



الاتحاد العربي للتقابات
ARAB TRADE UNION CONFEDERATION

Social protection scheme in the Face of the COVID-19 Pandemic in Arab Region

Jordan as Case Study

Written by:
Dr. Mohamad Mahmoud

November 2020



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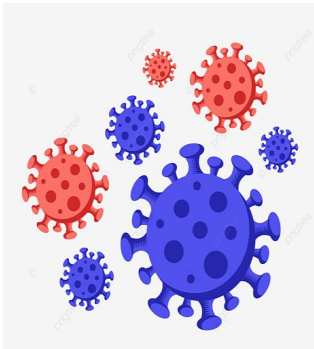
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COVID-19 & Social Protection Institutions in the Arab Region

Introduction:

The world is still suffering from the health, economic, social and psychological consequences that Covid-19 has caused. Its effects are still deepening day by day.

As the number of infections and deaths keeps increasing, economy is shrinking, unemployment is rising, the poor and day-to-day workers are suffering. On the other side, the world is in a race against time to reach vaccines and treatments that would alleviate the pain of humanity. Countries and institutions are trying to reduce the economic effects of the pandemic on the poor, workers, the marginalized, and those who fall on the edge, whether they are individuals or institutions, to save what can be saved, both economically and socially.

This pandemic has created exceptional responsibilities on states on the one hand, and on social security and protection institutions on the other. It has placed them in front of new challenges and imposed on them multiple roles to play. Whether it is through the provision of cash and in-kind assistance and aid, or the liquidation of part of the money of providers or through unemployment benefits, or granting them financial advances on the account of pension salaries.

This on one hand, on the other, by helping companies and establishments pay the monthly salaries of their workers, or rescheduling the financial dues they have. More than that, some countries went on to include a temporary suspension of the provisions of social security laws, specifically reducing the contributions of companies and business organizations.

So what did the social protection institutions have really done to contribute to mitigating the effects of the pandemic? Are the measures effective, and which groups did they include, and did they include all those who should have been helped? This on the one hand and on the other hand what is the amount of money that was vested into this process? Have these measures affected the finances of social security systems, and do we need to create new funds to confront such pandemics that may emerge, and more than that, are we ready to face the next pandemic?

This scientific paper discusses these questions, through a general research framework that examines protection systems measures in the face of Covid-19

in the Arab region, with a special focus on Jordan, and the role of social protection institutions in facing the effects of the Coronavirus.

Social protection institutions in the Arab region:



The history of social protection institutions in the Arab world, whether based on contributions such as retirement and social insurance institutions, or not based on contributions such as national aid funds, zakat and others, goes back to the last century.

The oldest social insurance systems in the Arab world date back to 1949 in Algeria, to the year 1950 in Egypt, to the year 1960 in Tunisia. As for Jordan, the history of social protection programs goes back to the 1950s of the last century, such as retirement insurance for the public sector, the Social Development and Labor Law, leading to the issuance of Social Security Law No. 30 of 1978, and the establishment of zakat and development funds. In addition to, employment and national aid, in the seventies and eighties of the last century, with the aim of providing an integrated umbrella for social protection, whether through contributory programs such as social security, or non-contributory programs, such as the National Aid Fund or Zakat. This is based on a number of eligibility criteria such as need, absence of income or social security contribution.

Some insurance systems in the Arab world date back to the last decade of the twenty-first century, as in the case of some Gulf countries such as the United Arab Emirates and Qatar.

As is the case in most countries of the Arab world, the social protection system suffers from the existence of a wide range of protection programs separate from each other and with similar goals, which made it difficult for transparency and accountability and led to ineffective spending due to the multiplicity and duplication of their efforts, and it has become an obligation for states.

Arab countries in general, and those with middle and low income, should review these programs and institutions, to ensure that structural and barometric reforms are carried out in a way that ensures efficiency, effectiveness, inclusiveness, and accountability. In this context, we may refer to some social work executive bodies and actors in the Arab world, which are as follows:

- Retirement and social insurance institutions: represented by civil, military, and social insurance retirement institutions, through their contribution-based programs, and by providing packages of benefits such as pensions, one-off payments, work-related injury insurance, unemployment funds, and maternity. This aims to counter the abundant risks that program participants are exposed to, such as old age, disability,

death, work injuries and occupational diseases, unemployment, as well as maternity.

- National aid funds: which aim to contribute to addressing and reducing poverty levels at the national level for each country, represented by social security institutions and funds as in the Kingdom of Saudi Arabia, and the National Aid Fund in Jordan, which aims to contribute to building effective social protection systems. A number of programs are offered by these institutions and funds, such as recurrent and temporary monthly financial aid programs, emergency financial aid programs, additional financial aid, and physical rehabilitation aid, in addition to urgent financial aid programs for natural disasters.
- Zakat funds: which aim to strengthen the social protection system in the Arab world, and its financial resources come mainly from Zakat that are voluntarily paid by the owners of funds, and are directed to the poor, needy, through a set of programs represented in monthly cash assistance, emergency aid, and provision In-kind materials, orphan sponsorship, and health care provision through its affiliated medical centers. in addition to that, there are some other programs related to poor students, school bags, and providing small investment rehabilitation projects.
- Civil society organizations and institutions: licensed and specialized in helping the poor and the needy, such as charities, endowment institutions, and charitable organizations. These organizations provide frequent and emergency financial aid, in-kind assistance, and food, and there are many of these associations and organizations in the Arab world, such as the Commission Hashemite Charity in Jordan, Tkiyet Um Ali, Social Reform in Kuwait, Dar Al Ber in the United Arab Emirates, Charitable Society for Orphan Care in Saudi Arabia, and others.

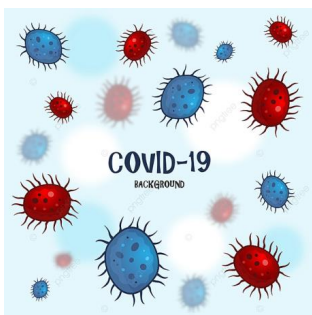


These actors are the main players in providing and strengthening the social protection system in the Arab world, by providing its requirements.

This comes according to two types, the first is the contribution-based social protection represented by retirement and social insurance programs, and the second is the provision and enhancement of non-contributory social protection represented by social security funds, national aid, Zakat funds, and programs provided by charitable societies and organizations, which usually include the poor and needy, and those who do not have pensions, and income to enable them to secure basic needs. This process is done according to studies and social examinations to ensure their eligibility to be considered for these programs.

But the most important question in this study is how did Arab countries, through their executive bodies, according to their programs and specializations, deal

with the Covid-19 pandemic? What protection measures they took to mitigate the effects of the pandemic on citizens, workers and establishments in the Arab world? With a focus on the Hashemite Kingdom of Jordan and in particular, its defense decisions and the Social Security Corporation. But before going into that, we review the following: The expected impacts and losses on the Arab region, and then analyze and review the measures and actions taken by some Arab countries in facing the hazards of Covid-19.



The expected effects and losses of the Covid-19 pandemic on the Arab region:

Coronavirus continues to have its strong strike all over the globe, and it continues to spread its health, economic, social and psychological effects on everyone, causing severe damage at all levels and trends.

According to an ESCWA report, entitled "An emergency regional response, to mitigate the repercussions of the pandemic: Coronavirus, in its executive summary, there is a set of data, which includes the following:

- According to preliminary estimates of the effects of the Coronavirus, it is expected that the Arab region will lose at least \$ 42 billion in 2020. With the expansion of this pandemic in European countries, the United States of America and other major economies, and as a result of the multiplier effects of lower oil prices, it is feared that income losses in the region will increase.
- Due to the global economic slowdown, exports of the Arab region are expected to decrease by 28 billion dollars, which will threaten the viability of export-dependent companies and industries. It is expected that the governments of the region will lose customs revenues, and it is feared that countries that rely on tariffs as an important source of government revenue will be the most affected by these financial impacts.
- in the period between January and mid-March 2020, companies in the Arab region recorded tremendous losses in market capital, amounting to 420 billion dollars. Losses in the wealth of these companies are equivalent to 8% of the region's total wealth.
- the region is expected to lose 1.7 million jobs in 2020, which will increase the unemployment rate by 1.2 percentage points. Contrary to the effects of the global financial crisis in 2008, the Coronavirus will negatively affect job opportunities in all sectors, especially the services sector, because of practicing social distancing. Globally, service sector activity has halved. Given that this sector is the main source of job opportunities in the Arab region, any adverse impacts on its activity will translate into large job losses.

□ the middle class in the Arab region may shrink further and further, which could push an additional 8.3 million people into poverty. The economic slowdown caused by the Corona epidemic is expected to negatively affect wages and the flow of remittances. The repercussions of this crisis will be more severe on vulnerable groups, especially women, youth and workers in the informal sector who do not benefit from social protection programs or unemployment insurance. The challenges are exacerbated by the failure to provide a minimum level of social protection in some Arab countries. As a result, an additional 1.9 million people are expected to be undernourished in the region.

□ The Arab region may witness a food shortage if the Covid-19 pandemic continues for several months in the world. Food production, supply, transportation and distribution chains will be negatively affected if the spread of this global epidemic prolongs, which will lead to a decrease in food exports from food-producing countries. This will affect food security in many countries of the region, due to their heavy dependence on food imports, especially basic and protein-rich foodstuffs. The region imports 65 % of the wheat it needs, and spends a total of \$110 billion on food imports.



□ The Covid-19 pandemic threatens 55 million people in need of humanitarian aid in the Arab region. About 24 million of those in need of this aid are either refugees or internally displaced. The pandemic threatens their access to it, whether it is related to food, water, sanitation, medical supplies or health services. The disruption of humanitarian programs can have dire consequences for millions of people. Conflict-affected countries cannot contain the effects of the Coronavirus outbreak, due to the destruction of their health infrastructure and the displacement of many healthcare workers or their migration.

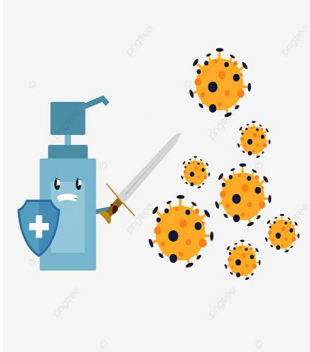
This is a set of effects that the report has reached, which clearly shows the extent of the problem and the depth of its current and future effects. The question that remains is what has been done to confront these effects? and how governments have dealt with this pandemic in general, and social protection systems in particular.

In this context, the first recommendation that was made by this report under the framework of the financial measures necessary to support the economy and support the needy groups was the text: "Promote social protection systems, by expanding coverage of cash transfer programs, food aid, unemployment benefits and other programs, and protecting the right to obtain paid sick leave."

Protection Systems Measures to Face COVID-19 in the Arab Region

Introduction:

With the spread of the Covid-19 pandemic in the Arab world, which had its first wave in the month of March 2020, and because the world knew little about this virus and how it behaves, including the best methods and tools to deal with it and ensure protection from, countries of the world resorted to general lockdowns that included all public facilities. Security forces and the army were deployed in many countries to implement the closure decisions and prevent its violations.



With these measures and the increase in their intensity, and the state of fear and suspicion that the world experienced, there was an interruption of the state of work and production in many sectors. The severe impact and the cessation or decline of livelihood have pushed many to the lines of unemployment, especially for those who work in the unorganized sector, and vulnerable groups such as the poor, refugees and migrants.

With all these health, economic, social and psychological repercussions and effects, countries, through their apparatus and tools in general, and social protection systems in particular, have invoked a set of protective measures to confront Covid-19. In this context, many countries in the Arab region have announced the provision of packages of special incentives.

With the support of citizens, companies and business organizations, for example the United Arab Emirates announced a stimulus program worth 27 billion dollars, with the aim of supporting and strengthening the economy.

Egypt unveiled a comprehensive plan which cost reached 6 billion dollars to combat the Coronavirus and support economic growth, as well as Qatar which announced a stimulus package worth \$ 23 billion to support the economy.

Saudi Arabia announced a stimulus plan of \$ 13 billion to support small and medium enterprises.

Based on the updated data as in October 2020, issued by the International Labor Organization (ILO), we present below the response of a number of Arab countries, to reduce the repercussions of the impact of Covid-19 on businesses, jobs and the most vulnerable members of society.

Bahrain:

The government of Bahrain announced an economic stimulus package worth 11.3 billion US dollars, equivalent to approximately 30% of its annual GDP, to respond to the economic hardship caused by the pandemic. The package, which is valid for a period of three months starting from April 2020, included a number of initiatives to support institutions and individuals, either through exemptions from various fees and taxes, or through direct support, including paying workers' salaries from the unemployment fund.

- The Central Bank expanded lending facilities to banks by up to 3.7 billion dinars to facilitate deferred debt payments and extend additional credit. The Central Bank of Bahrain also decided to cut interest rates. Banks were also required to offer a six-month delay in payment without interest or penalty.
- Paying salaries for Bahraini workers in the private sector to be paid from the unemployment fund.
- Paying electricity and water bills for Bahraini individuals and companies.

Exempting commercial establishments from municipality fees.

Exempting tourist establishments from tourism fees.

Exempting industrial and commercial establishments from rent payments to the government.



- Doubling the size of the liquidity fund to support small and medium enterprises; Reorienting Tamkeen programs (a quasi-governmental agency that provides loans and business assistance) to support the affected companies, as well as restructuring all debts owed by Tamkeen.
- Moreover, the Central Bank of Bahrain issued a directive calling on all commercial banks and financial institutions to discuss rescheduling loans.
- Suspending work permit fees for a period of

three months from April 1.

Protection of workers in the workplace had measures introduced such as:

- Work in both the public and private sectors has been suspended or is being carried out remotely. The percentage of civil servants working from home is 70 percent.

- ❑ Employers are obligated to provide sanitary masks and workers are required to use them in the workplace.
- ❑ Workers should have temperature checks on their arrival and departure from the work site.
- ❑ Number of workers on site, in waiting areas and during transportation should be reduced.
- ❑ Arrangements should be made to reduce the number of workers per room in the accommodation sites.

Iraq:

❑ During a meeting on April 2, the National Health and Safety Committee approved a number of key measures to combat Covid-19, including the establishment of a “Committee at the Cabinet Secretariat level to study and report on support mechanisms for private sector workers during Covid-19” and to create a committee. Headed by the Minister of Planning to present a report on the financial impact of Covid-19 on citizens, and to suggest options for providing financial support to affected groups, especially those with low incomes.



Exempting all medicines, supplies, medical devices, diagnostic devices and laboratories from the import licensing regulation

- ❑ Transferring \$ 50 million to the General Company for Marketing Medicines and Medical Supplies
- ❑ Forming a committee to assess the current and future market needs of foodstuffs, medical supplies and agricultural products, with a mandate to promote Iraqi products.
- ❑ On April 12, the Supreme Committee for Health and National Safety in Iraq announced an emergency grant to help families affected by curfews. According to the government's website, “The government provides a temporary monthly grant for those affected by the nationwide curfew. The grant is only available to Iraqi citizens residing in Iraq. Government employees, who receive government pensions, social security payments or any other income from the state are not eligible to apply.”
- ❑ The Ministry of Labor and Social Affairs launched the emergency grant for families most affected by the closure on May 20, 2020. The grant will ensure that the most vulnerable families receive assistance in the form of meals. More than 11 million will be supported through this scheme.
- ❑ The Ministry of Labor and Social Affairs held a meeting with representatives of the Ministry of the Interior, the Chinese Embassy, the South Korean Embassy,

the Ministry of Oil and Transport, and the National Security and Security Service to discuss the conditions of expatriate workers in light of this, from the current conditions of the Corona epidemic.

□ The Iraqi Federation of Industries has launched a survey of companies, with the aim of assessing the needs of enterprises resulting from Covid-19. The survey is based on 100 industrial projects, representing companies from a number of sectors including those related to food, chemical, construction, metallurgy, electricity, engineering, paper, services and textiles. Some of the main findings of the survey include:

- 95% of enterprises surveyed reported that they had stopped work due to COVID-19 (the hardest hit being small and medium enterprises, which employ around 15 workers).
- 40% of the projects stated the necessity of laying off some workers because of the crisis.
- 90% of projects reported that limited cash flow prevented them from fully recovering their operations, with 70% reporting lack of access to alternative sources of funding to maintain operating and employment levels.
- 90% stated that suppliers are no longer able to fulfill orders, and 50% of business partners have been affected by the epidemic.
- On average, business owners expect the crisis to continue for another four months and that it is unlikely that they will be able to fully restore operations or sales to pre-crisis levels (with 40% saying their businesses will either be closed temporarily or permanently).



Kuwait

The Council of Ministers in the State of Kuwait took measures at a very early stage in the outbreak of Covid-19 after it witnessed the spread of the virus to neighboring countries such as Iran, Iraq and other Gulf Cooperation Council countries.

Such measures included mandatory institutional and home quarantine, travel restrictions and the suspension of domestic commercial travel, testing of citizens and

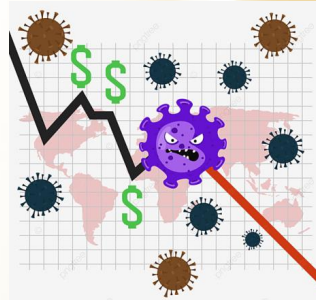
expatriates who recently arrived in Kuwait, closing public and private sector entities, partial curfew hours, banning public gatherings, etc., and in this context:

- The Central Bank of Kuwait issued a decision requiring all banks in the country to reduce interest rates on loans and postpone their payment for the next six months without interest for small and medium companies and individuals.
- The Central Bank of Kuwait has also established a fund worth 10 million Kuwaiti dinars (31.9 million US dollars) funded by Kuwaiti banks to support

affected small and medium businesses. The Central Bank of Kuwait stimulus package provides additional borrowing space of 5 billion Kuwaiti dinars.

□ Kuwait launched the Covid-19 Fund, which exceeded 53 million Kuwaiti dinars until May 24.

□ On April 20, the Central Bank of Kuwait announced controls for concessional financing for small projects and entities that have fulfilled all financial obligations in the past. Liquidity would be provided to enterprises that were negatively affected by the pandemic by the National Fund for Small Enterprise Development and Care and Kuwaiti banks in the form of two to three-year loans at an interest rate of no more than 2.5 percent. This comes as a method to help finance periodic contractual expenditures such as salaries and rents, and preserve national employment in the private sector, increase cash flow as well as avoid short-term liquidity crisis.



□ According to the International Monetary Fund (IMF), the government has allocated 500 million Kuwaiti dinars (\$ 1.6 billion or 1.4 percent of GDP) additional funds to support efforts to combat the spread of the Coronavirus.

A committee has been formed to implement incentive measures to mitigate the negative impact of Covid-19 on economic activity. In particular, the authorities have implemented the following:

Postponing social security contributions for a period of 6 months for private sector companies.

- Continuing to provide full unemployment benefits to citizens.

Providing easy and long-term loans to small and medium-sized companies through co-financing from the Small and Medium Enterprises Fund and banks.

- The Central Bank of Kuwait announced a plan to boost the economy affected by Covid-19. The package will include support for small and medium businesses, and incentives for banks to offer attractive interest packages and rates.

□ The Civil Service Bureau announced that all employees working in ministries or public bodies would be fully paid their salaries during the closure period according to the decision of the Council of Ministers.

□ On March 30, the Ministry of Interior announced an amnesty period for migrant workers who overstep visas and work permits, during which all fees incurred would be waived.

- The Governor of the Central Bank of Kuwait announced a new concessional financing program for companies affected by the crisis.
- Kuwait City announced, on June 10, that the proposed amendment to the Rent Law will stipulate that the residential and investment sectors will not be evacuated in the event of delayed payment of rents during the Covid-19 period. Crisis to be determined within 3 months.
- The government of Kuwait continues to pay entitlements to beneficiaries of employment support: An unemployment allowance is paid for a period of 6 months to any citizen suspended from work.
- Kuwait continues to take measures to ensure livelihoods and health care for families and women amid the pandemic. At a meeting on June 18, the government discussed efforts to increase aid with the effects of Covid-19, especially on women and families. The government urged members of the committee to develop a comprehensive plan for coordination with civil society and state agencies to ensure relief and the effects of the pandemic on families as a whole.
- On June 26, the Kuwait Red Crescent Society distributed 1500 food parcels and 1500 boxes of milk to workers and residents in Jahra Governorate, in cooperation with the Kuwait Red Crescent Society.



- Kuwait Food Bank launches a “Takatof” campaign on July 6 to support needy families.
- Kuwaiti charities have raised \$ 30 million to support the government’s efforts to combat Coronavirus.
- The Real Estate Association called on real estate owners to exempt tenants from paying rents for a period of three months.
- On June 29, Kuwait pledged a total of \$ 100 million to support global efforts to combat the novel coronavirus.

All governmental measures affirmed respect for human rights and in line with international labor standards. For example, all migrant workers and citizens in the public and private sectors were paid a full salary, and granted paid leave during the lockdown period, including civil servants.

Morocco

- The Kingdom of Morocco announced the establishment of a special fund for pandemic management estimated at more than (32.7 billion dirhams) about (3 billion US dollars) as of March 28, this fund relies on solidarity and contributions from both the public sector, companies and individuals who are committed to supporting this.

The fund is financially dedicated to developing the health infrastructure and obtaining the necessary medical equipment, and it would also be used to manage the health consequences of the pandemic and mitigate its economic and social impacts.

□ An economic monitoring committee was established to discuss and take the necessary measures to mitigate the economic and social impacts of the pandemic. It is chaired by the Minister of Economy, Finance and Administrative Reform and includes representatives from the public and private sectors.

□ As of April 30, 5.1 million families have benefited from the financial support measures implemented as part of the Coronavirus Fund, including 800,000 workers affiliated with the National Social Security System whose work was interrupted due to the crisis and 2.3 million families registered under the aid system Medical.

□ On May 11, the Moroccan Central Bank issued an official call to all banking institutions to stop paying dividends for the year 2019 in order to maintain sufficient funds to face the financial effects of the crisis.

Tunisia:

□ On March 22, the Tunisian government announced a series of economic and financial measures estimated at 2,500 million Tunisian dinars (about 2.2% of the GDP). Includes measures aimed at supporting business continuity.

Establishing a support fund of 300 million Tunisian dinars (103 million US dollars) for small and medium-sized companies, implementing exceptional administrative credit procedures for companies in the tourism and hospitality sector, and rescheduling tax debts for the most affected companies.

□ On March 25, Italy provided a loan of 50 million euros to the Central Bank of Tunisia to support Tunisian companies and alleviate the social and economic impact of the crisis.

□ On March 28, the European Union announced a donation of 800 million Tunisian dinars (276.5 million US dollars) to combat the crisis and its social and economic consequences.

□ The Central Bank of Tunisia instructed banks to grant a 3-month extension to repay all loans due between April 1 and June 31. Initially, it was only for individuals whose monthly income was less than 1000 Tunisian dinars (343 US dollars), but on April 1, this measure was extended to include all individuals.

□ The government has also announced exceptional social assistance measures targeting the most disadvantaged families. Beneficiaries included families in



charge of caring for children, the elderly or the handicapped, as well as families registered in the Needy Families Benefit Program, will receive a cash transfer of 200 Tunisian dinars (US \$ 70). Retirees who receive less than 180 Tunisian dinars in pension salary will benefit from an additional cash transfer of 100 Tunisian dinars (35 US dollars) per month.

Egypt

To face the repercussions of the Covid-19 pandemic, the government announced:

- Reducing the prices of natural gas and electricity for the industrial sector.

To support the financial sector, the authorities reduced the stamp tax on equity investments, and cut the profit tax rate in half for listed companies, reaching 5%.

- The Central Bank of Egypt lowered the interest rate to its lowest level

It also gave a six-month delay for all consumer and small business loans.

- Egypt has also taken measures to support the most disadvantaged families, including expanding social assistance programs for Solidarity and Dignity to an additional 60,000 families.

- Providing compensation of 500 Egyptian pounds (about 32 US dollars) to informal workers registered in the Ministry of Manpower database through post offices across the country, this measure is expected to target about one million Egyptians working informally in construction, agriculture, fishing and plumbing.

- The government also increased payments to women's community leaders in rural areas from 350 Egyptian pounds to 900.

- In addition to that, the Work Emergency Fund disburses emergency subsidies to workers in the tourism sector at an amount ranging from 600 to 1750 Egyptian pounds, which is equivalent to the original salary registered in the social insurance system. An estimated 7,500 employees in 70 companies have already benefited from the support, and there are 3525 companies. Additional ones are currently under consideration.

Saudi Arabia:

- The Saudi Arabian Monetary Agency announced a set of measures and guidelines for banks to limit the negative effects of the crisis. On March 14, the Saudi Arabian Monetary Agency unveiled a package worth 50 billion Saudi riyals (US \$ 13.3 billion) to allow banks to delay loan payments for a period of six Months and increased issuance of loans to the private sector.

- On March 29, the Monetary Agency issued instructions to commercial banks to support companies and individuals affected by the crisis by restructuring



loans without fees and reviewing the various fees for adjustment and to cope with lower interest rates.

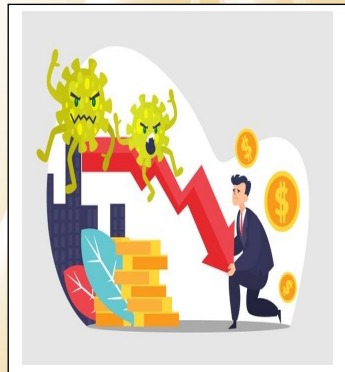
□ On March 20, the Saudi government announced an economic package worth 70 billion Saudi riyals (18.7 billion US dollars) to support the private sector, especially small and medium-sized companies and sectors most affected by the crisis. This includes exemptions and postponements for various government fees, including payments Taxes, to provide additional liquidity to the private sector to support business continuity.

□ On April 3, a royal decree was issued to release an additional 9 billion riyals (2.4 billion US dollars) to cover part of the private sector salaries in severely affected sectors. To prevent companies from laying off employees, the decree stipulates that the government will compensate 60% of these salaries for a period of three months. It is expected that more than 1.2 million citizens will benefit from this measure.

□ An additional stimulus package of 50 billion Saudi riyals (US \$ 13.3 billion) was approved on April 15 to accelerate payment of government dues to the private sector and cover a 30% discount on electricity bills for the commercial, industrial and agricultural sectors for a period of two months.

□ Since May 2, more than 80,000 companies and 400,000 Saudi citizens have benefited from financial support, representing 23% of the citizens working in the private sector and registered in the national social security system.

□ In early May, more measures were announced to support the industrial and mining sector, including postponing loan payments, reducing utility bills for private companies, and measures to facilitate the settlement of private sector dues.



UAE:

□ The UAE Central Bank announced on March 15 a stimulus package worth 100 billion Emirati dirhams (27.2 billion US dollars) that allows banks to grant temporary exemption from retail and business loans, and this package was increased on April 5 to 256 billion dirhams (69, 7 billion USD). The delay in loan payments has been extended until the end of 2020. Other announced measures include reducing the reserve requirements of banks from 14% to 7% and launching 50 billion dirhams (13.6 billion USD) in the form of interest-free loans to banks to support small and medium businesses.

□ On March 24, the UAE government announced a comprehensive economic package of 16 billion dirhams (4.36 billion US dollars) to mitigate the effects of the crisis and support business continuity. The measures aim to reduce the cost of doing business by reducing work fees and other fees for the Ministry of

Economy, stopping the collection of administrative fines, and reducing work permit fees for companies with up to six registered employees. On April 12, this fee reduction was extended to include 94 types of services. On April 14, the Federal Tax Authority extended the deadline for filing tax returns for VAT and paying taxes for a month.

□ At the local level, the governments of a number of Emirates have introduced financial aid measures. The measures taken by the Dubai government include the return of 20% of the customs duties imposed on imported goods, the reduction of municipality fees imposed on sales in hotels, and a 10% reduction in water and electricity bills. In addition, the Abu Dhabi government has reduced or suspended various government fees and fines and granted substantial discounts for rental payments to companies in the tourism, hospitality and entertainment sectors.



Jordan:

The spread of the Coronavirus began in Jordan in March 2020, and the Jordanian government took a number of measures through its competent executive bodies, in partnership with the private sector, to confront the effects and repercussions of Covid-19 on health and the economy. The most prominent of these measures, was the activation of the Defense Law, which authorized the prime minister to issue many defense orders, related to stopping work on some articles of laws,

such as the Social Security Law, or those related to helping citizens and workers affected by Covid-19 pandemic, or those related to health, education, transportation, and closures. The Prime Minister announced the activation of the Defense Law by a royal order and in accordance with the provisions of the National Defense Law.

The Prime Minister and Minister of Defense are allowed to take legal decisions without referring to the House of Representatives throughout the crisis period, as Defense Order Number 1 of 2020 gave the Social Security Institution the authority to allow the following:

Suspending the contributions of old-age insurance for private sector enterprises, for a period of 3 months, from March 1, 2020, while maintaining coverage for maternity, unemployment, death and work injuries. This will reduce subscriptions from 21.75% to 5.25% (employer 4.25% and employee 1%), at a total cost of approximately 110 million dinars.

□ Companies must pay social security contributions in installments until the end of 2023 without any interest or fines.

□ Use 50% of the maternity fund funds for the year 2020 to provide in-kind support to the needy (that is, the elderly and daily wageworkers).

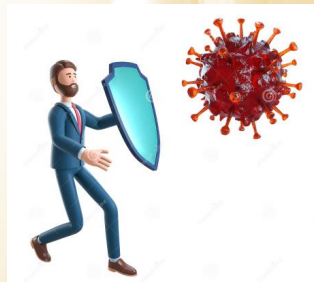
□ Another measure has been taken to support institutions at risk, especially health. This includes the creation of a fund called “Himmat Al-Watan” that would receive donations from various entities and individuals in the private sector.

□ The National Aid Fund continues to provide monthly cash assistance, supplementary support (150,000 families), and emergency cash and relief assistance to an additional 50,000 families, with support from the army.

Tkiyet Um Ali, a national civil society organization, continues to provide regular in-kind assistance to 30,000 families per month, in addition to emergency and relief aid. The Hashemite Charitable Organization will be eligible to receive any in-kind donations based on the procedures approved by the committee.

□ On 4/8/2020, the Prime Minister and Minister of Defense issued Defense Order No. (6) of 2020 to allow a 30% reduction in wages with the approval of the worker.

□ Defense Order No. (9) was issued on April 17, 2020, whereby the government introduced a number of measures to preserve the wages and welfare of workers through three main programs: Through the National Social Security Institution, namely: “Solidarity 1 Program” will provide 50% of employees’ salaries. Between 165 and 500 dinars, while the employer pays 20% of the salary, with a maximum of 250 dinars. “Solidarity 2” program targets companies that have not registered



with the SSC, where each employee will receive a monthly unemployment wage of 150 dinars, and in return, the institution will pay 140 dinars. “Musaned” allows subscribers to obtain advance payments from their unemployment benefits.

□ Daily workers who are unemployed and not registered with the Social Security Institution are entitled to benefit from the bread subsidy by applying on www.reg.takmeely.jo. Families with two individuals will receive 70 Jordanian dinars for one month, while those with larger families will receive more than 136 Jordanian Dinars.

□ The Central Bank of Jordan (CBJ) announced a number of measures to mitigate the impact of COVID 19 on the national economy and businesses. This includes cutting interest rates by 0.5 point on March 3 (from 4% to 3.5%), and another point on March 16 (from 3.5% to 2.5%).

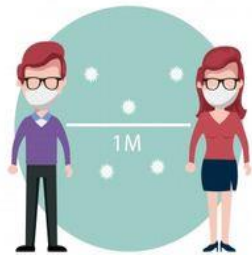
□ The Central Bank of Jordan also announced a number of measures, including allowing banks to reschedule loans to sectors affected by the virus at no cost until the end of 2020; In addition to reducing the cash reserve requirements of banks from 7% to 5% to release additional liquidity of about 550 million Jordanian dinars (\$ 775 million).

The government decided to postpone collecting sales tax from all sectors and local companies in the food supply and health sectors. It also allowed the companies listed in the gold and silver lists of the Jordanian Customs Department to pay only 30 percent of their customs duties and delay payment of the remaining 70 percent.

□ The Ministry of Labor announced a number of measures to ensure the protection of workers' health and labor rights. Created an online platform to receive complaints from workers about labor violations; It issued 9 vital sector guides on Coronavirus-related safety measures (such as food supply, shopping, bakeries, pharmacies, grocery, water, gas, salary transfer, and industrial facilities).

□ To support small and medium enterprises facing a possible closure, the Central Bank of Jordan established a soft loan / low interest fund, in cooperation with the Loan Guarantee Corporation, as companies that obtain these loans cannot dismiss workers during the term of the loan.

The effectiveness of social protection systems measures taken by Arab countries to confront COVID-19, to what extent was it effective.



We have reviewed above the social protection measures in the Arab region, and it is possible to notice the difference in the depth, effectiveness and adequacy of these measures from one country to another, based on the policies that these countries have followed, on the one hand, and the strength of public finances in these countries, as well as their political and economic conditions on the other.

We find that rich countries such as Kuwait and the UAE have pumped more money than others to face the repercussions of this crisis, on the contrary, countries with limited capabilities had to seek aid and loans to fulfill some of the commitments they had.

But whatever the matter, the main question that remains is how effective is the social protection measures taken by the Arab countries to confront the effects of Covid-19, and were they comprehensive and effective ?

To answer this question, it can be said, yes, there were measures of a health, financial, economic, social and protective nature in the Arab world, but at the same time they were not as comprehensive , based on the following:

□ Reasons related to coverage and coverage rates in the insurance systems. Social insurance plans in the Arab region are mostly limited to employees of the public, private, organized or official sectors and they mainly include old-age, disability and death pensions. Few Arab countries only provide unemployment insurance plans such as Bahrain, Jordan, Saudi Arabia, and Kuwait, but at the same time it does not apply to foreign workers.

□ Shortcomings of legislation, as laws related to social insurance systems in the Arab world still exclude multiple groups from applying the provisions of the law to them, such as agricultural workers, day-to-day laborers, seasonal workers, domestic workers and the like, which means that these groups are still outside the effective social protection system. Although it is one of the groups most in need of real protection in the absolute, in particular, in times of pandemics and disasters.

□ Health coverage has declined, as millions of citizens in the Arab region have no health care and insurance coverage, and these are mostly workers in the informal sector, day-to-day laborers, agricultural workers, refugees and immigrants, and they are among the most vulnerable groups and in need of protection in all its forms and forms.

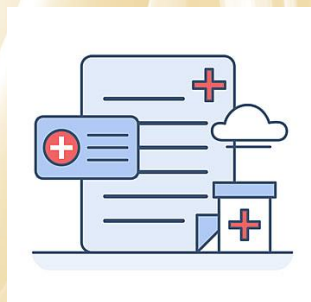
□ Many insurance systems in the Arab world have suspended the application of some provisions of their laws, and reduced contributions, but in reality, this suspension is offset by depriving participants of rights that they could have benefited from upon retirement, meaning that these suspension periods will not be included for retirement purposes .

Some insurance systems in the Arab world have decided to disburse financial aid to their subscribers, from their savings account for the unemployment account.

Some of these systems have also decided to disburse financial aid according to a set of conditions, provided that it is refunded from them upon settlement of their insurance rights.

The cash and in-kind assistance that was directed to the poor, and to workers in the informal sector, in many countries of the Arab world, but it was still insufficient to meet the needs and requirements that were newly-imposed, especially in light of the closures that took place in most countries of the Arab world.

□ The dispersion, fragmentation, and multiplicity of social protection systems and institutions in the Arab region, often indicated the poor efficiency and effectiveness, the waste of money, high operational costs, duplication, and conflicting policies, all factors leading to the failure to achieve the visions advocated by these agencies. Especially with regard to inclusiveness, protection, poverty reduction and its effects.



In a dialogue that took the form of an evaluation of the measures taken by a number of Arab countries regarding Covid-19, which was held in Jordan under the title “Social Protection: A Right, Not a Benefit”, and was organized by the “Arab Renaissance Organization for Democracy and Development” - a civil society organization, which included a number of Axes and recommendations, the most important of which are the following:

Social security is the backbone of any social protection system in any country, and the safety valve that will provide social protections for the least caring groups. In return, it is important to emphasize the need for Arab countries to have effective crisis systems that respond to these groups, especially in the time of Coronavirus outbreak.



□ The pandemic has tested what we are facing in terms of gaps and deficiencies, as it showed the deterioration of emergency plans for health issues, and the failure to include all citizens under the umbrella of social security.

In exchange, social security alone is not sufficient to include all vulnerable groups that do not work, and the rest of the institutions must work in complementarity with social security to cover all aspects of social protection, the issue is not only aid, and not also only a matter of social security.

The Arab region needs clear and real strategies in order to lay down a social protection floor that is comprehensive, transparent, accountable and relevant, in a way that guarantees poverty reduction and the protection of vulnerable families.

What is needed now is integration between civil society organizations, states and the private sector; to break out of the traditional role of providing services and in-kind assistance to a greater role in monitoring, developing and influencing policies in various sectors, such as health and service. In that way, it becomes more fair, qualitative and comprehensive, on a human rights basis, that is both fair and transparent.

□ In Palestine, civil society is still looking for a comprehensive social protection system that targets all groups without discrimination, and that is that the Social Security Law there - in Palestine - does not include the poor and the least care groups, who are in dire need of protection, and during the pandemic, the matter became more complicated on the one hand. Social protection, which does not mean that it was better before, in the sense that the marginalized groups who must be protected are still suffering from the two issues, nothing has changed them and their numbers increased.

□ In Iraq, the affirmation of the fact that “social protection systems are deficient, which goes back to the issue of the strategies and legislation regulating there,

which, unfortunately, are insufficient and do not include marginalized groups, workers in the informal sector, and widows. It also does not differ from the suffering of women in Arab countries, especially those who live in conflict and war zones, and they need to activate laws that protect them, such as the laws on labor and social security, because that will be more focused and comprehensive to know their needs, and thus enjoy wider coverage.

- The experts concluded that the aid provided to groups is not only in crises, or for a certain period, which is often short-term, and therefore this does not guarantee people's protection in a continuous and long-term basis.
- What is currently required is a social protection system for all groups, including people with disabilities, the poor, small farmers, self-employed workers, domestic workers.

By this, we mean a law illustrating a national system of social protection, which is comprehensive and not limited to humanitarian or monetary aid for specific and non-permanent periods.

Protection systems measures in Jordan to counter the effects of COVID-19:

Defense orders issued by the Jordanian government



The reality of social protection in Jordan:

As is the case in most countries of the Arab region, Jordan, as the National Strategy for Social Protection 2019-2025 shows, which came under the vision of ensuring that “all Jordanians enjoy a decent life, a decent work environment, and possible social services” suffers from the existence of a wide range of

programs.

Separate social protection with similar goals over the years, which made transparency and accountability difficult and led to ineffective spending due to the multiplicity and duplication of its efforts.

In light of its limited public budget, the state has become obligated to set priorities for the work of its programs and simplify its procedures. In this context, it is possible to refer mainly to the following group of actors and executive bodies, which are concerned with social protection in Jordan, as follows:

The Royal Hashemite Court, through a number of programs related to providing medical and therapeutic services, in addition to providing housing for the poor

and low-income people, and other programs that are in the interest of social protection.

The Social Security Corporation: through its protectionist programs that are based on contributions, and through the provision of specialized social insurance, to face the various risks to which program participants are exposed, such as insurance for old age, disability and death, work injuries, occupational diseases, unemployment, and maternity.

The National Aid Fund: which aims to reduce poverty levels at the national level and build an effective social protection system, through a number of programs it provides, such as the recurrent and temporary monthly financial aid program, the emergency financial aid program, additional financial aid, and physical rehabilitation aid, in addition to the urgent financial aid program for natural disasters.

The Zakat Fund: which aims to strengthen the social protection system in Jordan, through its various programs represented in monthly cash assistance, emergency aid, providing in-kind materials, sponsoring orphans, and providing health care through its medical centers, in addition to some other related programs with poor students, school bags, and the introduction of small investment rehabilitation projects.

These bodies represent the basic links in the introduction and strengthening of the social protection system in Jordan, by providing its requirements, according to two types. The first is the contribution-based social protection represented by the programs of the Social Security Corporation, and the second is the provision and strengthening of the non-contributory social protection represented by the National Aid and Zakat funds.

The programs provided by the royal court, which usually include the poor and needy, and those who do not have pensions, and an income that enables them to secure basic needs. This process is ensured according to studies and social examinations to ensure their eligibility.

Protection systems measures in Jordan to counter the effects of Covid-19: through defense orders issued by the Jordanian government.

The Covid-19 outbreak began in Jordan in March 2020, and the Jordanian government took a number of measures through its competent executive bodies, and in partnership with the private sector, to confront the effects and repercussions of Covid-19 on health and economy.

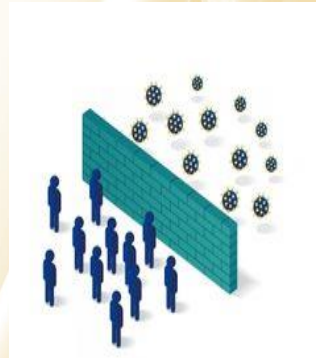


The most prominent of these measures was the activation of the Defense Law, which authorized – still ongoing - The Prime Minister has issued many defense orders, related to stopping work on some articles of laws such as the Social Security Law, or those related to helping citizens and workers that were affected by the effects of the Covid-19 pandemic, or those related to health, education, transportation, and closures, as the Prime Minister announced the activation of the Defense Law by royal order and in accordance with the provisions of the National Defense Law.

The Prime Minister and the Minister of Defense are allowed to take legal decisions without referring to the House of Representatives throughout the period of the crisis, and below we review the set of protectionist measures taken by the government of the Hashemite Kingdom of Jordan through defense orders issued by the Prime Minister, related to social protection to counter the effects of Covid-19, through the Social Security Corporation, as follows:

First: Defense orders for social protection related to the Social Security Corporation:

The first defense order issued by the Jordanian prime minister came directly related to the Social Security Corporation, through which some provisions of the law were suspended, and the contributions owed to employers and establishments were reduced, as the Prime Minister announced the activation of the Defense Law by a royal order and in accordance with Provisions of the National Defense Law.



The Prime Minister and Minister of Defense are allowed to take legal decisions without consulting the House of Representatives throughout the period of the crisis, and the relevant defense orders have come as follows:

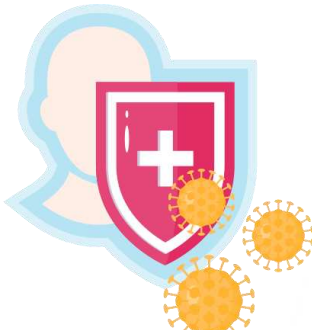
Defense Order Number 1 of 2020, giving the authority to the Social Security Institution to allow:

The suspension of contributions for old-age insurance for private sector enterprises, for a period of 3 months, from March 1, 2020, while maintaining coverage for maternity, unemployment, death and work injuries, as this will reduce the contributions from 21.75% to 5.25% (the employer is 4.25% and the employee is 1%), The cost of this reduction is estimated at about 110 million Jordanian dinars.

- Companies can pay social security contributions in installments until the end of 2023 without any interest or penalties.

- Use 50% of the maternity fund funds for the year 2020 to provide in-kind support to the needy (that is, the elderly and daily wageworkers).

The following are the details of the defense order as follows:



Defense Order No. (1) of 2020 issued in accordance with the provisions of Defense Law No. (13) of 1992.

Which included the following:

1. The application of old age insurance stipulated in Clause (2) of Paragraph (a) of Article (3) of Social Security Law No. 1 of 2014 and its amendments, during the period for the months March, April and May 2020, shall be suspended on all workers subject to the provisions of the Labor Law in Sector Establishments. It excludes workers at public sector establishments, Greater Amman Municipality, municipalities and companies owned by the government or official public institutions or public institutions, provided that the natural disability insurance, natural death insurance, and the insurances mentioned in items (1, 3, 4) of the same paragraph shall continue to be applied, provided that The facility shall pay 1% of the employees' wages subject to deduction for natural disability insurance and natural death insurance. In addition to the obligation to pay the contributions resulting from other insurances in accordance with the provisions of the law, which requires the facility to provide what it has to within a maximum deadline of 12/31/2023. In spite of what is stated in Clause (1) above, and in the event that the establishment wishes to continue applying old age insurance to all or some of its employees and was unable to pay the contributions due for that period from the months of March, April and May of 2020, it shall be paid in installments without arranging interest. To be paid within a maximum period of 12/31/2023.
2. The categories of suspended workers may apply old age insurance to them in Article (1) above, to voluntarily join old age insurance, provided that they pay the institution 16.5% of their withholding wages in the establishment.
3. Failure to arrange delay benefits and any fines on amounts owed to the Social Security Corporation during that period for late payment of contributions on time, for delay in submitting the required forms to the institution, and for delay in informing the organization about any change in entitlement to insurance benefits or pension rights.
4. Stopping the implementation of the provisions of Paragraph (A) of Article (94) of Social Security Law No. (1) of 2014 and its amendments and postponing the collection procedures stipulated in Chapter Five of the

Organization's Insurance Inclusion System No. (14) Of 2015 and its amendments.

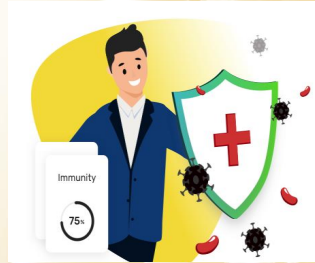
5. Allocating a percentage not exceeding 50% of the annual maternity insurance contributions revenue to provide in-kind and material benefits to those who are not able from the elderly, the sick or their families, by the methods and mechanisms specified by the institution.

Defense Order No. 9 of 2020

In order to ensure the livelihood and job stability of Jordanian workers, and to perpetuate the work of the private sector to protect the national economy. Also, to consecrate the concept of solidarity, partnership and interdependence between public and private sector institutions and individuals, and to support the private sector in carrying out its obligations. As it was issued in accordance with Defense Order No. 9 of 2020, directly launching five related programs by the social protection provided by the Social Security Corporation, which are solidarity and support programs, coming in accordance with the defense order, stipulating the following:

First: "Tadhamon" Solidarity program (1):

□ The establishment, whose workers are covered by the provisions of the Social Security Law, which are determined by virtue of the application instructions issued by the Social Security Corporation, benefit from this program, and all or some of its workers are cut off from practicing their work during April and May of 2020.



□ The worker who requests the establishment to pay the unemployment allowance for him must not be less than 12 contributions on the guarantee. The worker should be cut off from its duties at that time.

□ It is required that the facility submit an application to pay unemployment allowance no later than May 31, 2020.

□ The Social Security Corporation is obligated to allocate (50%) of the insured's wage subject to withholding, which is not less than 165 dinars per month and not more than (500) dinars, provided that the establishment pays the Social Security Corporation, before disbursing a rate of (20) % of the wage of the insured that is subject to withholding and not exceeding (250) dinars.

Second: "Tadhamon" Solidarity Program (2):

1- The establishment benefits from this program that is not covered by the provisions of the Social Security Law and which are determined by virtue of the application instructions issued by the Corporation and all or some of its workers are cut off from practicing their work.

2- The establishment wishing to benefit from this program shall submit, no later than May 31, 2020, a request for the inclusion of all its employees, employers and those of similar status with unemployment insurance, and in return for bearing an amount of 140 dinars for each worker that is covered for one time.

3- Every worker in this case is considered covered by unemployment insurance only until 12/31/2020, and workers in the establishment are covered with all insurances as of 1/1/2021.

4- The establishment may apply for the payment of unemployment allowance for workers who have been included and who have stopped working for it for the months of April and May of 2020. The unemployment allowance in this case is calculated at the rate of (150) dinars per month for each worker, provided that the Social Security Corporation pays 100 dinars from this allowance and the facility pays the institution 50 dinars before disbursement.

5) The facility may pay in installments the sums due under Clause (2) of this program, provided that they are paid within a maximum period at the end of 2022 without arranging interest with the institution's right to adopt the guarantees and procedures necessary to collect those amounts.



Third: “Mousaned” Supporter program (1):

1) benefiting from this program is the insured jointly insuring unemployment from work whose service has ended or the one who has been suspended from work at the establishment.

2) The insured benefiting from this program is required that the number of his/her subscriptions is not less than 36.

3- It is a condition that the insured must submit a request to pay unemployment allowance.

4- The beneficiary of this program is paid 50% of his deductible wage, provided that the allowance disbursed is not less than 150 dinars and not more than 350 dinars per month for a period of three months only.

Fourth: “Mousaned” Supporter Program (2)

1) A Jordanian insured and a non-Jordanian insured who is residing in the Kingdom benefit from this program.

2) The insured worker must submit a request to disburse funds on account of his/her savings balance in unemployment insurance.

3 - The beneficiaries of this program can have an amount that is disbursed according to the percentages determined by the application instructions issued

by the Foundation made for this purpose, with a maximum of 450 dinars to be spent over a period of three months.

Fifth: “Mousaned” Supporting Program (3):

- 1- Beneficiaries from this program include the insured joint in the social security, and his last wage subject to deduction does not exceed (500) dinars.
- 2- The insured benefiting from this program is required that the number of his contributions is not less than (12) according to the provisions of the Security Law, and that those contributions are fully paid to the insured who is voluntarily participating.
- 3- It is a condition that the insured benefiting from this program and the compulsory participant is not currently covered by the provisions of the law.
- 4- To apply for an advance payment on his/her account through the institution.
- 5- The beneficiary of this program is paid a percentage not exceeding (5%) of his/her total wages covered by the guarantee, with a maximum of (450) dinars, to be spent over three months in accordance with the conditions specified in the application instructions issued by the institution.

Defense Order No. 14 of 2020

Defense Order No. 14 comes for the purposes of sustaining the work of the private sector, in order to protect the Jordanian economy and help it to bear the burdens it entails, especially with regard to the sectors and economic activities that are most affected, in addition to supporting the recovery phase. Accordingly, Defense Order No. 14 was issued, to introduce protection and empowerment programs, as follows:



First: Protection program:

- 1: Any private sector establishments operating in the tourism and transport sectors covered by the provisions of the Social Security Law benefit from this program.
- 2: The insured covered by the provisions of the Social Security Law will also benefit from this program in the month of June 2020, and up to the month in which the facility submits the application.
- 3: The period of benefiting from this program, starting from June until December 2020.
- 4: The Social Security Corporation is obligated to allocate 50% of the insured's wage subject to withholding, and no less than 220 dinars and not more than 400 dinars for each month that is disbursed, provided that the establishment pays the institution and before disbursement a rate of 20% of the insured's wage that

is subject to withholding, and not exceeding 200 dinars. The amount should be paid from the institution to the insured.

5: The sums incurred by the institution shall be disbursed from the surplus of the unemployment account, and it is considered a debt owed by the establishment to be paid within a deadline not exceeding 6/30/2023.

6: The government bears interest at the rate of 3% on the sums incurred by the corporation from the date of disbursement until full payment. It is transferred to the corporation at the end of each month.

Second: Economic Empowerment Program (1):

1: This program benefits private sector establishments that are not operating in the following sectors (banking, insurance, electricity, water, telecommunications, education).

2: He benefits from this insured program, whose deductible wages in the last establishment do not exceed 700 dinars.

3: The beneficiary of this program shall be paid, upon his request, a financial advance at the rate of 5% of his total wages subject to withholding, with a maximum of 200 dinars to be paid in one payment, and it shall be paid upon settlement of his rights.

Defense Order No. 15 of 2020:

Defense Order No. 15 comes to complement the initiatives of the Social Security Corporation, to support the economic recovery phase and the sustainability of the private sector, and to alleviate the financial burdens on enterprises and individuals, as this order provides the following:



1: The private sector establishments, with the exception of the following establishments and sectors, benefit from this defense order: government-owned establishments, official institutions, public institutions, or municipalities, banking, insurance, electricity, water, and telecommunications sectors.

2: The establishment shall be exempted in a percentage of the delay benefits, fines and additional sums due upon it when it installs the sums owed by it to the General Organization for Social Security, according to the following:

- 60% of the delay benefits, fines, and additional sums owed by the establishment that requests the installment after the enforcement of this defense order and within a period not exceeding 9/30/2020, and that the sums owed by them are paid in installments at an annual rate of 1%.

- 30% of the delay interest, fines and additional sums owed by the establishment that requests installments during the month of October 2020, and that the amounts due on them are to be paid in installments with an annual installment interest of 2%.

- 20% of the delay interest, fines and additional sums owed by the establishment that requests installments during the month of November 2020, provided that the amounts due on them are to be paid in installments with an installment annual interest of 3%.

10% of the delay interest, fines, and additional sums owed by the facility that requests installments during the month of December 2020, provided that the amounts due on them are to be paid in installments with an annual installment interest of 4%.

Second: The defense order concerning the contribution to social protection, and regarding the establishment of a specialized fund for this purpose:

Defense Order No. (4) of 2020:

According to Defense Law No. (13) of 1992 - and in view of the exceptional circumstances the Kingdom is going through to confront the Corona virus epidemic, and its economic and social effects on the Kingdom, and to support the efforts made by the government to confront these circumstances, the following defense order was issued:

1. A fund shall be established to support the national effort to combat the Coronavirus epidemic and confront its effects, called "The Mission of a Nation", for which one or more accounts are opened to deposit donations from inside and outside the Kingdom.

2. A private sector account is opened for the fund at the Central Bank of Jordan, from within the accounts, an account called "The Main Donations Account" is designated for depositing cash donations whose value exceeds one hundred thousand dinars.

3. The Al-Khair account for the benefit of poor and needy families at the Ministry of Social Development and the (Donations / Ministry of Health) account at the Central Bank of Jordan continue to receive donations for each of them.

Third: The defense order on the contribution to social protection, and on the protection of workers' rights in the private sector:

Defense Order No. (6) of 2020:

Whereas, the main objective of the curfew is to protect the life and health of Jordanians, and to make all possible efforts to take the necessary measures to reduce the negative economic impacts on employers and private sector companies and their workers, and to enable the economy to recover after the end of the current crisis, while studying the possibility of gradual opening and to

operate the economic sectors in accordance with safety and public health controls and national priorities, I decide to issue the following defense order:

1. All workers in the institutions and establishments of the private sector or any other body subject to the labor law shall be entitled to their usual wages for the period from 3/18/2020 until 3/31/2020, provided that none of the workers in the sectors excluded from the Cabinet decision to suspend will be entitled to a wage.

In addition to their work during that period, unless they are assigned additional work in accordance with the provisions of Article (59) of Labor Law No. (8) of 1996.

2. To facilitate the mechanisms of remote work, wholly or partially, and to enable the economic sectors in these circumstances to carry out their economic activities and continue to produce them. For the private sector establishments and any other body subject to the exercise of their remote work in whole or in part.



3. As of 4/1/2020, wages for workers in private sector establishments and establishments and in any other body subject to the Labor Law are determined as follows:

- Workers who perform their work in the workplace are entitled to their full wages, provided that it is permissible to agree upon the free will of the workers to reduce their wages, provided that the amount of the reduction does not exceed 30% of the worker's usual wage, and that this option is not resorted to unless the reduction is inclusive of the salaries of the higher management of the facility.

- Workers who fully perform their work remotely in the establishments that are authorized to work, or those covered by the decision to suspend or not authorized to work, are entitled to their full wages. Also partially "remote" workers in the institutions and establishments that are authorized or covered by a delay decision and unauthorized to have their wages according to the actual working hours, and not less than the specified minimum hourly wage, or at least 50% of the value of the regular wage, whichever is higher.

- An employer in establishments is authorized to work partially for workers not assigned to work or those covered by the decision of suspension and not authorized to work, may apply to the Minister of Labor to allow him/her to pay at least 50% of the value of the usual wage for these workers, provided that the wages are not less than the minimum wage.

4. An employer who is unable to pay wages as mentioned in clause number four above, in private sector establishments and any other body subject to the labor

law and authorized to work, or those covered by the decision of suspension and not authorized to work, can submit an application to a joint committee composed of the Ministers of Industry, Trade, Supply and Labor to completely suspend work in his establishment, and to stop work contracts for all workers.

The employer should not take any action in this regard except after obtaining the approval of that committee, and that a list shall be attached to the request indicating the names of workers and the nature and form of each according to what is registered with the Social Security Corporation.



The issuance of the decision approving the suspension, results in the following:

- An employer who has suspended work in his establishment completely may not engage in any work or any activity during the suspension period.
- The contractual relationship between the employer and the worker does not break during the suspension period, and the employer is not obligated to pay the worker's wages during this period.
- All financial and contractual obligations incurred by the employer remain in effect

during the suspension period, with the exception of workers' wages.

- The employer in the establishments of the private sector and any entity subject to the labor law does not benefit from the one authorized to work from any programs of economic protection for the private sector from the date of suspension. Subject to what is stated in this paragraph, the employer is entitled to establishments in the private sector and anybody subject to labor law, which are included in the decision of suspension and who are not authorized to work, to benefit from economic protection programs according to the conditions set for each of them.
- The government is working to give incentives to employers who are obligated to pay workers' wages in full, from the beginning of the activation of the defense law until the end of its implementation, in addition to their benefit from economic protection programs in accordance with the conditions set for each.
- In light of its capabilities, the government seeks to provide the necessary support to secure the basic life needs of Jordanian day-to-day laborers who do not participate in social security, provided that they participate in social security in accordance with a mechanism to be determined later.
- The employer may not exert pressure on the worker to force him to resign, end his/her services or dismiss him/her from work except in accordance with the provisions of paragraphs (c) and (d) of Article (21) and paragraphs (a, g, h, i) of Article 28.) Of the Labor Law No. (8) Of 1996.

• Employers who force any of their workers to resign or terminate their services or dismiss them from work in cases other than those stipulated in Paragraph (A) of this clause and during the period from 3/18/2020 until the date of issuance of Defense Order No. 6) For the year 2020 to return them to work within a week from the date of publication of the order in the Official Gazette.

Every undertaking, agreement or document in which the worker waives any of their rights or leads to the derogation of those rights since 3/18/2020 shall be considered null and not legally recognized, and the employer shall take the necessary measures to cancel them within a week from the date of publishing this defense order In the Official Gazette.

Insurance by numbers: Assign social protection programs provided by the Social Security Corporation in accordance with defense decisions:

In response to the defense orders related to the Social Security Corporation, we monitor the following number of persons and establishments who have benefited from these orders, through a press release issued by the Foundation's Media Center on the occasion of the forty-second anniversary of its establishment, where the following was mentioned:



□ The number of direct beneficiaries of the multiple programs launched by the Foundation to deal with the repercussions of the Covid-19 pandemic has exceeded one million beneficiaries.

□ The number of beneficiaries of solidarity programs that aim to secure workers in the sectors most affected by the pandemic with part of their salaries and maintain their job stability reached about (106) thousand beneficiaries working in about (11) thousand establishments.

□ About (363) thousand beneficiaries have benefited from the Musaned programs that were created under Defense Order No. (9). These programs include granting unemployed people a unemployment allowance, in addition to disbursing an advance on the account of a single payment of a maximum of (450) dinars, and also making room In front of the insured to spend part of their savings balance, with a maximum of (450) dinars. The Foundation indicated that the total costs of the solidarity and support programs amounted to about (94.9) million dinars.

□ Defense Order No. (14) and (15) also allowed a wide range of workers in the public and private sectors to benefit from an economic empowerment program (2) by obtaining an advance on the account of a single payment of a maximum of (200) dinars to compensate them for some of the decrease in Their wages,

as the number of beneficiaries of this program reached about (440) thousand workers, with a total cost of (77.2) million dinars.

□ With regard to the Protection “Himeya” program, which aims to enable establishments operating in the most affected sectors (starting from the tourism and transportation sectors) to pay part of workers’ wages, by insuring workers in these establishments equivalent to (50%) of their wages with a minimum of (220) dinars and a maximum limit of (400) dinars, in which the facility contributes (20%) of the wages of its employees, with a maximum of (200) dinars.

According to the arrangements of this program, the beneficiary establishment pays the sums paid for its workers within a maximum deadline of mid-2023, and until now, about 10,000 workers have benefited from the program, at a cost of 5.3 million dinars.

□ The Foundation also indicated that the number of beneficiaries of the urgent in-kind assistance program that was provided in the early days of the pandemic under Defense Order No. (1) in coordination with the Social Protection Committee and with logistical support from the Jordanian Armed Forces has reached (117) thousand Jordanian families at a cost of up to (117) 4.5 million dinars.

□ As a result, the Foundation indicated that the total number of individuals benefiting from direct support and support programs reached one million and (36) thousand individuals.

The Foundation also indicated that the total sums spent on direct support programs amounted to about (182) million dinars to date, 112 million dinars of which have been funded from the insurance surpluses of the corporation and the rest from the unemployment fund account.



Conclusion and recommendations

Conclusion:

According to the foregoing monitoring of a set of opinions, reports and dialogues, and based on previous data on state interventions and social protection systems to counter the effects of Covid-19 in the Arab region, we find that there are practical efforts and measures that have been achieved on the ground, this on the one hand.

On the other hand, we find that all these protectionist measures that these regimes have taken, still need to be institutionalized and strengthened, and they still fall short of covering all those who must be included. The greatest fear is that when this crisis recedes, things will return to their previous state, without taking in the lesson and without being fully prepared for any upcoming crises.

Recommendations:

The existence of an integrated, efficient and effective social protection system, operating under one umbrella, with clear policies that do not exclude anyone, is one of the most important issues that must be worked out and in real partnership with all parties and actors at all national and regional levels.

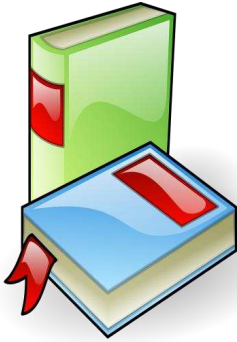
Based on this point, this study provides the following set of recommendations:

A re-engineering of social protection systems in the Arab region, through:

- A Gathering of all governmental executive bodies concerned with social protection, under one umbrella, to ensure the absence of duplication of activities, complementarity in roles, and work under unified general policies that ensure efficiency, effectiveness and empowerment.
- Re-reform social protection systems, whether those based on contributions, or those based on non-contributions, to ensure the inclusion of all groups under its umbrella, especially the elderly, the poor, day-to-day laborers, workers in the informal sector, craftsmen, agricultural and fishing workers, and housewives as well as domestic workers, and other similar groups.
- At the national levels, the importance of calling for the establishment of a special emergency fund to deal with pandemics and disasters of all kinds,

with the participation of all relevant parties, from the government, the private sector, civil society organizations, localities and municipalities, businessmen and citizens, and that it is governed and managed efficiently, effectively and with transparency.

- On the Arab region level, calling on Arab governments to establish an Arab Fund for Protection and Social Solidarity, in which all Arab countries contribute, to support countries, especially the least developed ones, to confront major dangers and pandemics on the one hand, and to help the poor, vulnerable groups and refugees. In addition to providing them with urgent relief, on the other hand.



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