

# The Social Protection of Mothers and Children in Azerbaijan: the System's Capability and Scope

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Securing an effective social protection of children under the age of 18 is a strategic task for responsible and accountable governments. Since poor children have more limited opportunities to realize their potentials than their peers who have been materially well-provided. Because poor children have more opportunities to realize their potential than their peers. The new generation who cannot realize their abilities over financial challenges is the human capital for the country that cannot be replaced with any resource.

According to recent data of the International Labour Organization (ILO), each year around 5.9 million children lose their lives because of problems that is possible to get eliminated but is not addressed due to the lack of effective social protection systems. Almost half of these deaths stems from inadequate nutrition. Children aged 17 and under account for about one third (34 per cent) of the total population in low- and middle-income countries, making up nearly half (46 per cent) of the population living on less than US\$1.90 per day

As for Azerbaijan, about 28% of the total population, or 2.7 million, are people aged 18 and under. Although the government's poverty assessment mechanism is not considered reliable by independent experts and researchers – even official statistics – show that poverty among children is higher than the average country indicator. Official statistics measures the level of poverty in the country by the number of

people receiving targeted social assistance (TSA). For instance, 558,000 people, or 5.5% of the country's entire population, were entitled to receive TSA in 2016. The official poverty rate disclosed by the government then was in line with this figure: of this, 268,000 people that received targeted social assistance were children. Given that the population of 0-18 age group was about 2.7 million as of 2016, the official poverty rate among children neared 10%, which is almost twice as high as the average country indicator. It is worth noting that child poverty is higher even in developed countries. For example, ILO's Global Social Security Report shows that in 2016, 21% of children and 16.3% of adults in the EU-member states, respectively, faced poverty risks.

### **The social protection of children – legal safeguards**

Fundamental principles are reflected in the Convention on the Rights of the Child Azerbaijan has acceded to. Under Article 24 of the Convention, States Parties recognize the right of the child to the enjoyment of the highest attainable standard of health and to facilities for the treatment of illness and rehabilitation of health, and shall pursue full implementation of this right and, in particular, shall take appropriate measures to ensure the provision of necessary medical assistance and health care to all children, to combat disease and malnutrition, including within the framework of primary health care, and to ensure appropriate pre-natal and post-natal health care for mothers, while Article 26 states that States Parties shall recognize for every child the right to benefit from social security, including social insurance, and shall take the necessary measures to achieve the full realization of this right in accordance with their national law. Furthermore, a number of national legal acts also create the basis for the social security of all children. For example, legal acts such as "The Children's Rights", "The Prevention of Disability and Children's Health Restrictions, Their Medical Rehabilitation and Social Security", "The Social Security of the Children who Lost Their Parents and Deprived

of Parental Care”, “The Nutrition of Infants and Babies” and “The Compulsory Medical Checkup of All Children” have been published to ensure the social security in the national legislation.

In accordance with the objective and purpose of each legal act they ensure the social security safeguards for children such as ensuring the free-of-charge qualified medical care at the State Medical Institutions for children with disabilities under the age of 18 and provision of the sanatorium-spa treatment for them, the protection of children’s socio-economic rights for the health and well-being, ensuring the social security of children who lost their parents or deprived of parental care at a level not lower than minimum national social standards, the provision of the state guarantees for safe and adequate nutrition of children and implementation of compulsory medical checkup for the timely detection of children’s health problems.

### **Measures to ensure the social protection of children**

At present, payments for children as part of social protection measures are mainly effected under the Law on Social Allowance. Under this law, the social allowance for children under the age of 18 is as follows:

- **Children until the age of 16 of martyr families.** Under the presidential decree on February 23, 2018, the amount of the allowance is AZN 18.7.
- **Children under the age of 16 of military service personnel.** Under the presidential decree on February 23, 2018, the amount of the allowance is AZN 60.5.
- **Children under the age of 16 of civil invalids of war.** Under the presidential decree on February 23, 2018, the per capita amount of the target social assistance is AZN 13.2.
- **Children until the age of 16 of invalids of January Tragedy.** At present, the amount of this allowance AZN is

13.2.

- **Children under the age of 16 of victims of Chernobyl nuclear disaster.** The amount of benefit is AZN 13.2 under the presidential decree on February 23, 2018.
- **Children under the age of 16 of those who participated in the elimination of the consequences of Chernobyl nuclear disaster and were registered in the dispensary.** Under the presidential decree on February 23, 2018, the amount of benefit is AZN 13.2.

**Note: A total of 18,521 persons for the six categories listed above was covered by social allowances as of the end of 2016.**

- **Benefits for the children up to 1 year old in low-income families.** This benefit is provided for families with children under 1 year entitled to targeted social assistance under the Law on Targeted State Social Assistance. Under the presidential decree dated February 23, 2018, the amount of the allowance is AZN 49.5, with a total of 5,623 children covered by this allowance as of the end of 2016.
- **Benefits for children who lost their head of the family.** This allowance is provided for every single child under the age of 18 (under the age of 23 when studying) of deceased but unemployed parent. Under the presidential decree on February 23, 2018, the amount of the allowance is AZN 60.5, with a total of 41,286 persons covered by this allowance as of the end of 2016.
- **Benefits for disabled children under 18 years old.** Under the presidential decree, the amount of the allowance is AZN 74, with a total of 67,081 persons covered by this allowance.
- **The lump sum payment for the birth of a child.** This benefit is paid at the expense of the employer when one of the parents is employed. If either parent is unemployed, it is paid by the State Social Protection Fund. The amount of this benefit as per the presidential decree dated February 23, 2018 is AZN 99, with a total

of 54,400 persons paid by their employers and 100,261 non-working citizens paid by the Social Protection Fund.

In addition to these benefits, if the head of the family who was working and has a contribution period at the level required by the law, his children are entitled to receive a benefit for the loss of their parent until their 18th birthday (under the age of 23 when studying). According to official statistics, in 2016, 144,200 families received a pension because of losing the head of family on the basis of the contribution period. As regards the terms and the amount of the pension benefits, until the time of applying for a pension for the head of the family who lost his life, the total contribution period should not be less than 5 years and have a contribution period of 4 months for each full year of labor in accordance with the requirements of Articles 12.1 and 17.1 of the Law on Labor Pensions. The amount of the pension depends on the duration of the contribution period and the social security funds. The pension for loss of the head of family averaged AZN 140.4 as of the end of 2016.

Thus, the number of children covered by the social security program slightly exceeded 400,000 in 2016, including 287,200 children receiving social benefits and 140,000 children receiving pensions due to the loss of one of the parents in the 0-18 age group, accounting for about 16% of children in this age group.

Although the statistics about the coefficient of coverage of children's social security programs and measures in different countries was not presented in World Social Protection Report that ILO released at the end of 2017, it is noted that this figure was 40.3% for the total population and in this regard Azerbaijan lags 2 to 2.5 times behind other European countries. "The ratio of the population covered by the social security system", which means that the entire population was involved in at least one social protection program regardless of the age, gender and employment status. There are two main

reasons for the high level of this indicator in other countries across Europe:

- **These countries have an effective insurance system and almost all people are covered by the insurance. The coverage of the population, including children with the social protection system in Azerbaijan is considerably limited as Azerbaijan still fails to launch the health insurance system (excluding the pilot project, which covers a limited area).**
- **Programs of providing secondary school students with free hot meals are very common in European countries however, there is almost no such social protection measure in Azerbaijan.**

Thereby considering the above mentioned approach and comparisons as well as the fact that the coefficient for the coverage of the entire population with the social security system is around 40%, it is obvious that the same indicator for children is lower and based on the above calculations 16% is much more realistic.

According to the ILO's Global Social Security Report, 35% of all children under the age of 18 worldwide receive social allowances or any other social payments within the social security framework. But this indicator significantly varies throughout continents in the world. For example, the European average is 87%, American 66%, Asian 28%, and Africa 16%.

Besides the scope of coverage, another important indicator is the amount of social allowances for the children. To what extent can the amount of social allowances currently paid for children in Azerbaijan contribute to meet the needs of beneficiaries? The only objective indicator to measure this is the subsistence minimum. The subsistence minimum for children in 2016 was AZN 116. Judging by this indicator, 5 out of the above-mentioned 9 monthly social allowances (except the lump sum allowance for the birth), each is comprising 10-15% of the

monthly subsistence minimum, 3 monthly social allowances, each is comprising 39-47% of the monthly subsistence minimum and 1 is comprising 58% of the monthly subsistence minimum.

Another indicator for evaluation of the performance of the children's social security in the world is the adjustment of the government's budget expenditure on children's social security (including health insurance) to its GDP. According to the ILO's Global Social Security Report, the average social security spending is around 1% of GDP for children aged 0 to 14 worldwide. However, this indicator varies along the world regions. For example, for North Africa it is 0.1%, for Western Europe 2% and for Northern Europe 2.5%. The official documents and statistics from the Azerbaijani government fail to provide identical information. But this indicator can be estimated with some deviations based on the financial resources allocated to the separate social security measures.

For example, the government allocated AZN 237.6 mln for targeted social assistance in 2016. Given that the half of those entitled for this allowance are children, of this, AZN 110-115 million alone were provided to them, according to rough estimates. The Social Protection Fund provided the average monthly pension to the amount of AZN 140 to about 140,000 persons for loss of the head of the family, which is equal to AZN 20 mln in total. The lump-sum payment in amount of AZN 17 mln were paid to families for newborns in 2016, through the State Budget and Social Protection Fund. Plus, under the Law on Social Security, about AZN 90 mln were allocated from the state budget for children on the above-mentioned 8 social payments (but for targeted social assistance) in that same timeframe. Finally, Azerbaijan still fails to launch medical insurance programs. However, if we distribute AZN 700 mln. allocated from the state budget in 2016 among the different age groups proportionally, 27-28 % of the funds, or AZN 190-195 mln should be paid to children. So, under rough estimates, the funds spent by the state for the social protection of children stood at AZN 425-430 mln in

2016, accounting for 72 % of GDP in the same period. Though the figures are nearly the same with the global average, it is 3-4 folds lower than those in developed countries.

### **The social protection of mothers**

The social protection of mothers is as important as their children's' protection. The Law on Social Insurance is regulated with the Regulation of the Cabinet of Ministers on payment of social insurance benefits for temporary disability and the on the rules for providing sick-leave certificates to the payers of social insurance contributions.

Currently, the social protection of mothers in Azerbaijan is classified by three elements as follows:

(i) **Maintenance of maternity leave for pregnant workers.** The leave begins 70 days before the pregnancy. Only those women who are working and paying for social protection are entitled to a 70-day maternity leave.

The leave is 100% of insurable monthly earnings of employed women.

(ii) **Leave paid for women after childbirth for rehabilitation of their health and take care of their newborns.** The leave consists of 56 days. Only those women who are working and paying for social protection are entitled to a maternity leave of 56 days after childbirth. The payment for the leave is defined as 100 % of insurable monthly earnings of employed women.

(iii) **Maintenance of social allowance for employed women for taking care of their children until the age of 3 years.** Employed women who are paying for social protection are to care for the child until the age of 3 years by keeping their working place. However, they are not paid after the end of their pre and post maternal leaves. They are paid social allowance which is defined in accordance with a relevant



presidential order. The amount of the payment is AZN 40 for child until the age of 1.5 years, AZN 25 for 1, 5-3 year children, as of early 2018. The payments have been increased by 10 % under the presidential order dated February 23, 2018.

There are 3 key questions on to what extent the social protection system of mothers with children is effective: 1) how wide is the scope of this system? 2) How long is the pregnancy and maternal leave with pay? 3) At what level can the amount of monthly allowance paid to mothers for the care of children under the age of 3 meet the needs of beneficiaries?

Although the Azerbaijani government discloses no official data on the scope of the system, the recent ILO report shows that in Azerbaijan women who covered with pregnancy and birth constitutes only 14% of women with children. However, among the FSU countries, this figure is 69% in Russia 45% in Kazakhstan and 24% in Georgia, while 95-100% in other countries across Europe. Compared with other countries in the region and the rest of the world, the main reasons for the limited coverage coefficient of pregnancy and childbirth in Azerbaijan with pay are the representation of the significant portion of working-age women in the age group of non-economically active population (about one-third of women in the labor force are currently not economically active population), on one hand, and their illegal employment without a labor contract, on the other hand.

In Azerbaijan, the duration of pregnancy and birth is 18 weeks. It is quite different in the world practice. For example, it constitutes 39 weeks in Iran, 18 weeks in Denmark, 20 weeks in Estonia, 21 weeks in Finland, 16 weeks in Latvia, and from 39 to 49 weeks in Norway. Taking into account that the pre-school education coverage of children under the age of 3 across Europe is not less than 50-55%, it does not create problems regarding pregnancy and childbirth. However, as pre-school education coverage of children under the age of 3 does

not exceed 10% in Azerbaijan, the relatively long period of leave for women with pay could be a positive step in ensuring healthy child development.

With regard to whether beneficiaries' needs tally with the amount of monthly social allowance paid to women for pregnancy and childbirth due to partial paid leave (in connection with care of child under the age of 3), the amount of allowance for care of child of 1.5 years of age in 2016 accounted for 18 per cent of the minimum living wage for women of working age and 8 per cent of women's average monthly salary in the economy. At the same time, the amount of allowance for care of child under 3 years accounted for 29 per cent of the minimum living wage for women of working age and 12 per cent of women's average monthly salary in the economy. In 2016, a total of AZN 40.5 million from the State Social Protection Fund of Azerbaijan Republic (SSPF) was allocated for mothers for pregnancy and childbirth (with regard to 126 day leave), as well as for the care of child under 3 years, this is less than 1.5% of the SSPF's annual budget.