% in Jordan, 9% in Morocco and 3.8% in Tunis. There is no data on Libya or Lebanon.
- The 11 countries have recorded an improvement in life expectancy and several other health indicators, and to a large extent the Israeli health indicators exceed the EU averages.
- The social protection systems (SPS) vary from one country to another. Yet, a majority of the countries share certain common characteristics, namely modest coverage and a fragmented nature. Poverty and high recipient rates of social benefits (and thus low contribution rates) could be explanatory factors for the modest coverage. The high rates of informal work in the labour markets, for example in Egypt, Turkey, Tunisia, Lebanon and Morocco, add to the limited coverage of the system.
- Owing to the low contribution rates to the SPS in most of the countries, the protection systems are only partially funded and most of the countries rely on PAYG systems that are financially unsustainable.
- Several countries are currently working on implementing new social protection systems. The main objectives of the new systems are broader coverage and greater financial sustainability in the future, although the latter is still questionable.

2. Educational developments in the 11 SEMCs

2.1 Overview of the education systems

2.1.1 Introduction

Countries in the region have achieved a lot of progress in the last few decades in terms of accumulated human capital. Nonetheless, the education systems in the region still suffer from two main obstacles. First, efforts have been exerted on expanding the education systems while public accountability has been given limited focus, that is, governments have worked on increasing the numbers of schools, teachers and students enrolled in the education system without giving enough attention to the quality and efficiency of the system. Second, there is a mismatch between the education system outcomes and labour market demand. Labour markets in the region have failed to absorb all the graduates, causing higher unemployment rates in most of the countries in the region.

This part of the report reviews the progress achieved in the education systems in the 11 SEMCs during the past decade. Following this introduction, section 2.2 tackles the inputs into the education systems. Section 2.3 gives an overview of access and equity. Then, efficiency indicators are presented in section 2.4, followed by a discussion on education outcomes and quality (section 2.5). Section 2.6 forecasts the future scenarios for education, and finally section 2.7 concludes.

2.1.2 Structure of the school system

Countries that were subject to French colonisation, such as Algeria and Morocco, have witnessed several transformations in their education systems. Education has changed from being restricted to the elite to being available to all citizens. In Algeria, the Arabic language has replaced French as the language of instruction at the primary and secondary levels, but French has remained the instruction language in most post-secondary institutions. The case is different in Morocco, where the government has introduced two tracks: a modern track with French language used in instruction and an original track based on Koranic education. Public schools in Egypt provide education in Arabic or English, while the private sector offers education in Arabic, English, French and German. In Lebanon, although the Arabic language is taught in all schools, the school system uses French or English (or both) as a basic language. Conversely, in Syria, Arabic is the basic language, while English and French are taught.

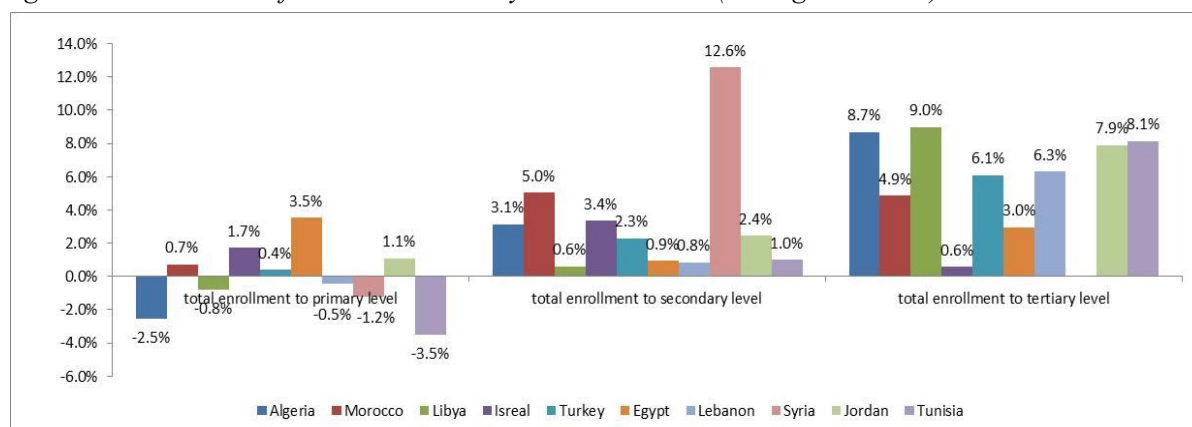
The 11 countries have adopted the 6-3-3 model with a few exceptions (such as Jordan and Palestine, where basic compulsory education lasts for ten years followed by two optional ones of secondary education). Students are enrolled at the primary level for six years, then move to the intermediary or lower secondary level for three years. These nine years are considered basic education, and are compulsory and provided for free in most countries. The upper secondary level lasts for three years. Successful students progress to university education for four to five years.

2.2 Inputs into the education systems

2.2.1 Growth rates of enrolments by education level and gender

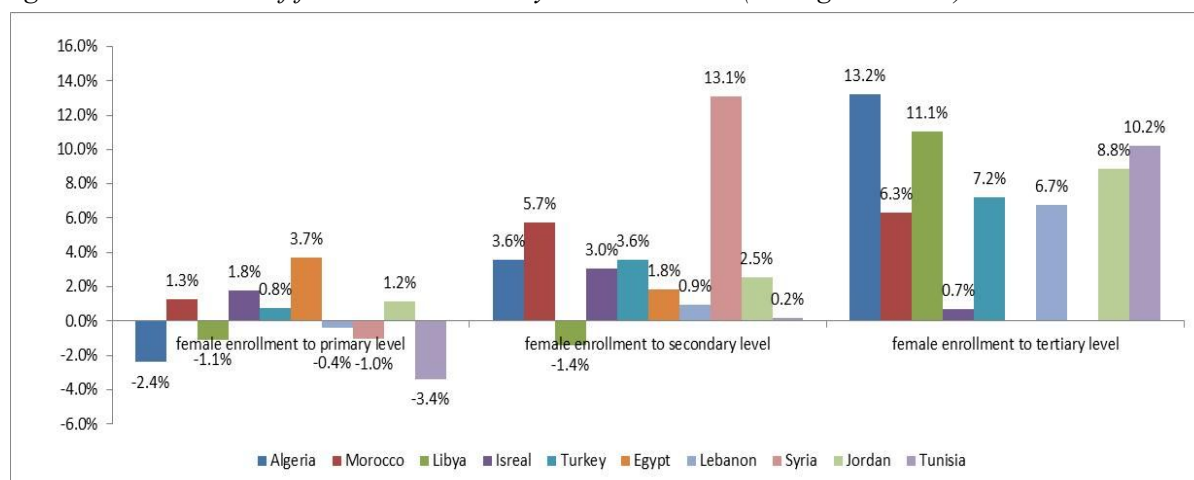
During the past decade, the number of students enrolled in secondary and tertiary education in the 11 SEMCs has been growing. Figure 1 illustrates that enrolments in all of the countries shown have increased. The highest growth rate was achieved at the secondary level in Syria (12.6%) and the tertiary level in Jordan (9.0%). As for the primary level, the enrolment growth rates vary between negative and positive rates. The enrolment of Egyptian students grew by 3.5%, while enrolments in Tunisia decreased by 3.5%. Similar trends are shown in Figure 2 for female enrolments among the different education levels.

Figure 1. Growth rate of total enrolments by education level (average 2000–08)



Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

Figure 2. Growth rate of female enrolments by education level (average 2000–08)



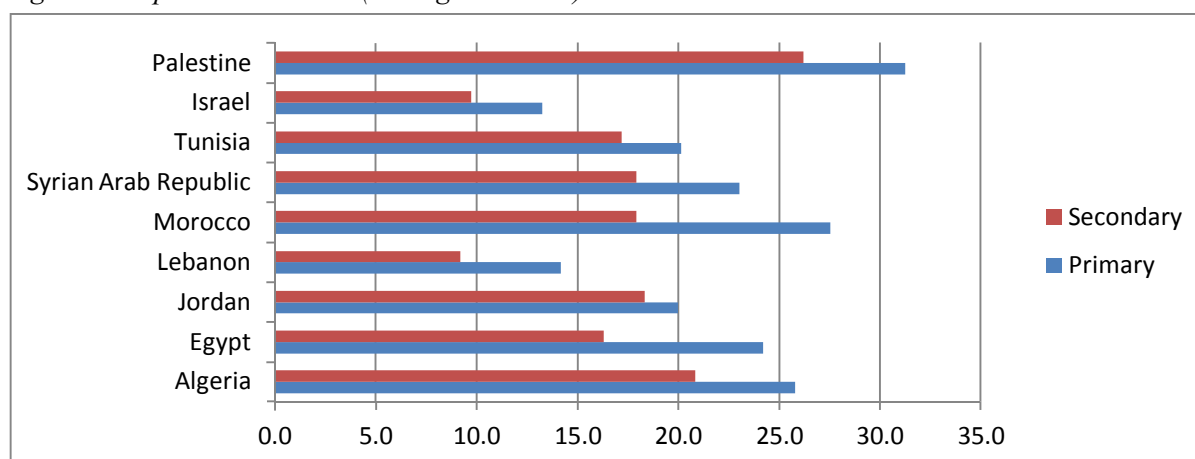
Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

The growth rates achieved in female enrolments are higher for all the countries compared with total enrolments, except in Israel in secondary education and Libya at the primary and secondary levels. This indicates that even if female enrolments are lower than male enrolments in some countries, this gender gap is diminishing over time with female enrolments growing faster than male enrolments.

2.2.2 Pupil–teacher ratio

Israel achieved the lowest ratio in primary education, reaching 13.2 on average for the period 2000–08, while Lebanon has the lowest pupil–teacher ratio at the secondary level, which is 9.2, for the same period. These ratios are lower than the world averages in 2008 at the primary and secondary levels (24.6 and 18.0, respectively) (UNESCO, Institute for Statistics). On the other hand, Palestine suffers from high pupil–teacher ratios compared with several other countries in the region (Figure 3).

Figure 3. Pupil–teacher ratio (average 2000–08)



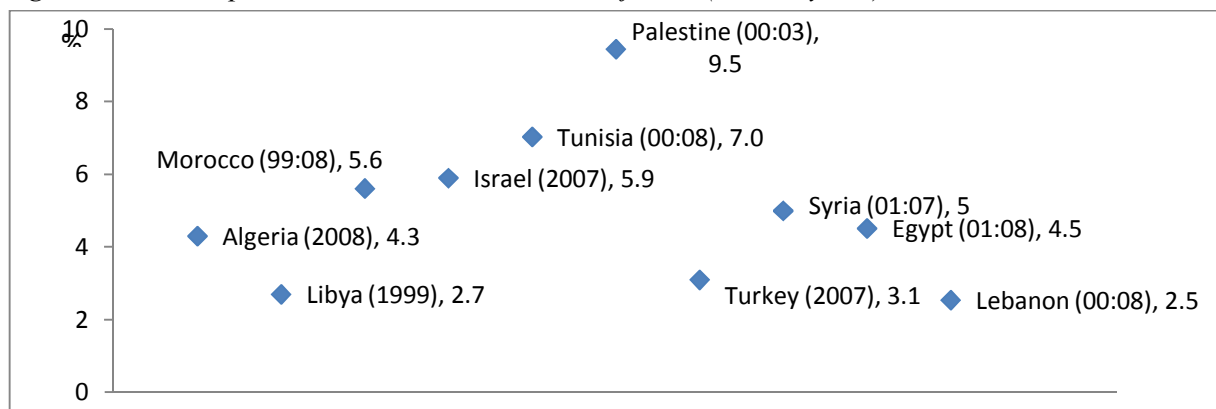
Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

2.2.3 Expenditures on education

As mentioned earlier, the majority of the countries under study provide compulsory education free of charge or with subsidised tuition fees, and some countries extend free education until tertiary education. This requires the governments to direct a considerable and regular portion of their public

spending towards financing the education system. As shown in Figure 4, Palestine has the highest percentage of GDP spent on the education system, reaching 9.5% on average for the period 2000–03. Lebanon is at the tail end, having spent only 2.5% of its GDP on education on average for the period 2000–08.

Figure 4. Public expenditures on education as a % of GDP (various years)



Sources: For Syria, Central Bureau for Statistics; for Egypt, CAPMAS (2009); for Lebanon, World Bank, World Development Indicators; for Palestine, the Palestinian Ministry of Education and Higher Education (MoEHE), 2007; for Algeria, Libya, Israel, Morocco, Turkey and Tunisia, UNESCO, Institute for Statistics.

An almost common feature among the countries is that a considerably higher share of public spending on education is directed at the primary and secondary levels, while university education receives a smaller share. For instance, lately the Egyptian government has been shifting resources from university education towards financing basic and secondary education, to compensate for the drop in expenditures on education that occurred in 2003–04 and 2004–05 (CAPMAS, 2009). In Syria, since 2001 more funds have been directed at the development of basic and secondary education, which received 80% of public spending on education in 2001 and has not fallen below 75% in the subsequent years. Similar trends have been found in Lebanon and Morocco (Kabbani and Salloum, 2009).

Concerning private spending on education, in most cases this is used to fund private tutoring and university tuitions. This is to be expected given the limited resources assigned to university education in addition to the lower quality of education, which is usually addressed through private tutoring.

2.3 Access and equity

2.3.1 Gross enrolment rates by education level and gender

Gross enrolment rates in primary education are consistently higher than the rates in secondary schools in all 11 SEMCs. The primary enrolment rates in some countries and secondary rates in Libya exceed 100%, indicating that students older than the typical age group are attending primary and secondary education (Table 1). The highest gross enrolment rates have been achieved in Syria and Libya, at the primary and secondary levels, respectively. The gender gap in gross enrolment rates varies between favouring males in some countries and favouring females in others, but the largest gender gap is found in Turkey in secondary education, where the male enrolment rate reached 90.61% while the female enrolment rate was 71.68% on average for the period 2000–08. The gender gap is further explained below by the gender parity index within the gross enrolment rate.

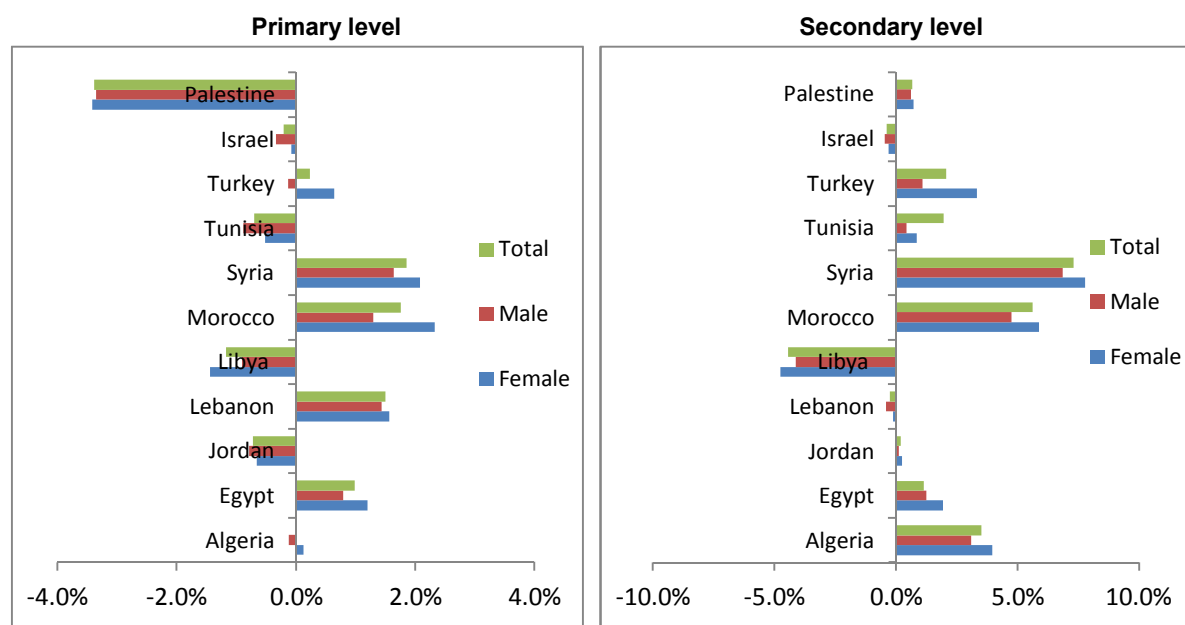
Table 1. Gross enrolment rate by education level, average for 2000–08 (%)

	Primary			Secondary		
	Female	Male	Total	Female	Male	Total
Algeria	105.17	113.23	109.29	84.89	80.48	82.64
Egypt	93.68	99.05	96.43	73.28	77.94	75.99
Jordan	99.24	98.52	98.87	87.61	84.87	86.20
Lebanon	99.45	102.07	100.79	86.64	77.94	82.22
Libya	111.99	114.40	113.22	109.12	97.79	103.34
Morocco	97.86	109.98	104.02	40.52	49.24	45.87
Syria	116.04	122.62	119.40	58.95	62.44	60.73
Tunisia	109.56	113.10	111.38	86.24	80.32	83.84
Turkey	94.84	100.26	97.60	71.68	90.61	81.30
Israel	111.78	111.16	111.46	91.94	92.12	92.03
Palestine	91.61	91.59	91.60	91.85	86.44	89.08

Source: UNESCO, Institute for Statistics (<http://stats.uis.unesco.org/unesco/tableviewer/document.aspx?ReportId=143>).

Syria and Morocco have achieved the greatest progress in gross enrolment rates, in both primary and secondary education. For instance, in Syria, the gross enrolment rate grew by 1.9% and 7.3% on average over the period 2000–08 at the primary and secondary levels, respectively (Figure 5). On the other hand, Palestinian and Jordanian enrolment rates in primary schools and Libyan enrolment rates at the primary and secondary levels deteriorated over the same period on average.

Figure 5. Average growth rate of enrolment by education level



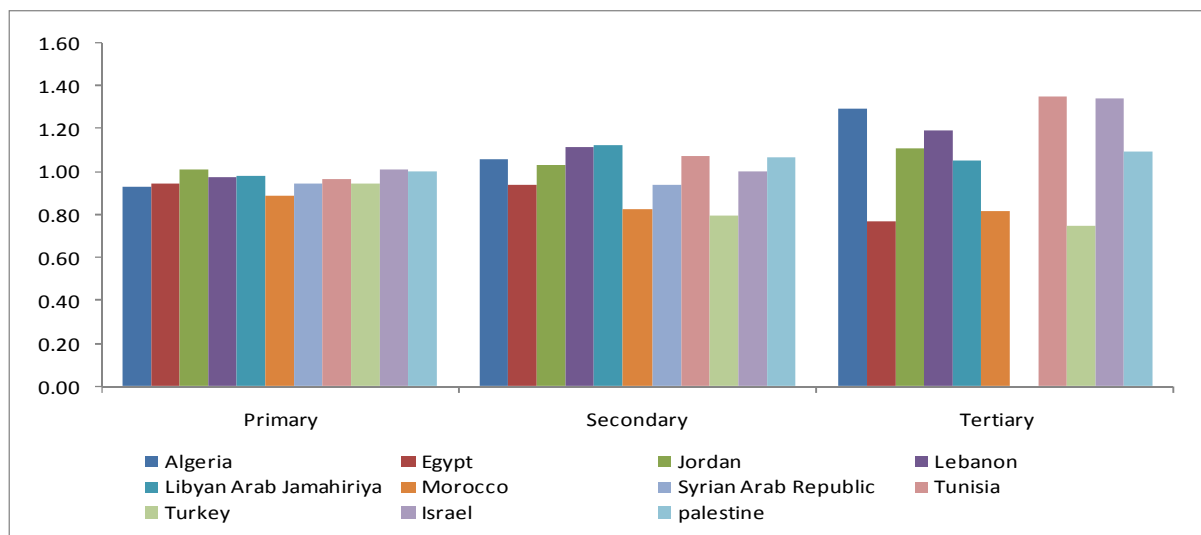
Source: Authors' calculations, using data from UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

2.3.2 Gender parity index within the gross enrolment rate

The gap between male and female enrolments in schools is lower at the primary level compared with secondary and tertiary education in the 11 SEMCs. Also, the gender parity index at the primary level

does not vary much across the countries, ranging between 0.89 and 1.01, but at the tertiary level the index ranges between 0.74 in Turkey and 1.35 in Tunisia (Figure 6). Jordan has one of the most equitable education systems in the region, where the figures for the gender parity index are respectively 1.01, 1.03 and 1.11 for the primary, secondary and tertiary levels, despite a tiny bias in favour of females.

Figure 6. Average gender parity index within the gross enrolment rate (2000–08)

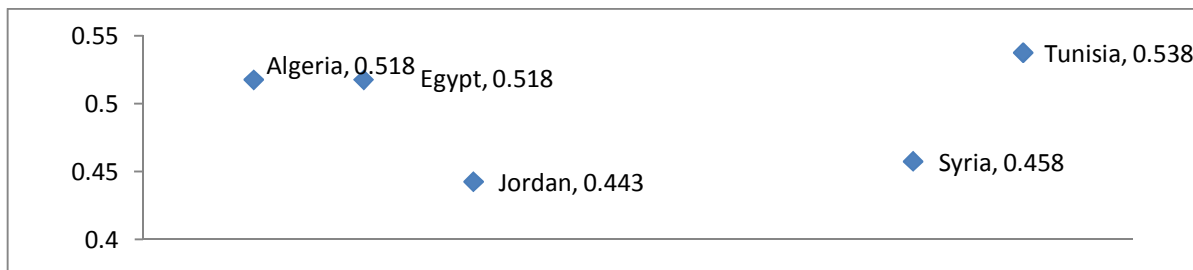


Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

2.3.3 Gini coefficients for the number of years of schooling

The Gini coefficients for countries in the Middle East and North Africa are high relative to other regions, such as East Asia or Latin America. Tunisia in particular suffers from a more inequitable education system compared with other countries (Figure 7).

Figure 7. Gini coefficients for the number of years of schooling in 2000



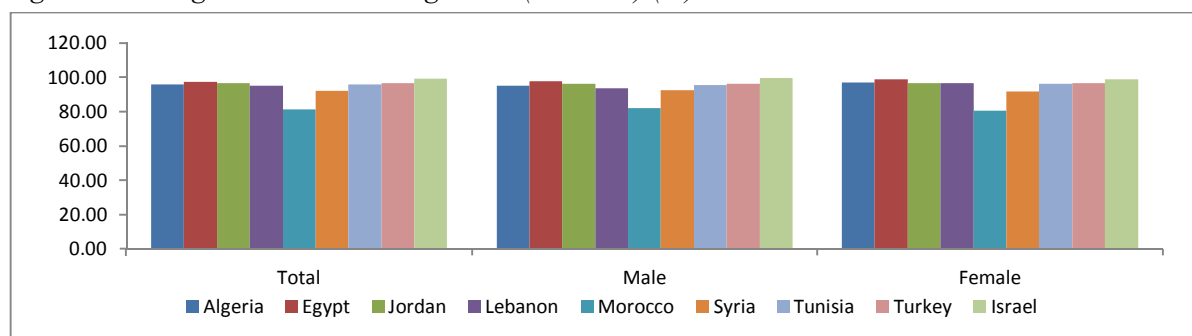
Source: Thomas et al. (2001).

2.4 Efficiency

2.4.1 Retention rates at grade 5

The highest rates of retention in education in the 11 countries are achieved in Israel, reaching 99.21% on average for the period 2000–08, while the lowest rates are found in Morocco 81.26% (Figure 8). In most of the countries, the retention rates for female students exceed those for males, with three exceptions: Morocco, Syria and Israel. Thus, although the enrolments of male students in primary education are higher than those of female students, the retention rates for females are higher at grade 5. The widest gender gap in retention rates at grade 5 is in Lebanon, where the male and female retention rates are 93.4% and 96.4%, respectively.

Figure 8. Average retention rate at grade 5 (2000–08) (%)

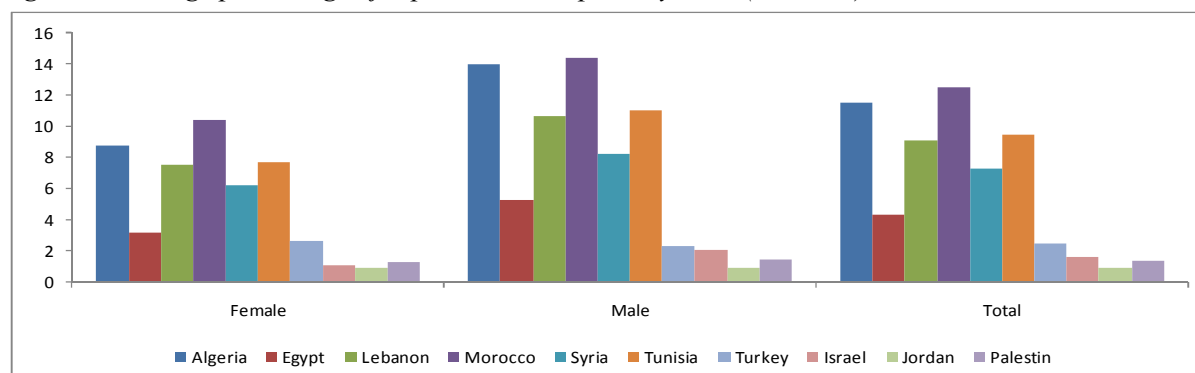


Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

2.4.2 Percentage of repeaters by education level

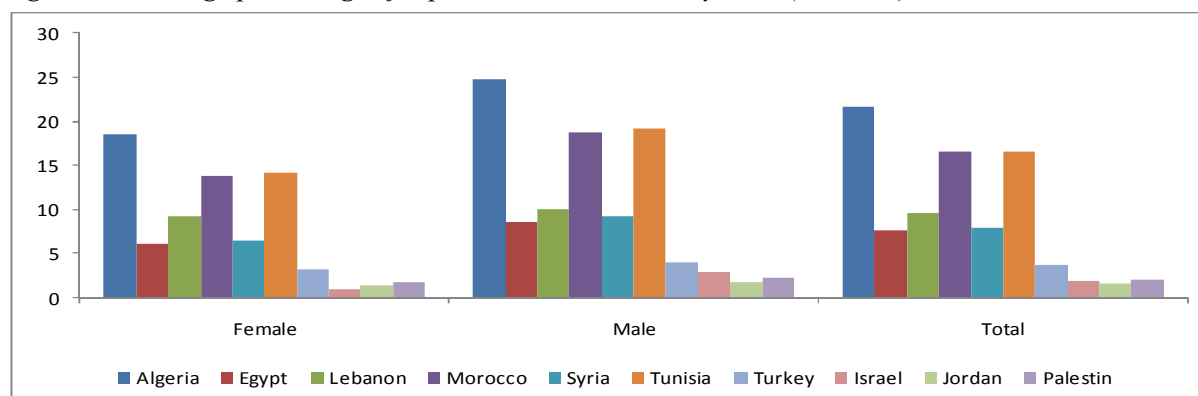
The percentage of repeaters at the secondary level is generally higher than the percentage of repeaters at the primary level. Morocco and Algeria have the highest shares of repeaters at the primary level and secondary levels, for the total as well as male and female students respectively, indicating the low quality of education in these countries. It can also be noted that the percentage of male repeaters is consistently higher than that of females in all countries, whether in primary or secondary education (Figures 9 and 10).

Figure 9. Average percentage of repeaters at the primary level (2000–08)



Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

Figure 10. Average percentage of repeaters at the secondary level (2000–08)



Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

2.4.3 Dropout rate

Dropout figures are not available for all 11 countries. For the countries where data are available, dropout rates increased with the education level. That is, the secondary level suffered from higher dropout rates compared with basic education. Some of the countries have witnessed declining dropout rates over the past decade, indicating that higher internal quality has been achieved, for instance, at all education levels in Palestine, at the secondary level in Lebanon and Egypt, at the preparatory level in Syria and the primary level in Tunisia. On the other hand, other countries had higher dropout rates at some education levels, for example at the primary level in Lebanon and Egypt, and at the secondary level in Tunisia.

Syria had the highest dropout rates in 2003, reaching 7% and 25% at the primary and secondary levels, respectively (Table 2). The highest gap in the dropout rates between the primary and secondary levels rates was in Egypt in 2004, where the dropout rates at the secondary level were six times those at the primary level.

Table 2. Dropout rate by education level (different years)

Country	Primary level (%)	Secondary level (%)
Palestine (2004)	1*	4.1
Egypt (2004)	0.84	5.1
Syria (2003)	7	25
Lebanon (2003)	2.2	11.1**
Tunisia (2004)	1.7	10

* Dropout rate for the basic level

** Dropout rate for the lower secondary level

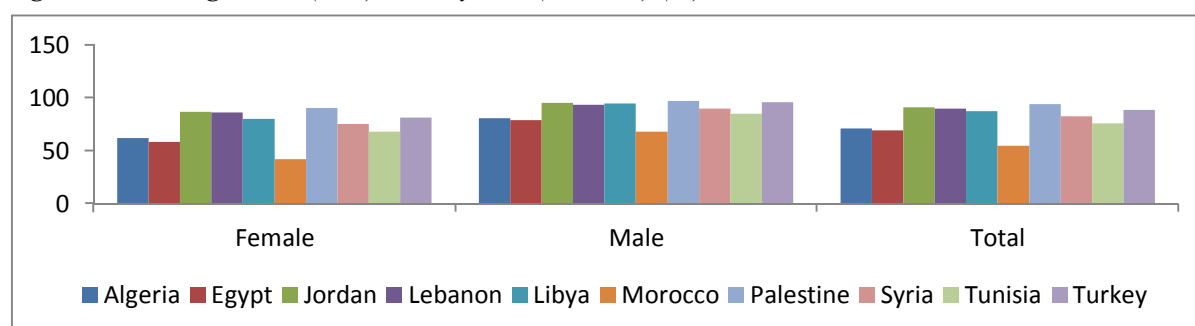
Sources: For Palestine, Ministry of Education and Higher Education; for Egypt, Ministry of Education; for Lebanon, Ministry of Education; for Tunisia, Ministry of National Education.

2.5 Outcomes and quality

2.5.1 Literacy rate by gender

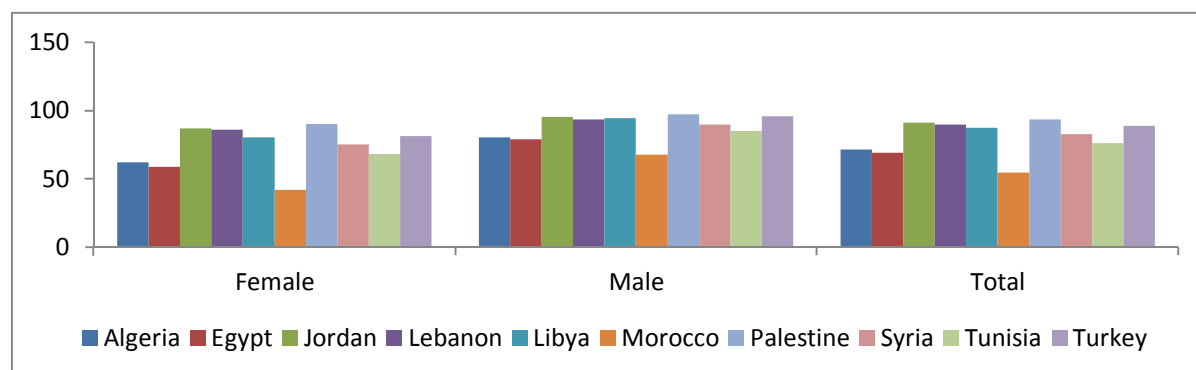
Some of the 11 SEMCs are close to fully eradicating illiteracy, for instance the adult literacy rate in Palestine reached 93% on average for the period 2000–08. Higher literacy rates are found among youth in Palestine, Jordan, Libya and Lebanon, reaching 99%. On the other hand, Morocco has low literacy rates of 55% for adults and 76% for youth (Figures 11 and 12).

Figure 11. Average adult (15+) literacy rate (2000-08) (%)



Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

Figure 12. Average youth (15-24) literacy rate (2000–08) (%)



Source: UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

2.5.2 Labour force participation rates

The labour force participation rates for both genders and for females in the 11 SEMCs are lower than the world averages of 65% and 52%, respectively. As for males, it is only in Morocco, Algeria and Syria that the participation rate exceeds the world average of 78% (Table 3). In general, the female participation rates in the 11 SEMCs are lower than the male rates. The highest gender gap is in Syria and the lowest in Israel.

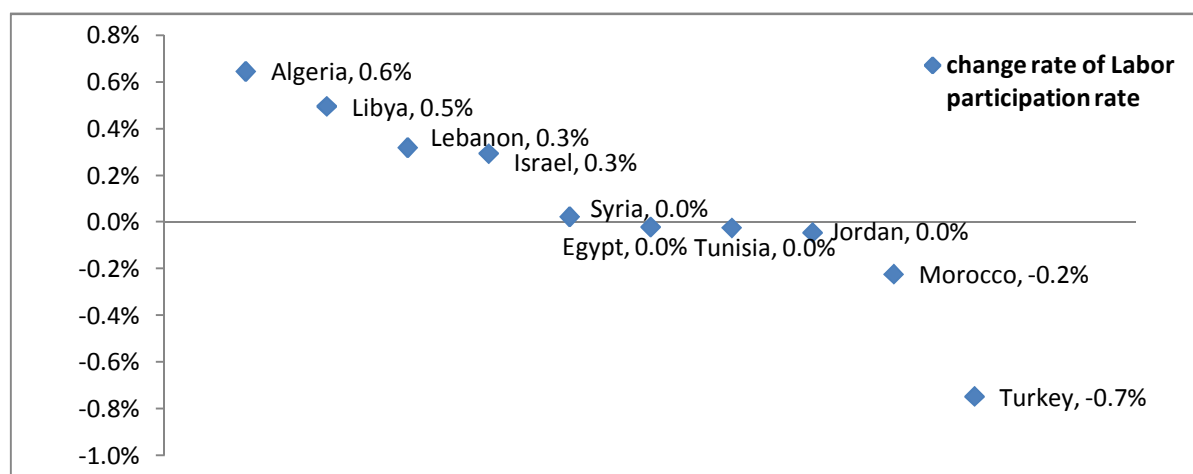
Table 3. Average labour force participation rate (2000–08) (%)

	Female	Male	Total
Algeria	34.44	79.38	56.99
Egypt	23.06	73.66	48.31
Israel	50.88	62.71	56.66
Jordan	22.26	74.43	49.2
Lebanon	21.09	71.19	45.25
Libya	23.91	77.38	51.85
Morocco	26.01	80.1	52.27
Syria	20.11	79.32	49.82
Tunisia	24.73	71.16	47.92
Turkey	25.64	71.34	48.51

Source: WDI.

Most of the 11 SEMCs have growing or stable labour participation rates, with the exception of Morocco and Turkey, where the labour participation rates declined by 0.2% and 0.7%, respectively, on average over the period 2000–08 (Figure 13). By contrast, Algeria had the highest growth rate, reaching 0.6%.

Figure 13. Average growth of the labour participation rate (2000–08)



Source: Authors' calculations, using data from UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

2.5.3 Unemployment rates

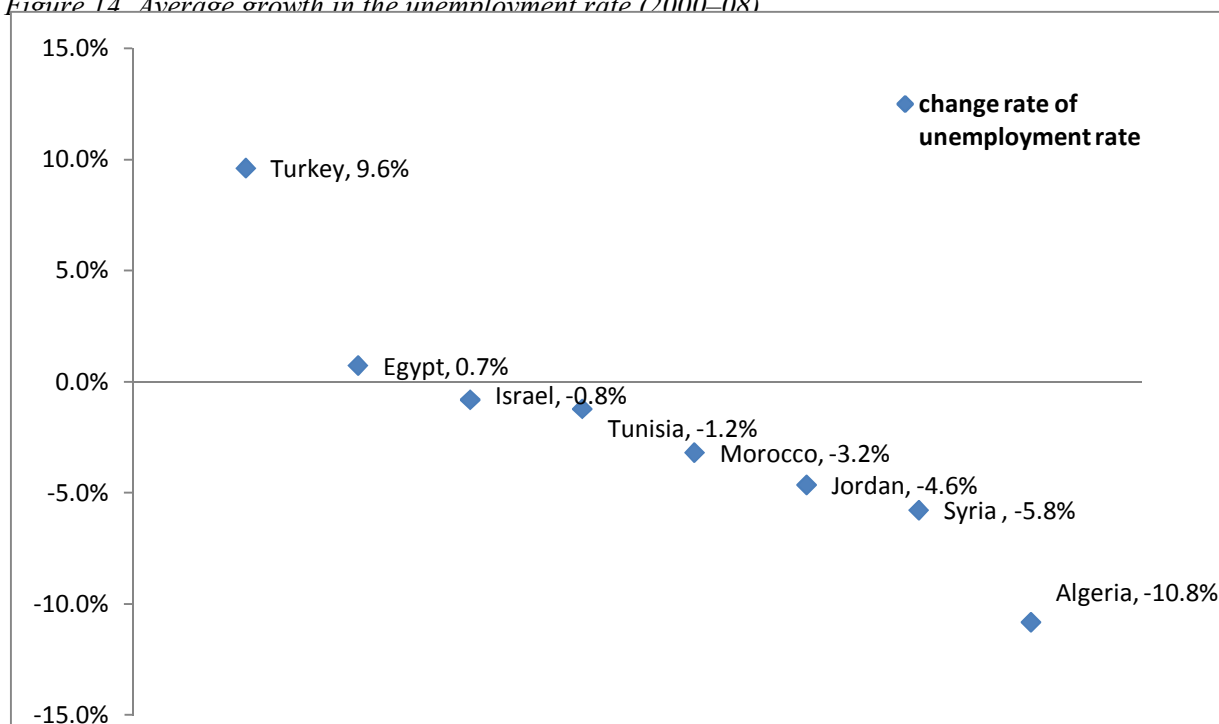
The countries under study have high unemployment rates compared with the world average of 5.7% in 2008. The gender gap varies a lot among the countries. Egypt has the largest gender gap, where the female unemployment rate is more than triple the male rate (Table 4). Meanwhile, the gap is almost negligible in Turkey.

Table 4. Average unemployment rate for 2000–08 (%)

	Female	Male	Total
Algeria	19.55	17.66	19.93
Egypt	22.74	6.15	9.87
Israel	9.30	8.36	8.80
Jordan	21.39	12.55	14.06
Lebanon	8.92	7.75	8.42
Syria	20.25	6.22	8.86
Morocco	11.23	10.97	11.03
Tunisia	16.67	14.15	14.59
Turkey	10.35	10.26	10.28

Source: WDI.

Although Turkey has a low unemployment rate compared with the other 11 countries, the percentage of unemployed workers in Turkey has been increasing over time at a very high growth rate, reaching 9.6% on average for the period 2000–08 (Figure 14). On the other hand, other countries (such as Algeria and Syria) have progressed in this area, with substantial declines in their unemployment rates during the same period.

Figure 14 Average growth in the unemployment rate (2000–08)

Source: Authors' calculations, using data from UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

2.5.4 Educational attainment of the population aged 25 and older

The distribution of the population aged 25 and older that has attained various levels of education differs across countries. In Tunisia and Syria, the majority of the educational attainment by the population was found to be concentrated at the primary education level, while in Egypt 37.1% were enrolled in secondary education (Table 5).

Table 5. Educational attainment of the population aged 25 and older (%)

Country	Primary level	Secondary level	Tertiary level	Total
Tunisia (2004)	32.1	24.1	9.2	65.4
Egypt (2005)	12.3	37.1	6.6	56
Syria (2005)	62.1	20.8	3.6	86.5

Sources: Tunisia, Institut National de la Statistique (INS); compilation from Institut Tunisien de la Compétitivité et des Etudes Quantitatives (ITCEQ).

2.5.5 TIMSS scores

In TIMSS (Trends in International Mathematics and Science Study) scores, the 11 SEMCs are consistently below the world average, whether in math or science, with the exception of the science score in Jordan, which was slightly higher than the world average in 2003. Morocco was at the tail end of math scores and Lebanon had the lowest score in science compared with several other countries (Table 6).

Table 6. TIMSS scores (2003)

Country	Math	Science
Egypt	406	421
Jordan	424	475
Lebanon	433	393
Morocco	387	396
Tunisia	410	404
World average	467	474

Source: Mullis et al. (2004).

2.6 Future scenarios for education

In an attempt to forecast the future prospects for education in the 11 countries, an exercise was undertaken to extrapolate the gross enrolment rates (at the primary, secondary and tertiary levels) of the 11 countries for the period 2011–30. To do so, the exercise used the following data for the period 1970–2010: gross enrolment rate, GDP per capita, public expenditures on education, public expenditures on education as a percentage of GDP, ODA, percentage of the population under the poverty line, population growth at the age of primary education and population growth at the age of secondary education.

First, the above data was used to fit an econometric model for each education level in each country that explains the variations of GERs over time. Then, these models along with the forecasted values of the explanatory variables (using the AR(1) model) for the period 2011–30 were used to extrapolate GER series for the same period. Because we used the AR(1) model in forecasting the explanatory variables, the process resulted in a business-as-usual scenario.

A limited number of cases failed to follow a regression model; as a result, no predictions were made. Nevertheless, in such cases the linear trend estimation was performed for prediction, and by constructing the same intervals using the standard error of the estimate, the optimistic and pessimistic scenarios were formed.

The forecasted data implied different directions and magnitudes of growth among the countries and across various education levels.

In primary education, some countries experienced insignificant changes over time (less than 1% throughout the forecasted period). Most of the remaining countries expected to achieve some progress in GERs for primary education, for instance in Egypt, Lebanon and Syria. An exception is Jordan, which will likely witness a drop during the forecasted period.

In secondary education, the gap that already exists among the 11 countries will widen further. Algeria and Tunisia are expected to achieve growth rates of 35% and 27% between 2011 and 2030, while secondary-level GERs in Libya and Turkey may fall gradually over the same period (Table 7).

As for tertiary education, one of the main findings is that GER growth at this level in Turkey reached 175% over the forecasted period.

Another important finding of the AR(1) model applied to the 11 SEMCs is that in a number of countries, such as Algeria, Egypt, Palestine, Syria and Lebanon, the results revealed that one of the main determining factors of the GERs at the three education levels (which varied by country) was either the level of the EU-15's share in total ODA or the value of the EU-15's ODA.³

³ See the statistical appendix 1, as well as the technical note in appendix 2.

Table 7. Percentage change in GERs (2011–30)

Level	Algeria	Egypt	Jordan	Lebanon	Libya	Morocco	Palestine	Syria	Tunisia	Turkey	Israel
Primary	0.03	34.4	-1.19	2.43	–	0.17	1.63	2.71	0.38	0.85	-0.30
Secondary	35.2	0.33	0.67	-0.75	-5.12	-2.9	9.18	-1.22	27.5	-3.21	–
Tertiary	–	3.6	-17.8	-5.42	–	-2.34	19.85	–	174.9	–	–

Source: Authors' calculations, using data from UNESCO, Institute for Statistics, Data Centre, Custom Tables, accessed on 30 December 2012 (http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

As for the optimistic and pessimistic scenarios, these are estimated using the standard errors of the GER models and the predicted future values of the GERs, where

optimistic figures = predicted figures + 2 S.E.

pessimistic figures = predicted figures - 2 S.E.

Consequently, the optimistic and pessimistic⁴ figures for some countries, such as Lebanon and Syria, deviate significantly from the figures in the business-as-usual scenario, as they have a high standard deviation. Also worth mentioning is that possible deviations from the expected values are higher for secondary education compared with other education levels.

2.7 Conclusions

The following conclusions are drawn:

- Education is considered one of the main building blocks for human development and poverty reduction. Thus, making use of cooperation opportunities between the EU and Mediterranean countries is a way of realising the millennium development goals in those countries.
- Relations between the EU and the southern and eastern Mediterranean countries have been active for a long time, starting with the Cooperation Agreements, then the Euro-Mediterranean Partnership (EMP) followed by the European Neighbourhood Policy (ENP) and finally the Union for the Mediterranean (UfM). All these initiatives have aimed at strengthening relations in political, economic and social fields.
- Education is one of the main areas of cooperation between the EU and the 11 SEMCs. Education projects are dedicated to basic and vocational education, and also areas of higher education, for instance by the European Training Foundation (ETF), EuroMed Youth, Euro-Mediterranean Partnership, Education and Training for Employment (MEDA ETE) and Erasmus Mundus programmes.
- The results indicate that several of the countries have benefited from the education assistance provided by the EU in raising their GERs and thus extending the outreach of education to children.
- The development achieved in the countries differs in the quantity and quality of education. Some countries have managed to develop in one of these two respects and some have progressed in both (such as Lebanon and Israel). Also, the magnitude of the development has differed, but none of the 11 countries has been stagnant in all indicators. On the other hand, some countries are currently suffering from political and economic instability and will continue to do so, and these conditions will affect their future cooperation with the EU and the potential development of their education systems.
- As in the case of economic growth and development, it is expected that the more progress a country has already made, the more difficult it is to achieve further large leaps in development. Countries that perform well based on their current education indicators, such as Turkey, Israel and Jordan, will achieve slower progress compared with other countries in the region, which are still at the middle of the road.

⁴ See the statistical appendix 1 and the technical note in appendix 2.

3. Comparative assessment of social protection systems in the 11 SEMCs⁵

3.1 Introduction

Social protection is one of the fundamental instruments in the struggle against poverty. Therefore, its contribution is considered essential to developing stability and alleviating poverty in a region such as the southern and eastern Mediterranean, which is characterised by poverty and conflicts of both a political and an economic nature.

Social protection has various institutional mechanisms, insurance and assistance that can protect families and individuals against certain types of risk. Yet the social protection systems in the region are highly fragmented in terms of the type of support, the target groups and sources of funding.

This part of the report provides an analysis of the social protection systems in the 11 SEMCs. It analyses the design and operation of the social protection systems in these selected countries as well as the impact, challenges and future prospects of these systems. The final objective is to map the current status and performance of these countries' social protection systems.

In short, this part of the report depends on a descriptive analysis that gives a basic understanding of the countries' protection systems. This in turn helps the development of a forecast for these systems in the framework of the current economies of the 11 countries. To achieve this objective, this part of the report is divided into four sections. Section 3.2 gives a general overview of the 11 SEMCs with respect to macroeconomic indicators, population, poverty, health status and total expenditure of their social protection systems. Section 3.3 compares the social protection systems of the countries, under the themes of old-age, disability and survivors' benefits; healthcare and maternity benefits; unemployment benefits; and finally cash transfer and subsidy programmes. Section 3.4 concludes, highlighting the main challenges these systems face in terms of development, and the future prospects in the context of the actions, policies and reforms underway in the countries.

3.2 General overview of social protection systems in the 11 SEMCs

3.2.1 Macroeconomic indicators

Most of the selected countries are considered upper-middle income countries, with the sole exception of Israel, which is the highest-income OECD country in the region. Meanwhile, Egypt, Syria, Palestine and Morocco are lower-middle income countries.

GDP indicators. Turkey has the largest GDP, which amounted to \$735.3 billion in 2010. Egypt is second on the list, with \$218.9 billion in GDP and a growth rate that reached 5.1% in FY 2009–10, followed by Israel, Algeria and Morocco with \$217.8 billion, \$159.4 billion and \$91.2 billion, respectively. Libya and Syria are characterised as medium-sized economies with \$62.4 billion and \$59.1 billion in GDP, respectively, as of 2010. The GDP of Tunisia is \$44.3 billion, Lebanon's is \$39.2 billion, while Jordan's GDP is around \$31.4 billion.

The lowest GDP is Palestine's, at \$4 billion as of 2010. In light of the deterioration in living conditions, the international community has promoted support for different social and emergency relief programmes. As a result, GDP growth in Palestine has been relatively steady, despite the economic deterioration following the first and second intifadas, from 2000 and onwards.

GDP per capita. Israel has the highest GDP per capita of \$27,340 as of 2010. It is followed by Turkey, Libya and Lebanon, with \$9,712, \$9,714 and \$9,203 in GDP per capita, respectively. Jordan, Algeria

⁵ This part of the report is based on detailed, background case studies of the countries, which were prepared (but some of which are as yet unpublished) within the framework of MEDPRO project and are listed in the References section.

and Tunisia have almost the same GDP per capita, of around \$4,525, \$4,501 and \$4,204 respectively. Morocco, Syria and Egypt also have similar levels of GDP per capita, at \$2,771, \$2,734 and \$2,591, respectively as of 2010. As in the case of GDP, Palestine has the lowest GDP per capita, at \$1,123. The discrepancy in the nominal daily wage between the Gaza Strip and the West Bank is significant, with the average, nominal daily wage in the West Bank being consistently higher.

*Employment.*⁶ Palestine suffers from the highest unemployment rate of the 11 SEMCs, at 24.5%. The unemployment rate in the Gaza Strip was highest in the third quarter of 2009, reaching 42.3%. Tunisia and Turkey have almost the same unemployment rate, of 14.2% and 14% respectively. Turkey and Egypt's informal labour market is estimated to represent nearly 45% and 42% respectively of total employment. Informal labour comprises the self-employed and wage workers, along with unpaid family workers who are not contributing to social security and are mostly underperforming owing to incomplete protection and poor job conditions. Many reasons explain the persistence of informal work in Turkey and Egypt. Among the main ones is the prospect of relatively higher labour costs as a result of the high costs of social protection provisions. In the case of Turkey, although social security contributions were reduced in 2008, minimum wages remain high when compared with other countries in the region.

Jordan's unemployment rate is 12.9%, followed by Algeria, Morocco and Lebanon at 11.3%, 10% and 9%, respectively. Egypt's unemployment rate started to fall below 9% in 2010, but it rose again and exceeded 10% at the beginning of 2011. Syria's unemployment rate is 8.4% and Israel's is 7.6%. Data on Libya's unemployment rate were not available.

3.2.2 Population and poverty

Population. Egypt had the highest population (84.5 million) of the 11 SEMCs in 2010, and in 2009, 21.9% were living at the national poverty line. Turkey's population was 75.7 million in 2010, with 18.1% living at the national poverty line in 2009. Algeria and Morocco had nearly the same population in 2010 (35.4 million and 32.4 million, respectively) and also similar poverty rates. Algeria suffered from a poverty rate of 7% during 2000–09, while Morocco had about 9% of the population living at the national poverty line in 2007. Tunisia's population was 10.5 million in 2010, with the lowest poverty rate in the region of 3.8% in 2005. Israel's population was at 7.6 million as of 2010. When compared with EU countries, Israel's population is relatively young. Meanwhile, 20% or 1.5 million of the Israeli population lives below the poverty line. Nearly half of the Arab-Israelis and the ultra-orthodox households remain below the national poverty line. The Israeli elderly population is also prone to a high incidence of poverty, which remains above the national averages. Jordan's population was 6.1 million in 2010, with a median age of around 22. Therefore, Jordan is also a fairly young country, in which 13.3% of the population lived at the national poverty line in 2009. Among Syria's population of 20 million, more than 50% lived in urban areas in 2010 (no information was available on the poverty rate).

The smallest populations are in Libya, Lebanon and Palestine, with 6.5 million, 4.3 million and a little over 4 million, respectively, as of 2010; no data were available on the poverty rates of the first two countries. The population in these three countries is considered relatively young given the high fertility and lower mortality trends. This leaves the percentage of the older (age 65 or more) population low, which also keeps the old-age dependency ratio at a relatively low level. Still, the dependency ratio in Palestine is considered among the highest in the Arab world. With the continued economic decline in 2007 and the strict closures on Gaza, the current deep poverty rate is certainly higher. Living standards in Palestine deteriorated sharply amid the second intifada in 2002: 62% of households lost more than 50% of their income and almost 60% of them were below the national poverty line. Almost 20% of households suffer from severe poverty according to actual spending

⁶ Data on unemployment for the different countries refer to the year 2010. In some countries, however, we had to go as far back as 2008 due to the unavailability of new data.

patterns and nearly 45% suffer severe poverty in terms of income. In Gaza, the deep poverty level is very high. The percentage of Gazans who lived in deep poverty rose from 21.6% in 1998 to nearly 35% in 2006. About 80% of the population relies on some form of UN humanitarian assistance.

3.2.3 Health status indicators

The 11 SEMCs have generally recorded an improvement in life expectancy, other than Turkey, which had greater life expectancy figures until the 1980s but has converged on regional averages ever since. In particular, life expectancy at birth in Turkey has been rising steadily, almost entirely coinciding with the 11-country average since the 1990s. In 2008, Turkey surpassed only Morocco, Palestine and Egypt. At the same time, health status in Turkey has improved over the past few decades, although it remains below the regional norms. A similar trend also exists for infant mortality figures, which have declined in all countries, as have the regional averages for the 11 SEMCs and the EU. Following a substantial drop during the 1960s, the infant mortality rates have fallen more quickly in Turkey than in other countries in the region since the early 2000s. For these reasons, the infant mortality rates are below the average for the 11 SEMCs according to the latest data available for 2009. To large extent, the Israeli health indicators exceed the EU averages. Accordingly, life expectancy at birth has been above age 70 since the 1960s and reached over 80 in the mid-2000s, along with most EU countries. Infant mortality rates have also declined over the past decades, dropping from 30 deaths per 1,000 births to under 4 deaths in 2008. Turkey's life expectancy at birth is 72 years, followed by 70 years in Egypt, 72 years in Morocco and Lebanon, 73 years in Algeria and Jordan, 74 years in Tunisia, Syria and Palestine, and 75 years in Libya.

3.2.4 Total expenditures of the social insurance system

In Palestine, the resources allocated to the social sector were estimated at 45% of the total budget for each year from 2008 to 2010. Moreover, social protection spending nearly doubled in 2005, to 6.5% of GDP. The major source of the increase was the programme for temporary employment. Expenditure on the currently generous public pension represented 4% of GDP in 2009, which was higher than the average burden in the region, despite the fact that the Palestinian population tends to be younger than most of the populations in the region.

In Turkey, the total expenditures of the social insurance system – including on social security, general health insurance and unemployment insurance – represented nearly 10% of GDP or roughly 30% of the general government expenditures in 2009. Among the various items under social insurance spending, healthcare expenses had increased the most since 1999.

By contrast, with defence-related expenditures in Israel representing nearly 8% of GDP, government spending on social programmes has remained relatively low and has further declined in recent years. Against the background of a relatively young Israeli population, healthcare and pension expenditures are comparably low. Social spending remains lower than average spending in many EU countries, with increasingly restricted access to income-support benefits and child allowances.

3.3 Social protection systems in the 11 SEMCs

3.3.1 Introduction

Social protection involves all the programmes and institutions that cover some or all of the risks the population faces during the life cycle. They are financed either through the contributions of current workers (social insurance) or the state budget (social assistance), relying on solidarity within and between the generations. This section of the report provides a comparative analysis of the social protection systems (SPS) in the 11 countries.

In general, the social protection systems in these countries are well established and provide a number of benefits to the poor and others who are covered by these systems. Nonetheless, the characteristics of these systems differ from country to country.

While the **Egyptian** SPS covers survivors, old-age retirement, unemployment benefits, disability, work injuries, sickness and maternity, the **Israeli** system provides unemployment insurance, health insurance, income support, social assistance and solidarity funds, maternity benefits and family allowances. In **Turkey**, the system also provides income, healthcare, education, accommodation and rehabilitation benefits to social groups in need, such as the elderly with no family support, disabled citizens, orphans, abused women and children, and the poor. The **Lebanese** system covers four categories: retirement, maternity insurance and sickness, family allowances, and emergencies and risks in the work environment. In **Syria**, the main form of social protection is the social insurance system, which provides coverage for old age, disability and survivors, along with work injuries and maternity benefits. Almost 90% of the beneficiaries of the Syrian system are public sector workers. The **Jordanian** social security system is composed of a pension, health insurance, maternity benefits, cash transfers and subsidy programmes. The case is somewhat different in **Palestine**, since there are public pensions, cash transfers (including the special fund for hardship cases, temporary employment schemes, the martyrs and injured fund, and the detainee's fund), food aid and other services.

The national **Algerian** programmes for social security cover all persons employed under a labour contract, with earnings at least equal to half the legal minimum wage of 12,000 dinars. The insured person and the employer's contributions solely finance old-age benefits and the government subsidises the minimum pension. Disability benefits, survivors' benefits and a death grant are financed under the sickness and maternity programmes.

In **Libya**, the national social security programmes cover all persons residing in Libya, with a special system for armed forces personnel. The insured person, the employer and the self-employed person's contributions help finance sickness benefits, pregnancy benefits, birth grants and work injury benefits, while the government contributes 0.75% of covered earnings, providing annual subsidies and income-tested benefits. The national social security programmes in **Morocco** cover salaried workers and apprentices, persons employed by landlords, craftsmen and certain categories of self-employed persons along with specific categories of fishermen. The system has voluntary coverage for previously insured persons and self-employed persons, as well as special systems for civil servants and for other specific categories of employees. The source of funding is the employee and the employer with no government contribution. Direct assistance programmes, whether in kind or in cash, are available, as are food distribution programmes to the elderly, disabled persons, mothers and children. Furthermore, there are literacy and training programmes for the most deprived persons, orphans, etc. In addition, social security allowances are distributed on a category-specific basis and according to poverty lines.

In general, the countries of the Maghreb are characterised by a strong and cohesive social system through which families help in periods of shortage and where income is redistributed among the poorest by associations along with religious and charitable foundations. The private sector is involved in the solidarity process as well as the national level, through associations of all kinds and foundations that were created recently with the support of the King of Morocco to counter social exclusion, accompanying the social policy.⁷

Social protection in **Tunisia** is comprised of social insurance schemes and social assistance programmes financed directly from the state budget, targeting the poor and those on a low income. The latter programmes include cash transfers, free or reduced-fee healthcare, some basic food and energy price subsidies. The social insurance schemes in the public and private sectors are

⁷ One example is the Mohammed V Foundation for Solidarity, which was established in 1999 as a public utility entity. Guided by its motto 'Ready to help the needy', it has been involved, jointly with other social players, in the fight against poverty. Its activities involve relief to victims of natural disasters, providing food support, reaching out to vulnerable people, launching or fitting out social work centres and centres for the advancement of women, hostels, building facilities for the disabled, building healthcare centres and providing equipment for public hospitals. In addition is the provision of financial and logistical support for NGOs and other sustainable development activities, such as improving basic infrastructure, literacy, informal education, vocational training, developing activities and setting up sustainable income-generating units, particularly for women in rural areas.

fundamentally different. There is a relatively large number of schemes in the private sector, which differ according to the socio-professional classifications of employees in terms of contributions, risk coverage, benefits and qualifying conditions. The general feature of social insurance schemes in Tunisia is that they are in most cases mandatory and generally cover some or all of the following risk categories: pensions for old age, disability and survivors; sickness and maternity benefits, which cover medical care and cash benefits for lost days of work; family allowances; and benefits for accidental injuries and occupational illness. Most recently, a kind of unemployment insurance has been introduced, in the form of aid for a limited period and under very strict conditions. In the private sector, besides the general scheme (the RSNA for non-agricultural wage earners, established in 1960), there are different schemes for wage earners in agriculture (the RSA, 1981), wage earners in agricultural firms and cooperatives (the RSAA, 1989), self-employed agricultural and non-agricultural workers (the RTNS, 1995), and work injuries and occupational illness (1994). There is also medical care for students (and eventually family allowances if they are married with children). In addition, there is a scheme for Tunisians working abroad who not covered by any other scheme in Tunisia or abroad, which is optional and covers only medical care and old age (the RTTE, 1989). Several other schemes were added in 2002 with the aim of eventually extending coverage to all workers, including a scheme for persons on a low income (the RTRF), which covers household workers, small-scale fishermen, agricultural workers working less than 45 days per quarter with the same employer; a scheme for workers at construction sites (the RTC); and a scheme for artists, creators and intellectuals (the RACI). With these new schemes the rate of statutory coverage reached 97% of the population in 2006; it is higher if we exclude the unemployed.

3.3.2 Social protection systems in the 11 SEMCs: A comparative analysis

Old-age, disability and survivors' benefits

Most social protection systems in the 11 countries provide old-age, disability and survivors' benefits.⁸

The **Egyptian** social security system (SSS) covers employed persons aged 18 or older, and aged 16 or older if a government employee. The SSS is based on a pay-as-you-go (PAYG) system, which covers 25 million members and is administered by the National Organisation for Social Insurance through two separate pension funds: i) for government workers (civil servants, the army, police, etc.) (the GSIF); and ii) for workers in public and private enterprises, the self-employed, casual workers and Egyptians working abroad (the PSIF). Different assistance schemes are provided by the Ministry of Social Solidarity to those who are not otherwise covered by the system. The SSS is so expensive that a large proportion of employers and employees are unable to participate in it. The contribution rate is 41% of salaries, of which employers contribute 26%, workers contribute 14% and the treasury contributes 1%. The SSS suffers from major deficiencies, namely higher contribution avoidance, a low ceiling for the pensionable salary, high administration costs, and inconsistent and unsustainable financing.

In 2010, a **new, unified social protection system** was proposed and introduced to overcome these deficiencies. It covers all categories of the population and provides a basic pension for all Egyptian citizens who reach the age of 65 even if they are non-contributors. The new system shifts from a defined benefit system to a defined contribution system with an annual increase for pensions indexed to inflation. The system provides benefits in the event of death, disability, work injury or unemployment. The old-age pension benefits under this system depend on the value of the insured person's account balance at retirement, which is contingent upon the duration and amount of contributions collected, the rate of return on invested assets and the rate of wage increases. The pension received ranges between 65 and 75% of the value of the last gross real wage prior to

⁸ As noted earlier, country data on the social insurance and protection systems are based on the detailed, background country reports prepared for the MEDPRO project.

retirement; for disability or death, it represents 75-88% of the value of the last net wage before retirement.

In **Lebanon**, the social security system is a classical, state-run compulsory scheme. The system is financed by contributions representing a percentage of lifetime earnings; it is operated as a PAYG system and is very partially funded. The major revenues of the system come from the contributions of both employers and employees, with the state being committed to cover deficits. Old age, disability and a survivors' programme are part of a social insurance system that solely provides a lump-sum benefit. The old-age benefit is a lump sum payable from age 60 but it is compulsory at age 64. It is payable i) at any age if an individual has at least 20 years of employment, ii) if a woman marries and leaves employment during the first year of marriage, iii) if a person is disabled (with at least 20 years of employment), or iv) upon death (with at least 6 years of employment). A reduced benefit is paid at any age with 5 to 19 years of employment if the insured person leaves employment permanently. The Lebanese social security system is fragmented, with multiple health insurance schemes and limited social safety-net programmes. The system is characterised by low coverage and high fiscal costs, and the schemes for the civil service and military cover just 6% of the labour force, while costing 2.7% of GDP per year. Additionally, the formal social safety nets/social assistance programmes are weak and fragmented, and too inadequate to play an effective role in times of economic need. Consequently, Lebanon is planning to increase the minimum value of pensions by moving towards a multi-pillar scheme for pension funds.

The **Syrian** old-age pension system has been designed somewhat differently with respect to age than the systems in Lebanon and Egypt. The pension system applies to men aged 55 and women aged 50 with 240 months of contributions, or at any age for both men and women with 360 months of contributions. It also applies to men aged 60 and women aged 55, and to persons whose occupations are physically demanding or dangerous, with a minimum of 180 months of contributions. The system covers employees, domestic workers, freelance workers, the self-employed and employers. Family labour is not covered, however, but those who work abroad have the right to join the system. Civil servants have their own special system. Early pensions apply at any age with a minimum of 300 months of contributions. In the Syrian system, there is an 'old-age settlement' that is applied to those who do not satisfy the qualifying conditions for the old-age pension for men aged 60 and women aged 55. The insured person is paid 2.5% of his or her base earnings multiplied by the number of years of contributions, up to a ceiling of 75% of the basic earnings (which equal the prior year's average monthly earnings). The disability pension applies to those persons who have suffered a loss of at least 80% of their working capacity. The beneficiary must have contributed for the most recent 12 months or for 24 months, including the previous 3 months. The insured person is offered 40% of his or her base earnings in addition to 2% for each year of covered employment (where the base earnings are equal to last year's average monthly earnings). The maximum pension is 80% of base earnings.

In **Turkey**, the public pension system is one of the most generous old-age benefit plans in OECD countries, with an estimated gross replacement rate of around 86%. It is based on a defined-benefit model, providing old-age income to the insured person and his or her dependents. Turkey's publicly funded defined-benefit system is financed on a PAYG basis. All salaried employees above the minimum retirement age who have contributed to the pension fund are entitled to old-age benefits. Employee contributions to the public system amount to 9% of monthly earnings; employers contribute 11% of the payroll. The government also makes transfers of up to 25% of the total contributions. Minimum and maximum monthly limits also apply for contribution purposes.

A **reform was implemented in 2006** that consolidated the separate pension institutions and systems providing benefits to self-employed workers and farmers, private and public sector workers, and civil servants. Non-public occupational and personal pension schemes also exist in Turkey. Among these, mandatory occupation schemes for the armed forces and coal mining enterprises are the most established while others are growing. A private pension system providing complementary pension income was introduced in 2001. Joining any private pension plan is optional. The law provides a number of tax incentives to motivate salaried employees to shift to private pensions.

The **Israeli** social security system is highly stratified. The pension system in particular includes several layers. First, the basic pension arrangement provides a low level of support to all Israelis. A means-tested system also exists alongside, providing income support to low-income elderly families. In 2008, a mandatory pension saving system was introduced for all workers, currently covering nearly two-thirds of the population. Lastly, the high-tech and public sectors have supplementary pension systems, including occupational pensions that are no longer accepting entrants. The link between the pension payments and contributions is weak. Men are eligible for a pension at age 67, while women can obtain pension income after age 62. The old-age support ratio, or the ratio of potential pension contributors (aged 20 to 64) to beneficiaries (aged 65 and older), is nearly 8-to-1. As a consequence, expenditures on pensions are relatively low. Nearly a quarter of the elderly receiving pension benefits live under the national poverty line. The Israeli pension system also relies on private pensions to reduce poverty risks. The private (second-pillar) pension schemes, which are especially prevalent, have recently been transformed from occupational defined-benefit schemes (which have not accepted new members since 1995) to defined-contribution schemes, with tax advantages provided for long-term savings and annuity programmes.

In 2008, **a new agreement was struck between the unions and employers** that required a gradual increase of the mandatory employee and employer contributions to defined-contribution schemes. Currently, only half of retirees receive income from a second-pillar pension scheme; however, this share should increase over time as more people retire under the mandatory scheme. Disability benefits, on the other hand, provide a low level of income for those with an ‘assessed level of disability’. Although no qualifying contribution period exists, potential beneficiaries must have a total assessed disability that is over a certain threshold and would lead to a loss of 50% or more of their earning capacity from employment. The share of disability benefit recipients among the population has increased rapidly, reaching 5% of the working-age population in the mid-2000s. One of the key reasons is the relative generosity of the scheme when compared with income support payments.

The **Jordanian** pension system is typical of the region in many respects, while both superior and inferior in others. At the most basic level, it shares many characteristics with the region: it is a partially funded PAYG scheme, which covers around 37% of the workforce. At present, there are three separate tiers within Jordan’s public pension system; however, the formerly independent schemes for public sector and military employees have been closed to new entrants. Since their creation in the mid-20th century, the schemes have fallen into financial difficulty, prompting the Jordanian government to suspend new membership. These schemes are the i) now-closed Civil Pension System, covering those government employees hired prior to 1995; ii) the more recently closed Military Pension System, covering only those armed service members recruited prior to 2002; and iii) the Social Security Corporation (SSC), which remains open to new entrants and covers state employees hired after 1995, members of the armed forces enlisted subsequent to 2002 and the nation’s private sector employees. The consolidation of the formerly independent public and military schemes into the SSC is part of the Jordanian government’s vision of creating a fully integrated, universal public pension system. Participation in the SSC is compulsory for business owners with more than five employees. The age conditions set by the SSC differ for men and women, with male eligibility set at 60 years and female eligibility set at 55. The contribution rates for the SSC total 14.5% of gross wages and are split between work injury and occupational disease insurance (2%) and old-age, disability and survivors’ pensions (12.5%). Employers contribute the 2% needed for the work injury and occupational disease insurance, while the 12.5% allotted for old-age, disability and survivors’ pensions is split between the employer’s 7% contribution and the employee’s 5.5% contribution. The contributions made by employers are income tax-deductible, while the employee’s contributions are tax-exempt.

In **Palestine**, there are two different pension systems for civil servants in the West Bank and in the Gaza Strip, and a third for the security forces. These schemes cover civil servants and local authorities – approximately 160,000 public sector employees or 15% of the working population. All three public pension systems are defined-benefit schemes (unfunded or partially funded) that do not allow for capital accumulation nor enable investments in the local economy. It was estimated that the budgetary pension expenditures accounted for 4% of GDP in 2009, which is higher than the average burden in

the region, despite the fact that the Palestinian population tends to be younger than that of many countries in the region. The private pension schemes currently have the following characteristics: i) they are voluntary and accessible; ii) most of them involve defined benefits and employer contributions; iii) they vary in motivation and investment policies; iv) they provide lump-sum payments rather than regular retirement payments; v) the provident fund is paid by the end of the work contract rather than at retirement age; vi) provident funds are not transferable to other employers; vii) they are managed through shared representation by the employer and employees, with weak tracking systems; and viii) most of these funds are not significant to the extent that they can impact on the local economy.

In **Algeria, Morocco and Libya**, retirement pensions are generally based on salaries during a relatively short reference period: three or five years in Morocco, and three years in Libya and Algeria. Public works programmes have existed in Morocco for several years, especially since the beginning of the 1990s with the implementation of the structural adjustment programme. The pension systems (for old age, disability and death) in Algeria, Morocco and Libya were legally codified at the same time.

In Algeria, the old-age pension is for men aged 60, veterans aged 55 with at least 15 years of coverage and women aged 55 with at least 10 years of coverage. It applies regardless of age for men and women who have at least 32 years of contributions. The normal retirement age for insured women (age 55) who have raised at least one child for at least 9 years is reduced by a year for each child, up to 3 years. The normal retirement age for veterans with a disability (age 55) is reduced according to the assessed degree of disability. Disability insurance is paid at any age for workers with a total disability who do not meet the other qualifying conditions for a disability pension. Workers who do not have the required number of years of coverage at the normal retirement age can continue to work for up to 5 years to meet the qualifying conditions. Persons employed in unhealthy work can retire before the normal retirement age. The system provides a partial pension at age 50 for men with at least 20 years of contributions and at age 45 for women with at least 14 years of contributions who have *voluntarily retired* from employment.

The system also provides an early pension for men at age 50 and for women at age 45 with at least 20 years of contributions. The insured person must be *involuntarily unemployed* owing to economic factors (such as downsizing or business closure), must have worked at least three of the last ten years with the employer, and must not be receiving income from any professional activity. The employer must pay a lump-sum contribution, calculated according to the number of years at which the insured person retires before the normal retirement age.

In terms of age, the limits are different in Libya and Morocco. In Libya, eligibility for the old-age pension starts at age 65 for men, 60 for women, 62 for civil servants and 60 for workers in hazardous or unhealthy occupations, with 20 years of contributions needed for a full pension. In Morocco, eligibility for the old-age pension starts at age 60 for men (55 for miners with at least five years of underground work) with at least 3,240 days of coverage.

In **Tunisia**, old age, disability and survivors' pensions are financed by a contribution rate of 4.74% of gross earnings from the insured person and 7.76% of gross payroll from the employer. It also includes a death grant and a death allowance from an administrative and management point of view, even though their financing is covered by the premium paid for the sickness and maternity programme. To qualify for an old-age pension, the insured person must reach the legal retirement age of 60 (or 55 for certain hard occupations), with at least 120 months of contributions. There is, however, the possibility of early retirement without a penalty in the following cases: i) at age 55 with at least 360 months of contributions; and ii) at age 50 for a mother with three children and at least 15 years of contributions, for prematurely aged workers and for persons unemployed for at least six months because of economic reasons (redundancy). Early retirement for personal convenience with a penalty is also possible, starting from age 50 with at least 360 months of contributions, in which case a penalty of 0.5% is incurred for each missing quarter until the statutory retirement age. If the insured person has reached the legal retirement age, but has contributions of between 60 and 120 months, s/he qualifies for a partial pension. With less than 60 months of contributions, s/he does not qualify even for a partial

pension, but the value of all his or her contributions is refunded to the individual at age 60. The old-age pension is equal to 40% of the base (calculated as the average earnings during the last ten years, revalorised by some type of index), plus 0.5% for each additional quarter of service beyond the ten years. There is a maximum pension equal to 80% of the base after 30 years of contributions, and the base must not exceed six times the official, industrial minimum wage (referred to as SMIG); periods of declared wages of less than 66.7% of the SMIG are not taken into account in the calculation. There is also a minimum pension equal to 66.7% of the SMIG and a minimum partial pension equal to 50% of the SMIG. Pensions are indexed to changes in the SMIG.

The disability pension in Tunisia covers a disability not related to a work injury or occupational illness. To qualify for it, the insured person must have contributed at least 60 months and show a permanent disability of at least 66.7%; a medical commission must assess his or her disability annually until the age of 55. It is cashed immediately and is equal to 50% of the base of the old-age pension (as defined above), plus 0.5% for each additional quarter beyond 180 months of contributions; a supplement of 20% is paid if constant attendance is needed. All other qualifications pertaining to the old-age pension (maximum, minimum and base calculations) also apply. To qualify for the survivors' pension, the insured person must either be a pensioner at the time of death or active and have contributed at least 60 months prior to death. The survivors are the widow, a child younger than 16, a child younger than 21 if still at school or younger than 25 if a university student without a scholarship. There is no age limit if a young survivor is disabled or is an unmarried daughter. Concerning the amount, 75% of the accrued or actual pension of the deceased is paid to a widow without dependent children, but only 70% if the widow has one dependent child (30% goes to the child), and only 50% if the widow has two or more dependent children (the other 50% goes to the children).

Healthcare and maternity benefits

Unlike old-age benefits, not all of the 11 SEMCs provide health insurance and maternity benefits.

In **Egypt**, the healthcare system provides a set of benefits that includes general and specialist care, surgery, hospitalisation, maternity care, dental care, laboratory services, medicines, rehabilitation services, and appliances. Service benefits are provided by the employer, and public or other medical facilities under contract with the Health Insurance Organisation, which pays benefits directly. The system is dominated by three state-owned companies, which constitute 90% of the system. In terms of work injury benefits, the compensation is paid for the injured during the period of injury and absence from work. If a permanent disability occurs, a pension of 80% of the real gross wage before the injury is paid. If it is a partial injury, a partial pension is paid. For the sickness benefits, the beneficiary receives 75% of the most recent, covered daily wage prior to the disability, which is paid for the first 90 days; subsequently, the figure is 85% (100% of earnings is paid for specified chronic diseases). The longest period of benefit payments is 180 days in a calendar year; for specified chronic diseases there is no limit to the duration. The lowest amount of benefits is equal to the lowest amount of contributory wages. Finally, in the case of maternity benefits, the beneficiary receives 75% of the most recent, covered daily wage prior to the maternity leave period, which is paid for up to 90 days. The benefits are payable for up to three pregnancies. The lowest amount of benefits is equal to the lowest amount of contributory wages.

In **Lebanon**, service benefits are provided by hospitals under contract with, and paid directly by, the National Social Security Fund. Benefits include general and specialist care, hospitalisation, maternity care, medicines and laboratory services. The insured person receives a partial cash refund for the cost of a doctor's treatment and a full refund for maternity care. The insured person is normally reimbursed by the fund for 80% of the cost of a doctor's treatment (90% of the cost of hospital care and 100% of the cost of maternity care as well as kidney and cholesterol dialysis), according to a schedule specified by law. The duration of benefits is 26 weeks, going up to 52 weeks in special cases. For chronic illnesses, including heart disease and cancer, there is no limit to the duration. The work injury programme is an employer liability system, involving compulsory insurance with a private carrier. This system applies to all wage earners covered by an employment contract. The sickness and

maternity leave programmes both cover agricultural workers and teachers. Public sector employees, university students, dockworkers and newspaper-sellers are solely covered by medical benefits; the coverage does not extend to temporary agricultural workers or citizens of countries without mutual agreements. Unpaid coverage exists for the self-employed and for workers previously covered by the obligatory system but without coverage in their present employment.

Medical benefits for employees in **Syria** cover general and specialist care, surgery, hospitalisation, drugs, X-rays, appliances and rehabilitation. The health insurance law in Syria applies to all employees in all sectors. Yet, the system for medical care and health insurance under the social security law in Syria has a shortfall, in that employees are subject to the rules of each institution. The work-related injury system covers employees in industry, commerce and agriculture as well as public sector employees (excluding domestic servants). The system does not require a minimum qualifying period.

Until 2003, a majority of the population in **Turkey** was covered by a patchwork of health insurance schemes even though there were serious problems in the delivery of healthcare services. The health insurance and healthcare systems were broadly reformed in 2003, with the introduction of a universal health insurance system, increased medical staffing in rural and remote areas and new performance incentives for physicians. More recent reforms implemented in 2008 introduced family medicine in some of the selected areas. Furthermore, Turkey's health expenditures (as % of GDP) have increased dramatically over the last 15 years. In 1999, the total expenditures on health represented 4.8% of GDP. Nearly a third of these expenditures were private, mostly comprising out-of-pocket expenditures. Thanks to increasing public expenditures in the early 2000s, total health expenditures had jumped to 6.7% of GDP by 2009, surpassing the averages for the 11 SEMCs. Private spending on healthcare as a share of national income remained relatively constant, representing around 1.5% to 1.8% during this period. In turn, the share of public expenditures (in total healthcare expenditures) caught up with the EU averages. Sickness benefits are also available for covered individuals with at least 120 days of contributions. The cash benefits are equivalent to 50% of average daily earnings during the required period for inpatient treatment and 66% of daily earnings for outpatient treatment. For both sickness and maternity leave, the contributions are approximately 5% and 7.5% of the monthly payroll for employees and employers, with government contributions of up to 25% of the total contributions collected.

The **Israeli** healthcare system operates under a health management organisation (HMO), where individuals, who have universal basic insurance, choose among competing healthcare providers. Aside from wage contributions by employees and employers, payments to the service providers are supported by government transfers. A supplementary system of private health insurance also exists and is becoming increasingly prevalent. The healthcare system consists of a mixture of private, semi-private and public entities. The service providers are statutorily non-profit in nature, funded by the National Health Insurance funds according to the number of covered members and age groups. Although overall expenditures have remained unchanged (at around 7.5 to 8% of GDP) since the early 1990s, the underlying structure of healthcare expenditures has changed substantially. The share of public healthcare expenditures has diminished dramatically. Maternity leave benefits have been available in Israel since the 1950s to insured persons (men and women), the wives of insured persons and individuals aged 18 or older in vocational training. The programme provides income support, representing a cash transfer of 100% of the insured person's average, daily net income for 14 weeks. Eligibility for full benefits requires at least 10 months of coverage within the last 14 months, or 15 months within the last 22 months. A partial benefit (7 weeks of income replacement) is also available for those with less coverage.

In **Jordan**, the healthcare infrastructure is modern and highly developed; indeed, it currently ranks among the best in the region and is a burgeoning market for medical tourism. This is evinced by the country's high ratio of medical personnel. With 15,226 working physicians in 2009, Jordan's per capita rate stood at 24.5 doctors per 10,000 inhabitants. Currently, health services in the Kingdom are an amalgam of the public, private and donor sectors. To contend with this, Jordan has developed a

rather baroque set of insurance schemes in which individuals are often eligible for more than one programme at a time. The public sector, which covers an estimated 48% of the population, is by far the largest provider of medical coverage in the country. An additional 20% of the population is covered through private insurers or receives care from the United Nations Relief and Workers Agency (UNWRA) in the donor sector. The final 32% of Jordanians, while not eligible for free public-sector healthcare, is offered public plans at highly subsidised rates. In total, 81% of the Jordanian population is covered by some form of health insurance, while 20% is reportedly covered by more than one scheme. The number of uninsured and underinsured in Jordan is estimated to be about 30% of the population. In 2009, Jordan's total expenditure on healthcare stood at 9.3% of GDP. The state constituted 64.6% of this spending while private sector expenditure was 35.4%. Total per capita healthcare expenditure in Jordan amounted to \$336 in 2009. Spending on healthcare as a percentage of GDP remained relatively steady between 2003 and 2009; however, government spending on healthcare as a percentage of total government spending doubled during the same period. The underlying reasons are that Jordan's demographic transition includes both population growth and ageing. There is also a general expectation in the Kingdom that the social welfare system, including healthcare, should be expanded. Finally, there are deep structural and economic inefficiencies within the system itself. Conversely, private expenditure on healthcare underwent a steep decline during the same time period.

With respect to maternity benefits, the current Jordanian legislation mandates pay during maternity leave for both public and private sector employees. Under the present system, the cost of leave is to be borne by the employer – whether private or public. After the official period of maternity leave has expired, there is an additional one year period in which women are entitled to take paid time off for the purpose of nursing a newborn baby, provided that the total time off does not exceed one hour per day. Firms that employ at least 20 married women workers are mandated by Jordanian law to provide an 'adequate facility', overseen by a trained nurse, for employees' children aged four and under, given that there are at least ten children within that age group.

In **Palestine**, households spend an average of 40% of their own out-of-pocket resources on healthcare. Out-of-pocket payments are considered regressive (i.e. the proportional cost of payments decreases as the ability to pay increases). They remain the most inequitable way of financing healthcare and are unable to maintain adequate resources to sustain health services. The current structure of out-of-pocket payments in Palestine has almost no price discrimination policies to account for differences in the ability to pay. Healthcare spending on needed programmes faces continual challenges as a consequence of resource constraints. The double burden phenomenon and demographic transition in addition to an unstable economy exacerbate the situation. In 2005, the total operating expenditure of the Ministry of Health (MoH) was \$139.6 million (compared with \$100.3 million in 2000). Since the establishment of the National Authority, the MoH and Palestinian healthcare NGOs have attached strategic importance to the development of a primary healthcare (PHC) system through the provision and expansion of healthcare services. PHC is delivered by a variety of healthcare staff working for the MoH, NGOs, UNRWA, the military health service, the Palestinian Red Crescent and others. The expansion of PHC has covered larger areas in the different national governorates, and grew from 454 centres in 1994 to 693 in 2009 – an increase of 52.9% compared with 1994. Government-run PHC centres represent 63.5% of all centres. Healthcare services are financed through a mixture of taxes, health insurance premiums and co-payments, out-of-pocket payments, local community financial and in-kind donations, and loans and grants from the international community (including UNRWA).

Chronic diseases and injuries are another resource burden in the West Bank and Gaza. As a result, expenditure on healthcare is on the rise and eating up a significant portion of the GDP. The majority of Palestinians have some form of health insurance, with 64% of households stating that all their members enjoy some type of health insurance coverage. Although villagers were somewhat less likely than city dwellers to be insured, there were no significant differences across income groups; indeed, families suffering hardship were least likely to be without any coverage. Moreover, refugees were at least 1.3 times more likely to enjoy full coverage than the rest of the population. The MoH provides for nearly half of all families; private institutions accounted for 28%, and UNRWA for 21%.

Households above the poverty line were nearly twice as reliant on private care (40%) as poor households (24%). Nevertheless, even persons with disabilities who use their health insurance do not receive adequate, quality healthcare services because the healthcare system and infrastructure in Palestine are not well developed, owing to a relative lack of human and technical resources as well as medical supplies.

In **Morocco**, health and maternity insurance addresses employees in the public sector, members of the army and formal workers in the private sector through welfare boxes (cash desks). Yet it provides limited coverage beyond the free offer of certain services and forms of care. Furthermore, the coverage is weak in terms of effective spending. As a result, the public system is regressive, meaning that the poorer the household, the greater is its share of expenditures on healthcare.

Finally, in **Tunisia**, a new health insurance law was launched in 2004 that reorganised the entire health insurance system, taking effect over several stages, starting in July 2007. The aim was to provide more access to private sector facilities for all affiliates, while reducing inefficiencies and inequities and containing overall costs. Following the reform, all schemes for both public and private sector workers have been unified and merged into a single mandatory scheme, managed in all its aspects by a newly created and independent public body, the Caisse Nationale d'Assurance Maladie (CNAM), overseen by the Ministry of Social Affairs. This body is solely responsible for management, supervision, quality control (through a medical commission) and negotiations with all parties involved in the system (including their representatives) pertaining to official tariffs for the various services and premium adjustments if needed.

In addition to health insurance, the CNAM also manages cash benefits under the sickness and maternity programme, as well as work-related injuries and occupational illness. The new mandatory scheme offers the insured person three options to choose from, against a progressively unified premium of 6.25% (2.5% charged to the employee/insured person and 4% charged to the employer). Pensioners who were previously exempt are now required to pay a premium of 4%. Also, the implementation of the new scheme is supposed to proceed over three to five years in several stages, starting with only ambulatory care and progressively extending to hospitalisation, first for employees in the public sector and then through a general scheme for employees in the private sector (RSNA), and so on. The three options include the so-called 'public option', the 'private option' and the reimbursement option. The public option allows unlimited access to public facilities, against a low 'moderating ticket' (co-payment) and is capped annually at the equivalent of two month's salary. The private option allows access to both public and private facilities, against a higher and uncapped moderating ticket. In order to contain costs, patients must obtain a referral from their family doctor (who must be affiliated with CNAM) prior to accessing any type of specialised care. The reimbursement option also offers access to both private and public facilities, but the reimbursement is not full and there is a ceiling. The reform is at its beginning, and there is already concern that in its current form (particularly in terms of contributions), it will not guarantee the long-term viability and financial sustainability of the system. That is why the reform has provided for the establishment of a permanent committee of experts in the field to regularly evaluate the functioning of the system and eventually propose corrective actions.

Unemployment benefits

Providing unemployment benefits is not a common practice in the 11 countries. **Egypt** had an unemployment benefit by which the unemployed person was paid 60% of the last monthly wage, after a 7-day waiting period, for up to 16 weeks, which could be extended to 28 weeks if contributions had been paid for the last 24 months. This system was practically ineffective, however, and was never applied. Thus, it has been revised and fixed under the new pension law, which stipulates disbursement of unemployment benefits starting 8 days from the end of service until employment for a period of no more than 6 months.

Unemployment insurance was introduced in **Turkey** in 1999, with the aim of compensating for the income loss of workers who become unemployed. The unemployment benefits correspond to 50% of

the daily average gross earnings in the last four months and cannot exceed the gross monthly minimum wage, with a maximum duration of about one and a half years following the termination of a contract. Workers cannot receive unemployment benefits at the same time as sickness or maternity benefits. The payments are not subject to any taxes or deductions. The duration of benefits is linked to the contribution periods of workers. Accordingly, the insurance benefits are paid for 180 days to an insured worker with less than 600 days of contributions, for 240 days to those with at least 900 days of contributions, and for 300 days to those with 1,080 or more days of contributions. The rate of salary contributions for unemployment insurance is 4% of a worker's monthly earnings, of which employers contribute half, the insured persons contribute a quarter and the public contributions account for the remaining quarter.

Israel's unemployment insurance benefits provide short-term income support for the involuntarily unemployed from 45 days to 6 months maximum, depending on age and family situation. Income support, which is more prevalent in Israel, is means-tested, although it also provides benefits for working families with lower incomes. Monthly benefits are linked to prior earnings and the age of the insured. The share of salary provided as income support under the insurance scheme decreases with the insured person's prior salary, implying a progressive system that replaces a greater proportion of earnings for those on lower incomes. The official replacement rates for 2010 ranged from a high of 80% for those older than 28 with a monthly salary less than approximately €600 to a low of 33% for those with a monthly salary of approximately €5,000. With high poverty, general cash assistance programmes take precedence in the country. In 2008 and 2009, the Israeli government undertook an experimental welfare-to-work arrangement to actively encourage the poor to lift themselves out of poverty.

In **Palestine**, anyone registered with a union that certifies them to be unemployed is eligible for benefits without paying a contribution. In **Algeria, Libya and Morocco**, an income replacement benefit is paid in case of incapacity to work. The device of unemployment insurance has been useless for a long time and seems like a luxury today. The upper limit of the allowance can be paid for three years in Algeria. The trend is to develop programmes of replacement, within the framework of the fight against poverty, in particular in the form of micro-finance. Finally, in contrast with the previously mentioned countries, there are no national programmes for unemployment insurance in **Lebanon, Syria or Jordan**.

Cash transfer and subsidy programmes

There are several cash transfer and subsidy programmes among the 11 SEMCs. In **Egypt**, these programmes include cash transfers and in-kind subsidies. The key subsidy programmes are for food, energy, farmers and student transportation. The cost of cash and in-kind subsidy programmes as a percentage of GDP increased from 6.5% in 2002 to about 14% in 2009. Yet, the system suffers significant abuse, as rich segments of society are benefiting the most from such programmes.

Also, the **Lebanese** government applies a set of cash transfer and subsidy programmes to support low-income groups and the elderly in Lebanon. Spending on cash transfer and subsidy programmes increased from 3% of GDP in 2002 to 8.7% in 2008.

In **Turkey**, social services and social assistance provide income, healthcare, education, accommodation and rehabilitation benefits to the social groups in need, such as the elderly with no family support, disabled citizens, orphans, abused women and children, and the poor. A means-tested safety net exists for those with no social security rights, who are either disabled or aged 65 and older, with an average monthly payment of nearly 12.5% of the minimum wage.

Meanwhile, in **Israel**, income support is more prevalent. It provides benefits for working families with lower incomes. In addition to other support programmes, it offers child support, disability benefits, maternity leave and study grants.

Owing to the relatively high levels of poverty experienced in **Jordan**, measures to combat and alleviate poverty are a main focus of the Jordanian government. One general tool used to alleviate

poverty is cash transfers. Although the household income survey asks about the value of government transfers, it does not specify what these transfers include. Most likely, the major components of household transfers are the following: assistance from the Jordanian National Aid Fund and cash subsidies or coupons for food items. Nevertheless, the value of this assistance does not constitute a large part of the average household's total income, making up only 1.1% to 4.4% in the sampled years.

The **Palestinian** National Cash Transfer Programme provided cash transfers to more than 63,000 of the poorest households in 2010. The deteriorating political and economic situation the Palestinian people face under occupation has generated very harsh conditions, with dependent and poor groups requiring assistance and ongoing support from the Palestinian Authority, along with aid from international organisations. Studies conducted in the West Bank and Gaza Strip illustrate that kinship-based networks are a strong element of informal support, where the better-off households give to those in need. Relatives are sources of refuge during or after environmental or political catastrophes. The closer the kinship and community ties are, the greater the prevalence of sources of informal support. Informal support is lowest in those camps where dispersal and dispossession has weakened kinship relations. For example, in the case of the West Bank and Gaza, informal support – although limited in scope – provides a cushioning effect for the economic shocks experienced by poorer families and is a tangible source of relief.

3.4 Conclusions

The comparative analysis of the social protection systems in the 11 SEMCs gives rise to the following conclusions:

- The typical pension system in the region is a partially funded PAYG scheme that covers survivors, old-age retirement, unemployment, disability, work injuries, sickness and maternity.
- The major revenues of the systems come from contributions by both employers and employees, with the state being committed to cover deficits.
- Analysis has shown that the social protection systems in the 11 countries are highly fragmented in terms of the type of support, the target groups and sources of funding.
- In many cases, important social protection mechanisms, such as unemployment benefits and health insurance, do not exist.
- The efficiency and effectiveness of these systems in alleviating poverty and ensuring social justice is another major concern.
- There is the prospect of increasing demand for social security services in the future. As the coverage of social insurance schemes is expanded, the budgetary pressures are likely to grow.
- Therefore, more social protection contributions and more effective efforts are considered essential to developing stability and alleviating poverty in the southern and eastern Mediterranean region. Many of these countries are currently implementing different reforms to address deficiencies.
- Several reform initiatives have recently been introduced to improve the effectiveness of these systems. Yet, the challenges that social protection systems currently face and the future prospects of the 11 countries in general underscore the importance of greater involvement in a real partnership with their EU neighbour countries. Through such a partnership, the countries stand to benefit from the accumulated experience and more advanced systems to ensure that social protection schemes are equitable, universal and efficient, especially for the poor and the most vulnerable groups.

References

Education references

- Central Agency for Public Mobilization and Statistics (CAPMAS) (Egypt), *Statistical Yearbook 2009*, CAPMAS, Cairo.
- Kabbani, N. and S. Salloum (2009), “Financing Higher Education in Syria”, presentation at the Economic Research Forum, Regional Conference on Financing Higher Education in Arab Countries, Amman, 17-18 June, pp. 4-5.
- Ministry of National Education (MNE) (Turkey) (2011), “National Education Statistics: Formal Education – 2010-2011”, MNE, Ankara.
- Mullis, I.V.S., M.O. Martin, E.J. Gonzalez and S.J. Chrostowski (2004), *TIMSS 2003 International Mathematics Report: Findings from IEA’s trends in international mathematics and science study at the fourth and eighth grades*, Boston College, Chestnut Hill, MA.
- National Science Foundation (2010), “Science and Engineering Indicators 2010”, National Science Foundation, Arlington, VA.
- OECD (2009a), *Education at a Glance 2010*, OECD, Paris.
- OECD (2009b), *OECD Economic Surveys: Israel*, No. 2009/21, OECD, Paris, January.
- OECD (2010), *Education at a Glance 2010*, OECD, Paris.
- Özdemir, D. and A. Bayar (2009), “The Peace Dividend Effect of Turkish Convergence to the EU: A Multi-region Dynamic CGE Model Analysis for Greece and Turkey”, *Defence and Peace Economics*, Vol. 20, No. 1, pp. 69-78.
- Thomas, V., Y. Wang and X. Fan (2001), *Measuring Education Inequality: Gini Coefficients of Education*, World Bank Policy Research Working Paper No. 2525, World Bank, Washington, D.C. (<http://ssrn.com/abstract=258182>).
- UN Development Programme (UNDP) (2009), *Human Development Report 2009*, Basingstoke: Palgrave Macmillan.
- UN Development Programme (UNDP) (2010), *Human Development Report 2010*, Basingstoke: Palgrave Macmillan.
- US–Israel Science and Technology Foundation (2008), “Israel 2028: Vision and Strategy For Economy and Society in a Global World”, paper presented by a Public Committee chaired by Eli Hurvitz and edited by David Brodet, US–Israel Science and Technology Foundation, Washington, D.C.
- World Bank (2005), *Turkey – Education Sector Study: Sustainable Pathways to an Effective, Equitable, and Efficient Education System for Preschool through Secondary School Education*, No. 32450-TU, Human Development Sector Unit Europe and Central Asia Region in Association with the Education Reform Initiative/Istanbul Policy Center, World Bank, Washington, D.C., December.
- World Bank (2009), *Female Labor Force Participation in Turkey: Trends, Determinants and Policy Framework*, No. 48508-TR, European and Central Asia Region Human Development Department, World Bank, Washington, D.C.
- World Bank (2010), *Turkey: Expanding Opportunities for the Next Generation, A Report on Life Chances*, No. 48627-TR, European and Central Asia Region Human Development Department, World Bank, Washington, D.C.

Websites

Central Bureau for Statistics (Syria) (<http://www.cbssyr.org/index-EN.htm>)

Ministry of Education (Egypt) (<http://www.emoe.org>)

Ministry of Education (Lebanon) (<http://www.higher-edu.gov.lb/english/default.htm>)

Ministry of Education and Training (Tunisia) (http://www.education.tn/en/ministere/etab_s_tutel.htm)

Palestinian Ministry of Education and Higher Education (<http://www.mohe.gov.ps/default.aspx>)

UNESCO, Institute for Statistics, Data Centre, Custom Tables (by country, year and data)

(http://stats.uis.unesco.org/unesco/TableViewer/document.aspx?ReportId=136&IF_Language=eng&BR_Topic=0).

World Development Indicators (WDI)

(<http://databank.worldbank.org/ddp/home.do?Step=12&id=4&CNO=2>)

Social protection references

Abdeen, H. (2006), “Chronic Diseases in Palestine: The Rising Tide”, *Israeli–Palestinian Public Health Magazine (Bridges)*, Vol. 2, No. 3, April-May.

Aktuğ, R.E. (2010), “Public Pensions in Turkey: Reforming the System to Achieve Fiscal Balance”, Mimeo, Lehigh University.

Arbak, E. (2011), *Measuring Returns to Education and Human Capital in the Southern Mediterranean*, MEDPRO Technical Report No. 17, CEPS, Brussels, June.

Bitar, F. (2004), “National Labour Law Profile: Jordan”, International Labor Organization, Geneva (<http://www.ilo.org/public/english/dialogue/ifpdial/info/national/jo.htm#11>).

Brodet, D. (ed.) (2008), “Israel 2028: Vision and Strategy for Economy and Society in a Global World”, US–Israel Science and Technology Foundation, Washington, D.C.

Brook, A.-M. and E. Whitehouse (2006), *The Turkish Pension System: Further Reforms to Help Solve the Informality Problem*, OECD Social, Employment and Migration Working Papers, No. 13, OECD, Paris.

Catusse, M. (2005), “Les Réinventions du social dans le Maroc ‘ajusté’”, in E. Longuenesse, M. Catusse and B. Destremau (eds), *Le travail et la question sociale au Maghreb et au Moyen-Orient*, *Revue des Mondes Musulmans et de la Méditerranée*, Nos. 105-106, January.

Chernichovsky, D. (2005), “The Jewish-Arab Divide in Life Expectancy in Israel”, *Economics and Human Biology*, Vol. 3, No. 1, pp. 123-137.

Choshen, M., M. Korach and D. Kaufman (2010), *Jerusalem: Facts and Trends: 2007/2008*, Jerusalem Institute for Israel Studies, Jerusalem.

Cincotta, R.P. and E. Kaufmann (2010), “Unpromising Demography in a Promised Land: Yisrael Beytenu and the Escalation of Demographic Politics in Israel”, paper presented at the Annual Meeting of the Population Association of America.

Connell, J. (2010), *Health and Medical Tourism*, Wallingford: CABI.

Demarco, G. (2010), *Retirement Savings in MENA*, World Bank, Washington, D.C. (http://siteresources.worldbank.org/INTMNAREGTOPPOVRED/Resources/MENAFIagshipPensions3_10_11.pdf).

- Department of Statistics (Jordan) (2010), “Estimated Population of the Kingdom by Governorate and Sex, at End-year 2010”, *Statistical Yearbook*, Department of Statistics, Amman (http://www.dos.gov.jo/sdb_pop/sdb_pop_e/ehsaat/alsokan/2010/2-2.pdf).
- Encyclopaedia of Nations (EON) (2011), “World Development Indicators: Age Dependency Ratio”, EON (<http://www.nationsencyclopedia.com/WorldStats/WDI-health-age-dependency-ratio-old.html#map>).
- Food and Agriculture Organisation (FAO) and World Food Programme (WFP) (2009), *Socio-economic and Food Security Survey*, FAO and WFP, Rome and Washington, D.C., August.
- Guégnard, C., X. Matheu and M. Shteivi (2005), *Unemployment in Jordan*, European Training Foundation, Turin, pp. 38-50 ([www.etf.europa.eu/pubmgmt.nsf/\(getAttachment\)/NOTE6KCEZX.pdf](http://www.etf.europa.eu/pubmgmt.nsf/(getAttachment)/NOTE6KCEZX.pdf)).
- Hacettepe University Institute of Population Studies, Ministry of Health and the State Planning Organization (2009), *Turkey Demographic and Health Survey 2008*, Hacettepe University Institute of Population Studies, Ministry of Health and the State Planning Organization, Ankara.
- Hadad, I. (2010), “Social Security System In Lebanon”, paper presented at the Training Program on “Social Security Systems”, Amman, Jordan.
- Halasa, Y. (2008), *Mapping Health Care Financing in Jordan*, Schneider Institutes for Health Policy, Brandeis University, Waltham, MA (<http://gis.emro.who.int/HealthSystemObservatory/PDF/Health%20Care%20Financing/Mapping%20Health%20Care%20Financing%20-Jordan.pdf>).
- Harel-Hariri, K. (2009), *The Wisconsin Program: “Lights to Employment”*, JIMS Position Paper No. 020609, Jerusalem Institute for Market Studies, Jerusalem.
- Hillal, J. (1998), “The Limits of Informal Social Support Systems in the West Bank and Gaza Strip”, paper presented at the Mediterranean Development Forum, Marrakesh, 3-6 September.
- Holzmann, R. and J. Koettl (2010), “Portability of Pension, Health, and other Social Benefits: Facts, Concepts, Issue”, a paper prepared for the “Guidance Workshop on Establishing Portability: State of the Art, Key Issues and Next Steps”, Marseille Center for Mediterranean Integration, 10 March.
- International Labor Organization (ILO) (2007a), “Main conclusions of the International Labor Office Concerning the Sixth Actuarial Valuation of the Jordanian Social Security Corporation as of December 2007”, ILO, Geneva (http://www.ssc.gov.jo/uploads/statistical_evaluation_6.pdf).
- International Labor Organization (ILO) (2007b), *Hashemite Kingdom of Jordan: Report to the Government, Feasibility Study on the Implementation of a Maternity Cash Benefits Scheme*, ILO, Geneva.
- Jaffe, D.H., Z. Eisenbach, Y.D. Neumark and O. Manor (2005), “Individual, household and neighborhood socioeconomic status and mortality: A study of absolute and relative deprivation”, *Social Science & Medicine*, Vol. 60, No. 5, pp. 989-997.
- Jarrar, A. (2009), *This week in Palestine*, No. 137, September.
- Jelamschi, L. and T. De Ver Dye (2009), *Decline in Under-5 Mortality Rate (U5MR) in Turkey: A case study*, UNICEF Turkey, Ankara.
- Johnson, J. and C. Stoskopf (2010), *Comparative Health Systems: Global Perspectives*, Sudbury: Jones and Bartlett Publishers.
- Karadeniz, O. (2010), “Extension of health services coverage for needy in Turkey: From social assistance to general health insurance”, International Social Security Association (ISSA), paper presented at the 6th International Policy and Research Conference on “Social Security, Emerging trends in times of instability: New challenges and opportunities for social security”, 29 September–1 October, Geneva.

- Katta, M. and S.A.C. Hussein (2010), “Women’s Access to Social Protection in Syria”, *European Journal of Social Sciences*, Vol. 13, No. 4, p. 591.
- Loewe, M. (2009), *Pension Schemes and Pension Reforms in the Middle East and North Africa*, Draft Working Document, UN Research Institute for Social Development, Geneva, January.
- Longuenesse, E., M. Catusse and B. Destremau (eds) (2005), *Le travail et la question sociale au Maghreb et au Moyen-Orient*, *Revue des Mondes Musulmans et de la Méditerranée*, Nos. 105-106, January.
- Mataria, A., F. Raad, M. Abu-Zaineh and C. Donaldson (2010), “Catastrophic Healthcare Payments and Impoverishment in the Occupied Palestinian Territory”, *Applied Health Economics & Health Policy*, Vol. 8, No. 6, pp. 393-405.
- Mataria, A., R. Khatib, C. Donaldson, T. Bossert, D.J. Hunter, F. Alsayed and J.-P. Moatti (2009), “The health-care system: An assessment and reform agenda”, *Lancet*, Vol. 343, April, pp. 1207–17.
- Merani, H. (2005), “Les cadres des entreprises publiques en Algérie. D’une position de privilèges à une situation de crise” in E. Longuenesse, M. Catusse and B. Destremau (eds), *Le travail et la question sociale au Maghreb et au Moyen-Orient*, *Revue des Mondes Musulmans et de la Méditerranée*, Nos. 105-106, January.
- Ministry of Health (Palestinian National Authority) (2008), *National strategic health plan: Medium term development plan (2008-2010)*, Health Planning Unit, Ministry of Health, Palestinian National Authority.
- OECD (2006), “Special Feature: Part-time work and taxing wages”, *Taxing wages 2004-2005*, OECD, Paris.
- OECD (2008a), *Growing Unequal? Income Distribution and Poverty in OECD Countries*, OECD, Paris.
- OECD (2008b), “Declaring Work or Staying Underground: Informal Employment in Seven OECD Countries”, ch. 2, *Employment Outlook 2008*, OECD, Paris.
- OECD (2008c), *OECD Reviews of Health Systems: Turkey*, OECD and World Bank, Paris and Washington, D.C.
- OECD (2010a), *OECD Economic Surveys: Israel*, No. 2009/21, January, OECD, Paris
- OECD (2010b), *OECD Economic Surveys: Turkey*, No. 2010/13, OECD, Paris, September.
- OECD (2010c), *OECD Reviews of Labour Market and Social Policies: Israel*, Employment, Labour and Social Affairs Committee (ELSAC), OECD, Paris.
- OECD (2011a), *Pensions at a Glance 2011: Retirement-Income Systems in OECD and G20 Countries*, OECD, Paris.
- OECD (2011b), “Special Feature: Wage income tax reforms and changes in tax burdens 2000-2009”, *Taxing wages 2009-2010*, OECD, Paris.
- Oxford Business Group (2009), *The Report: Jordan 2009*, Oxford Business Group, London, Oxford.
- Palestine Economic Policy Research Institute (MAS) (2011), “Social Protection Trends in Jordan”, MEDPRO WP7, MAS, August (unpublished).
- Palestinian Central Bureau of Statistics (PCBS) (2007), *Household expenditure and consumption survey, 2007: Living conditions in Palestinian territory January 2007–January 2008*, PCBS, Ramallah, June/July.
- Palestinian Central Bureau of Statistics (PCBS) (2009), *Labour Force Survey: July–September, 2009, Round, (Q3/2009)*, Press Conference on the Labour Force Survey Results, PCBS, Ramallah.

- Palestinian Central Bureau of Statistics (PCBS) (2010a), *Palestinian population at the end of 2010*, PCBS, Ramallah, 1 December.
- Palestinian Central Bureau of Statistics (PCBS) (2010b), “Labour Force Survey Results” (January–March 2010) Press Release, PCBS, Ramallah.
- Palestinian National Authority (2008), *Palestinian Reform and Development Plan (2008–2010)*, Ramallah, 2 May.
- Porat, A., G. Rabinowitz and A. Raskin (2008), *Quality indicators for community health care in Israel: Public report 2005–2007*, Ministry of Health, Health Council, National Institute for Health Policy and Health Services Research, Jerusalem.
- Portland Trust (2007), *Developing a Private Sector Pension System in the West Bank and Gaza Strip*, Tel Aviv, 27 August, p. 26.
- Preker, A., P. Zweifel and O. Schellekens (2010), *Global Marketplace for Private Health Insurance: Strength in Numbers*, World Bank, Washington D.C.
- Raphaeli, N. (2007), “Syria's fragile economy”, *Middle East Review of International Affairs*, Vol. 11, No. 2.
- Rebhun, U. and G. Malach (2009), *Demographic Trends in Israel*, Metzilah Center for Zionist, Jewish, Liberal and Humanist Thought, Jerusalem.
- Riegel, V. (2011), “Welfare in the Mediterranean Countries: Jordan”, Centre for Administrative Innovation in the Euro-Mediterranean Region (**Error! Hyperlink reference not valid.**).
- Robalino, D. (2005), *Pensions in the Middle East and North Africa: Time for Change*, World Bank, Washington, D.C.
- Robalino, D. and T. Bogomolova (2006), *Implicit Pension Debt in the Middle East and North Africa: Magnitude and Fiscal Implications*, MPRA Paper No. 12016, University Library of Munich (<http://ideas.repec.org/p/prapa/mprapa/12019.html>).
- Rosen, B. and H. Samuel (2009), *Israel: Health system review*, Health Systems in Transition, Vol. 11, No. 2, European Observatory on Health Systems and Policies, World Health Organization, Copenhagen.
- Shaheen, M. (2011), “The Social Protection System in Palestine”, MEDPRO WP7, MAS, March (unpublished).
- Shehata, A. (2011), “The Social Protection Systems in Egypt, Jordan, and Lebanon”, MEDPRO WP7, Faculty of Economics and Political Science (FEPS), March (unpublished).
- “Social Protection in Tunisia” (2011), MEDPRO WP7, August (unpublished).
- Social Security Corporation (SSC) (Jordan) (2010), *Annual Report 2009*, SSC, Amman (<http://www.ssc.gov.jo/english/>).
- “Social Welfare and Health in Algeria, Libya, and Morocco” (2011), MEDPRO WP7, August (unpublished).
- Stewart, F. (2011), *Pensions in MENA: Potential for Reform*, Financial Affairs Division, OECD, Paris (<http://www.oecd.org/dataoecd/62/62/47746618.pdf>).
- Tzannatos, Z. (2000), “Social Protection Middle East and North Africa Region”, paper presented at the Mediterranean Development Forum, Cairo, 5-8 March.
- UN Office for the Coordination of Humanitarian Affairs occupied Palestinian territory (OCHA oPT) (2009), *The Monthly Humanitarian Monitor*, OCHA oPT, East Jerusalem, July.

- US Social Security Administration and International Social Security Association (ISSA) (2003), *Social security programs throughout the world: Asia and the Pacific*, Social Security Administration and ISSA, Washington, D.C.
- US Social Security Administration and International Social Security Association (ISSA) (2007), *Social security programs throughout the world: Africa*, Social Security Administration and ISSA, Washington, D.C.
- Wadi, A. (2006), "Creating meaning during occupation: Social relationships in the counselling of Palestinian torture survivors", in J. Schanche Olsen, J. Ole Haagensen, A.-G. Madsen and F. Rasmussen (eds), *From Counselling to Psychosocial Development*, Rehabilitation and Research Center for Torture Victims, Copenhagen, pp. 97-102.
- Whitehouse, E. (2007), *Pensions Panorama: Retirement-Income Systems in 53 Countries*, World Bank, Washington D.C.
- World Bank (2002), *Reducing vulnerability and increasing opportunity: Social protection in Middle East and North Africa*, Orientations in Development Series, World Bank, Washington, D.C., June.
- World Bank (2003), *Unlocking the employment potential in the Middle East and North Africa: Towards a New Social Contract*, World Bank, Washington, D.C.
- World Bank (2007a), *Investing in Palestinian Economic Reform and Development*, Report for the Pledging Conference (Paris, 17 December), World Bank, Washington, D.C.
- World Bank (2007b), *West Bank and Gaza Public Expenditure Review: From Crisis to Greater Fiscal Independence-Middle East and North Africa Region*, Vol. 2, Social and Economic Development Group, World Bank, Washington, D.C., February.
- World Bank (2008a), *West Bank and Gaza: Economic Developments and Prospects*, World Bank, Washington, D.C., March.
- World Bank (2008b), *Palestinian Economic Prospects: Aid, Access and Reform*, Economic Monitoring Report to the Ad Hoc Liaison Committee, World Bank, Washington, D.C., 22 September.
- World Bank (2009), *Reforming Prudently under Pressure: Health financing reform and the rationalisation of public sector health expenditures*, World Bank, Washington, D.C., March.
- World Bank (2010a), *The Underpinnings of the Future Palestinian State: Sustainable Growth and Institutions*, Economic Monitoring Report to the Ad Hoc Liaison Committee, World Bank, Washington, D.C., 21 September.
- World Bank (2010b), *Towards a Palestinian State: Reforms for Fiscal Strengthening*, Economic Monitoring Report to the Ad Hoc Liaison Committee, World Bank, Washington, D.C., 13 April.
- World Bank (2010c), *Turkey Country Economic Memorandum: Informality: Causes, Consequences, and Policies*, No. 48523-TR, World Bank Poverty Reduction and Economic Management Unit, Europe and Central Asia Region, World Bank, Washington, D.C.
- World Bank (2010d), "West Bank and Gaza: Social Safety Net Reform Project", World Bank, Washington, D.C., 17 September.
- World Bank, *World Development Report*, various issues, World Bank, Washington, D.C.
- World Health Organization (WHO) (2006), *Health Systems Profile – Syria*, WHO/Eastern Mediterranean Regional Health Systems Observatory, Cairo.
- World Health Organization (WHO) (2008), *Health System Profile – Jordan*, WHO/Eastern Mediterranean Regional Health Systems Observatory, Cairo.
- World Health Organization (WHO) (2009), *World Health Statistics*, WHO, Geneva.

World Health Organization (WHO) (2010), “Health conditions in the occupied Palestinian territory, including East Jerusalem, and in the occupied Syrian Golan”, Provisional Agenda item 13, Sixty-third World Health Assembly, Geneva, 17-21 May.

World Health Organization (WHO) (2011a), “Total Expenditure on Health as % of GDP”, retrieved from Nationmaster.com (http://www.nationmaster.com/graph/hea_tot_exp_on_hea_as_of_gdp-health-total-expenditure-gdp).

World Health Organization (WHO) (2011b), “Global Health Observatory Data Repository – Country Statistics: Jordan”, WHO, Geneva (<http://apps.who.int/ghodata/?vid=11300&theme=country>).

Websites

Central Bank of Egypt, *Monthly Bulletin* (www.cbe.org.eg).

Ministry of Finance (Egypt), “Questions and Answers about the New Pension Law” (www.mof.gov.eg).

Ministry of Finance (Egypt), “The New Pension Law” (www.mof.gov.eg).

Appendix 1. Statistics

Business-as-usual scenario

1) Primary level

Table A1.1 BAU scenario – Primary level

Year	Algeria	Egypt	Jordan	Lebanon	Morocco	Palestine	Syria	Tunisia	Turkey	Israel
2011	111.748	102.897	102.915	99.654	92.527	91.035	104.552	114.257	100.698	112.454
2012	111.883	104.108	102.736	99.886	92.906	91.309	104.835	114.296	100.848	112.292
2013	111.923	105.196	102.582	100.101	93.171	91.534	105.119	114.331	100.947	112.213
2014	111.926	106.196	102.449	100.300	93.347	91.719	105.389	114.365	101.024	112.174
2015	111.916	107.133	102.334	100.485	93.454	91.870	105.638	114.396	101.089	112.153
2016	111.901	108.023	102.235	100.656	93.509	91.994	105.865	114.426	101.146	112.142
2017	111.886	108.881	102.150	100.815	93.524	92.096	106.070	114.453	101.198	112.135
2018	111.872	109.715	102.076	100.962	93.510	92.179	106.254	114.479	101.244	112.130
2019	111.859	110.534	102.013	101.098	93.474	92.247	106.418	114.503	101.286	112.128
2020	111.847	111.342	101.958	101.224	93.422	92.303	106.564	114.526	101.324	112.125
2021	111.836	112.143	101.911	101.341	93.358	92.349	106.695	114.547	101.358	112.124
2022	111.827	112.940	101.871	101.450	93.287	92.387	106.811	114.567	101.389	112.123
2023	111.818	113.735	101.836	101.550	93.212	92.418	106.914	114.585	101.417	112.122
2024	111.811	114.529	101.805	101.643	93.134	92.443	107.007	114.603	101.442	112.121
2025	111.804	115.324	101.779	101.730	93.055	92.464	107.089	114.619	101.465	112.121
2026	111.798	116.121	101.757	101.810	92.977	92.481	107.162	114.634	101.486	112.120
2027	111.793	116.919	101.738	101.884	92.899	92.495	107.227	114.649	101.504	112.120
2028	111.788	117.720	101.721	101.952	92.824	92.506	107.284	114.662	101.521	112.120
2029	111.784	118.524	101.707	102.016	92.751	92.516	107.336	114.675	101.537	112.120
2030	111.780	138.348	101.694	102.075	92.681	92.523	107.382	114.686	101.550	112.119

2) Secondary level

Table A1.2 BAU scenario – Secondary level

Year	Algeria	Egypt	Jordan	Lebanon	Libya	Morocco	Palestine	Syria	Tunisia	Turkey
2011	85.717	88.285	77.294	65.169	75.277	50.984	89.721	52.823	89.228	76.138
2012	86.439	88.343	77.387	65.065	74.941	50.824	90.087	52.524	90.369	75.868
2013	87.610	88.391	77.464	64.973	74.626	50.680	90.481	52.364	91.522	75.629
2014	88.958	88.429	77.527	64.899	74.330	50.549	90.895	52.277	92.687	75.417
2015	90.388	88.459	77.579	64.842	74.051	50.431	91.324	52.231	93.865	75.226
2016	91.865	88.484	77.622	64.799	73.790	50.324	91.762	52.206	95.058	75.054
2017	93.377	88.504	77.658	64.767	73.544	50.227	92.208	52.193	96.266	74.898
2018	94.921	88.520	77.687	64.744	73.313	50.138	92.657	52.185	97.490	74.755
2019	96.495	88.532	77.711	64.726	73.096	50.057	93.109	52.181	98.731	74.625
2020	98.100	88.542	77.731	64.714	72.892	49.983	93.562	52.179	99.991	74.505
2021	99.735	88.550	77.747	64.704	72.700	49.916	94.014	52.178	101.269	74.394
2022	101.402	88.556	77.761	64.698	72.520	49.854	94.464	52.178	102.567	74.292
2023	103.101	88.561	77.772	64.693	72.351	49.797	94.913	52.177	103.885	74.197
2024	104.832	88.564	77.781	64.689	72.192	49.744	95.358	52.177	105.225	74.109
2025	106.597	88.567	77.789	64.686	72.042	49.696	95.801	52.177	106.588	74.027
2026	108.395	88.569	77.795	64.684	71.902	49.651	96.240	52.177	107.973	73.951
2027	110.228	88.570	77.800	64.683	71.770	49.610	96.675	52.177	109.382	73.879
2028	112.096	88.571	77.804	64.682	71.646	49.571	97.107	52.177	110.816	73.813
2029	113.999	88.572	77.808	64.681	71.530	49.536	97.535	52.177	112.276	73.750
2030	115.939	88.572	77.810	64.680	71.420	49.503	97.959	52.177	113.762	73.692

3) Tertiary level

Table A1.3 BAU scenario – Tertiary level

Year	Egypt	Jordan	Lebanon	Morocco	Palestine	Tunisia
2011	32.914	33.115	43.734	11.570	53.072	39.038
2012	33.445	32.251	43.097	11.517	53.802	41.369
2013	33.738	31.505	42.630	11.475	54.523	43.807
2014	33.899	30.863	42.289	11.440	55.230	46.356
2015	33.988	30.309	42.039	11.412	55.920	49.022
2016	34.037	29.832	41.857	11.390	56.589	51.810
2017	34.064	29.420	41.723	11.371	57.236	54.726
2018	34.079	29.065	41.625	11.357	57.860	57.775
2019	34.087	28.759	41.554	11.345	58.460	60.964
2020	34.092	28.495	41.501	11.335	59.036	64.299
2021	34.095	28.268	41.463	11.327	59.589	67.787
2022	34.096	28.072	41.435	11.321	60.118	71.434
2023	34.097	27.903	41.414	11.316	60.625	75.249
2024	34.097	27.758	41.399	11.312	61.109	79.238
2025	34.097	27.632	41.388	11.308	61.572	83.410
2026	34.097	27.524	41.380	11.305	62.014	87.773
2027	34.098	27.430	41.374	11.303	62.437	92.336
2028	34.098	27.350	41.370	11.302	62.839	97.108
2029	34.098	27.281	41.367	11.300	63.224	102.098
2030	34.098	27.221	41.365	11.299	63.591	107.317

Optimistic scenario

1) Primary level

Table A1.4 Optimistic scenario – Primary level

Year	Algeria	Egypt	Jordan	Lebanon	Morocco	Palestine	Syria	Tunisia	Turkey	Israel
2011	113.016	109.728	108.856	115.322	113.385	95.719	117.272	123.514	104.647	113.919
2012	113.151	110.939	108.677	115.554	113.764	95.993	117.555	123.552	104.796	113.757
2013	113.191	112.027	108.522	115.770	114.029	96.218	117.839	123.588	104.896	113.679
2014	113.194	113.027	108.389	115.969	114.205	96.402	118.109	123.622	104.973	113.639
2015	113.184	113.963	108.274	116.154	114.312	96.554	118.358	123.653	105.038	113.619
2016	113.169	114.854	108.175	116.325	114.367	96.677	118.585	123.682	105.095	113.607
2017	113.154	115.711	108.090	116.483	114.382	96.779	118.790	123.710	105.147	113.600
2018	113.140	116.546	108.017	116.630	114.368	96.862	118.973	123.736	105.193	113.596
2019	113.127	117.365	107.953	116.766	114.332	96.931	119.138	123.760	105.235	113.593
2020	113.115	118.173	107.899	116.893	114.280	96.987	119.284	123.782	105.272	113.591
2021	113.104	118.974	107.852	117.010	114.216	97.033	119.414	123.804	105.307	113.589
2022	113.095	119.771	107.811	117.118	114.145	97.070	119.531	123.823	105.337	113.588
2023	113.086	120.565	107.776	117.219	114.070	97.101	119.634	123.842	105.365	113.587
2024	113.079	121.360	107.746	117.312	113.992	97.127	119.726	123.859	105.391	113.587
2025	113.072	122.155	107.720	117.398	113.913	97.147	119.808	123.876	105.414	113.586
2026	113.066	122.951	107.697	117.478	113.835	97.164	119.881	123.891	105.434	113.586
2027	113.061	123.750	107.678	117.552	113.757	97.178	119.946	123.905	105.453	113.586
2028	113.056	124.551	107.661	117.621	113.682	97.190	120.004	123.919	105.470	113.585
2029	113.052	125.355	107.647	117.684	113.609	97.199	120.056	123.931	105.485	113.585
2030	113.048	145.179	107.635	117.743	113.539	97.207	120.101	123.943	105.499	113.585

2) Secondary level

Table A1.5 Optimistic scenario – Secondary level

Year	Algeria	Egypt	Jordan	Lebanon	Libya	Morocco	Palestine	Syria	Tunisia	Turkey
2011	118.335	95.241	87.820	86.957	125.155	55.291	96.479	67.611	98.702	82.960
2012	119.057	95.300	87.913	86.853	124.819	55.131	96.846	67.312	99.843	82.690
2013	120.228	95.347	87.990	86.761	124.504	54.987	97.239	67.152	100.996	82.452
2014	121.576	95.385	88.053	86.687	124.208	54.856	97.653	67.065	102.161	82.239
2015	123.006	95.416	88.105	86.630	123.929	54.738	98.082	67.019	103.339	82.049
2016	124.483	95.440	88.148	86.587	123.668	54.631	98.521	66.994	104.532	81.877
2017	125.995	95.460	88.184	86.555	123.422	54.534	98.966	66.981	105.739	81.721
2018	127.539	95.476	88.213	86.532	123.191	54.445	99.416	66.973	106.964	81.578
2019	129.113	95.489	88.237	86.514	122.974	54.364	99.868	66.969	108.205	81.448
2020	130.718	95.498	88.257	86.502	122.770	54.290	100.320	66.967	109.464	81.328
2021	132.353	95.506	88.273	86.492	122.578	54.223	100.772	66.966	110.742	81.217
2022	134.020	95.512	88.287	86.486	122.398	54.161	101.223	66.966	112.040	81.115
2023	135.719	95.517	88.298	86.481	122.229	54.104	101.671	66.965	113.359	81.020
2024	137.450	95.521	88.307	86.477	122.070	54.051	102.117	66.965	114.699	80.932
2025	139.215	95.523	88.315	86.474	121.920	54.003	102.559	66.965	116.061	80.850
2026	141.013	95.525	88.321	86.472	121.780	53.958	102.998	66.965	117.447	80.773
2027	142.846	95.527	88.326	86.471	121.648	53.917	103.434	66.965	118.856	80.702
2028	144.714	95.528	88.330	86.470	121.524	53.878	103.865	66.965	120.290	80.636
2029	146.617	95.528	88.334	86.469	121.408	53.843	104.293	66.965	121.750	80.573
2030	148.557	95.528	88.336	86.468	121.298	53.810	104.717	66.965	123.235	80.515

3) Tertiary level

Table A1.6 Optimistic scenario – Tertiary level

Year	Egypt	Jordan	Lebanon	Morocco	Palestine	Tunisia
2011	36.261	37.228	54.799	12.098	63.669	39.159
2012	36.791	36.364	54.162	12.045	64.399	41.490
2013	37.084	35.618	53.695	12.003	65.121	43.927
2014	37.246	34.976	53.354	11.968	65.828	46.477
2015	37.335	34.422	53.104	11.940	66.517	49.143
2016	37.384	33.945	52.922	11.918	67.186	51.931
2017	37.411	33.533	52.788	11.899	67.833	54.847
2018	37.426	33.178	52.690	11.885	68.457	57.896
2019	37.434	32.872	52.619	11.873	69.057	61.085
2020	37.439	32.608	52.566	11.863	69.634	64.420
2021	37.441	32.381	52.528	11.855	70.186	67.908
2022	37.443	32.185	52.500	11.849	70.716	71.555
2023	37.443	32.016	52.479	11.844	71.222	75.370
2024	37.444	31.871	52.464	11.840	71.707	79.359
2025	37.444	31.745	52.453	11.836	72.170	83.531
2026	37.444	31.637	52.445	11.834	72.612	87.894
2027	37.444	31.543	52.439	11.831	73.034	92.457
2028	37.444	31.463	52.435	11.830	73.437	97.228
2029	37.444	31.394	52.432	11.828	73.821	102.219
2030	37.444	31.334	52.430	11.827	74.188	107.438

Pessimistic scenario

1) Primary level

Table A1.7 Pessimistic scenario – Primary level

Year	Algeria	Egypt	Jordan	Lebanon	Morocco	Palestine	Syria	Tunisia	Turkey	Israel
2011	110.480	96.067	96.975	83.986	71.669	86.352	91.832	105.001	96.749	110.988
2012	110.615	97.277	96.796	84.218	72.048	86.626	92.115	105.039	96.899	110.826
2013	110.655	98.365	96.641	84.433	72.313	86.851	92.399	105.075	96.998	110.748
2014	110.658	99.366	96.508	84.632	72.489	87.035	92.669	105.108	97.075	110.708
2015	110.648	100.302	96.394	84.817	72.596	87.186	92.919	105.140	97.140	110.688
2016	110.633	101.192	96.295	84.988	72.651	87.310	93.146	105.169	97.198	110.676
2017	110.618	102.050	96.209	85.146	72.666	87.412	93.350	105.197	97.249	110.669
2018	110.604	102.884	96.136	85.293	72.652	87.495	93.534	105.223	97.295	110.665
2019	110.591	103.703	96.072	85.430	72.616	87.564	93.698	105.247	97.337	110.662
2020	110.579	104.511	96.018	85.556	72.564	87.620	93.844	105.269	97.375	110.660
2021	110.568	105.312	95.971	85.673	72.500	87.666	93.975	105.290	97.409	110.658
2022	110.559	106.109	95.930	85.781	72.429	87.703	94.091	105.310	97.440	110.657
2023	110.550	106.904	95.895	85.882	72.354	87.734	94.195	105.329	97.468	110.656
2024	110.543	107.698	95.865	85.975	72.276	87.759	94.287	105.346	97.493	110.656
2025	110.536	108.493	95.839	86.061	72.197	87.780	94.369	105.363	97.516	110.655
2026	110.530	109.290	95.816	86.141	72.119	87.797	94.442	105.378	97.537	110.655
2027	110.525	110.088	95.797	86.215	72.041	87.811	94.507	105.392	97.555	110.655
2028	110.520	110.889	95.780	86.284	71.966	87.823	94.565	105.405	97.572	110.654
2029	110.516	111.693	95.766	86.348	71.893	87.832	94.616	105.418	97.588	110.654
2030	110.512	131.517	95.754	86.407	71.823	87.840	94.662	105.430	97.602	110.654

2) Secondary level

Table A1.8 Pessimistic scenario – Secondary level

Year	Algeria	Egypt	Jordan	Lebanon	Libya	Morocco	Palestine	Syria	Tunisia	Turkey
2011	53.099	81.328	66.768	43.381	25.399	46.677	82.962	38.035	79.755	69.315
2012	53.821	81.387	66.861	43.277	25.063	46.517	83.329	37.736	80.896	69.045
2013	54.992	81.434	66.938	43.185	24.748	46.373	83.723	37.576	82.048	68.806
2014	56.340	81.472	67.001	43.111	24.452	46.242	84.137	37.489	83.213	68.594
2015	57.770	81.503	67.053	43.054	24.173	46.124	84.565	37.443	84.392	68.403
2016	59.247	81.528	67.096	43.011	23.912	46.017	85.004	37.418	85.584	68.231
2017	60.759	81.547	67.132	42.979	23.666	45.920	85.449	37.405	86.792	68.075
2018	62.303	81.563	67.161	42.956	23.435	45.831	85.899	37.397	88.016	67.933
2019	63.877	81.576	67.185	42.938	23.218	45.750	86.351	37.393	89.258	67.802
2020	65.482	81.586	67.205	42.926	23.014	45.676	86.803	37.391	90.517	67.682
2021	67.117	81.593	67.221	42.916	22.822	45.609	87.255	37.390	91.795	67.572
2022	68.784	81.600	67.235	42.910	22.642	45.547	87.706	37.390	93.093	67.469
2023	70.483	81.604	67.246	42.905	22.473	45.490	88.154	37.389	94.412	67.374
2024	72.214	81.608	67.255	42.901	22.314	45.437	88.600	37.389	95.752	67.286
2025	73.979	81.611	67.263	42.898	22.164	45.389	89.042	37.389	97.114	67.204
2026	75.777	81.613	67.269	42.896	22.024	45.344	89.481	37.389	98.500	67.128
2027	77.610	81.614	67.274	42.895	21.892	45.303	89.917	37.389	99.909	67.057
2028	79.478	81.615	67.278	42.894	21.768	45.264	90.349	37.389	101.343	66.990
2029	81.381	81.615	67.282	42.893	21.652	45.229	90.777	37.389	102.802	66.928
2030	83.321	81.616	67.284	42.892	21.542	45.196	91.200	37.389	104.288	66.869

3) Tertiary level

Table A1.9 Pessimistic scenario – Tertiary level

Year	Egypt	Jordan	Lebanon	Morocco	Palestine	Tunisia
2011	29.568	29.002	32.669	11.042	42.474	38.917
2012	30.098	28.138	32.032	10.989	43.204	41.248
2013	30.391	27.392	31.565	10.947	43.926	43.686
2014	30.552	26.750	31.224	10.912	44.633	46.235
2015	30.641	26.196	30.974	10.884	45.323	48.901
2016	30.691	25.719	30.792	10.862	45.992	51.689
2017	30.718	25.307	30.658	10.843	46.639	54.605
2018	30.733	24.952	30.560	10.829	47.262	57.654
2019	30.741	24.646	30.489	10.817	47.863	60.843
2020	30.745	24.382	30.436	10.807	48.439	64.178
2021	30.748	24.155	30.398	10.799	48.992	67.666
2022	30.749	23.959	30.370	10.793	49.521	71.313
2023	30.750	23.790	30.349	10.788	50.028	75.128
2024	30.750	23.645	30.334	10.784	50.512	79.117
2025	30.751	23.519	30.323	10.780	50.975	83.289
2026	30.751	23.411	30.315	10.777	51.417	87.652
2027	30.751	23.317	30.309	10.775	51.839	92.215
2028	30.751	23.237	30.305	10.773	52.242	96.987
2029	30.751	23.168	30.302	10.772	52.627	101.977
2030	30.751	23.108	30.300	10.771	52.993	107.196

Linear trend forecasting

Some of the countries at each educational level (primary, secondary and tertiary) failed to follow a regression econometric model; as a result no regression model fitted and predictions were made in those cases based on a linear trend estimation for each educational level up to the year 2030. The optimistic and pessimistic scenarios were formed by constructing the interval (estimated $Y + 2$ S.E., estimated $Y - 2$ S.E.) respectively, where S.E. denotes the standard error of the estimate.

1) Primary level – Libya

Table A1.10 Primary level

Year	Business-as-usual scenario	Optimistic scenario	Pessimistic scenario
2007	104.8095	119.794	89.825
2008	104.153	119.137	89.169
2009	103.4965	118.481	88.512
2010	102.84	117.824	87.856
2011	102.1835	117.168	87.199
2012	101.527	116.511	86.543
2013	100.8705	115.855	85.886
2014	100.214	115.198	85.230
2015	99.5575	114.542	84.573
2016	98.901	113.885	83.917
2017	98.2445	113.229	83.260
2018	97.588	112.572	82.604
2019	96.9315	111.916	81.947
2020	96.275	111.259	81.291
2021	95.6185	110.603	80.634
2022	94.962	109.946	79.978
2023	94.3055	109.290	79.321
2024	93.649	108.633	78.665
2025	92.9925	107.977	78.008
2026	92.336	107.320	77.352
2027	91.6795	106.664	76.695
2028	91.023	106.007	76.039
2029	90.3665	105.351	75.382
2030	89.71	104.694	74.726

2) Secondary level – Israel

Table A1.11 Secondary level

Year	Business-as-usual scenario	Optimistic scenario	Pessimistic scenario
2010	97.3796	103.136	91.623
2011	97.8718	103.628	92.115
2012	98.364	104.121	92.607
2013	98.8562	104.613	93.100
2014	99.3484	105.105	93.592
2015	99.8406	105.597	94.084
2016	100.3328	106.089	94.576
2017	100.825	106.582	95.068
2018	101.3172	107.074	95.561
2019	101.8094	107.566	96.053
2020	102.3016	108.058	96.545
2021	102.7938	108.550	97.037
2022	103.286	109.043	97.529
2023	103.7782	109.535	98.022
2024	104.2704	110.027	98.514
2025	104.7626	110.519	99.006
2026	105.2548	111.011	99.498
2027	105.747	111.504	99.990
2028	106.2392	111.996	100.483
2029	106.7314	112.488	100.975
2030	107.2236	112.980	101.467

3) Tertiary level – Algeria, Turkey, Israel and Libya

Table A1.12 Tertiary level

Year	Algeria			Turkey			Israel			Libya		
	BAUS	OS	PS	BAUS	OS	PS	BAUS	OS	PS	BAUS	OS	PS
2004										54.798	60.136	49.460
2005										55.953	61.291	50.615
2006										57.108	62.446	51.770
2007										58.262	63.600	52.924
2008										59.417	64.755	54.079
2009										60.572	65.910	55.234
2010				43.955	48.164	39.745	64.161	67.291	61.030	61.726	67.064	56.388
2011	31.541	34.181	28.900	45.977	50.187	41.768	65.505	68.635	62.374	62.881	68.219	57.543
2012	33.097	35.738	30.457	48.000	52.210	43.790	66.849	69.979	63.718	64.036	69.374	58.698
2013	34.654	37.294	32.013	50.023	54.232	45.813	68.192	71.323	65.062	65.191	70.528	59.853
2014	36.210	38.850	33.569	52.045	56.255	47.836	69.536	72.667	66.406	66.345	71.683	61.007
2015	37.766	40.407	35.126	54.068	58.277	49.858	70.880	74.011	67.750	67.500	72.838	62.162
2016	39.322	41.963	36.682	56.090	60.300	51.881	72.224	75.354	69.094	68.655	73.993	63.317
2017	40.879	43.519	38.238	58.113	62.323	53.903	73.568	76.698	70.438	69.809	75.147	64.471
2018	42.435	45.076	39.794	60.136	64.345	55.926	74.912	78.042	71.782	70.964	76.302	65.626
2019	43.991	46.632	41.351	62.158	66.368	57.949	76.256	79.386	73.125	72.119	77.457	66.781
2020	45.548	48.188	42.907	64.181	68.390	59.971	77.600	80.730	74.469	73.273	78.611	67.935
2021	47.104	49.744	44.463	66.203	70.413	61.994	78.944	82.074	75.813	74.428	79.766	69.090
2022	48.660	51.301	46.020	68.226	72.436	64.016	80.288	83.418	77.157	75.583	80.921	70.245
2023	50.217	52.857	47.576	70.249	74.458	66.039	81.631	84.762	78.501	76.738	82.075	71.400
2024	51.773	54.413	49.132	72.271	76.481	68.062	82.975	86.106	79.845	77.892	83.230	72.554
2025	53.329	55.970	50.689	74.294	78.503	70.084	84.319	87.450	81.189	79.047	84.385	73.709
2026	54.885	57.526	52.245	76.316	80.526	72.107	85.663	88.793	82.533	80.202	85.540	74.864
2027	56.442	59.082	53.801	78.339	82.549	74.129	87.007	90.137	83.877	81.356	86.694	76.018
2028	57.998	60.639	55.357	80.362	84.571	76.152	88.351	91.481	85.221	82.511	87.849	77.173
2029	59.554	62.195	56.914	82.384	86.594	78.175	89.695	92.825	86.564	83.666	89.004	78.328
2030	61.111	63.751	58.470	84.407	88.616	80.197	91.039	94.169	87.908	84.820	90.158	79.482

Appendix 2. Technical note on scenario building: Forecasting the education variables

Summary

In an attempt to forecast the future prospects of education in the 11 SEMCs, an exercise was undertaken to extrapolate the gross enrolment rates (GERs) (for the primary, secondary and tertiary levels) of the 11 countries for the period 2011–30. To do so the following data were used: gross enrolment rate, GDP per capita, public expenditures on education, public expenditure on education as a percentage of GDP, ODA, the percentage of the population under the poverty line, population growth at the age of primary education and population growth at the age of secondary education, covering the period 1970–2010.

First, the above data were used to fit an econometric model for each educational level in each country, which explains the variations of GERs over time. Then, these models along with the forecasted values of the explanatory variables (using the AR(1) model for the period 2011–30) were used to extrapolate the GER series for the same period. Since we used the AR(1) model in forecasting the explanatory variables, it created the business-as-usual scenario. As for the optimistic and pessimistic scenarios, they are estimates using the standard errors of the GER models and the predicted future values of the GER.

A limited number of cases failed to follow a regression model; as a result no predictions were made. Nevertheless, in such cases a linear trend estimation was performed to derive a prediction.

Variable notations as used in the Stata file

Table A2.1 Variable information

Variable notation	Variable label
Country	Country
Year	Year: 1971:2010
GER_PRIMARY	Gross enrollment rate in primary education
GER_Secondary	Gross enrollment rate in secondary education
GDP_percapita	GDP per capita
Log_GDP_Percapita	Log GDP per capita
Public_exp_educ	Public expenditure on education
Pov_under_1	Percentage of the population below \$1.25 ppp
Pov_under_2	Percentage of the population below \$2.00 ppp
ODA	Total ODA in constant prices
POP_N_GW_Prm	Population growth at the age of primary education
POP_N_GW_SEC	Population growth at the age of secondary education
ODA_EU-15	ODA from the EU-15
GER_tertiary	Gross enrollment rate in tertiary education
EUODA_share	EU-15 share of total ODA
Delta_Log_GDP	–
Pov_1_completed	Percentage of the population below \$1.25 ppp completed (interpolated)
Pov_2_completed	Percentage of the population below \$2.50 ppp completed (interpolated)
Public_exp_educ_GDP	Public expenditure on education as a percentage of GDP

Linearly interpolated variables

- Percentage of the population living on less than \$1.25 per day (source: PovcalNet)
- Percentage of the population living on less than \$2.50 per day (source: PovcalNet)
- Public expenditure on education as a percentage of GDP (source: World Bank)
- Population growth at the primary education age group (source: UNpop)
- Population growth at the secondary education age group (source: UNpop)

AR(1) model

An autoregressive model of order (1) was used to create the business-as-usual scenario in order to predict the future values of the explanatory variables to 2030 and use them in forecasting the dependent variable. In an autoregressive model, the dependent variable is regressed against its own lagged values. The number of lags used as regressors is called the order of the autoregression.

Standard error of the estimated dependent variables

The standard deviation of the error term or the square root of the mean square for the residuals is in the ANOVA.

Concerning the standard error,

- the DF model is the regression degrees of freedom corresponding to the number of estimated coefficients, including the intercept, minus 1; and
- the standard error of the estimate (SSE) is calculated in any regression analysis output, sometimes called the ‘square root of MSE’.

The standard errors of the estimated GER primary, estimated GER secondary and estimated GER tertiary across the countries are reported in Table A2.2.

Table A2.2 Standard error

	Estimated GER primary	Estimated GER secondary	Estimated GER tertiary
Algeria	0.634	16.309	–
Egypt	3.4154	3.4782	1.6733
Jordan	2.9702	5.263	2.0565
Lebanon	7.8342	10.894	5.5325
Libya	–	24.939	–
Morocco	10.429	2.1535	0.26401
Palestine	2.3418	3.3792	5.2987
Syria	6.3599	7.394	–
Tunisia	4.6283	4.7368	0.06044
Turkey	1.9744	3.4114	–
Israel	0.73274	–	–

Linear trend forecasting

Some of the countries at each educational level (primary, secondary and tertiary) failed to follow a regression model, and as a result no regression model fitted and no predictions were made. In this section, for each educational level where these countries are found, a linear trend estimation is performed for predicting up to the year 2030.

Primary level

1) Libya

Table A2.3 Primary education

Year	Predicted GER in primary education
2007	104.8095
2008	104.153
2009	103.4965
2010	102.84
2011	102.1835
2012	101.527
2013	100.8705
2014	100.214
2015	99.5575
2016	98.901
2017	98.2445
2018	97.588
2019	96.9315
2020	96.275
2021	95.6185
2022	94.962
2023	94.3055
2024	93.649
2025	92.9925
2026	92.336
2027	91.6795
2028	91.023
2029	90.3665
2030	89.71
R ²	39%

Secondary level

2) Israel. The R-squared of the estimated regression model was 11%, so no prediction was made. Table A2.4 shows the linear trend estimation with R-squared = 77.8%.

Table A2.4 Secondary education

Year	Predicted GER in secondary education
2010	97.3796
2011	97.8718
2012	98.364
2013	98.8562
2014	99.3484
2015	99.8406
2016	100.3328
2017	100.825
2018	101.3172
2019	101.8094
2020	102.3016
2021	102.7938
2022	103.286
2023	103.7782
2024	104.2704
2025	104.7626
2026	105.2548
2027	105.747
2028	106.2392
2029	106.7314
2030	107.2236

Tertiary level

3) Algeria

Table A2.5 Tertiary education

Year	Predicted GER in tertiary education
2011	31.5409
2012	33.0972
2013	34.6535
2014	36.2098
2015	37.7661
2016	39.3224
2017	40.8787
2018	42.435
2019	43.9913

Table A2.5 cont'd

2020	45.5476
2021	47.1039
2022	48.6602
2023	50.2165
2024	51.7728
2025	53.3291
2026	54.8854
2027	56.4417
2028	57.998
2029	59.5543
2030	61.1106
R ²	95%

4) Turkey

Table A2.6 Tertiary education

Year	Predicted GER in tertiary education
2010	43.9548
2011	45.9774
2012	48
2013	50.0226
2014	52.0452
2015	54.0678
2016	56.0904
2017	58.113
2018	60.1356
2019	62.1582
2020	64.1808
2021	66.2034
2022	68.226
2023	70.2486
2024	72.2712
2025	74.2938
2026	76.3164
2027	78.339
2028	80.3616
2029	82.3842
2030	84.4068
R ²	93%

5) Israel

Table A2.7 Tertiary education

Year	Predicted GER in tertiary education
2010	64.1607
2011	65.5046
2012	66.8485
2013	68.1924
2014	69.5363
2015	70.8802
2016	72.2241
2017	73.568
2018	74.9119
2019	76.2558
2020	77.5997
2021	78.9436
2022	80.2875
2023	81.6314
2024	82.9753
2025	84.3192
2026	85.6631
2027	87.007
2028	88.3509
2029	89.6948
2030	91.0387
R ²	91%

6) Libya

There were only five observations provided for Libya; in this case the regression could not be performed due to insufficient observations. Table A2.8 shows the linear trend prediction.

Table A2.8 Tertiary education

Year	Predicted GER in tertiary education
2004	54.7982
2005	55.9529
2006	57.1076
2007	58.2623
2008	59.417
2009	60.5717
2010	61.7264

Table A2.8 cont'd

2011	62.8811
2012	64.0358
2013	65.1905
2014	66.3452
2015	67.4999
2016	68.6546
2017	69.8093
2018	70.964
2019	72.1187
2020	73.2734
2021	74.4281
2022	75.5828
2023	76.7375
2024	77.8922
2025	79.0469
2026	80.2016
2027	81.3563
2028	82.511
2029	83.6657
2030	84.8204
R ²	38%

Regression models

Algeria

Primary. The gross enrollment rate in primary education in Algeria is influenced by the following indicators:

- 1) total ODA,
- 2) population growth at the age of primary education, and
- 3) delta log GDP.

The regression model equation is as follows:

$$\text{GER_Primary} = 105.7778 + 0.010607 \text{ ODA} + 0.027524 \text{ POPN_GW_Prm} + 115.5854 \text{ Delta_Log_GDP.}$$

Secondary. The gross enrollment rate in secondary education in Algeria is influenced by the following indicators:

- 1) total ODA, and
- 2) population growth at the age of secondary education.

The regression model equation is as follows:

$$\text{GER_Secondary} = 99.31009 - 0.0855302 \text{ ODA} - 0.2241041 \text{ POPN_GW_SEC}.$$

Egypt

Primary. The gross enrollment rate in primary education in Egypt is influenced by the following indicators:

- 1) EU-15 share of total ODA, and
- 2) percentage of the population below \$2.50 ppp completed (interpolated).

The regression model equation is as follows:

$$\text{GER_Primary} = 134.3912 + 1.807173 \text{ EUODA_share} - 1.112222 \text{ Pov_2_completed}.$$

Secondary. The gross enrollment rate in secondary education in Egypt is influenced by the following indicators:

- 1) population growth at the age of secondary education, and
- 2) percentage of the population below \$1.25 ppp completed (interpolated).

The regression model equation is as follows:

$$\text{GER_Secondary} = 94.31718 - 0.0677163 \text{ POPN_GW_SEC} - 4.308937 \text{ Pov_1_completed}.$$

Tertiary. The gross enrollment rate in tertiary education in Egypt is influenced by the following indicator:

- 1) ODA from the EU-15.

The regression model equation is as follows:

$$\text{GER_tertiary} = 24.87528 + 0.0140936 \text{ ODA_EU-15}.$$

Morocco

Primary. The gross enrollment rate in primary education in Morocco is influenced by the following indicators:

- 1) population growth at the age of primary education, and
- 2) public expenditure on education as a percentage of GDP.

The regression model equation is as follows:

$$\text{GER_Primary} = -168.969 - 168.969 \text{ POPN_GW_Prm} + 45.17508 \text{ Public_exp_educ_GDP}.$$

Secondary. The gross enrollment rate in secondary education in Morocco is influenced by the following indicators:

- 1) population growth at the age of secondary education, and
- 2) percentage of the population below \$2.50 ppp completed (interpolated).

The regression model equation is as follows:

$$\text{GER_Secondary} = 62.62928 - 0.60207 \text{ Pov_2_completed} - 0.12033 \text{ POPN_GW_SEC}.$$

Tertiary. The gross enrollment rate in tertiary education in Morocco is influenced by the following indicator:

- 1) percentage of the population below \$1.25 ppp completed (interpolated).

The regression model equation is as follows:

$$\text{GER_tertiary} = 13.46311 - 0.60969 \text{ Pov_1_completed}.$$

Palestine

Primary. The gross enrollment rate in primary education in Palestine is influenced by the following indicator:

- 1) population growth at the age of primary education.

The regression model equation is as follows:

$$\text{GER_Primary} = 89.05212 + 0.387715 \text{ POPN_GW_Prm.}$$

Secondary. The gross enrollment rate in secondary education in Palestine is influenced by the following indicators:

- 1) population growth at the age of secondary education, and
- 2) EU-15 share of total ODA.

The regression model equation is as follows:

$$\text{GER_Secondary} = 28.84744 + 3.42624 \text{ POPN_GW_SEC} + 5.276046 \text{ EUODA_share.}$$

Tertiary. The gross enrollment rate in tertiary education in Palestine is influenced by the following indicators:

- 1) EU-15 share of total ODA, and
- 2) ODA from the EU-15.

The regression model equation is as follows:

$$\text{GER_tertiary} = 7.453119 + 5.194357 \text{ EUODA_share} + 0.052934 \text{ ODA_EU-15.}$$

Syrian Arab Republic

Primary. The gross enrollment rate in primary education in Syria is influenced by the following indicators:

- 1) population growth at the age of primary education, and
- 2) EU-15 share of total ODA.

The regression model equation is as follows:

$$\text{GER_Primary} = 66.57771 + 7.260731 \text{ EUODA_share} + 6.843791 \text{ Public_exp_educ_GDP.}$$

Secondary. The gross enrollment rate in secondary education in Syria is influenced by the following indicator:

- 1) EU-15 share of total ODA.

The regression model equation is as follows:

$$\text{GER_Secondary} = 43.89326 + 23.75957 \text{ EUODA_share.}$$

Tunisia

Primary. The gross enrollment rate in primary education in Tunisia is influenced by the following indicator:

- 1) public expenditure on education as a percentage of GDP.

The regression model equation is as follows:

$$\text{GER_Primary} = 73.56562 + 5.88836 \text{ Public_exp_educ_GDP.}$$

Secondary. The gross enrollment rate in secondary education in Tunisia is influenced by the following indicators:

- 1) population growth at the age of secondary education, and
- 2) public expenditure on education as a percentage of GDP.

The regression model equation is as follows:

$$\text{GER_Secondary} = -82.6961 - 0.56153 \text{ POPN_GW_SEC} + 22.59258 \text{ Public_exp_educ_GDP}.$$

Tertiary. The gross enrollment rate in tertiary education in Tunisia is influenced by the following indicator:

- 1) percentage of the population below \$1.25 ppp completed (interpolated).

The regression model equation is as follows:

$$\text{GER_tertiary} = 25.57826 - 2.48474 \text{ Pov_1_completed}.$$

Turkey

Primary. The gross enrollment rate in primary education in Turkey is influenced by the following indicators:

- 1) total ODA, and
- 2) population growth at the age of primary education.

The regression model equation is as follows:

$$\text{GER_Primary} = 100.278 + 0.0168401 \text{ POPN_GW_Prm} + 0.0037414 \text{ ODA}.$$

Secondary. The gross enrollment rate in secondary education in Turkey is influenced by the following indicators:

- 1) population growth at the age of secondary education, and
- 2) percentage of the population below \$1.25 ppp completed (interpolated).

The regression model equation is as follows:

$$\text{GER_Secondary} = 66.2494 + 5.126761 \text{ Pov_1_completed} - 0.216844 \text{ POPN_GW_SEC}.$$

Israel

Primary. The gross enrollment rate in primary education in Israel is influenced by the following indicators:

- 1) population growth at the age of primary education, and
- 2) delta log GDP.

The regression model equation is as follows:

$$\text{GER_Primary} = 109.1007 - 91.9278 \text{ Delta_Log_GDP} + 0.406015 \text{ POPN_GW_Prm}.$$

Jordan

Primary. The gross enrollment rate in primary education in Jordan is influenced by the following indicator:

- 1) percentage of the population below \$1.25 ppp completed (interpolated).

The regression model equation is as follows:

$$\text{GER_Primary} = 105.2176 - 2.297578 \text{ Pov_1_completed}.$$

Secondary. The gross enrollment rate in secondary education in Jordan is influenced by the following indicator:

- 1) public expenditure on education as a percentage of GDP.

The regression model equation is as follows:

$$\text{GER_Secondary} = 50.83675 + 4.364301 \text{ Public_exp_educ_GDP.}$$

Tertiary. The gross enrollment rate in tertiary education in Jordan is influenced by the following indicator:

- 1) percentage of the population below \$1.25 ppp completed (interpolated).

The regression model equation is as follows:

$$\text{GER_tertiary} = 44.22614 - 11.0888 \text{ Pov_1_completed.}$$

Lebanon

Primary. The gross enrollment rate in primary education in Lebanon is influenced by the following indicator:

- 1) population growth at the age of primary education.

The regression model equation is as follows:

$$\text{GER_Primary} = 106.2139 + 0.6000421 \text{ POPN_GW_Prm.}$$

Secondary. The gross enrollment rate in secondary education in Lebanon is influenced by the following indicators:

- 1) population growth at the age of secondary education, and
- 2) EU-15 share of total ODA.

The regression model equation is as follows:

$$\text{GER_Secondary} = 66.02451 + 4.93248 \text{ EUODA_share} - 1.893796 \text{ POPN_GW_SEC.}$$

Tertiary. The gross enrollment rate in tertiary education in Lebanon influenced by the following indicator:

- 1) ODA from the EU-15.

The regression model equation is as follows:

$$\text{GER_tertiary} = 36.97133 + 0.040599 \text{ ODA_EU-15.}$$

Libya

Secondary. The gross enrollment rate in secondary education in Libya is influenced by the following indicator:

- 1) population growth at the age of secondary education.

The regression model equation is as follows:

$$\text{GER_Secondary} = 73.72482 - 1.04036 \text{ POPN_GW_SEC.}$$

Regression model summary







Table A2.9 Primary education

Countries	Explanatory variables							R-squared	No. of obs. used in the regression model
	Total ODA	Population growth at the primary education level	ODA from the EU-15	EU share of total ODA	Delta_Log_GDP	% pop. under \$1.25 completed	% pop. under \$2.50 completed		
Algeria								0.8946	10
Egypt								0.7265	14
Jordan								0.2937	17
Lebanon								0.1657	24
Libya	No regression model fitted								
Morocco								0.5576	34
Palestine								0.7728	15
Syrian Arab Republic								0.4081	33
Tunisia								0.4950	34
Turkey								0.3548	36
Israel								0.8620	9

Table A2.10 Secondary education

Countries	Explanatory variables							R-squared	No. of obs. used in the regression model
	Total ODA	Population growth at the secondary education level	ODA from the EU-15	EU share of total ODA	Delta_Log_ GDP	% pop. under \$1.25 completed	% pop. under \$2.50 completed		
Algeria	■	■						0.5255	32
Egypt		■				■		0.8351	14
Jordan							■	0.3379	22
Lebanon		■		■				0.3309	23
Libya		■						0.2354	17
Morocco		■					■	0.8867	24
Palestine		■		■				0.8495	15
Syrian Arab Republic				■				0.4846	40
Tunisia		■					■	0.9616	34
Turkey						■		0.9594	16
Israel		■						0.1190	36

Table A2.11 Tertiary education

Countries	Explanatory variables							R-squared	No. of obs. used in the regression model
	Total ODA	Population growth at the tertiary education level	ODA from the EU-15	EU share of total ODA	Delta_Log_GDP	% pop. under \$1.25 completed	% pop. under \$2.50 completed		
Algeria	No regression model fitted								
Egypt								0.6288	7
Jordan								0.8166	6
Lebanon								0.4685	12
Libya	Insufficient observations								
Morocco								0.9310	10
Palestine								0.8213	13
Syrian Arab Republic	No data available								
Tunisia								0.9995	3
Turkey	No regression model fitted								
Israel	No regression model fitted								



About MEDPRO

MEDPRO – Mediterranean Prospects – is a consortium of 17 highly reputed institutions from throughout the Mediterranean funded under the EU’s 7th Framework Programme and coordinated by the Centre for European Policy Studies based in Brussels. At its core, MEDPRO explores the key challenges facing the countries in the Southern Mediterranean region in the coming decades. Towards this end, MEDPRO will undertake a prospective analysis, building on scenarios for regional integration and cooperation with the EU up to 2030 and on various impact assessments. A multi-disciplinary approach is taken to the research, which is organised into seven fields of study: geopolitics and governance; demography, health and ageing; management of environment and natural resources; energy and climate change mitigation; economic integration, trade, investment and sectoral analyses; financial services and capital markets; human capital, social protection, inequality and migration. By carrying out this work, MEDPRO aims to deliver a sound scientific underpinning for future policy decisions at both domestic and EU levels.

Title	MEDPRO – Prospective Analysis for the Mediterranean Region
Description	MEDPRO explores the challenges facing the countries in the South Mediterranean region in the coming decades. The project will undertake a comprehensive foresight analysis to provide a sound scientific underpinning for future policy decisions at both domestic and EU levels.
Mediterranean countries covered	Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Turkey
Coordinator	Dr. Rym Ayadi, Centre for European Policy Studies (CEPS), rym.ayadi@ceps.eu
Consortium	Centre for European Policy Studies, CEPS , Belgium; Center for Social and Economic Research, CASE , Poland; Cyprus Center for European and International Affairs, CCEIA , Cyprus; Fondazione Eni Enrico Mattei, FEEM , Italy; Forum Euro-Méditerranéen des Instituts de Sciences Economiques, FEMISE , France; Faculty of Economics and Political Sciences, FEPS , Egypt; Istituto Affari Internazionali, IAI , Italy; Institute of Communication and Computer Systems, ICCS/NTUA , Greece; Institut Europeu de la Mediterrania, IEMed , Spain; Institut Marocain des Relations Internationales, IMRI , Morocco; Istituto di Studi per l’Integrazione dei Sistemi, ISIS , Italy; Institut Tunisien de la Compétitivité et des Etudes Quantitatives, ITCEQ , Tunisia; Mediterranean Agronomic Institute of Bari, MAIB , Italy; Palestine Economic Policy Research Institute, MAS , Palestine; Netherlands Interdisciplinary Demographic Institute, NIDI , Netherlands; Universidad Politecnica de Madrid, UPM , Spain; Centre for European Economic Research, ZEW , Germany
Budget and Funding	Total budget: €3,088,573 EC-DG RESEARCH contribution: €2,647,330
Duration	1 April 2010 – 31 March 2013 (36 months)
EC Scientific Officer	Dr. Domenico Rossetti Di Valdalbero, DG RESEARCH
Website	www.medpro-foresight.eu
Contact e-mail	medpro@ceps.eu