

No Retirement or Protection Coverage for the Elderly under the Current Confessional System

The issue of protection for the elderly, the dream that the Lebanese have long aspired to achieve, has resurfaced to public and government spotlights following the submission by the International Labor Organization (ILO) of a new project proposal for a retirement system, thus raising new hopes of ending 49 years of anticipation to adopt a retirement system for the private sector.

Senior ILO expert Pierre Plamondon completed his study on the best retirement and social protection system for Lebanon; prompting the Minister of Labor Salim Jreisati and other stakeholders to discuss the study while concluding in consensus that it is a valuable document and some of its recommendations should be adopted. The study included a number of recommendations mainly:

- Limiting the ceiling of revenues at four times the minimum wage limit,
- Setting the average contribution fee at 15 percent to be divided between employees and employers according to proportions to be specified at a later date,
- Specifying the average of revenues as a base to apply the lowest levels of entitlements as the average of revenues during the totality of the individual's career span after reassessing it according to adequate indicators. During the transitional phase, the average of revenues of the last five years at 2015 should be counted and they can be increased for one year for each year after 2015,
- Defining the ordinary age for retirement during the preliminary phase at 64 years, that can gradually increase in accordance to the increase in life expectancy, while allowing for early retirement starting from age 58 years,
- Setting the amount of the minimum pension as 75 percent of the minimum wage.

According to the new proposal, the retirement system will be dissociated from the health care system under the argument that the Ministry of Public Health is working individually on drafting a proposal for universal health coverage. This implies that the adoption of the proposed retirement proposal will not include health insurance of the retirees in order not to create duplication in governmental mandates and remits. However, Minister Jreisati revealed rather hastily that an

alternative proposal will be considered in case of delay in adoption of the proposal for universal health coverage; it entails health coverage for retirees.

It is also worth noting that the Council of Ministers already adopted back in December 19, 2004 and upon the initiative of Mr. Emile Lahoud the President of the Republic at that time, a legislative proposal aiming at establishing a system including pension and social protection. This proposal was never seriously considered by the successive Parliaments.

Finally, and in all frankness, we can only convey our skepticism vis-à-vis the expressed good intentions as well as the feasibility of this and all related schemes and towards all official statements that profess their intent to provide decent life for the elderly. This lack of confidence is based on the following considerations:

- The increase in intensity of the current political conflict and intensifying of confessional polarization,
- Placing all issues of concern to the public at the service of political objectives,
- Poor awareness regarding the concept of citizenship and the lack of official commitment to rights and equality,
- Lack of an overarching national social vision and conflicting related proposals,
- Corruption and squandering of resources, and paucity of governmental financial resources.

Based on the above, we can safely say that it is least likely that there will be any significant progress on this matter at least in the medium term and until the civil and social movement around this issue will take one shape or the other especially given the last mobilization and demands initiated by the Union Coordination Committee, the Teachers' Syndicate, and Civil Society Organizations.