



## SOCIAL SAFETY NETS IN IRAQ: REFORM IN A TIME OF FRAGILITY, CONFLICT, AND VIOLENCE

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**Introduction<sup>2</sup>:** Iraq, once a relatively skilled and economically prosperous society, has seen its development thwarted by decades of conflict and economic decline. Today it is an upper middle-income, resource-rich, yet fragile and conflict-riven country. Progress on the twin goals of ending extreme poverty and boosting shared prosperity is inevitably an uphill struggle in such a context. Indeed, there has been no overall movement towards either poverty reduction or reduced income equality in Iraq since 2007; headcount poverty measured in 2014 has remained virtually unchanged at 22.5 percent. What limited gains in poverty reduction were achieved through 2012 had been reversed by 2014, as a result of a resurgence in violence and the worsening of the economic environment. More than four million Iraqis have been displaced by the country's various conflicts.

**Social Protection Journey in Iraq: From Learning to Policy Making to Implementation:** The social assistance cash transfer program in Iraq has been inefficient and fragmented. The Iraq Social Safety Net (SSN) had been providing cash transfers to close to 950,000 households based on a categorical targeting system<sup>3</sup>. This has led to significant leakages with only 11 percent of the poor receiving benefits (Iraq IHSES 2012).



### MoLSA team registers Iraqi family for the poverty targeting program

As a response to these many challenges, the World Bank supported a series of learning visits for senior and technical Iraqi officials in 2012 to explore other country experiences in a South-South knowledge sharing mechanism, with visits to Georgia, Turkey, Lebanon, and Indonesia. The purpose of these visits was to learn from other country experiences and adapt good practices to the Iraqi context. The learning process culminated in a policy forum organized by the World Bank in November 2012 which summarized the visit outcomes and identified potential reform areas in Iraq which would benefit from international good practices. There were a number of lessons learned from these visits that were taken by the Government of Iraq and that could fit into the local context. Key to these are (i) the proxy means-testing mechanism

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<sup>2</sup> Adapted from the draft Iraq Systematic Country Diagnostic 2016.

<sup>3</sup> These are orphans, married students, students that are orphans, those with disabilities caused by aging, those with disabilities caused by illness, the blind, the paralyzed, families of the imprisoned and missing persons and the unemployed (e.g., due to terrorism and the internally displaced).

employed in Georgia; (ii) the robust technology and conditional cash transfer programs of Turkey; (iii) the social workers component from the national poverty targeting program in Lebanon; and (iv) community driven and local development aspects in Indonesia.

The learning process led to the development of the new Social Protection Law (Law 11 of 2014), which came into effect in April 2014, and which established the Social Protection Commission to manage social assistance in Iraq. This quick passage of the law was possible because of a key best practice: government officials sat down with members of parliament to draft the law, along with senior advisors from the Council of Minister and from the Shura Council, and with advisory support from the World Bank team. Thus, international experience were infused with local context, and a stakeholder-inclusive development model. This mechanism is now being applied in Iraq for the development of the new social insurance legislation.

The new Social Protection law, at its core, established poverty as the main eligibility criteria for cash transfer (and overall social assistance), replacing the ineffective categorical targeting with a more efficient method, adopting proxy means-testing and geographical targeting, and placing emphasis on social workers as the engine behind identifying the poor, and subsequently supporting human capital investment through proper case management.

The process did not stop at passing the law. In November 2014, the World Bank convened the Social Protection Strategic Discussions for Iraq, where the Iraqi delegation led by the Minister of Labor and Social Affairs agreed on the Iraq Social Protection Strategic Roadmap 2015-2019. The Framework was developed within an inclusive process that gathered senior officials from key ministries in Iraq, including Ministry of Labor & Social Affairs, Ministry of Planning, Ministry of Finance, civil society, parliament, and other related organizations.

The vision of the Framework is to have “a comprehensive social protection system for Iraq covering social safety nets, social insurance, and

labor market policies”. For SSN specifically, the vision is to “An efficient Social Protection Commission responsible for Social Safety Nets programs, adopting a scientific targeting approach based on clear criteria that improves inclusion of the poor and vulnerable individuals and households, while coordinating with the relevant governmental and non-governmental institutions in Iraq”. The involvement of parliamentarians and the leadership and presence of the Minister and senior Prime Minister Advisors in this event ensured the highest level of ownership and political support to the process. The Roadmap is now being implemented along its three main pillars, and is an umbrella piece for overall social protection policies in Iraq.

**Social Workers: A Pillar on the Front Lines of Poverty Reduction in Iraq:** The Ministry of Labor and Social Affairs started the process of implementing the new law and the Social Protection Strategic Roadmap. In November 2015, the World Bank social protection team initiated the Iraq Social Protection Support Program Phase I, a technical assistance project (with support from UK DfID and the Government of Japan) with overall objectives to support social protection reforms more broadly, including support to targeting and the development of a welfare database supported by social workers.

The move from categorical targeting to poverty targeting makes it necessary to identify the welfare status of households. The use of Proxy Means-Testing (PMT) targeting method, utilizing data from Iraq’s excellent household surveys (2007 and 2012), meant that a strong team of social workers would be needed to undertake the household visits. MOLSA received approval, as part of the 2016 budget, to hire close to 1,300 social workers, along clear and transparent criteria, and conducted extensive competitive interviews and selected the best amongst the applicants. This is an important factor and lesson learned: the hiring process was merit-based and highly competitive, tapping into a large reserve of educated youth, and who had a strong desire to work in the social sphere. Making such a recruitment take place, away from prevailing

civil service traditional hiring practices (with political interventions), required strong support from the minister, who had to weather political pressures to ensure the right recruitment was taking place.

The role of social workers is critical in a delicate environment governed by fragility and conflict such as Iraq. Technically, their role exceeded data collection. They are expected to undertake case management devise intervention plans linked to human capital preservation and investment, and follow-up with each household to support graduation from poverty, and eventually towards activation in the labor market.

The more important aspect is the social integration function entrusted to social workers in Iraq. They will interact with people of all backgrounds. They will emphasize the government's efforts to improve service delivery in an attempt to reinstitute trust between citizen and state. They will help promulgate a message of social reconciliation and national cohesion, and work on integrating the marginalized and the destitute. Recognizing the importance of investing in social workers, the World Bank team dedicated a key component of its support program to the empowerment of social workers, focusing on capacity building and skills development.

**Capacity Building: Equipping Social Workers with Knowledge, Skills, and Attitude:** As a first step in developing the social worker program, MOLSA asked the World Bank to build the capacity of a core group of social workers, to move them from the more mundane form-filling processes. Social workers had not yet perceived the strategic role that they might be able to assume. The World Bank team designed a structured five day training program to support this group of over 80 core social workers. The objective of the training was to help social workers realize the importance of their role which transcends beyond simple filling out of questionnaires towards reaching out to households in a process of case management, thus influencing positively the life spectrum of the family. Social workers were to understand that they were catalysts for change. It is

important to note that the selection of the 80 core social workers also followed a very rigorous process, with very clear criteria to identify these candidates, who will not only be the trainers for the rest of the social workers, but also the catalysts for change.

The training program consisted of two parts: (i) "master trainer" capacity development for the 80 core social workers, which was very interactive and "role-based"; and (ii) the development of the Social Worker Operational Manual and a Training Guide. Four intensive training sessions were delivered in April and May 2016. Right after these sessions, the core master trainers started the process of providing the training to all social workers across governorates, using the detailed manual and guide developed by the World Bank in English and Arabic. The social worker program was launched formally in Baghdad on August 9, 2016, with presence of the Minister, parliament members, civil society, and international organizations.

**Cash Transfers: Expanding Coverage, Reducing Leakages:** The 1,300 social workers hired by MOLSA have been very instrumental in the implementation of the new PMT targeting program. From September to December 2015, they surveyed all pre-Law 11/2014 beneficiaries, and a significant number of households were found ineligible under the new law (around 43 percent). This was a necessary first step in the process, essentially to clean up the current roster of beneficiaries, and to free up resource for the newly covered beneficiaries under the new criteria. In early November 2016, the Council of Ministers took the decision to exclude the ineligible beneficiaries and redirect the sources towards new coverage. The approval of the Council of Ministers was a necessary step to ensure highest level political support to the reforms. With the launch of the new PMT program in April 2016, around one million households have applied (through an online application process), of which about 750,000 were assessed to be eligible for household visits. Eligibility was undertaken through documentary verification, but most importantly through online checking of potential income and asset ownership database, such public sector

employment, social security payment in the private sector, pension salaries, tax records, and vehicle ownership.

This is now an automated process that produces results at the touch of a button. To-date, over 75 percent of these households have been visited by the social workers and assigned the PMT scores, while the remaining households are expected to be concluded by end of November 2016. Then, the PMT database will be the one to use when it comes to decisions on other social transfers.

**Moving Forward:** Building on these impressive achievements, MOLSA is planning to advance steadily the reform process by further supporting its social workers, establishing a clear, transparent and efficient Grievance Redress Mechanism, and developing a comprehensive communication strategy to raise the public awareness and mobilize support at the policy and program levels.

Social workers will play the pivotal role of being the anchor of new social assistance programs, assessing household welfare status, but more importantly being the advocate and enhancer of human capital development. Social workers will look at education and health outcomes at the level of households, provide advice, and offer guidance to households to improve these outcomes. They will be the first line in terms of the grievance redress mechanisms being institutionalized. They will also support households towards income-generating activities, and support activation in the labor market and improving livelihoods, and eventually breaking the inter-generational cycle of poverty. In the medium-term, social workers will support identification of projects and activities at the community-level within the proposed Iraq social fund for development.



Iraq has journeyed along an impressive road towards reforming social safety nets, with people at its core, be it the social workers themselves, or the households they are trained to support. This is the core of work needed in such a fragile environment, particularly in the post-conflict and liberated areas, and will go a long way towards recovery and reconstruction, and renewing the social contract through building trust and better governance. The World Bank is fortunate enough to have been part of this journey, and will continue its support to ending extreme poverty and boosting shared prosperity in Iraq.

All in all, if MENA economies could take advantage of the opportunity provided by low oil prices to implement reforms that are planned, it could improve economic performance in the region.

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