A large body of evidence about citizens’ perceptions and aspirations concerning SSNs has been collected as part of this report, with the objective of understanding citizens’ key preferences for the SSNs of the future. Although many of the technical shortcomings of SSNs have been highlighted in the past—and although governments have attempted to reform untargeted subsidies at different times—political economy considerations have been a major reason why SSN reforms have largely stalled or never began across the region. As part of this study, new cross-country data were collected using nationally representative opinion surveys (MENA SPEAKS [Social Protection Evaluation of Attitudes, Knowledge, and Support]) in partnership with Gallup in Egypt, Jordan, Lebanon, and Tunisia. In addition, this section presents the findings from an innovative behavioral experiment (Jordan Gives), which simulated the real trade-offs involved in SSNs by providing participants with fuel vouchers and giving them an option to donate these vouchers in exchange for different designs of SSNs for the poor in their communities. The new data provide evidence on possible entry points for SSNs’ renewal and reform that the poor and middle classes are likely to support.

In the Middle East and North Africa, those who perceive high income inequality in their countries and who consider themselves to be poor tend to demand redistributive policies more strongly. The self-reported poor are an important share of the region’s population, and they include both a large majority of the poor and also the “subjective poor”—those who are not in the bottom income quintile (see figure 23) and yet report themselves to be poor and who can constitute nearly one-quarter of the population, as in the case of Tunisia. The subjective poor are more likely to say that “the rich own almost all of the wealth” in the country. In turn, those who believe that income inequality is high tend
to demand more redistributive policies. The subjective poor is the group that perceives inequality more acutely. This group is also more likely to be dissatisfied with the government’s effectiveness in providing SSNs.

**The demand for redistribution also varies according to personal beliefs about the causes of poverty and social mobility.** In the questionnaire used after the Jordan Gives behavioral experiment, middle-class participants expressed a general belief that hard work usually brings success. This belief was more prevalent among those who define themselves as upper- and middle-income. Those who felt their income to be closer to the poor were almost as likely to state that success is due to luck and connections as that it is due to hard work, as shown in figure 24. These perceptions are in line with those in Latin America and Western Europe but less stark than in the United States, where individuals overwhelmingly believe that success is the result of individual effort.

**Government Most Responsible for SSNs but Often Seen as Ineffective**

Almost all surveyed citizens saw their government as the main actor responsible for addressing poverty; at the same time, a large share of the population, particularly in Egypt and Lebanon, do not perceive their government’s current efforts as effective in providing social safety nets. When asked about who should bear the primary responsibility for aiding the poor, the vast majority of MENA SPEAKS respondents replied: the government, as shown in figure 25, panel A. In Jordan
and Tunisia, the poor had markedly the most critical evaluations of government effectiveness regarding SSNs, as shown in figure 25, panel B. In addition, regression analysis in MENA SPEAKS countries shows that in Egypt and Tunisia, but not in Lebanon, citizens who agreed with the statement that “government corruption is widespread” were much more likely to find the existing SSNs ineffective. Similarly, in the Jordan Gives experiment, those who had more doubts about the accuracy of targeting existing SSNs to the poor were less likely to donate their vouchers to help the poor in their communities.

Awareness of available SSN programs varies strongly by country and is higher among the wealthy. Egyptians have low awareness about existing nonsubsidy SSN programs, while Tunisian and Lebanese SSN programs have high name recognition. For instance, 23 percent of respondents in Egypt had never heard about a single SSN program, even after being prompted with program names. Awareness of SSN programs was far lower among the poor than among high-income respondents, as shown in figure 26.

In Tunisia and, to a lesser extent, in Lebanon, the rich are much more likely to personally know someone who participates in an SSN program than are the poor, which could be an imperfect proxy for high leakage. In Tunisia, the probability of knowing a beneficiary of the National Needy Families Program (Nationale des Familles Necessiteuses) program was almost twice as high among people in the top and middle income quintiles than among the poor, as shown in figure 27, panel A. In contrast, in Jordan, most of the programs are better known among the bottom two quintiles than among the top two quintiles, as shown in figure 27, panel B.
Figure 25: Opinions about Responsibility for SSNs in the Middle East and North Africa, Selected Countries, 2012

A. Responsibility for Helping the Poor

B. Government Effectiveness in Providing SSNs

Source: Authors’ calculations based on MENA SPEAKS survey.
Note: SSN = social safety net. Q = income quintile (1 = lowest, 5 = highest).

Figure 26: Awareness of SSNs, by Income Quintile, in the Middle East and North Africa, Selected Countries, 2012

Source: Authors’ calculations based on MENA SPEAKS survey.
Note: SSN = social safety net. Q = income quintile (1 = lowest, 5 = highest).
Public awareness of food subsidies in the Middle East and North Africa is much higher than awareness of fuel subsidies, and knowledge about subsidies improves with income, especially for fuel. The awareness that fuel was subsidized ranged from 25 percent in Jordan to 47 percent in Tunisia. However, the awareness of the bread subsidy ranged from 47 percent in Lebanon to 87 percent in Egypt. The higher awareness of food subsidies is particularly relevant considering that the fuel subsidies tend to be more regressive and consume more resources than food subsidies across the region’s countries. For example, Egypt spends much more on fuel subsidies (6.9 percent of GDP in 2009) than on food subsidies (1.8 percent of
GDP). Raising awareness of the costs incurred due to fuel subsidies could be the starting point for an honest dialogue on SSN reform.

Preferences for SSNs Targeting the Poor, with Cash Rather than In-Kind Benefits

Contrary to the prevailing design of SSNs in the region, the large majority of people prefer that the programs use poverty-based targeting rather than categorical targeting—and that they deliver cash as opposed to in-kind transfers. More than 85 percent of people would prefer to have SSN programs targeted to the poor rather than to different categories of people, such as widows, orphans, and the disabled, as shown in figure 28, panel A. This preference is stronger among the poor themselves, which is understandable because categorical targeting is more likely to exhibit leakage to the nonpoor or not to cover the poor who do not belong to the targeted categories. Also, more than two-thirds of respondents in each of the four countries under study preferred cash-based SSNs—ranging from 68 percent in Lebanon to 85 percent in Jordan, as shown in figure 28, panel B.

Most people in the Middle East and North Africa do not seem to favor the use of conditionality in the provision of SSN programs, but among the supporters of CCTs, the most preferred conditions related to school attendance and an active job search. Unlike in Latin America, where conditionality of cash transfers increased support for SSNs, respondents in the Middle East and North Africa do not seem ready to impose requirements on safety net recipients. About two-thirds of the survey respondents in Egypt and Lebanon and three-quarters of the respondents in Jordan and Tunisia rejected the idea of conditioning SSN transfers (see figure 29). For those who agreed with imposing some requirements on SSN beneficiaries, conditions tied to children’s school attendance and active job search efforts were most preferred. Interestingly, in Egypt, the self-identified poor were much more open to the idea than the middle class and the wealthy. If governments were to establish programs with conditionality, an effective communication campaign on its rationale would be necessary.

Subsidy Reform Acceptance Varies, with Benefits Targeting the Poor Preferred

Acceptance of subsidy reform is very country-specific, ranging from a low in Egypt to a high in Lebanon. Figure 30 illustrates the relative tolerance of subsidy reform regarding a list of subsidized products. In all countries, the lower-middle-income group appears less likely to oppose subsidy reform than the upper-middle-income and wealthy groups. And in three out of four countries (all except Lebanon), the lower-middle-income group is more willing to consider subsidy reform than the self-identified poor. One hypothesis explaining this could be that those of lower-middle income do not depend on subsidies as much as the poor, but they
also do not consume a lion’s share of the subsidy benefits, as do those of upper-middle income and the rich.

Citizens who were ready to consider the reform of at least one subsidy were more tolerant of reforming fuel subsidies than food subsidies. In Lebanon, an overwhelming majority of citizens appeared to support the removal of the relatively unknown tobacco growers’ subsidy (see figure 31). Governments can use such information in building a pro-reform coalition.

The majority of citizens in the Middle East and North Africa prefer spending the savings from subsidy reform on cash-based transfers targeted to the poor
(complemented, in the case of Lebanon, with increased investment in education and health services). When asked how the savings from subsidy reform could be spent, most people in Egypt, Jordan, and Tunisia preferred targeted cash transfers only to the poor rather than increased spending on public goods, loosely targeted transfers, or universal compensation (see figure 32). In Lebanon, however, the majority of respondents preferred to complement cash transfers to the poor with increased investment in education and health.

However, support for cash transfers narrowly targeted to the poor decreases with income. Respondents identifying themselves as lower-middle income,
Figure 31
Preferred Product for Subsidy Removal (Assuming Necessity of Reform) in the Middle East and North Africa, Selected Countries, 2012

Source: MENA SPEAKS survey.
Note: LPG = liquefied petroleum gas.

Figure 32
Preferred Cash Transfer Targeting Option following Subsidy Reform, in the Middle East and North Africa, Selected Countries, 2012

Source: Authors’ calculations based on MENA SPEAKS survey.
upper-middle income, or rich were less likely to prefer narrowly targeted cash transfers to the poor, with many opting instead either for more loosely targeted cash transfers or for expansion of health and education spending, so that they could benefit from this reform. It is important to read these results in light of the fact that a broader spectrum of the population identified themselves as poor than those who actually belong to the bottom income quintile. These subjective poor would likely consider themselves to be among the group that should be targeted for compensation and could, in fact, be highly disappointed if they were among the losers from reform.

“Jordan Gives” Experiment Tests Support for SSN Designs

The Jordan Gives behavioral experiment provides empirical evidence of some of the characteristics that drove preferences for particular methods of redistribution. Overall, about two-thirds of 420 participants in the Jordan Gives experiment decided to donate their fuel vouchers worth 10 Jordanian dinars (JD) of fuel at any gas station in exchange for helping the poor in their communities. The SSN design that achieved the highest rate of fuel voucher donations was unconditional in-kind transfers, followed by unconditional cash transfers. The design that achieved the lowest rate of donations was cash transfers conditional on participation in skills training, confirming the MENA SPEAKS finding that citizens in the Middle East and North Africa do not appear to be in favor of requiring safety net participants to do something in exchange for the assistance.

In addition, the experiment enabled evaluation, through a randomized controlled trial, of the impact of introducing additional information meant to enhance the participants’ confidence that the transfers would reach the intended target (see figure 33). Overall, individuals in the treatment group tended to donate visibly more than those in the control group (though this difference is not statistically significant). The effect of the treatment, however, was significant among those who had low trust in the accuracy of the existing targeting of national SSN programs: this group displayed an overall lower tendency to donate cash, but this tendency was countered in treatment groups where the transparency of delivery was enhanced. The experiment suggests that there is scope for governments to improve individuals’ support for SSNs, even from low levels of confidence, through transparency enhancement measures.

Moreover, participants’ characteristics were associated with specific donation patterns:

- Compared with prime-age participants, young and elderly individuals were more likely to donate their fuel vouchers in exchange for food baskets to poor families in their communities.
Everything else equal, wealthier individuals (compared with individuals who reported to be in lower-income households) appeared to prefer exchanging their fuel vouchers for food-based transfers rather than for proposals that involved cash.

Those who thought government action to be ineffective were less likely to choose options associated with government-provided services (school and training) and preferred direct food and cash distribution.

Those who believed that poverty is caused by laziness rather than an unjust society or bad luck chose less often to donate to the school, while those who thought that career success comes from hard work (as opposed to luck and connections) were more likely to donate to the school.

Source: Authors’ calculations based on Jordan Gives 2012 data.

Note: SSN = social safety net.