

## **THE POLICY RECOMMENDATIONS HIGHLIGHTED BY THE 7<sup>TH</sup> MEETING OF THE POVERTY ALLEVIATION WORKING GROUP**

The COMCEC Poverty Alleviation Working Group (PAWG) has successfully held its 7th Meeting on February 11<sup>th</sup>, 2016 in Ankara, Turkey with the theme of “Accessibility of Vulnerable Groups to Social Protection Programs in the OIC Member Countries”. During the Meeting, Poverty Alleviation Working Group made deliberations for policy approximation among the Member Countries regarding enhancing vulnerable groups’ accessibility to social protection programmes. The Room Document, prepared in accordance with the main findings of the analytical study conducted for the 7th Meeting of PAWG and the answers of the Member Countries to the policy questions, was the main input for the discussions. During the Meeting, the participants discussed the policy recommendations given below.

***Policy Advice 1: Promoting formalization in the labor market through creating a regulatory environment for facilitating the transition of informal businesses to formal sector, and increasing the productivity of informally employed and long-term unemployed people via training and skill-development programs, credit and business development services***

### **Rationale:**

Informal employment is predominant in many OIC Member Countries which offer little social protection in terms of income, health and safety and unemployment insurance and therefore, higher risk of vulnerability. Mostly because of high informal sector, large segments of population in the OIC countries are outside the frame of social insurance policies. These segments become target of social safety net system due to their poverty situation. To decrease the risk of poverty and therefore the need for social safety net programs, formal employment opportunities need to be improved.

Increasing the share of formal employment would both contribute to the economic growth and social welfare. For this purpose, there is need for efforts in both firm-side and worker-side. Related to firm-side, governments need to create a regulatory environment which prevents informal employment and support small businesses to involve in formal employment. On the other side, informally employed people should be enabled to be more productive in order to work in formal sector which mostly requires higher skills and abilities. For this purpose, active labor market interventions and policies (such as training and skill-development programs) as well as credit and business development opportunities may be introduced/improved.

***Policy Advice 2: Promoting free and universal health care coverage for vulnerable groups***

### **Rationale:**

Health indicators in OIC member countries, in general, are not promising. Children and women are the most vulnerable groups in terms of inadequate access to health care services. Especially low and lower-middle income countries possess low life expectancy rates (between 45 and 60 with some exceptions), and high level of child and maternal mortality (30-150/1000 and 100-1200/100,000 respectively). The most vulnerable groups among children and women are overrepresented in the low and low-income member countries.

Some OIC Member Countries have universal health care. Besides, some OIC Member Countries (particularly upper-middle and high income countries) have ability and capacity to introduce such a system in their countries. On the other hand, in low income countries a well-functioning health system which covers the most vulnerable groups with free of charge may be introduced. That would contribute to the human capital accumulation of the country as well as the health and demographic indicators.

***Policy Advice 3: Developing specific social safety net programs to improve the access of vulnerable children to health and education services for preventing intergenerational transmission of poverty***

**Rationale:**

All OIC Member Countries have some type of social safety net programs. However, in many member countries these programs do not contribute to economic development at desired levels. Lack of adequate human capital is a common challenge that the member countries face. Low human capital in most of the OIC member countries creates a vicious circle. Low human capital leads to low income, low income leads to poverty and poverty leads to low human capital for the next generation.

In the OIC Member Countries, youth face risks such as lack of access to education and health services, difficulties in entering into formal labor market and thereby unemployment. In this regard, social safety net programs should be designed to support human capital and in turn economic growth. Therefore, while providing social assistance towards poor people, their children should be supported for improving their access to health and education.

***Policy Advice 4: Designing specific social safety net programs to offer a minimum regular income to people who cannot work (disabled, poor female-headed households, elderly without a pension) as well as developing social safety net programs (including activation programs) for people who can work***

**Rationale:**

Social safety net programs should be differentiated between people who can work and people who cannot work. For people who can work, these programs should be combined with labor market programs to decrease the dependency on social safety net programs and to decrease the poverty in a more sustained way. While those people receive social assistance they should also be prepared to enter the labor market and/or to transit to high-wage jobs. In OIC Member Countries, as far as adults are concerned, they face risks such as low human capital, usually translated into low pay due to precarious and informal labor, under employment and unemployment. For this purpose, social assistance should be provided with active labor market programs for the adults.

On the other hand, there are some people who cannot enter the labor market due to their disability, age or care responsibilities and live with inadequate income. These people need to be supported with a regular minimum income which guarantees a decent standard of living.

**Instruments to Realize the Policy Advices:**

**COMCEC Poverty Alleviation Working Group:** In its subsequent meetings, the Working Group may elaborate on the above mentioned policy areas in a more detailed manner.

**COMCEC Project Funding:** Under the COMCEC Project Funding, the COMCEC Coordination Office calls for projects each year. With the COMCEC Project Funding, the member countries participating in the Working Groups can submit multilateral cooperation projects to be financed through grants by the COMCEC Coordination Office. For the above mentioned policy areas, the member countries can utilize the COMCEC Project Funding and the COMCEC Coordination Office may finance the successful projects in this regard. These projects may include organization of seminars, training programs, study visits, exchange of experts, workshops and preparing of analytical studies, needs assessments and training materials/documents, etc.