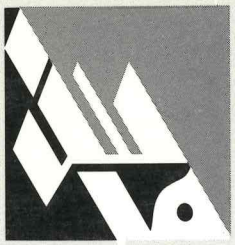

Palestine Economic Policy Research Institute

Towards a Social Security System in the West Bank and Gaza Strip

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The Palestine Economic Policy Research Institute, or Ma'had Abhath As-Syasat Al-Iqtisadiyah Al-Filistini (MAS), is an autonomous think tank founded in 1994 that engages in applied economic and socio-economic research and provides expert analysis of policies and strategies critical to the development of the Palestinian economy. During the transition to statehood, MAS' mission is to support Palestinian policy makers, institutions, and organizations working on economic development and reconstruction by providing in-depth analysis of policy options that will enhance the decision-making process. MAS also seeks to cooperate closely with scholars and research groups who share similar interests and goals.

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Towards a Social Security System in the West Bank and Gaza Strip

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Preface

This study presents a draft for a national social security scheme in the West Bank and Gaza Strip (WBGS). Attention is focused on a pension scheme, health insurance, work accident insurance and groups with special needs. Suggestions to develop social assistance in the WBGS are also made. The options proposed are those deemed the most appropriate for the existing circumstances of Palestinians in the territories under the control of the Palestinian National Authority (PNA). However, the details of the financial and administrative ramifications of these options are left to the relevant ministries and to specialized technical studies.

This study concludes a series of studies carried out by MAS on various aspects of social security. These comprise informal social support (non-institutionalized), social support institutions, pension benefits and health insurance in the work place, informal finance and living standards in the WBGS. The analysis in this study is confined to the theoretical and field data provided by these previous papers, with the addition of updated data and consultations with the relevant Palestinian ministries. To this end, proposed legislation related to social security was scrutinized and consultations were held with governmental institutions and trade unions and syndicates to become conversant with changes to current forms of social security. In addition, meetings and workshops were held with representatives of formal and informal institutions to discuss the proposals put forward. A foreign expert was consulted on some technical issues, in particular those related to pension funds and health insurance.

As this study is based on earlier research, the reader might notice that various details are not discussed fully in order to avoid repetition. All the studies pertaining to the social security project carried out by MAS make up a complete series and the specialized reader might need to refer to previous papers.

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Foreword

The main mission of the Palestine Economic Policy Research Institute (MAS) is to combine studies and analytical research with specialized advice on the alternatives and options of different economic policies in order to enhance the Palestinian policy making process.

The work of MAS is not confined only to issues related to the economy. It extends also to social issues which may be interlinked to and exert a significant influence over the shape of economic policies. For this reason, MAS undertook the responsibility of a two year research program to draw up proposals for a feasible social security system for the West Bank and Gaza Strip.

The studies already published in this series over the past two years comprise *The Informal Social Support System (non-institutionalized) in the WBGS; Social Support Institutions in* the *WBGS; Living Standards in the WBGS; The Workplace as a Source of Pension Benefits* and *Health Insurance in the WBGS;* and *Informal Finance and Lending NGOs in the WBGS.*

This particular study is the sixth and final conclusion to the research on the social security issue. It gives an extensive summary of the findings of the previous studies and offers proposals for an appropriate Palestinian social security system. MAS trusts that the research carried out will support and inform Palestinian policy makers and will also prove of assistance in the institution-building process.

MAS takes this opportunity to express its appreciation to all the institutions and individuals who offered valuable assistance and data for these studies. Thanks must also be given to all the researchers involved for their hard work and dedication which enabled this study to be completed.

Special thanks and gratitude are due to the Friedrich-Ebert Stiftung Foundation for their financial support to the research program.

Dr. Ghania Malhis
Director

List of Abbreviations

JD	Jordanian Dinar
MAS	Palestine Economic Policy Research Institute
NGO	Non-Governmental Organization
NIS	New Israeli Shekel
PCBS	Palestinian Central Bureau of Statistics
PECDAR	Palestinian Economic Council for Development & Reconstruction
PMA	Palestinian Monetary Authority
PNA	Palestinian National Authority
UNDP	United Nations Development Program
UNICEF	United Nations Children's Emergency Fund
UNRWA	United Nations Relief Works Agency
UNSCO	United Nations Special Coordinator in the Occupied Territories
UNTSO	United Nations Truce Supervision Organization
US	United States
WBGS	West Bank and Gaza Strip

Table of Contents

1. Introduction **1**

1.1 Reasons for the establishment of a social security system **2**

1.1.1 Political Motivations *2*

1.1.2 Economic Motivations *2*

1.1.3 Normative and Value Considerations *3*

1.2 Financing social security **4**

1.3 Social Insurance Strategy **5**

1.3.1 Social Assistance *5*

1.3.2 Progressive Income Tax *5*

1.3.3 Social Support Determined by Specific Circumstances *5*

1.3.4 Subsidies *5*

1.4 The Administration of Social Security **6**

2. The West Bank and Gaza Strip: A General Demographic and Social Background **9**

2.1 Basic Demographic Features **9**

2.2 Prominent Features of the Labor Force **10**

3. Features of institutionalized and non-institutionalized social support, pension benefits and health insurance in the West Bank and Gaza Strip **13**

3.1 Institutionalized Assistance to Poor Families **13**

3.2 The Size and Nature of Informal Social Support **16**

3.3 Limited Occupational and Social Security Benefits for WBGS Residents **16**

3.4 Pension Funds or Provident Funds in the WBGS **16**

3.5 Health Insurance **18**

3.6 Old Age **18**

3.7 The Disabled **19**

3.8 Rationale for the Creation of a National Social Security System in the WBGS **19**

4. Forms and Features of Social Security Available in the WBGS. **21**

4.1 Pension Funds **23**

4.1.1 Pension Funds in the Governmental Sector *23*

4.1.2 Pension Funds in NGOs and Professional Associations *25*

4.1.3 Pension Funds in Palestinian Universities *27*

4.1.4 Pension Funds in International Institutions *27*

4.1.5 Pension Funds in the Private Sector *27*

4.1.6 Potential for a Palestinian Pension Scheme *28*

4.1.7 Towards a Mandatory Pension Scheme *28*

4.2 Health Insurance **30**

4.2.1 Government Health Insurance in the WBGS *30*

4.2.2 Private Health Insurance in the WBGS *32*

4.2.3 The Option of Mandatory Health Insurance *32*

4.2.4 A Health Insurance Scheme for the PNA territories *34*

4.3 Work Accidents **36**

5. Social Groups with Special Needs **39**
5.1 The Disabled: **39**
5.1.1 Community based Rehabilitation *40*
5.1.2 Medium-Range Rehabilitation Services and Local Institutions *40*
5.1.3 Assistance to the Disabled by the Ministry of Social Affairs and UNRWA *41*
5.1.4 Proposals for the Development of Services to the Disabled *43*
5.2 Services to the Elderly **43**
5.2.1 Proposals for the Development of Services to the Elderly *44*
5.3 Maternity and Childhood **45**
5.4 Orphans **46**
5.5 The Role of Local Government in Providing Services to those with Special Needs **46**
5.6 The Role of NGOs in Providing Care to those with Special Needs **47**
5.7 Funds for Groups with Special Needs **47**
5.8 Social Assistance Funds for those on Low Income: **48**
5.9 A Summary of Assistance to Groups with Special Needs **48**
References **50**
Tables **49**

List of Tables

Table 1:	Anticipated age distribution of WBGS residents for selected years	51
Table 2:	Anticipated demographic features of WBGS for selected years	51
Table 3:	Number of days of closure imposed by Israel on WBGS after the establishment of the PNA	51
Table 4 :	Features of WBGS Work-Force According to Labor Force Surveys	52
Table 5:	Number of Private Sector Establishments and Their Employees According to their Principal Economic Activity in the WBGS, 1997	53
Table 6:	Type of disability and follow up of diagnosis in central and southern parts of WBGS	54
Table 7:	Distribution of Health Services in WBGS according to Region and Management	55
Table 8:	Features of Provident Funds available in the WBGS Work Places and Number of Employees Included	56
Table 9:	Health Insurance in the WBGS Work Place and Extent of Coverage	57

Summary

Irrespective of the reasons (whether political, economic or ideological) that lead to the creation of a social security system, one of the distinguishing features of modern developed societies is the existence of social policies and strategies to provide greater security and welfare to different levels of society. Many countries have endorsed policies aimed strategically at achieving social and economic change and ongoing development based on social solidarity within the framework of human and civil rights. These policies include basic services to individuals and families to protect them from anticipated risks resulting from either a termination of the source of income or extra expenses as a result of sickness, disability, childbirth or death.

Palestinian society in the WBGS still lacks a wide-ranging social security scheme despite the increasing demand for it in the face of several social, economic and political challenges. Various studies carried out by MAS show that the existing non-institutionalized and institutionalized social support in the WBGS is inadequate and there is, therefore, an urgent need for the creation of a national social security system. Social security can alleviate poverty while nurturing and reinforcing a spirit of citizenship for Palestinians. Furthermore, social security constitutes a basic preventive safety net against future risks and the day-to-day problems resulting from the unstable political situation.

Governmental, non-governmental and international institutions do fulfill some of the basic needs of the poor and those on a limited income or with special needs. This assistance is not integrated within the framework of a developmental plan or a strategic social policy. Assistance is mainly spontaneous and in the form of relief, leaving a large number of families still in need. Non-institutionalized support is characterized as limited, seasonal and voluntary. Such assistance is inappropriate to deal with poverty, unemployment and diminished savings.

Despite the important role played by institutionalized and non-institutionalized support throughout previous decades, these forms of assistance cannot be a substitute for a national social security scheme. The limitations of these types of support are obvious in the deficiencies and weaknesses of the existing system. They have failed to develop a wide range of services and increase the number of participants in order to create a comprehensive and effective social security system to protect citizens.

The existing pension funds in the WBGS include only a very small percentage of the population. Moreover, the two systems of health insurance adopted in the West Bank and Gaza Strip suffer from serious problems that threaten their efficiency. There is an obvious failure in the number of institutions to care for the elderly and in the level of services provided to them. This results in many of the elderly being forced to continue to work for survival. There are also insufficient institutions to care for the disabled, especially those with serious disabilities like the mentally retarded. Insurance against work accidents is infrequent and requires development on various levels. There is a total absence of insurance against unemployment.

Given this information on social insurance in the WBGS, this study suggests the expansion of pension and health insurance through a compulsory scheme. Compulsory participation in a pension fund does not require the formation of a comprehensive national fund. It is possible to create several pension funds and develop a number of independent systems, subject to the supervision of the PNA to guarantee proper administration and investment (on a managerial and organizational level). It is recommended that pension funds in the governmental sector

should continue to be compulsory and combined into one consolidated national fund based on the pension scheme adopted in the Gaza Strip (i.e. contributing) since this method of funding has more positive features than other systems.

In light of the current situation, this study suggests the establishment of a compulsory, government-run health insurance fund whilst developing coordination and integration between the different institutions providing health services. A compulsory health insurance scheme guarantees a greater number of participants pending the gradual creation of a comprehensive, national health insurance fund from which contributors can select the health service provider of their choice. To achieve a higher degree of social solidarity and ensure adequate funding of health services, contributions must be linked to the size of income, in addition to funding from the PNA and health service providers. It is important that the existing administration be developed in a way that makes any future health insurance administration independent of the Ministry of Health. An independent body with legal powers can be established in the future to manage the fund when the conditions are appropriate.

Since work accident insurance is limited at present, legislation should make it a compulsory requirement. This would ensure that employers would be unable to escape from their responsibilities towards their employees and would shoulder the financial consequences of a work accident whatever the cost might be.

Groups with special needs require specific legislation to guarantee equal participation in society, sometimes with positive discrimination. They should also be provided with the appropriate basic services. Coordination among groups serving the disabled should be developed and the PNA should be active in terms of funding, organizing, supervising and determining the role to be played by the local community in the care of the disabled, the elderly and orphans.

This study also suggests that a social assistance fund be created for those without an income or on a very low income, provided that this fund be administered and supervised by the Ministry of Social Affairs according to a new scale of assistance determined by a national poverty line. This fund can guarantee an income (complete salary) for those who are unable to work for a convincing reason and who are not entitled to financial allowances under any other programs. It can also provide a supplement (partial salary) to those whose income from their work or any other source is less than the national poverty line.

These proposals are motivated by the need to enhance the rights and responsibilities associated with citizenship. The ability to implement these proposals are subject to a number of considerations, the most important of which is the availability of funds. This is addressed partly by having a compulsory contributory pension scheme and a compulsory health scheme with contributions linked to income. It is important to emphasize the need to establish administrative structures that are efficient, accountable and reliable. The system should remain dynamic and incremental i.e. able to expand as resources grow.

1. Introduction

The relationship between the modern state and the citizen is manifested, amongst other things, in the social policies endorsed by the state relating to health, education and social care. They determine the direction and the approach that formal social work assumes in society.

Social policies depend on the prevailing economic, social, cultural and religious climate. Although different ideological value systems may be adopted, the general aim of social policies is to raise the standard of living of individuals in society. This is achieved through maintaining health and educational services, drawing up plans for development, finding solutions to social and economic problems and providing security to the impoverished or those with special needs. Social security is one of the pillars of state social policy since individuals are vulnerable to illness, disability, unemployment or deprivation, all of which threaten their well-being. Personal savings to meet these crises prove an inadequate form of security for most individuals in society. Social assistance, whether institutionalized or non-institutionalized, can be an ineffective safety net to marginal or deprived social groups who experience a variety of problems. From these concerns comes the premise that it is the basic responsibility of the state to establish a social security system capable of providing a minimum of protection for its citizens.

One of the features of social security is to provide sums of money to eligible individuals to allow them to buy whatever goods or services they require. Furthermore, social security payments are also provided as a means of compensation for any change in the status of an individual or a family, as in the case of disability resulting from work accidents, illness or old age. There are several circumstances in which an individual might qualify for social security assistance:

1. To cover personal expenses in cases of illness, disability, childbirth, etc.
2. To compensate for the inability to earn an income due to work accident, illness, old age or unemployment.
3. To protect specific social groups like the disabled, mothers or widows.
4. As recognition of the value of social or national service, as in the case of war veterans.
5. To express solidarity, as in the case of professional labor unions.

Most social security expenses pertain to natural or foreseeable circumstances like old age (retirement), childbirth, illness and work accidents.

Despite the similarities between social security systems and the assistance provided by some civil or state institutions, there remains an important difference between the two. Assistance provided by state or civil institutions is considered as a free donation, whereas social security is based on deductions from the salaries of citizens. These deductions are taken from workers and employers through state taxation. Furthermore, whilst assistance is only provided if an individual requires help and is often optional rather than obligatory on the donor, social security payments are a right provided certain conditions are met.

There is also a difference between a social security system and public or private insurance systems. A social security system aims to protect the individual from a wider range of risks, including plans to protect against likely risks. Insurance, on the other hand, is limited to protection against specific risks like illness, old age and accidents. Social security is a public project, promoted by the state to provide a minimum of security to its citizens and is

therefore a collective undertaking. Those who undertake the burden of financing a social security system might not necessarily benefit directly from it, while other more needy social sectors might.

The cost of social security to the individual is calculated by the sum deemed necessary to cover the expenses of a specific risk should it occur, or to prevent it happening at all if possible. An insurance premium, on the other hand, is calculated on the probability of the event occurring. Social security has a wider purpose than the different types of insurance. Whilst insurance might be used within a social security system as a means to achieve a specific goal, social security remains the pursued aim on a societal level. This has caused confusion, as happened when some Arab countries used the term "social security" for their insurance systems, as in Lebanon, Iraq, Tunisia and Jordan. The same applies in Egypt, which has used the term to refer to some relief aid.

1.1 Reasons for the establishment of a social security system

There are various overlapping reasons behind the establishment of a social security system. The most important are the following:

1.1.1 Political Motivations

The concept of social security appeared during the last century when revolts took place by the working classes in Europe to demand improvements in working conditions. It was also encouraged by the creation of labor and professional associations, which brought about legislation to improve working conditions and to protect workers from excessive exploitation and deprivation. This legislation is considered as the point of convergence between reformist and socialist doctrines. It concentrated on the need to prohibit the employment of child labor, to limit working hours, to provide a weekly day off and to end wage discrimination between men and women. It also called for the establishment of unions and mandatory job security to protect workers in cases of unemployment, retirement, disability or illness. Since workers were the most exploited and also the most politically organized class at that time, it was natural that the first social security legislation should include measures aimed at improving working conditions. The circle of those benefiting from social security has since widened to include marginalized groups of society. It extended gradually to include public assistance to families in order to raise living standards. Following the First and Second World Wars, social security measures were expanded to generate social stability and to prevent the explosion of social conflict which might threaten the political system. Pressure groups like professional and labor unions, feminist and student organizations and anti-discrimination movements have contributed to reinforcing and enlarging the social security circle. The basic aim of governments in responding to these demands has been to avoid social conflict and to preserve the political power of the ruling party, which in democratic political systems is dependent on the orientations of voters (Culpitt, 1992, pp.3-4).

1.1.2 Economic Motivations

The reduction of the economic burden to the state caused by social problems resulting from poverty, deprivation or ordinary life events is another important consideration. Social problems with a destructive economic impact are not limited to an increase in crime and 'delinquent' behavior by the poor or marginalized, but also include 'anti-social' behavior which can carry economic risks. For instance, a decline in professional ethics could affect development. This might burden the state more than the cost of social security.

It is assumed that the existence of a social security system contributes to a rise in living standards and augments the spending power of those entitled through cash payments and services provided. This reduces the need for individual savings and allows increased consumption expenditure. This, in turn, leads to greater capital investment as well as a growth in employment (Macarov, 1995, p.112).

1.1.3 Normative and Value Considerations

Social values and norms helped to shape the establishment of social security systems through highlighting the concepts of citizenship and communal welfare and redefining the role and responsibilities of the state towards its citizens. Nineteenth century philosophers focused on the importance of economic security of the individual as among the rights of citizenship. Whatever the different approaches of these philosophers (social justice, an end to class exploitation, redistribution of wealth, humanitarian, philanthropic and religious solidarity), most of them advocated the restructure of social and economic relationships in society and their re-organization in relation to political society to achieve development and welfare (Culpitt, 1992, pp.5-6).

The creation and maintenance of a social security system is not motivated only by the desire to reduce poverty and guarantee a basic income. It is argued that the basic task of social security is to provide welfare for citizens. A social security system might be based on a religious, humanitarian, preventive, developmental or health perspective. It may be driven by concepts related to social welfare as a means to guarantee a minimum of social justice and reduce social inequality through the redistribution of wealth in society. Some social security systems stem from a philosophy based on social solidarity or are seen as incentives to sustain human development. Others aim to confirm and reinforce specific values, especially those related to the family.

A social security scheme may redistribute income vertically and horizontally; Vertically, through assistance to the poor or the unemployed with insufficient income; Horizontally, through benefits presented to families with children, i.e. from families without children to families with children and from the single to the married.

The reduction of poverty is only one goal of a social security system (Spicker, 1993, part 2). A portion of the payments provided is assigned to those on a low income. Another portion is used for entitlements (regardless of income level), as in the case of pension or health benefits. A third portion might be directed towards social groups with special needs like the disabled, widows and orphans. Some allowances are given on a temporary basis, like those given to the unemployed where the payment stops once unemployment ceases.

Some social scientists argue that in order to be eligible for social allowances, an individual has to comply with the social norms adopted by those who distribute the allowances. This is especially the case with the family, which usually upholds prevailing traditions and social stratification with its distinctions based on gender, social class or other distinctions. Some social scientists therefore perceive certain aspects of social security schemes as conservative and a restraint on social change. It is important to differentiate between the goals of a specific social program like social security and the actual results of this program (intended and unintended). For instance, one of the aims of social security is to provide social services to those in need. This might be implemented in an acceptable way, but might have unintended consequences like setting certain values. Moreover, inequality in an unequal society is not the result of one single policy. Rather, it is connected to an inter-linked socio-economic structure and to values justifying the basis of this structure. Social security

schemes should not, therefore, be held responsible for producing inequality in society but rather as a means to reduce the impact of the socio-economic stratification resulting from other factors.

Social security schemes differ according to the basic motivation behind them.[1] Some provide allowances to address basic needs. Others provide more extensive services, not as a strategy to redistribute income from the rich to the poor but to ensure a basic standard of living for those who would be in difficulty without assistance. Britain and the United States are described as the first model, whereas France follows the second model.

Some countries, like Germany, provide allowances related to work whilst others offer payments on the basis of citizenship, like Britain. There are systems based on the principle of solidarity, indeed social security originated and developed as a collective project (as in France, Israel and Sweden). Countries such as Germany and the US are inclined to individualism or liberalism. They focus on the rights and responsibilities of the individual within the framework of the institutionalized welfare state through the declared right of the individual to receive assistance.

1.2 Financing social security

States usually resort to various strategies to maintain a minimum standard of living for their citizens. These strategies differ in several respects, including the means by which social security schemes are funded, i.e. the extent of dependence on regular contributions by the individual or via the state budget (through taxation, rather than direct contributions). A scheme that depends on direct contributions from individuals is usually independent from the state, including the administrative level. A scheme operated by the state always includes a redistributive dimension, even if the goal is not to redistribute but to assist the needy (Loewe, 1996). Redistribution is achieved primarily through an effective tax system.

There are a number of methods by which a government might administer a social security scheme. Several strategies might be combined at the same time, like social assistance in conjunction with social insurance.

The most prominent strategies are:

1. To encourage social insurance through subsidies to insurance companies or offering insurance against risks to reduce retirement contributions. To guarantee the security of the insurance market through supervision, ensuring financial stability, promoting public awareness of insurance against social risks and tax exemptions on insurance premium payments.
2. Via the negative tax system.
3. The subsidization of basic commodities.
4. Legislation requiring compulsory social insurance.
5. Provision of a minimum income to the citizen (through a mandatory assistance scheme).

Each state decides on its own strategy to improve the lives of the poor. The amount to be spent on the scheme and the method of funding, bearing in mind the social insurance contributions to be paid, especially in low wage economies, all need to be taken into consideration.

[1] For further discussion of ideologies of social security, see Spicker, 1988, part 3.

1.3 Social Insurance Strategy

A social insurance scheme depends on funding from regular contributions to provide cash payments to participants whose income is interrupted for reasons beyond their control like illness, old age, disability and unemployment. The source of funding of a social insurance scheme should be clearly specified. If the insurance system does not depend on direct contributions from the beneficiaries, then the indirect contributions and the payment transfers should be balanced throughout each period. Where social insurance does depend on direct contributions, these accumulate until the contributors require the entitlements. It is assumed that the entitlements should be balanced against the contributions, taking into consideration the interest accrued on the sum paid in.

1.3.1 Social Assistance

The state might provide a minimum income for all citizens or residents in the country. A "neutral" body is entrusted to specify the minimum income based on a specified national poverty line. Individuals (families) without income or whose income is below the specified poverty line qualify for assistance from public funds to fill the gap in their income.

1.3.2 Progressive Income Tax

The concept of progressive income tax is based on tax exemptions for those whose income is equivalent to the nationally specified minimum income, while imposing a progressive tax on incomes that exceed the minimum. At the same time, individuals whose income is less than the specified minimum, are paid a 'negative tax' (from the social fund) to ensure their income reaches the minimum level.

1.3.3 Social Support Determined by Specific Circumstances

This refers to the right of any citizen facing certain situations (unemployment, retirement or disability) to receive a set amount from the state. This assistance is paid from the state and is not related to the contributions paid by the individual to the social security fund, nor to his/her economic situation.

1.3.4 Subsidies

This strategy aims to improve the economic situation of the poor through subsidies on basic goods or services (bread, sugar, water, public transport, etc.), thereby ensuring lower prices.

Each state must draw up a suitable strategy to improve the life of the poor. Poor countries should avoid assuming a burden they cannot maintain and must invest the money accumulated for social support rationally and effectively. This does not mean that governments should rely on one strategy alone. Most countries utilize two or more strategies at the same time (for example, social assistance plus social insurance). The decisive factor in choosing an appropriate strategy is the social and economic situation of the country concerned and the potential of the strategy to reach those in need. Several factors and considerations need to be taken into account. The most important of these are:

- The cost of the adopted strategy.
- Its positive impact on the poor and needy in society.
- To ensure that the administrative costs of the scheme are kept at a minimum.
- To ensure that the scheme adopted is compatible with current and future taxation policies.
- To preserve flexibility and the ability to react quickly to rises in wages and prices.

- In the initial stages, it must supplement and be in harmony with other institutionalized and non-institutionalized support programs in order to save funds and avoid the duplication of assistance.

Generally speaking, in most countries social security schemes are funded in two major ways, regardless of the various devices and mechanisms. These are:

First: funding through occupational contributions, i.e. by deductions from wages and from employers. These contributions should balance the cost of social security. As a result, social security legislation may differ in its definition of the size of the contribution. It may be linked to income and or specified as a fixed amount.

Contributions linked to income are usually based on a gradual scale or on wage categories, calculated on the basis of the average wage for each different wage sector. Contributions that are proportionate with wages are considered to be more just and less of a burden on the participants. It is also considered to be a more flexible means of providing funding for social security, especially in countries subject to rapid rises in average wages and prices.

The probability of risk and the administrative expenses define the amount to be paid by participants and both of these factors are calculated on the basis of statistical surveys.

The contribution paid by the state towards social security or social insurance funds is related to the resources available and the responsibility the state shoulders towards the risks taken by the insured, such as the unemployment security in Switzerland, Sweden and Finland. Employers might be the sole source of funding in some sectors of social security like work accident insurance, occupational illness and family allowance, as is the case in France and Lebanon. Yet, no matter how large the contribution by the employer, it remains hypothetical for its burden is returned to the consumer or employee through lower wages or limits on wage rises. It is actually the consumer and the employee who bear the burden of the employer's contribution.

Second: funding via taxation. If social security is to apply to all citizens, states might resort to direct or indirect public taxation to fund social security from the state budget. In this case, the state has direct responsibility to provide general assistance from its own budget. This approach has its problems, especially in developing countries with a high incidence of poverty and a large portion of the labor force in the informal sector where they do not pay taxes. For this reason, states often resort to contributing, in varying proportions, towards the funding of some aspects of social security, like health insurance and maternity allowances.

It has been argued that funding through taxation is inappropriate for some branches of social security, especially unemployment and work accident allowances, because it favors those sectors where employees face more occupational risks. This in turn may create an imbalance in the support provided to productivity in some sectors.

1.4 The Administration of Social Security

To administer social security in a proper manner and maintain public confidence, there should be a suitable management to supervise the collection of contributions, make payments to those eligible and develop and extend the scheme to a wider public.

Most countries use one of two administrative models for a social security scheme; either autonomous administration or state administration. The former is based on the rights of participants to administer the social security scheme via an elected representative body endowed with extensive administrative and financial independence. This body is not fully independent since it remains subject to state supervision as a guarantee of participants' rights. In some countries like France, several institutions appear to administer the different branches of social security (such as health insurance, pensions, work accidents and illness). Social security funds are organized in a hierarchical manner; the base is made up of local funds, followed by the regional funds, then the national fund.

In cases where the state administers social security directly through its own specialized agencies, this is because social security is considered to be part of the state's institutions. In Britain, this task is entrusted to the Department of Health and Social Security. [2]

In the absence of an independent Palestinian state, there have been no comprehensive studies to establish a Palestinian social security scheme. However, the advent of the PNA has initiated interest in studies on economic and social policies, especially those related to social security, the alleviation of poverty and the needs of some marginalized social groups.

The first study to discuss social security for the WBGS was *Issues related to instituting a social security system in WBGS: An economic perspective*[3] by Amin Faris. The need to take into account the specific features of Palestinian society is underlined in this study. Faris suggests that a Palestinian social security scheme gradually replace the existing institutions. The adoption of the incremental principle (expanding the program and the targeted groups gradually) is recommended to maintain balance between the resources of social security and other pressing needs of the Palestinian people. The study also suggests a selective approach (linking benefits to income) until the scheme can more generally applied (benefits not linked to income). It is suggested that social security in the areas under the control of the PNA should include allowances to the elderly, the disabled and to large families, in addition to child allowances and compensation for work accidents. The success of any social security scheme run by the PNA will depend in the short term on sufficient funding, the study argues, and it might be necessary in the beginning to rely on external assistance. Finally, the study concludes that a social security scheme based on funding is more suitable to the Palestinian situation than a pay as you go system.

MAS has carried out a number of preliminary studies relating to social security in the WBGS. Based on field surveys, these studies monitored existing trends in terms of living standards, poverty, institutionalized and non-institutionalized social support and the availability of benefits from employers. This current study is the final study in a series that addresses the issue of social security in the WBGS.

The study limits its scope of interest to the following:

1. Health, with a proposal for a compulsory health scheme;
2. Pensions, with a proposal for a contributory pension scheme both in the public and private sectors;
3. Proposals to assist groups with special needs;
4. A social assistance scheme for those whose income falls below the poverty line.

Any scheme should be implemented gradually as resources become available but it is important for a social security scheme to be established at this stage of Palestinian state-building to strengthen the concepts of citizenship and social solidarity

[2] Equivalent to Ministry.
[3] Faris, published in Fischelson, G. et al. (1995).

2. The West Bank and Gaza Strip: A General Demographic and Social Background

The first general Palestinian census (for population, housing and establishments) in the WBGS was carried out between 10/12/1997 to 24/12/1997. The preliminary results published put the number of Palestinians in the WBGS at 2,890,631 individuals,[4] with an average family size of 6.4 individuals (without East Jerusalem) and 5.12 individuals in East Jerusalem.

It is anticipated that this general census will provide accurate information regarding the demographic features of Palestinian society in the WBGS. However, the information on the census results published up until the moment of preparing this study was very limited. For this reason, we will rely on information provided by the Palestinian Central Bureau of Statistics (PCBS) prior to the census, particularly on the demography of the Palestinian people. Information on labor is based on labor force surveys, of which seven rounds had been completed by the PCBS up to the time of preparing this study.

2.1 Basic Demographic Features

Estimates by the PCBS show that the major demographic indicators in the WBGS are moving slowly towards current regional and international averages, although it is expected that they will remain higher up to 2012, especially in the Gaza Strip.

The PCBS estimates that the population of the WBGS in the year 2012 will be approximately 4,649,904 people. (This is the furthest forecast estimated by the PCBS). Furthermore, average annual population growth will continue its decline to reach 2.98% in 2012, compared to 7.22% in 1994 (PCBS, 1997c) (Tables 1 and 2).

Palestinian society in the WBGS is a youthful society and will remain so even after 2012. Estimates by the PCBS regarding age distribution in the WBGS show a high dependency ratio[5] in comparison to neighboring countries, reaching 106.9 in 1996. It is expected to decrease in coming years in accordance with population projections[6] carried out by the PCBS but it should remain high even after 2012 (Tables 1 and 2).

Palestinian civil service law sets the age of retirement at sixty. This means that the dependency ratio will increase to over 100 in 2006 if calculated according to this retirement age. That is, the working population would then constitute less than half the population. This will continue after the year 2006.

The labor force survey indicates that the dependency ratio (the ratio of population to labor force) in the WBGS is high, reaching 4.6 and 4.9 individuals per worker during the period between October 1996 and September 1997.

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[4] PNA press conference manual to declare the preliminary results of census, 1998, p.14. This number includes all those who were counted plus an estimated figure of the population of East Jerusalem, annexed by Israel after the 1967 war. The total was adjusted for census net undercount of 2.4%.

[5] The dependency ratio is the number of individuals aged below 15 years or more than 65 years compared to those aged between 15-65 years. In Jordan the rate was 78.3 in 1995, while in Israel it was 64.6 in 1993.

[6] Population projections are calculations of changes in population based on specific assumptions regarding future averages of fertility, death and migration. Low, medium and high estimates may be calculated based on different assumptions about future changes in these averages. In this section, we have adopted the medium average.

It is projected that fertility rates in the WBGS will remain high until after 2012 despite a tendency to decline (Table 2). They will remain higher than fertility rates in neighboring countries and, taking into account the weak impact of family planning programs, this disparity is expected to persist.[7]

It is anticipated that the crude death rate, child mortality rate and life expectancy will all continue to improve and move closer to international averages thanks to relative improvements in care for mothers and children as well as in medical services (PCBS, 1994, p.117). Yet the effect of these improvements remains limited because of the youthful nature of Palestinian society and the continued high fertility rate.

About 40% of WBGS inhabitants live in communities of more than 10 thousand people (1996 figures) and these areas are the most fortunate in terms of the services available. A further 19.5% of the population live in refugee camps and receive basic services from UNRWA. Communities with less than 10 thousand people comprise 53% of the West Bank and 18% of the Gaza Strip and are less fortunate in terms of the availability of different social services (MAS, 1998, p.8).

2.2 Prominent Features of the Labor Force

The working age population[8] in the WBGS reached around 1,406,480 in July to September 1997, of which 509,030 are from the Gaza Strip. The labor force makes up 572,680 individuals,[9] of which 175,100 are from the Gaza Strip. The female participation rate in the labor force (formal labor) is very low and stood at 12.3% of working age females in September 1997 (PCBS, 1997b, pp.21, 43). The size of the labor force increased by 8.52% in the period between the first labor survey (September-October 1995) and the third survey (July-October 1996). It increased again between the third and the seventh survey (July-September 1997) by 6.14%. This means that the annual increase in the labor force is at least 7%.

Unemployment has maintained a high average since 1994, reaching a peak of 28.4% in May 1996 and never dropping below 18.2% up to September 1997. It stood at 21.5% in September 1997, which means that some 123.1 thousand individuals were out of work at that time. Partial employment in the same period constituted 9.3% of the WBGS labor force i.e. about 53.3 thousand individuals worked for fewer hours than usual (Table 4).[10] Those who wish to change their jobs for reasons related to circumstances like insufficient salary or poor working conditions are included within the definition of the underemployed (PCBS, 1996, p.22).

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[7] The fertility rate was 3.9 in Egypt in 1992, 3.1 in Lebanon in 1992 and 2.8 in Israel in 1995 compared to 6.09 in the Palestinian territories in 1994. See: MAS - Social Monitor, 1998, Table 2.

[8] Working age population: individuals over the age of 15.

[9] Labor force includes both employed and unemployed.

[10] The PCBS defines unemployment as: "including all individuals of working age who did not work at all during the determinant period in any type of job. These people were available to work during this period. They were searching for jobs in the newspaper, registering at employment offices, asking friends and relatives or through other means". Therefore, someone who works for one hour during the determinant period is not considered as unemployed. Furthermore, it defines partial employment as: "including all individuals on whom the concept of labor applies, but who work in an irregular manner. They either work for fewer hours than usual for one reason or another, or wish to increase their working hours to the normal (35 hours or more). They try to augment their employment by looking for an additional job, increasing their working hours in the same job or by establishing their own business".

The results of the labor force survey indicate that about one fifth of the labor force in the WBGS suffer from long term total unemployment, whilst one tenth are underemployed. About 17% of the total labor force work in Israel but could lose their jobs at any moment due to fluctuations in Israeli government policy (Table 3). It should be noted that in 1987, 35% of the West Bank labor force (excluding East Jerusalem due to lack of data) were working in Israel. This percentage did not drop below 31% until 1992. In the Gaza Strip 46% of the labor force were working in Israel in 1987 and figures did not drop below 38% until 1992. In 1993, the number of WBGS workers employed in Israel fell to 27% (PCBS, 1995, vol.3, p.101).

The government sector is a major source of employment in the WBGS. The number of employees in the government sector stands at 17.6% according to the seventh round of the labor force survey (Table 4). The percentage of government employees in the Gaza Strip is double that in the West Bank.[11]

The results of the seventh round of the labor force survey show that 60.6% of workers in the WBGS work for wages, 24.2% are self-employed, 9.6% work for the family and are therefore unpaid and 5.6% are employers (PCBS, 1997b, p.54). About 190,728 employees work in the private sector in 76,728 institutions distributed in the WBGS (excluding the territories within what is known as greater Jerusalem). Most of these workers are employed in very small establishments and are concentrated in branches that do not provide any social insurance (Table 5).

The average wages of workers in the WBGS are much less than those paid to workers in Israel and Israeli settlements. The results of the September 1996 round of the labor force survey indicated that average daily wages in the West Bank were only 60% of those earned by Palestinian workers in Israel and the settlements. In the Gaza Strip the figure was 48.3%. These averages are close to previous figures compiled by the labor force survey. The discrepancy increases during periods of border closure imposed by Israel on the WBGS. In 1996, a year which witnessed 138 days of border closures, the average daily wage of workers in West Bank was 56.8% of that earned by workers from the West Bank (PCBS, 1997c) and 48.5% from the Gaza Strip working in Israel in the same year.

[11] In the six previous surveys, the percentage of government employees in the Gaza Strip was as follows: 21.8%, 30.1%, 27.9%, 28.4%, 26.1%, and 27.7%. In the West Bank, the percentage was 10.6%, 14.4%, 13.6%, 14.2%, 15.4%, 13.5%, and 14.26% (PCBS unpublished figures).

3. Features of institutionalized and non-institutionalized social support, pension benefits and health insurance in the West Bank and Gaza Strip

Governmental, civil and international institutions all contribute towards assisting the poor in the WBGS. These bodies include the Ministry of Social Affairs, UNRWA and *zaka* (charitable) committees, in addition to a number of non-governmental organizations (NGOs). The poor also receive support from their relatives, neighbors and others. Research conducted by MAS has established the current types and size of assistance received by the poor and groups with special needs in the WBGS. This section discusses the results of this research, which highlights factors that cannot be ignored by any potential social security scheme in the Palestinian territories.

3.1 Institutionalized Assistance to Poor Families

A number of governmental and non -governmental institutions undertake the task of providing assistance to needy families in the WBGS. These institutions vary in terms of the size and the type of assistance they provide and the number of beneficiaries.

The Ministry of Social Affairs is the biggest provider of institutionalized assistance. In 1996, it provided the equivalent of 14.6% of average monthly per capita expenditure.[12] In comparison, UNRWA provided 7.2% of average monthly per capita expenditure for the same year. *Zaka* committees vary in the amount of assistance they offer. Their assistance is often less than that of the Ministry of Social Affairs and UNRWA, ranging between 4-6% of average monthly per capita expenditure in the WBGS in 1996 (Hilal and Al-Malki, 1997a, pp.50-51, 85).

Although *zaka* committees provide smaller amounts in assistance, they reach a larger proportion of the population. However, these figures are now in decline compared to the assistance provided by the Ministry of Social Affairs and UNRWA. In 1996, 3.5% of the WBGS population had received assistance from the Ministry of Social Affairs and the same percentage received assistance from UNRWA (Hilal and Al-Malki, 1997a, p.49).

In terms of institutionalized assistance, the three major institutions (i.e. Ministry of Social Affairs, UNRWA and *zaka* committees) provide financial assistance and services in kind. Assistance from other sources consists basically of services. In 1996, 89.9% of WBGS families assisted by the Ministry of Social Affairs received help in the form of cash payments. In addition, they benefited from health insurance and occasional assistance in kind, especially where this was available from donors. Of the remaining families, 7.8% received assistance in the form of services, mainly through the provision of health insurance. Only 2.3% of families, all from the Gaza Strip, received regular food provisions (Hilal and Al-Malki, 1997a, p.39).

Between October 1996 and September 1997, the number of individuals who received assistance from the Ministry of Social Affairs grew by 0.4% to reach 3.9%. From the Gaza Strip, 5.4% received Ministry assistance. Figures for the south of the West Bank grew by 0.4% in 1997 compared to the previous year. This means that 3.5% of the total population of

[12] Since the expenditure data is based on the family unit, this was calculated on an average family size of seven individuals.

that region received assistance. In the north of the West Bank, figures rose by 0.2% to make up 3.8% of the region's total population. In the central West Bank, figures remained stable at 1.4% of the population.

The growth rate of those receiving financial assistance was 0.2%, making the overall figure of 3.4% of the WBGS population, i.e. 24,192 families or 92,250 individuals. Assistance increased more in the Gaza Strip (0.6%) than in the West Bank (0.1%).[13]

In December 1997, the organization assisting the families of those killed, imprisoned or wounded by the Israelis provided monthly assistance to 7,826 families in the WBGS, of which 4,148 families were in the West Bank. In the same month, 3,739 families of people killed, 1,534 families of people wounded, 1,619 families of political prisoners and 401 social cases (previous militants or families of executed collaborators) were also assisted. A further 533 families were given health insurance. Each family was paid an average of 317 NIS (Israeli shekels)[14] in the West Bank and 289 NIS in the Gaza Strip. These figures illustrate the limited effectiveness of this assistance,[15] which represents about 10% of the average monthly expenditure of a WBGS family according to a PCBS survey of family expenditure and consumption in 1997.

All families registered with UNRWA as needy receive aid in kind while only some are provided with financial assistance or services. In 1996, 28.3% of families who received assistance from UNRWA in the WBGS were given financial help. A further 34.9% were granted services related to education and health and 19% received help to renovate their houses. UNRWA granted 17.8% of families aid in kind only (Hilal and Al-Malki, 1997a, p.39).

In 1997, the overall number of those assisted by UNRWA in the WBGS dropped by 0.2% when compared to the size of the population. Families receiving assistance numbered 22,308 with 92,516 individuals (in comparison to 22,072 families with 91,660 individuals in 1996). Figures fell more in the Gaza Strip (0.4%) than in the West Bank (0.1%). Figures for 1997 in the West Bank counted 8,019 families with 28,700 individuals, while in the Gaza Strip there were 14,289 families with 63,816 individuals.[16]

Assistance from *zaka* committees is mostly financial, especially for families registered as needy. These committees also provide aid in kind to both registered families and others with lesser needs. Registered families are able to use other services offered by the committees such as hospitals, health clinics, schools and kindergartens, available at low cost to families and individuals (Hilal and Al-Malki, 1997a, pp. 39-40).

Data collated by MAS in the first quarter of 1998 from six large *zaka* committees in the West Bank[17] indicated that the number of those receiving assistance from them had dropped in 1997 by 6.2% for orphans and 9.1% for families in comparison to 1996. On the other hand, there was an increase in the number of orphans and families receiving assistance from the Gaza *zaka* committee. The number of orphans assisted increased by 171% and families by 149%. It seems that this increase is a result of the closure of a number of Islamic institutions and the transfer of their beneficiaries to the *zaka* committee.

In 1997, the numbers of those who received assistance from *zaka* committees declined in relation to the total population despite an increase in the number of beneficiaries in some committees like Nablus and Ramallah. In 1996, the six West Bank committees provided assistance to 7,370 families and 5,715 orphans compared to 6,699 families and 5,360 orphans

[13] Ministry of Social Affairs statistics for 1997.
[14] $1 equivalent to around 4 shekels.
[15] Ministry of Social Affairs statistics for December 1997.
[16] UNRWA statistics for 1997.
[17] The committees of Ramallah, Nablus, Jenin, Tulkarem, Jerusalem and Hebron. They provide the bulk of assistance from *zaka* committees.

in 1997. The Gaza *zaka* committee assisted 750 families and 1,200 orphans in 1996. These numbers increased to 1,870 families and 3,250 orphans in 1997.

NGOs in the WBGS provide assistance, mainly in the form of services. A small number of NGOs provide assistance in kind. Financial assistance is limited to a specific number of large charitable organizations (Hilal and Al-Malki, 1997a, p.40).

3.2 The Size and Nature of Informal Social Support

The phenomenon of informal social support is still in effect in the WBGS, mainly carried out locally and between relatives. About 48% of WBGS families contribute to this type of support in various degrees. Most families (40.1%) participate in the support of a relative (within the *hamula* or tribe). However, regular support (once every month or two) is carried out by no more than 10.3% of families. Only 3.6% of families provide regular support to non-relatives (Hilal and Al-Malki, 1997b, pp.17-19).

Research conducted by MAS on informal social support indicates that 4.6% of WBGS families receive financial assistance from individuals. The size of this support remains limited. In 1996, 41.8% of these families received monthly assistance of less than US $101 and 67% received monthly aid of less than US $201. Therefore, informal support has to be viewed realistically in terms of its scope, type and size of assistance provided (Hilal and Al-Malki, 1997b, p.25). The research also showed that 4.2% of the families surveyed received financial assistance from institutions, whilst 80% of these families pointed out that in 1996 this assistance amounted to less than US $101 a month (Hilal and Al-Malki, 1997b, p.25).

Regular support within the *hamula* is basically financial in form. It constituted 70% of the total assistance provided within the *hamula*. Other assistance in the form of services comprised 11% of total aid, then assistance in kind (10%) and only 9% received mixed forms of assistance (Hilal and Al-Malki, 1997b, p.72).

3.3 Limited Occupational and Social Security Benefits for WBGS Residents

Governmental and non-governmental institutions, as well as various private companies, provide a measure of social security in the form of pension funds, provident funds and health insurance. These different types of social security are not subject to a unified law and a common administration but are organized by each institution for its employees. Institutions differ in the means of funding these schemes and the contributions that the employees or the institute itself provide. Based on research by MAS, it is possible to clarify the type and size of schemes available during 1996 and 1997.

3.4 Pension Funds or Provident Funds in the WBGS

In 1996, 43.8% of WBGS workers, about 168,000 people, were enrolled in pension or provident funds, whether run by governmental institutions, international or NGOs, labor associations or by the private sector (Hamed and Al-Botmeh, 1997, p.11).

The PNA provides two types of pension funds for its employees. One is in the West Bank and is run on a pay as you go basis. The Gaza Strip scheme is funded. In 1996, the two schemes comprised 34,000 employees, equivalent to 83% of all employees in PNA ministries. Other institutions belonging to the National Authority (PECDAR, PCBS, PMA and the security agencies) employed 34,562 people in 1996, of whom 34,027 were in the security agencies. Apart from the latter, these institutions do not have pension funds (Hamed and Al-Botmeh, 1997, pp.11-13).[18] Gaza Strip municipalities differ from those in the West Bank as their employees are covered by the government pension fund. West Bank municipalities are excluded and run a pension fund based on the pay as you go system. The government pension fund includes only municipalities established before 1967 in the West Bank. These municipalities employ 3,035 people, of whom 1,590 were included in the pension fund, equivalent to 52% of the total number of municipality employees (Hamed and Al-Botmeh, 1997, p.14).

Of the NGOS, 17.1% provide provident funds for their employees (34 institutions out of 206 employing ten employees and more which were surveyed by MAS in the first half of 1997). These funds cover 2,076 people, equivalent to 21.5% of the total number of employees in these organizations (Hamed and Al-Botmeh, 1997, p.17).

Some professional associations in the West Bank (e.g. the Lawyers' Association, Engineers' Association and the Physicians' Association) operate pension funds for their members. Established prior to 1967 in conjunction with the Jordanian associations, the links between them are still maintained. Of 6,200 members, 4,620 (i.e. 75%) participate in the pension fund. The professional associations in the Gaza Strip do not operate such funds since they were subject to Egyptian law prior to 1967 (Hamed and Al-Botmeh, 1997, pp.14-15).[19]

Palestinian universities (six in the West Bank and two in the Gaza Strip) provide provident funds for their employees. In 1997, these universities employed 3,282 people, of whom 2,954 (or 90%) have pension rights in the form of a lump sum to be paid upon retirement (Hamed and Al-Botmeh, 1997, p.13).

International institutions in the WBGS run provident funds for their employees. At the beginning of 1997, all 8,753 UNRWA employees participated in the provident fund. Other UN organizations in the WBGS provide pension funds to all 193 of their local employees. These organizations are UNTSO, UNSCO, UNDP and UNICEF (Hamed and Al-Botmeh, 1997, pp.18-19).

A survey conducted by MAS in 1997 revealed that only 3.5% of private companies employing ten people or more provide provident funds for their employees (35 companies of the 959 surveyed). These companies operating provident funds employed 4,300 people, equivalent to 16.4% of private sector workers in companies with ten employees or more (beginning 1997). It is noticeable that most companies that operate provident funds employ more than 20 workers. In fact, the majority of them (24 companies) have more than 50 workers. Another point is that most provident funds in the private sector were established in the nineties, a few in the eighties and only one provident fund in 1964 (Hamed and Al-Botmeh, 1997, pp.15-16).

[18] At the beginning of 1998, the PMA established a pension fund for its employees.

[19] A Palestinian Lawyers' Association was established in early 1998 for WBGS lawyers.

3.5 Health Insurance

There are two health insurance systems in the WBGS, one run by the government and the other based on private health insurance. The two systems cover 44.3% of the WBGS population (excluding Jerusalem) according to a 1997 MAS survey based on a random sample. The majority, 88.8%, depended on government health insurance with the remainder covered by private insurance companies (Hamed and Al-Botmeh, 1997, p.25). The rate of health insurance cover in the work place in the WBGS is as follows: PNA ministries and Gaza Strip municipalities (100%), West Bank municipalities (80%), Palestinian security agencies (100%), UNRWA (100%), other UN organizations (100%), private sector companies with more than 10 workers (33.8%), NGOs with more than 10 workers (79%), the professional associations cited previously (75%) and universities (90%) (Hamed and Al-Botmeh, 1997, p.31, Table 11).

Employees of PNA ministries, the security agencies and poor families who qualify for assistance from the Ministry of Social Affairs are all covered by government health insurance. Free government medical treatment is given to the families of those killed, wounded or imprisoned by the Israelis, in addition to some families on an individual basis. Health care for all WBGS children below three years of age is free. Of those insured with the government, 43.8% have their insurance paid via the work place, while the rest pay the insurance fee themselves. The number of those participating in health insurance through the Israeli civil administration was 93,552 in 1993. In 1997, the number participating in the government health insurance was 164,713 (Hamed and Al-Botmeh, 1997, p.25).

There are seven private insurance companies in the WBGS that include health insurance among their services, although it is not their main activity. Private health insurance is aimed at employees working in the private sector and in civic organizations. Only two companies provide insurance to individuals. The total number of those insured by these companies in the WBGS via the work place is 4,368, of whom 1,018 are in NGOs and 3,350 in the private sector (Hamed and Al-Botmeh, 1997, p.27).

3.6 Old Age

The elderly in the WBGS form a small percentage of the population in comparison to Western countries. Those of 60 years and over constitute 5.2% of the total population according to a 1995 survey by the PCBS (1994, p.165). Figures for females and males were 5.6% and 4.9% respectively.

A significant minority of the elderly in the WBGS support themselves. The MAS survey indicated that 26% of elderly males support themselves and 37.5% of elderly females depend on their husbands for support. Many of the elderly are obliged to continue work if the opportunity is available due to the absence of any other source of income. According to the survey, about half of the elderly (56% males and 41% females) depend on their sons for support while 2% of males and 5% of females depend on the daughter for support. Furthermore, 8.8% of elderly males and 1.6% of elderly females depend on income from properties owned by them (Hilal and Al-Malki, 1997b, pp.56-57).

In 1997, there were seventeen institutions providing care for the elderly in the WBGS but the number of residents was very small with an average of 20 people in each home (Hilal and Al-Malki, 1997a, p.18).

3.7 The Disabled

In 1997, 58 institutions in the WBGS were working with the disabled (at different levels of disability) (Hilal and Al-Malki, 1997a, p.18). The disabled constitute about 2% of the total WBGS population according to the results of a health survey carried out by the PCBS in mid-1996. The percentage of disabled males (2.3%) is higher than that of females (1.8%). This dates from those injured during the Intifada, who were mostly males. At the same time, genetic disorders are higher among females than among males. Physical disabilities are the most common type of problem in the WBGS, comprising 36.7% of the disabled in 1997, followed by mental disability (19.8%), visual disorders (13.1%), hearing disorders (9.6%) and speech disorders (8.3%). Other types of disability constitute a further 12.5% (MAS, 1998, pp.23-24).

3.8 Rationale for the Creation of a National Social Security System in the WBGS

Previous data show that the existence of informal social support and the activities of a number of social support institutions do not negate the need for a national social security system. This need is based on two principles: first, the creation of policies for human development that go beyond the alleviation of poverty. Second, to strengthen the concept of citizenship with all the rights and entitlements it embodies, such as the right to work, the right to receive health care, retirement allowances and the guarantee of a minimum income. The institutionalized and non-institutionalized support provided at present in the WBGS does not provide security for the majority of poor families or those with special needs and it does not provide a strategy to deal with poverty itself.

Existing institutionalized social support is directed towards families in extreme poverty. It is based on a policy that aims to reduce the severity of poverty for families which have lost their source of income due to the death, sickness, disability, detention or old age of their major breadwinner. Therefore, these institutions do not deal with developmental policies or ensuring a minimum level of welfare to the population (Hilal and Al-Malki, 1997a, pp.82-83). The assistance provided by social support institutions is very limited in comparison to the average expenses of a Palestinian family. The biggest donor is the Ministry of Social Affairs, yet it only provides 14.6% of per capita expenditure in an average Palestinian family (taken as seven individuals). Furthermore, those who receive assistance are few in comparison to the number of needy families in the WBGS. The three major institutions provide assistance to 8.5% of the total WBGS population, whilst the percentage of those classified as poor is higher than this figure (Hilal and Al-Malki, 1997a, p.84).

In other words, assistance provided by social support institutions is inadequate and fails to serve the different groups of needy families in the WBGS. There is, therefore, a need to develop a national social security scheme which not only aims to reduce the severity of poverty, but is part of a developmental policy in which a reduction in the incidence of poverty, whatever its causes, is a basic premise. The concept of social security and rights of citizenship should also be strengthened.

Informal support is limited as regards the number of recipients and is small in value. Despite its importance, it has some negative effects since it can create relationships of dependency (which might look like a subordinate relationship) between the donor and the recipient, a factor which might sometimes lead to tension between members of the family. It can also solidify traditional relationships which are not in harmony with the concepts of citizenship and the establishment of a modern state (Hilal and Al-Malki, 1997b, p.48). Overall, an important element of informal support is that it is seasonal with subjective factors intervening

in it. Apart from this, it is unable to combat the spread of poverty, unemployment and diminishing savings (Hilal and Al-Malki, 1997b, pp.81-82).

There is no doubt that both institutionalized and non-institutionalized social assistance have played an important role in serving the needs of poor families. Prior to the establishment of the PNA, social assistance fulfilled vital tasks for a population under Israeli occupation. However, the old system cannot serve the organization of a modern state. The establishment of the PNA requires a new vision that can interact and work in the changing political, economic and social circumstances in the WBGS. The absence of such a vision maintains assistance as an act of relief directed towards poverty for a limited number of needy families and individuals.

The limitations of current institutionalized and non-institutionalized social support are accompanied by a clear shortfall in the provision of social security in the WBGS. Despite the existence of health insurance schemes and pension or provident funds, a number of problems restrict their effectiveness. In addition, these schemes are limited to a small proportion of the total population. The funds involved do not have an impact on the financial market. A new type of pension fund geared to WBGS society is required which would be more comprehensive in nature and would be influential in WBGS financial markets, thus encouraging economic growth. This requires an institution to oversee pension funds and the bodies that run them (Hamed and Al-Botmeh, 1997, pp.20-22).

The development of existing pension funds in the WBGS would contribute to a growth in savings, thus increasing overall investment. This in turn would contribute to the economic development of the WBGS. Increased investment is reflected in improved economic growth and social development, which leads to a decline in poverty and unemployment, a factor resulting from the greater availability of job opportunities.

The two current forms of health insurance in the WBGS have serious drawbacks. Government health insurance suffers from the problem of adverse selection,[*] while private health insurance has a structural problem that limits its efficiency as a source of cover. This is manifested in the continuous rise in health insurance premiums which threaten the survival of private health insurance. These problems can be tackled by developing health insurance in a way that ensures a greater number of people are covered, health services are developed and premiums are fixed to match the income of WBGS residents (Hamed and Al-Botmeh, 1997, p.32).

In conclusion, the current situation in the WBGS gives rise to the following problems:

1. Limited institutionalized social assistance which does not cover all individuals and needy families. Non-institutionalized support is mainly seasonal in nature.
2. The weakness of pension funds and their failure to exert any beneficial impact on financial markets and hence, on economic growth in the WBGS.
3. Inadequate health insurance scheme, especially relating to the quality and type of services provided by the government health insurance and the rising cost of health insurance provided by private insurance companies.
4. Insufficient institutions to care for the elderly and the fact that some of these people are forced to continue work to earn a living.
5. Insufficient institutions to care for the disabled, especially those with severe disabilities like the mentally retarded.
6. Limited availability of social insurance for work accidents or unemployment.

[*] Adverse selection is when individuals wait until a health problem occurs to buy a health insurance, because the insurance cover is immediate, and cease payments once the problem has been treated.

These factors make apparent the need for the establishment of a comprehensive national social security scheme founded on modern concepts of social solidarity and declared rights.

4. Forms and Features of Social Security Available in the WBGS.

The WBGS lack a national social insurance scheme with different branches like pension funds, health insurance, work accident insurance and unemployment benefits. However, various types of insurance do exist, each with its own particular features and each subject to a special regime adopted by the individual institution. This section describes the pension and health schemes currently in existence in the WBGS together with their main features. It attempts to analyze the negative and positive aspects of each scheme in order to clarify which would be the most suitable for the WBGS. It also discusses the availability or lack of services for groups with special needs and suggests means to develop facilities in these areas.

4.1 Pension Funds

There are three types of pension fund. Professional pension funds and personal pension funds are based on a fixed sum or regular contributions. The third type is a national social security scheme based on regular payments. The method of funding the pension may take different forms; a comprehensive national social security scheme, which includes the redistribution of income; tax-subsidized mandatory private funds which encourage savings; and voluntary pension plans for individuals who wish to have extra protection.

4.1.1 Pension Funds in the Governmental Sector

A number of pension schemes already exist in the security and civil service sectors in the WBGS. The West Bank has a pension fund based on the pay as you go system,[20] while the Gaza Strip operates a funded system.[21] The system adopted in the West Bank is based on Jordanian civil retirement law number 34 of 1959, while the Gaza system dates back to 1954. In both funds, retirement rights are calculated as from 1948 (Hamed and Al-Botmeh, 1997, p.11).

Government employees participating in West Bank pension funds contribute 2% of their basic salary. Those who reach the age of 60 can retire as well as those who have served 30 years as a 'classified' civil servant. The pension is calculated as follows: the basic salary multiplied by the duration of service (in months) and divided by 600. The retired person receives an allowance of 16 NIS for each child below the age of 18 years and 40 NIS for the wife. An employee from the Ministry of Finance supervises the administration of the fund in the West Bank. Civil service employees can take early retirement in cases of sickness on condition that they have completed a minimum of ten years of service. The employee can also ask for retirement after 15 years of service. If the employee ceases employment before completing ten years, he/she qualifies only for an end of service payment i.e. one month's salary for each year of the first three service years and a month's salary for each two years after that. If the employee dies after ten years of service, his family receives 50% of the

[20] The pay as you go system is where the current generation (active in the labor market) funds the previous generation (the elderly outside the labor market). This system depends on deducting a specific amount from the participant's monthly salary to be paid into the government budget. As individuals reach retirement age, they receive a state pension. There is no special pension fund.

[21] The funded system is based on a special pension fund administered by an independent organization and separate from the state budget. A specific sum is deducted from the participant's salary, often higher than that deducted under the pay as you go scheme. This amount is matched by the institution or employer. As individuals reach retirement age, they are paid a regular monthly salary from the pension fund.

pension. If the employee dies earlier, his family is paid only an end of service payment (Hamed and Al-Botmeh, 1997, p.12).

The funded system adopted in the Gaza Strip deducts 10% of the employees' salary (those covered by the fund) and the government contributes a further 12.5%. These deductions are not added to the government budget but are put in a special fund administered by the Director General of Salaries and Pensions. To qualify for a pension, the employee has to complete 20 years of service or reach the age of 60. The pension is calculated as 2.5% of the basic monthly salary multiplied by the number of service years. Civil service employees can take early retirement after 15 years of service if the Director of Salaries and Pensions grants permission. If the employee dies or is unable to work, his family receives the pension regardless of the number of service years. If the employee does not complete ten years of service, he/she receives an end of service payment only (Hamed and Al-Botmeh, 1997, pp.12-13).

This system has remained in effect without change in the Gaza Strip throughout the Israeli occupation and after the establishment of the PNA. No changes have been made to the West Bank system as regards employees of new PNA ministries or the bodies established during the Israeli occupation. The Ministry of Education is the exception since it has altered the basis on which calculations are made for the pension. This has been altered as follows: the basic salary plus professional and family allowances, multiplied by the period of service in months and divided by 450. Since the establishment of the PNA, the number of those included in the two pension schemes in the WBGS has increased.

A special pension fund was established in 1997 for employees of the Palestinian security agencies despite the fact that approval has not yet been granted by the Legislative Council. The fund takes a deduction of 10% from the employee's monthly salary plus 15% from the employer. The employee qualifies for the pension at the age of 60. The General Commander (the PNA President at present) can transfer to retirement an employee who has completed 20 years of service depending on his age; 60 years for a brigadier-general, 55 years for a colonel, 50 years for lieutenant colonel, 48 years for major, 45 years for captain. However, the ideal is to remain in military service until the age of 60 to qualify for a pension.

The pension in the Palestinian security agencies is calculated on the basis of the employee's final monthly salary. The monthly salary is defined as the basic salary in addition to a living expense allowance, but without family allowances. This pension is one fortieth of the last monthly salary for each year of service in addition to a family allowance (for wife and children), and a personal allowance of 40 Palestinian pounds or equivalent. Any change in salary changes the pension by the same rate. In cases of death or disability, the employee receives a pension of 40% of the last month's salary. In cases where death or disability results from a work-related accident, the pension is calculated on the basis of 80% of the last month's salary. Whatever the case, the salary should not exceed 80% of the final month's salary.

As regards the municipalities, all Gaza Strip municipalities participate in the same government scheme. In the West Bank, municipality pension funds established before 1967 operate on a pay as you go basis. This scheme is the same as that operated by governmental bodies in all aspects except that the pension is calculated on the basis of the basic salary multiplied by the period of service in months and divided by 458 (Hamed and Al-Botmeh, 1997, p.14).

4.1.2 Pension Funds in NGOs and Professional Associations

Only 34 NGOs out of 206 surveyed by MAS operate pension funds. These comprised eight educational institutions, seven health organizations, one relief organization, two human rights organizations, one lending establishment, five research organizations, a graduates' association, five charitable associations, two women's organizations and two organizations operating in other fields. All these NGOs operate on the basis of provident funds, except for one American NGO which provides a monthly pension that ranges between 70%-80% of the employee's last salary after finishing 30 years of service (Hamed and Al-Botmeh, 1997, p.14).

All NGOs contribute towards the pension fund for their employees plus a percentage deducted from the employee's salary. Although contributions differ from one institution to another, it is usually a percentage ranging between 3-20% with an average of 8%. The employees' contribution ranges between 2.2-7% with an average of 5%. In some rare cases, the contributions from both sides are in the form of set amounts. Some institutions stipulate a minimum of 10 years in employment before the employee becomes entitled to any payments while others are satisfied with six months of service. In private organizations, a committee made up of representatives from the administrative staff and the employees usually manage the pension fund. The day-to-day administration is carried out by the organization itself (Hamed and Al-Botmeh, 1997, p.14).

Three professional associations in the West Bank provide pension funds; the Lawyers' Association, the Engineers' Association and the Physicians' Association. The occupational associations in the Gaza Strip do not provide pension funds, apart from the Lawyers' Association. The Palestinian Lawyers' Association was established on the first of January 1998 and includes lawyers from both the West Bank and the Gaza Strip. The pension funds provided by professional associations in the West Bank differ in terms of the size and means of contributions, the size of the pension and the way it is calculated and the conditions for eligibility.

As a branch of the Jordanian Lawyers' Association, the West Bank Lawyers' Association deducts from each member a sum which increases with the age of the lawyer. This sum ranges between 34 Jordanian dinars (JD) annually for those below the age of thirty and 96 JD annually for those over the age of 60. In 1997, 230 West Bank lawyers were members in this fund. In order to qualify for a pension, the member must complete 30 years of practice or reach the age of sixty, whichever comes first. The pension is calculated on the basis of 20 JD for each year of service. This amount is adjusted regularly to compensate for inflation. The member can take early retirement in cases of sickness or disability (Hamed and Al-Botmeh, 1997, p.15).

The Palestinian Lawyers' Association has also established a mandatory pension scheme for all WBGS lawyers. Membership in the Association is compulsory for all members of the legal profession, who number around 1500 lawyers (in the first half of 1998). By the end of the first quarter of 1998, some 750 lawyers (500 in the West Bank and 250 in the Gaza Strip) were registered as members to pay the subscription fee and the pension fund contribution. The pension fund contribution is paid annually on the basis of age; 48 JD for ages 20-30, 72 JD for ages 30-40, 96 JD for ages 40-50, 144 JD for ages 50-60 and 162 JD for those of 60 years and over.[22]

To qualify for a pension the member must complete 30 years of service and be 60 years old.

[22] Source: The Palestinian Lawyers Association.

The member can retire at the age of sixty with more than 20 years of service. The pension is calculated according to the years of service with 20 JD given for each year of service. If the lawyer dies before reaching retirement age, his inheritors receive 10,000 JD in immediate assistance, then a pension based on years of service. The administration of the fund is supervised by the association treasurer assisted by a committee of lawyers.[23]

The Engineers' Association bases pension fund contributions on the member's years of experience starting from the year of graduation. The sum deducted ranges between 4 JD monthly for members with less than five years experience and 12 JD monthly for those with more than 20 years of experience. The Association stipulates 65 as retirement age but the member can take early retirement in cases of sickness or disability. The pension is calculated according to the period of service in months multiplied by the overall pension (180 JD - divided by 360 if 30 years of service were completed). If the years of service are more or less than 30 years, then the pension is calculated on the same basis by adjusting the overall pension (calculating the years of service divided by 30). Furthermore, the retired person or his family receives 60 JD monthly in social security. A committee made up of 9 people, one of whom must be the head of the Association supervises the administration of the fund. The committee has a chairman, with the head of the Association as his deputy. This committee manages different aspects of the fund like investment, presenting the annual budget, calculating the pension for those who are due to retire and other issues related to the management of the fund.[24]

Article 20 of Section Four dealing with the rights of families in the pension scheme - no. 4 of 1986 (the retirement regulations for members of the Engineers' Association with its revised version) states that where the retired member dies unmarried, the parents of the retired member, together with any underage or disabled sisters and brothers, have the right to receive the pension. If the member was married, the pension goes to the husband or wife together with any children under 18 years of age or those under 25 who are still studying in educational institutions. Disabled children are also entitled to this pension. The parents, the underage and disabled brothers and sisters are also entitled if the member has included them as those he/she supports.[25]

The Physicians' Association manages two different social insurance funds: a pension fund and a 'support' fund. About 1700 doctors contribute to the support fund, 450 of them in the West Bank and the rest in Jordan. Participation in this fund is optional and each doctor pays 100 JD as a balance. The fund is similar to life insurance since it pays 10 JD from each member to the family of any doctor who dies or becomes totally disabled, i.e. unable to practice his/her profession or any other job. In other words, the family receives 17,000 JD if the doctor dies or becomes totally disabled. If the member's balance reaches 50 JD, he/she is asked to pay another 50 JD to make up the balance to 100 JD. This fund was only established in 1996.[26]

The Physicians' Association, which has 12,000 members (1,500 in the West Bank and the rest in Jordan) operates a mandatory pension fund. The member pays 6 JD towards a pension and 4 JD for a support fund. The member must practice in the medical profession for 30 years to qualify for a pension and receives 180 JD per month, adjusted to compensate for inflation. If the doctor reaches 65 years of age without completing 30 years of service, the pension will still be paid at a lesser amount than the fixed pension. This is done by dividing the fixed pension by the years of service necessary to retire (30 years) and multiplying it by

[23] Ibid.
[24] Source: Pension scheme number (4) of 1986, the retirement regulations of the Engineers' Association with its revised version of 1993.
[25] Source: Engineers' Association regulations.
[26] Source: Physicians' Association.

the actual years of service. The pension is also paid in case of sickness or disability. In case of death, the doctor's family gets immediate assistance (2000 JD) in addition to the pension.

Since 1995, the Physicians' Association has adjusted its pension scheme to allow members to participate in the fund in one of two ways. The first is that clarified above. The second is to deduct 12 JD from the member as a pension contribution and 8 JD for a support fund. The retired member receives a pension of 300 JD per month after completion of 30 years in the profession. Otherwise, the original conditions apply.

4.1.3 Pension Funds in Palestinian Universities

Six West Bank universities and two in the Gaza Strip provide provident funds for their employees. These provident funds are based on general guidelines introduced by the Palestinian Council for Higher Education to deduct 5% from the employee's basic salary and add 10% from the university. In case of retirement, the employee has the right to draw the money accumulated in the fund as a one-off lump sum on condition that they have completed one year of work. The day-to-day administration of the fund is carried out by the university's financial department, while a committee made up of employees and university administrative staff is responsible for overall supervision(Hamed and Al-Botmeh, 1997, pp.13-14).

4.1.4 Pension Funds in International Institutions

International institutions in the WBGS provide pension funds for their employees. The UNRWA pension fund, for example, deducts 7.5% from the basic salary of employees and contributes a further 15% itself. The employee qualifies for a payment after completing six months of service and usually qualifies for retirement after 30 years of work. All those who complete this period qualify for retirement in addition to an end of service payment which is the equivalent of a month's salary for each year of employment. Other international institutions like UNTSO, UNSCO, UNICEF and UNDP in the WBGS provide provident funds for their employees by subtracting 7.5% from the basic salary and contributing a further 15% from the institution itself. In order to qualify for provident benefits, it is stipulated that the employee should reach 60 years of age and should have completed five years of service, although early retirement may be requested at the age of 55. The beneficiaries are paid by regular monthly payments. They can take one third of the accumulated savings as a lump sum and the rest as regular payments. Those who retire before the age of 55 get lower provident rights (Hamed and Al-Botmeh, 1997, pp.18-19).

4.1.5 Pension Funds in the Private Sector

As previously mentioned, there is a paucity of pension funds in the private sector. Most funds are only provident funds, i.e. they do not pay a monthly pension when the employee retires. Instead, the employee is paid a lump sum in addition to the end of service payment, which is a month's salary for each year of service. Private companies that provide provident funds usually employ more than 20 people and small companies do not provide such funds (Hamed and Al-Botmeh, 1997, p.16).

The amount deducted from employees for the provident fund differs from one company to another. The companies themselves also make a contribution. The deductions taken by private companies range between 2.5%-15% of the basic salary with an average of 6%. The contribution by employers ranges from 0-14% with an average of 7%. Some companies subtract fixed amounts rather than a rate related to salary. These amounts are equivalent to 4 JD from the employee, plus 8 JD from the employer (Hamed and Al-Botmeh, 1997, p.16).

4.1.6 Potential for a Palestinian Pension Scheme

Security in old age (pensions) is considered as one of the most important constituents of social security. From a social point of view, it is regarded as a duty towards individuals who have served society throughout their productive life. Old age is a natural stage of life which limits people's capacity to work. Therefore, social security is essential to enable the elderly to stop work without being made vulnerable to poverty and need. For this reason, many countries have established what is known as old age pension funds.

Three basic questions spring to mind regarding the development of social security for the elderly in the WBGS. These questions are: How can the number of participants in the scheme be increased? How can the pension be funded? What is the most appropriate form of management for the funds?

There is no doubt that any pension scheme must be developed from the independent pension schemes already in existence in some sectors of WBGS employment. These sectors have gained experience in the management of pension funds. The cost of expanding and developing existing pension schemes remains less than that of establishing new ones. In addition, it will allow for a pension scheme to be applied more rapidly since any new system will need a considerable length of time to be set up in addition to the costs.

4.1.7 Towards a Mandatory Pension Scheme

To increase the number of participants in pension funds, pension rights must be mandatory and collective for all occupational sectors rather than optional or individual. In other words, participation in a pension fund should not be a separate and independent act but should be organized through a scheme operated by an institution or company for all its employees. Private companies, NGOs and professional associations must, therefore, integrate existing pension funds into a unified fund for all employees. This would help to reduce the size of pension payments in relation to individual salaries and would also solve problems resulting from the small size of WBGS companies and institutions.

This proposal is not for the formation of a comprehensive state pension fund, but rather the establishment of a group of pension funds and the development of several schemes to suit the different occupational sectors. These schemes should be independent both from each other and from the government. The role of the government is to regulate and oversee the integrity of the management and investment and to guarantee that the different institutions include all their employees in the scheme. The positive feature of this proposal is that the independence of NGO pension funds would be reinforced since they could administer the funds according to their needs as well as those of their employees. Therefore, the independence of NGOs and occupational associations would be guaranteed.

For pension funds in the government sector, it is preferable to continue the mandatory system and to consolidate the various WBGS pension funds into a unified national fund. We also recommend the expansion of the pension scheme adopted in the Gaza Strip to cover the entire Palestinian territories for reasons related to the form of funding. The Gaza Strip form of funding has positive features since it wards off political influences and has the ability to grow and develop by virtue of the accumulated savings. These savings could also play a role in economic development.

There are two methods of funding for pension funds. One method is based on the pay as you go system adopted by the government sector in the West Bank. The other is the funded system applied in the government sector in the Gaza Strip and the Palestinian security

agencies. The advantages of the pay as you go system lie in its ability to provide relatively big sums of money over a relatively short period of time, especially in the initial stages, through small contributions. In the Palestinian context, the youthful structure of the Palestinian population would be advantageous to this system. The older age group forms a small percentage of the population. From this, we know that the number of contributors will be much more than the number of beneficiaries. As previously mentioned, this system provides flexibility in the investment of savings since it produces sums that can be invested by the country in education, health and other areas.

The negative aspect of the pay as you go system is the risk of unwise investments by the state which could lead to the loss of the savings of an entire generation and create an economic and social crisis when the time comes to pay out the pension. Furthermore, this system is open to misuse since the savings might be manipulated for economic or political reasons. The success of this system depends basically on the trust of the population in the state authorities and the rational and honest administration and investment of the savings.

In the funded system, the most obvious positive feature is that it has evolved from the experiences of different institutions that either have provident funds, like some private and non-governmental institutions, or pension funds, as in the governmental sector. Therefore, this system reduces administrative and institutional expenses and allows the development of appropriate programs as it expands. It also provides large sums of money which can be invested locally if the situation is economically and politically stable. The negative features are the high rate of individual contributions in comparison to the pay as you go system. It also demands that considerable effort be made to develop the financial and administrative framework. Legislation is needed to improve management and regulate these different funds. Moreover, it requires a high level of coordination between the different sectors (governmental, NGOs and private) to ensure security for participants and encourage local investment through government bodies.

Despite the negative features of the funded system, it remains the most realistic option and the most appropriate for current Palestinian circumstances. To ensure success, pension funds in private and non-governmental institutions must be encouraged and new larger funds based around the different occupational sectors need to be established. A unified administrative body must be given the responsibility for the fund and its investments as well as day-to-day record-keeping and administrative tasks.

The current pension scheme adopted by the West Bank governmental sector would need to be made compatible with that operating in the Gaza Strip in order to combine the two within the framework of a unified government pension fund. This would be supervised by an independent administration with legal powers on condition that the fund's budget is kept separate from that of the Ministry of Finance and the general national budget.

The funded scheme proposed requires the development of specific mechanisms to supervise the different pension funds. Taxation must be used as a tool to expand these funds by making contributions tax-deductible and introducing penalties for early withdrawal (before qualifying for the pension). The government's role here is to regulate and supervise the fund together with the fund's administrators.

The role of informal social support remains that of a supplement to the formal system. Notwithstanding the importance of informal social support and the need to maintain it, this support is unorganized and mostly seasonal in nature, as described earlier. The act of informal support is optional and based on factors that are hard to rationalize. As a result, it remains, to a large degree, temperamental. Therefore, the proposed pension funds would

guarantee a minimum payment while any informal assistance would be an additional income to the retired person.

It is important to develop further the social assistance currently performed by the Ministry of Social Affairs since some social groups, mainly women, fall outside the proposed pension funds due to their exclusion from the formal labor market.

4.2 Health Insurance

The economies of many third world countries are characterized by the large number of workers in the informal economy, thereby limiting the numbers of those with health insurance. In comparison, industrial countries provide universal national health insurance and therefore have a high rate of coverage per population. The United States is excluded from those industrial countries since it does not operate national health insurance but depends on a system of collective insurance policies purchased by businesses and institutions from private insurance companies. The cost of an insurance policy is very high if purchased on an individual basis and this explains why the number of those who are not insured is increasing in the United States (Hamed and Al-Botmeh, 1997, p.23).

4.2.1 Government Health Insurance in the WBGS

There are two governmental health insurance schemes in the WBGS: one is compulsory and the other is optional. The compulsory scheme applies to employees of PNA ministries, members of the security agencies and those working in Israel. In addition, the scheme applies to those qualified as needy by the Ministry of Social Affairs (some get regular assistance from the Ministry and others are only granted health insurance); children below the age of three; the terminally ill (such as cancer or kidney failure) or those suffering from infectious diseases. Apart from these groups, there is no legislation that obliges an employer in the private sector or NGOs to provide health insurance for their employees. The absence of any legal requirement is the main reason why health insurance has not become more widespread in the population. The health insurance scheme for public sector employees was established in 1978 and the main principles are still in effect, with some important changes such as a reduction in contribution fees and token fees for health services provided by the Palestinian Ministry of Health (Hamed and Al-Botmeh, 1997, pp.25-26).

When the PNA assumed control in 1994, it immediately reduced health insurance fees. In 1995, adjustments were made to adapt health insurance to the social and economic needs of the population pending the ratification of a new health insurance scheme in early 1998. The health insurance fee is now 35% lower than prior to the establishment of the PNA. As the fee is assessed according to income and the number of family members, it ranges between 40-75 NIS per month. Public or retired employees have 5% deducted from their basic salary or pension, while individual participants pay 75 NIS for a family policy or 50 NIS for an individual policy. The Ministry of Social Affairs foots the bill of 40 NIS for the health insurance fee for each individual under its care to the Ministry of Health. The Ministry of Health receives 5% from the employee's basic salary or a monthly amount that ranges between 40-60 NIS as a group contract in return for participation in the insurance scheme. Participants pay 45 NIS per month through associations, municipalities pay 5% from the employee's basic salary, private sector companies and NGOs pay 5% from the basic salary.

According to the agreements signed with Israel, the Palestinian Ministry of Health is supposed to receive 93 NIS from Israel for each worker inside the Green Line as a health insurance fee (Hamed and Al-Botmeh, 1997, pp.25-26).

The Ministry of Health has compensated for reductions in the health insurance fee by charging patients token sums for medical services e.g. a fee of 3 NIS for each unit of medicine. Children below the age of 3 pay only 1 NIS for the first two items of prescribed medicine and an additional 1 NIS for each additional item. Uncolored X-rays cost 3 NIS and 5 NIS for colored X-rays. If a patient requires hospitalization, new participants (who have paid less than two months of contributions) pay contributions for an extra six months in exchange for insurance cover. [27]

Medical treatment is provided uniformly regardless of the amount of contributions paid by the patient. If the treatment required is not available in government health facilities, the Palestinian Ministry of Health can transfer the patient to another country such as Egypt and Jordan. It does not transfer to Israeli hospitals except in emergency cases due to relatively high costs in comparison to other countries.[28]

Ministry of Health officials state that the government health insurance scheme has some basic and crucial problems that inhibit its development and the potential to increase the number of participants. The high unemployment rate in the WBGS restricts the potential for optional participation because the families of the unemployed or those on low income are unable to afford the fees. Furthermore, the existing system lacks any incentive for voluntary participation since families only pay when they require medical treatment, hence the problem of adverse selection. In addition, Israel is failing in its commitment to pay the fees for Palestinian workers in the Israeli labor market. Neglected under the Israeli occupation, the health infrastructure is deficient and poorly developed. The Ministry of Health has undertaken a program to improve health facilities but is hindered by insufficient funding. The significant role played by the WBGS informal economic sector limits the growth of participants in the government health insurance scheme.[29]

To overcome deficiencies in the infrastructure of the health sector, especially in government facilities, the Ministry of Health has initiated specific policies of cooperation with the non-governmental sector. There are several types of cooperation between the Palestinian Ministry of Health and some NGOs in which the former buys health services in some locations from the latter. The Ministry of Health considers that this reduces expenditure in areas where resources might be duplicated.[30]

Ministry of Health officials are working in coordination with the Ministry of Labor to draw up legislation for the obligatory purchase of health insurance by private sector employers for their employees. The Ministry of Health believes that this will increase the number of people participating in the government health insurance scheme and thereby contribute to additional funding required to develop WBGS health facilities.[31]

[27] Source: Health Insurance Department, Palestinian Ministry of Health.
[28] Ibid.
[29] Ibid.
[30] Ibid.
[31] Ibid.

4.2.2 Private Health Insurance in the WBGS

There are seven private insurance companies in the WBGS. These companies do not consider health insurance as their main activity and four of them stipulate that health insurance be purchased only in conjunction with other services. Three companies sell health insurance as an independent service (Hamed and Al-Botmeh, 1997, p.27).

Health insurance from these companies is expensive in comparison to the government health scheme, despite the fact that private insurance companies refuse to cover those suffering from incurable diseases. Private insurance companies offer different options for the customer to choose from rather than a complete package. The cost varies according to the type of package and the health services it includes. Five of these companies do not supply individual contracts and deal only with group contracts purchased through institutions. Only two companies provide contracts on an individual basis (Hamed and Al-Botmeh, 1997, p.28).

Some WBGS NGOs, especially international ones, provide private health insurance through their own health care scheme or through optional insurance for their employees. UNRWA offers health insurance for all employees through an autonomous health care scheme. Primary health care is provided free plus 75% of the medical expenses of secondary health care in specified centers. Medical expenses in other centers are not covered except in urgent cases (Hamed and Al-Botmeh, 1997, p.28).

Other United Nations Organizations (UNSCO, UNTSO, UNICEF and UNDP) provide personal health insurance for their employees. Beneficiaries can go to any health facility they choose and the medical expenses are covered according to a special rate (80% of the cost of visiting a doctor, 80% of the cost of a visit to an external clinic, 100% of hospital expenses with a limit of US $ 9,200 annually). These organizations deduct 1% of the employee's salary per individual. If other family members are to be included, the deduction is greater (Hamed and Al-Botmeh, 1997, p.29).

4.2.3 The Option of Mandatory Health Insurance

A health insurance scheme assumes the existence of an infrastructure that defines the responsibilities of those who provide health services, regulates their work and guarantees the quality of service delivered. Despite the lack of such an infrastructure, there are a number of options for an appropriate health insurance scheme for the PNA territories at present.

It is not necessary to establish a totally new health insurance scheme in the WBGS as the existing schemes can be developed in a manner appropriate for the current Palestinian situation. Three basic goals can be achieved: to increase the number of health insurance participants, to improve financial resources so they will be sufficient to cover costs and maintain and develop health services and finally, to set up a professional administration to maintain and develop the scheme.

At present, about half of the WBGS population is insured by the government or private health insurance and specific measures must be adopted to increase this number. In light of the adverse selection problem, the deterioration of government health services and the ever-increasing costs of private health insurance in comparison to that of the government, the most appropriate option is that of compulsory health insurance for the entire population. Legislation to guarantee comprehensive participation in health insurance would need to be added to current laws making health insurance compulsory for civil employees in the PNA ministries and employees of the Palestinian security agencies.
Measures to ensure universal participation would include compulsory health insurance by

private sector employers for their employees and themselves. Members of professional associations (lawyers, physicians, engineers and journalists) could also be required to participate in health insurance as a condition of membership, and hence, to practicing the profession. Parents of students registered in schools and Palestinian universities would be obliged to enroll in health insurance and this might contribute to expanding the participation of the informal sector in health insurance. Other measures could also be adopted to achieve a higher rate of health insurance cover. At the same time, assistance should be provided to poor families unable to afford health insurance fees, through the social assistance scheme for example. All this necessitates the modernization of the current system. Mandatory health insurance for all citizens does not mean dependency on one health insurance scheme alone. In fact, there are three possible options for the PNA territories.

The **first option** is the establishment of a national health insurance scheme that encompasses the entire population and in which participation is compulsory by law. This would have the advantage of combining all health insurance contributions in one fund, thereby enhancing the potential for health sector development. It would also ensure a uniform scale of health insurance fees. A consequence of this option might be that special measures would need to be taken to define the relationship of the public health sector to the private sector and the national health institutions. The right to buy additional health insurance from the private sector would be maintained and cooperation between government health services and those of the private and non-governmental sectors would be developed. This would include the purchase of health services from these sectors and cooperation to provide a range of health services throughout different geographical and residential areas. The Palestinian Ministry of Health already purchases health services from the private and non-governmental sectors. It has also closed some of its health centers in regions of the WBGS where health centers belonging to NGOs already operate.

The **second option** is the coexistence of several health insurance funds, one governmental and the rest private based on the principle of mandatory health insurance for all citizens (from whatever the source). This option gives the citizen the right to choose the health insurance provider. It also contributes to the ongoing role of non-governmental health institutions and encourages competition to improve services between the three sectors, the governmental, non-governmental and private.

The **third option** is the establishment of a compulsory, comprehensive national health insurance fund, while keeping health services tied to the market mechanism. This means that the fund's administrators, together with the Ministry of Health, would draw up a specific price list of services that the national health insurance undertakes to cover. The patient then has the right to choose who treats him. If the patient chooses the private or non-governmental sector, the national health insurance covers the costs according to the price list. The patient must pay the difference if they choose medical treatment which costs more than those on the price list. Some people might choose to buy additional private health insurance. The major problem associated with this option is the complicated bureaucracy involved.

It is argued that the variety of health services currently available (governmental, non-governmental and private) in the WBGS guarantees a minimum level of health care and should, therefore, be preserved. This argument is based on the vital role played by private organizations and NGOs throughout the years of the occupation. Services offered by NGOs were especially important during the Intifada when free health services were made available for most of the time.

If different health care sectors are to be maintained for WBGS citizens, then existing health insurance schemes must be developed in such a way that their role is preserved and their services and health facilities improved.

A report prepared by the World Bank, the Palestinian Ministry of Health and the World Health Organization points out the importance of cooperation between all health service providers. The report also stresses the need to strengthen the role played by the providers of basic care. It suggests the development of a repayment system for health services providers to facilitate contracts between the government health insurance system and the different private institutions and NGOs that provide these services. The quality of services provided would also be monitored.

4.2.4 A Health Insurance Scheme for the PNA territories

In our proposal for the most appropriate health insurance scheme for the WBGS, we start from the aim of achieving a high degree of social solidarity. This means that the individual as a citizen must be willing to bear part of the general burden of providing basic services like health, education, assistance to those on low income and groups with special needs.

It is obvious that all three options discussed above have their positive and negative points. The second option for instance, guarantees the coexistence of several health insurance funds. This option permits the citizen the right to choose the provider from whom to purchase health insurance, but it does not tackle the problem of adverse selection, nor does it provide large sums of money for investment to develop the health sector. At the same time, this option carries risks for the participants since the financial stability of these funds is not guaranteed. However, the major problem posed by this option lies in the complex administrative procedures required to administer a compulsory health insurance scheme.

The third option of a combined health insurance fund that enables participants to purchase health services from any party contributes to the maintenance and development of all health service providers and encourages integration between them. However, it still demands the existence of a strong and competitive health sector to combat the negative impact of the adverse selection problem. Administratively speaking, the third option seems to be more complex than the first and the second options.

At present, the most appropriate option for the WBGS is the first one. It provides an opportunity to accumulate a large sum of money in one fund to be invested in the development of the public health sector. At the same time, it does not limit the growth of services by private and non-governmental organizations. In addition, this option is less complicated administratively than the other schemes. For the Palestinians, it is very important to develop cooperation and coordination among the three health service sectors and to implement serious plans to improve the level of public health care.

As a step towards greater social solidarity, the option of social security should be linked to a scale of health insurance contributions (decided by the administrators of the health fund after consultations and legislative approval) based on income (those on higher income pay more than those on medium or low income). It is simple to take contributions from employees with a set monthly salary. Physicians, lawyers, engineers, businessmen and workers in the informal economy whose income varies from month to month, should pay a set amount to participate rather than a percentage of their income, taking into consideration the nature of the profession and average income. If health insurance is considered as one of the priorities of the PNA, then the Authority must be responsible for covering the expected deficit in the fund's annual budget. This does not absolve UNRWA from its duty to develop health services as part of its responsibility towards Palestinian refugees.

A high percentage of those without health insurance are the poor who cannot afford to pay the health insurance fees. The authorities must, therefore, contribute to part of the health

insurance fund. Although the Ministry of Social Affairs does provide health insurance to some of the needy, the conditions to be met are very strict and focus only on those in extreme poverty.

As regards the administration of the health scheme, there are three major options. The first is direct government administration (Ministry of Health). The second is a public administration (governmental and non-governmental) subject to the supervision of the Ministry of Health, which determines its budget. The third is an independent non-governmental administration formed by various funds.

Summaries of the three options are:

1. Administration by the Palestinian Ministry of Health might take two forms: first, current WBGS practice in which the public administration of health insurance is the direct responsibility of the Ministry of Health, especially as regards planning policies. Here, the health insurance fund forms a part of the ministry's budget. Second, the establishment of a public administration for health insurance that enjoys a degree of independence in terms of decision-making to specify the location and manner of health service provision. It should have the power to reach agreements with health service suppliers in the governmental and private sector, as well as the power to open or close offices belonging to the public administration in different regions of the WBGS. This body should remain under the supervision of the Ministry of Health, its employees should be regarded as civil servants and their contract should be with the health insurance administration itself. The budget for this body would be determined by the Palestinian Parliament as part of the government budget.
2. A public administration made up of representatives from the Ministry of Health, employers and representatives of professional associations. This administration would not be part of the Ministry of Health, but would be subject to the Ministry's supervision and budgetary control. Employees would not be regarded as civil servants, which would confirm their independence. An independent administrative council would supervise this body and meet regularly (four times a year for instance). Despite the fact that policy would be part of the framework laid down by the government, especially the Ministry of Health, this body would enjoy total authority and independence in managing health insurance, specifying priorities and decision-making.
3. Non-governmental administration for health: formed by a number of health insurance funds each with its own administration. The administration of this fund is similar to the second type (public administration of health insurance). The only difference is that the Ministry of Health would not be responsible for approving the budget but would have the right to scrutinize the yearly budget either directly or via a private auditing company.

Private or non-governmental organizations have the right to establish a fund provided that they have a minimum level of participants (50,000 participants in five years for instance) to ensure the efficiency of the fund and to guarantee its continuation. It is permitted to collect monthly or annual subscriptions from participants provided that these are transferred to a clearing-house in the Ministry of Health. There, contributions are redistributed between funds according to the number of participants and their age and gender. The amount received by each fund must cover the fund's expenses as a guarantee that the fund will not be forced to refuse the request of any participant for financial reasons i.e. to guarantee that the adverse selection phenomenon will not appear from the fund itself.

These funds are responsible to provide health services in accordance with the overall health policy. If the fund accumulates capital it can develop services and provide new ones. If there is a deficit in the annual budget, then expenses must be reduced. Reserves in these funds should not go beyond a ceiling determined by the Ministry of Health to prevent a monopoly

which might lead to abuse of power or threaten other funds, as is the case in some third world countries. Moreover, a limitation on the capital held by these funds encourages investment in the health services they provide and manage. One of the fund's responsibilities is to administer health facilities like hospitals and to sign special agreements with the providers of health services, provided that the capital is available. Individuals have the right to choose the fund they wish to participate in and to change the fund whenever they want to.

The long-term aim of health service professionals, including those in the government sector, is to establish an independent organization to administer the health insurance fund. It should include economic, financial, managerial and technical experts (physicians) from employers and beneficiaries and should have legal powers. This organization would be responsible for fund management and investment plus day-to-day administrative affairs. In other words, it would operate all the various aspects of health insurance. The Ministry of Health would supervise this organization and monitor the performance of health service providers.

Health service professionals also advocate the separation of the health insurance budget from that of the Ministry of Health, and therefore from the government budget, to guarantee financial independence. In other words, an independent organization supervised by the Ministry of Finance would manage the fund's financial affairs.

4.3 Work Accidents

The 1997 annual report of the Directorate for Work Inspection in the Palestinian Ministry of Labor stated that 42.4% of WBGS businesses surveyed up to the end of 1997 held insurance against work accidents. Around 8,675 companies were surveyed with a total of 55,305 male, female and juvenile workers, equivalent to 6.4 workers per business. Even if the company is insured, it does not mean that all employees are covered against work accidents. Some institutions do not insure all their employees, others insure only a number of employees without specifying their names. In the case of an accident, the employee would receive medical care from the insurance but a problem could arise if the number of injured employees exceeds the number insured.

In the companies surveyed in the annual report, 1.6% of all workers had been in a work-related accident, equivalent to 910 injuries (360 light injuries, 441 serious injuries, 10 deaths). Some 528 workers had received compensation comprising a total amount of 2,176,303 NIS.[32] The report also stated that the Directorate had issued 4,932 warnings, 1181 notices and 18 serious violations. The Labor Ministry received 256 complaints during 1997, of which 226 were resolved.

The situation as it stands demands that work accident insurance for all workers be made a legal requirement. It is important to note that the annual report does not disclose all injuries since it does not include all WBGS institutions. It is assumed that a high percentage of businesses which had not been surveyed up to the end of 1997 did not insure their employees because many would be family businesses of small size

Article 71 of Section 4 of the proposed Palestinian labor law relating to health and safety stipulates that insurance against work accidents and sickness should be compulsory. The same article also declares the need for a safe working environment. In April 1998, the Ministry of Labor drew up an amendment to Palestinian social insurance law. This amendment makes insurance against work accidents and work-related illness, disability

[32] In 1995, 1.95% of employees in Jordan were reported to have had a work accident (Jordanian Department of Statistics, Statistical Yearbook 1995, p.82).

insurance and guaranteed pension rights compulsory requirements. The law states that the monthly contribution to work accident insurance should be 2% of the salary paid by the employer. The sum to be paid out to the injured is specified and depends on the degree of injury and the resulting disability.

The need for compulsory work accident insurance has been proved in cases where employers have refused to shoulder expenses arising from injured employees. An accident might result in temporary or permanent disability that requires financial compensation which the employer might refuse or be unable to pay. It is, therefore, important to have work accident insurance which is not reliant on the employer.

The proposed social insurance law gives responsibility for the administration of social insurance to a body to be named "The General Institute for Social Insurance". This institute would have legal powers, financial and administrative autonomy and the right to perform any legal acts like signing contracts. The administration would include the Minister of Labor as president, the Director of Social Insurance as deputy president, the Director General of the Ministry of Labor, the Director General of the Ministry of Health and the Director General of the Ministry of Finance. Three employees chosen by the General Union of Workers and three employers chosen by the Chamber of Commerce and Industry would also participate. The proposed law declares that the managing director of the Social Insurance Institute should be appointed by the PNA president after being nominated by the Minister of Labor.

There has been criticism that the proposed administration would not be representative of all economic and professional sectors, especially the informal sector. There are fears that an administration associated with the government might be influenced by political considerations, including the use of fund money for purposes other than that for which it was intended. As a result, there have been calls for an independent administration to represent the major employers and beneficiaries, provided that the Ministry of Labor supervises the fund and utilizes it in accordance with the declared aims.

5. Social Groups with Special Needs

Social care provided for groups of special needs differs from the social insurance suggested in the previous sections of this study in terms of entitlements, the source of funding, the type of administration and the bodies that implement it. Social insurance is self-funded through the contributions of its participants. It also has its own administration and special budget. For groups with special needs, the state provides funds from its own budget helped by different NGOs and charitable institutions. The goal is to address the main needs of these groups, whether those needs are permanent or temporary, with assistance that is not linked to any contributions or participation from the beneficiaries. It was for this reason that a social security scheme separating social insurance for pensions, health insurance and work accidents from that of groups with special needs is proposed.

Proposals relating to groups with special needs aim to develop currently existing programs (like assistance from the Ministry of Social Affairs, from UNRWA, charitable committees and other NGOs) and establish a network of social protection that provides the minimum level of social security for these people.

Those defined as groups with special needs may be linked to the life cycle (childhood, motherhood, old age) or be the result of a genetic disability or work accident. These cases need social attention to care for their needs. This attention has to be provided through legislation, laws and in providing facilities and suitable services.

At present the burden of care for these groups (the elderly and the disabled) falls on the family. Some NGOs contribute by providing services to individual groups (like the disabled and children). The most significant observation is the lack of organization or legislation to determine the special needs of these groups or counter the concepts of charity, kindness, relief and other negative social stereotypes. Legislation could play an important role in transforming family relationships, attitudes towards the nuclear family and the limited role of the extended family. Whether a son wishes to care for his parents is no longer a question in the nuclear family because the ability to do it is the central issue. The following section will describe some categories of special needs and will provide suggestions to develop means of care.

5.1 The Disabled:[33]

The results of the health survey carried out by the PCBS in 1996 show that 2.1% of the WBGS population is disabled, i.e. around 54,000 people.[34] Field studies by the Central and Northern Regional Committees for Rehabilitation in the West Bank indicate that most of the

[33] A disabled individual is one who suffers from an impairment not suffered by others of that age, whether sensory, physical or mental, that prevents the enjoyment of services and facilities provided to others. (Palestinian Ministry of Social Affairs and PCBS, 1997, Report no.1, p.21).

[34] The 1996 survey by the Ministry of Social Affairs and the PCBS estimated the percentage of disabled people in the Gaza Strip to be 3.4% and the percentage of disability 4.4%. In the central West Bank figures were 2.7% and 3.6% and in the southern West Bank 2.01% and 2.8% respectively. The number of disabled was calculated by taking the total number of disabled given by the community-based care program survey compared to the population figures reported by the PCBS in 1996, then averaging this ratio over the remaining residential areas. The rate of disability is estimated to be 130 cases in the Gaza Strip, 135 in the central West Bank and 137 in the south for each 100 disabled (a disabled person might have more than one disability).
According to different surveys carried out during 1996, 2.59% of the Gaza Strip population is disabled, applying the same criteria adopted by the community-based care program. (UNRWA table on results of disabled survey).

disabled do receive medical care of some type or another[35] but services are still limited and are provided basically by NGOs. These services consist of a community rehabilitation program, medium-range rehabilitation services[36] and residential institutions for the disabled.

A 1997 study by the Ministry of Social Affairs and the PCBS in the central and southern WBGS revealed that a high percentage of those diagnosed as disabled did not receive follow-up care due to the cost, lack of services in the region or parental lack of concern (Table 6).[37]

5.1.1 Community based Rehabilitation

A community based rehabilitation program started in 1990 in the Gaza Strip and was later extended to the West Bank. Implemented under the name of the Central Committee for Rehabilitation in the West Bank, it comprises a number of local NGOs working in the field of rehabilitation and care of the disabled in the Gaza Strip within the framework of a national committee. The Swedish "Dyakonia" Institute, the Norwegian Association for the Disabled and the Palestinian-Swedish Solidarity Association support the program (Central Regional Committee for Rehabilitation, 1995, p.1). The philosophy of the program is based on enabling the disabled and their families to acquire vocational skills from professional instructors and the use of available local resources to improve conditions for the disabled and integrate them in social activities (Palestinian Medical Relief Committees Association).

This program depends on the work of a small group of qualified and dedicated professionals, assisted by a large number of local voluntary workers. Their task is to provide a wide range of services for the disabled to help them acquire social and daily life skills and to work with both the family and society to accept the disabled. The program includes preventive measures (through warnings about genetic defects) and child clinics. However, time and effort are required to extend the program to all residential locations. The program includes 23 villages in the Ramallah region from about 90 residential areas and 53 villages in the Jenin region from about 70 residential areas. Activities began in Nablus and the south at the beginning of 1997. Those responsible for the program are lobbying to have it made public policy adopted by the PNA. The strategy of community based rehabilitation assumes that it is possible to meet the needs of 60%-70% of the disabled within their own community. Around 20%-30% can be treated on a regional level, while 10% need more specialized services supplied at national level (Palestinian Ministry of Social Affairs and PCBS, 1997, p.23).

5.1.2 Medium-Range Rehabilitation Services and Local Institutions

Rehabilitation services, located mainly in the central West Bank, are limited in number and capacity and deal principally in medical treatment. A MAS study in 1996 revealed the existence of 58 NGOs whose basic activity is the care of the disabled. Of these, 28 are in Jerusalem and Bethlehem, 4 in Ramallah, 15 in the Gaza Strip, 8 in the north and 3 in the Hebron region (Hilal and Al-Malki, 1997a, p.14). In addition, there are 6 centers run by the Ministry of Social Affairs, 4 centers run by the Palestinian Red Crescent, 2 centers in Nablus, a third in Hebron and a fourth in the Gaza Strip. One of these Red Crescent centers deals with speech therapy while the rest focus on special education (Palestinian Red Crescent).

[35] 57% of the disabled in 22 villages in the Jenin area were provided with services, 26% were assisted while studying and 17% were not provided with any services. Only 10% of those who were provided with services related to their case received rehabilitation services (Northern Regional Committee for Rehabilitation, 1994, p.1).

[36] Medium-range rehabilitation services are technical and specialized services provided on the basis of an external clinic or a day care center for those who require it in that area (Northern Regional Committee for Rehabilitation, 1995).

[37] Palestinian Ministry of Social Affairs and PCBS 1977, Table 49 in each of the three reports.

A 1997 study by the Ministry of Social Affairs and the PCBS found that there were 45 institutions providing medical, preventive and rehabilitation programs for the disabled in the central West Bank (25 in Ramallah), 37 in the southern West Bank (26 in Bethlehem), and 52 in the Gaza Strip (28 in Gaza City) (Ministry of Social Affairs and PCBS, 1997, Table 1). The study makes clear the unequal geographic distribution of institutions in terms of the services provided as well as the type of disability dealt with. A clear need was manifested for the development of medical services (for speech and sight disability), counseling, social and vocational rehabilitation services and specialized equipment. The capacity of the existing institutions is much less than the demand.

5.1.3 Assistance to the Disabled by the Ministry of Social Affairs[38] and UNRWA

According to Ministry of Social Affairs regulations, a disability is not in itself sufficient to qualify for assistance but is linked to the level of income. Those with mental or physical disability qualify for assistance provided that the patient is unable to support the family partially or totally and suffers at least 50% disability. Some 1,072 families received assistance in October 1996 in the WBGS due to the permanent disability of their breadwinner.[39]

The Ministry of Social Affairs manages six centers for the disabled in the WBGS; four of them in the Gaza Strip offer services to 346 disabled people. This includes two centers, one for the blind and one for the mentally disabled. The other centers concentrate on vocational training.[40]

UNRWA care for the disabled is intended basically for refugees but sometimes includes non-refugees. Assistance is provided to the disabled and their parents through local committees in those refugee camps that have them.[41] In refugee camps without a rehabilitation committee or in villages with refugee residents, direct contacts are maintained with the disabled via a social worker. Local committees are responsible for all the disabled in their area as identified by the committee itself through a local survey in the refugee camp. Services are provided according to the needs of each case and what the committees can offer (special education, home visits, rehabilitation).[42] In other locations, UNRWA only assists the disabled in families registered as special cases. The philosophy behind these programs is the integration of the disabled into the local community. This is to be achieved through the provision of care and rehabilitation, financial contributions towards specialized equipment, transfer for specialized therapy in hospitals, the establishment of special game libraries for disabled children and organizing activities like summer camps to mix disabled and able

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[38] A committee to assist the disabled and develop services was established in March 1996 under the supervision of the Ministry of Social Affairs. It includes representatives from ministries and NGOs concerned with the disabled. The committee called for a survey of the needs of the disabled (conducted in 1997 with cooperation between the Ministry of Social Affairs and the PCBS), a special program to integrate disabled children into schools (currently being drawn up by the Ministry of Education) and a survey of manufacturers that produce and supply equipment to monitor quality control and prices. The Ministry of Social Affairs is planning to turn Al-Ala'ya school into a resource center for the blind and the Salfit center into a specialized center for the mentally retarded. Work has also begun on an identity card scheme for the disabled which would allow individuals to take advantage of services at any of the available centers in the country. It depends on a transfer system within the network of different institutions.

[39] Ministry of Social Affairs statistics, November 1996.

[40] Palestinian Ministry of Social Affairs, a list of centers and institutions under Ministry control.

[41] There are local committees coordinating with UNRWA to care for the disabled in 10 West Bank refugee camps (Jalazon, Kalandia, Shu'fat, Jericho region, Askar, Balata, Jenin, Tulkarem, Deheisheh, Fawar) plus a new committee in Al Amari refugee camp. There are also "community" committees in seven refugee camps in the Gaza Strip while in the eighth camp (Al-Bureij) a local association for the disabled has been created in coordination with UNRWA.

[42] The local committee in Al-Jalazon refugee camp has registered 204 disabled people in the camp. It makes monthly home visits to 150 individuals while the rest have minor disabilities and are therefore visited only on special occasions and religious festivals.

children.[43]

[43] Information from the UNRWA disabled program in the WBGS.

5.1.4 Proposals for the Development of Services to the Disabled

The document "General directions for a national rehabilitation plan in the WBGS" by the Central Rehabilitation Committee states that community based care is the cornerstone of its policy. This is because it is based on social, psychological, educational and professional services as well as on providing job opportunities in addition to medical and specialized services. It also aims to develop institutionalized services in coordination with community based care.

Community based care should be adopted as government policy if it is to become more widespread. Specialized medical institutions are required in addition to both day and residential centers for the disabled, distributed geographically in a way that permits easy access by all the disabled and their families, whatever the disability and whatever the region. The aim is also to address early intervention in the discovery of disability, preventive steps through pre-natal clinics and warning against risks and finally to educate parents about the importance of medical monitoring and care for the disabled.

The services offered for the disabled have improved during the nineties. The programs and services currently available form a solid foundation on which a social policy of protection and integration of the disabled into the community can be built.

However, a shadow of uncertainty hangs over present services since their continuation depends on temporary external funds to the institutions which supply them. To develop care for the disabled, there should be legislation to "reflect the reality that the disabled have special needs that require special services".[44] These needs require special arrangements in public utilities (pavements and building construction) and appropriate conditions in the work place to facilitate their use by the disabled.[45] Fees for health and educational facilities should be reduced and the severely disabled should be entitled to financial benefits as a right. The role of the public sector should be developed and a fund allocated for the disabled to provide specialized equipment. If these requirements are to be classified as rights, the PNA and the institutions that care for the disabled must be capable of meeting them. Encouragement and support should also be given to NGOs that work to change negative perceptions of the disabled through awareness campaigns directed towards families and society in general.

5.2 Services to the Elderly

The percentage of the elderly (over the age of 60) in the WBGS population is 5.2%, equivalent to just over 131,000 people. Those of 65 years or more make up about 92,000, which is 3.6% of the population. There are limited institutionalized services for the elderly in the WBGS.

In the West Bank there are 14 residential homes for the elderly with a total capacity of 419

[44] The 1992 West Bank disability survey carried out by the Y.M.C.A Beit Sahour Rehabilitation Program specified seven strategic directions: appropriate legislation and a modern information system regarding the disabled and their needs, adequate services and protection programs, raising public awareness about the disabled, obtaining the support of community institutions, coordination among different bodies working in this field, developing efficient policies and promoting research into the needs of the disabled. Article 9 of the PNA Basic Law, third reading (awaiting presidential ratification) states: "before the law, all Palestinians are equal - ethnic origin, color and disability do not discriminate between them". Article 22 of the same law states: "care for the families of those imprisoned, wounded, disabled or killed by the Israelis is a legal requirement and the PNA must guarantee them social, health and educational services".

[45] In May 1998 the General Union of Disabled Palestinians presented a proposal to the Legislative Council for public facilities to be made accessible to the disabled.

beds (1997 figures). These homes are managed by associations and NGOs based mainly in the central West Bank area.[46] In addition, there is one home in Jericho managed by the Ministry of Social Affairs with space for 32 residents. In the Gaza Strip there are three homes with a total of 103 beds (Sansour, 1997). The monthly fees paid by residents vary. Those transferred by the Ministry of Social Affairs because they have no one to support them and no source of income do not pay. In 1996 some homes for the elderly were charging residents from wealthy families a monthly fee of 850 NIS.

The West Bank has four day care centers offering services to the elderly, managed by NGOs. Two of these are in Jerusalem (Sansour, 1997). Eleven charitable and religious institutions provide assistance to the elderly in the form of food and hot meals or home visits and care. These activities are extended to a limited number of people and depend for their continuation on the availability of financial support and volunteers.

UNRWA provides a special program of care to the elderly which offers assistance in kind and financial assistance according to specific conditions and a scale of assessment. The elderly either apply for assistance or are identified by a social worker. The elderly are given health advice and counseling, nutritional advice and a caseworker who helps to solve problems with their families. UNRWA helps in obtaining services from other institutions, like hot meals from the Al-'Ata Institute or health insurance from the Ministry of Social Affairs. In March 1998, 51.8% or (4,233 families) registered as special cases by UNRWA had received assistance in the West Bank on the grounds of being elderly and 37.9% or (5,615 families) in the Gaza Strip.[47]

A person who has reached 60 years of age and is unable to work to support his family, or has insufficient income, qualifies for assistance from the Ministry of Social Affairs.[48] In November 1996, 4,611 elderly people were receiving assistance from the Ministry, constituting about 20% of all those who receive Ministry help.[49] The true percentage of elderly people who receive assistance is actually higher than this figure because some of the elderly fall into different categories, such as widows. A field study carried out by the Al-'Ata Institute on a sample of 340 elderly people in 1992 revealed that 70% of the elderly expressed feelings of anxiety and insecurity. A further 30% felt guilty for burdening their children and families (Sansour, 1997). Radical changes in this situation are not anticipated since a high percentage of the elderly lack a fixed income and a network of suitable services.

5.2.1 Proposals for the Development of Services to the Elderly

Proposals set out in a paper by Sansour suggest social security payments for the elderly which would enable them to be independent where possible. Coordination between different institutions is suggested to provide a comprehensive range of services for those who need them. This would include government financial assistance to NGOs to develop and maintain their services, the expansion of facilities (rest homes, day care centers) as well as social programs providing services to the elderly in their home. The paper also proposes geriatric

[46] Residential homes for the elderly are distributed as follows: two in Ramallah and Al-Bireh, six in the Jerusalem area, two in the Bethlehem area, two in Nablus, one in Jenin and one in Hebron.

[47] The number of elderly who receive assistance is actually much higher since some fall into other categories, like widows who make up 17.7% of all special cases in the WBGS. (Figures from UNRWA statistics of social services for March 1998 and an interview with an official responsible for relief and social services in the Jerusalem, Jericho and Ramallah areas).

[48] Ministry of Social Affairs regulations for assistance.

[49] Ministry of Social Affairs statistics for November 1996. Information for 1996 was not available except for the Gaza Strip, where 2,240 elderly people were given assistance in December 1997, equivalent to 14.8% of all recipients of assistance in the Gaza Strip.

health care, special privileges like reduced transport charges and reduced entrance fees to cultural institutions and financial incentives to neighbors to supervise the elderly who have no one to support them.

It is also possible to develop relationships between the elderly themselves through special programs (organized at district level), in which some elderly people can help the older ones, which in turn helps to keep the older members of society active and reduces care expenses.

5.3 Maternity and Childhood

A first draft of Palestinian labor legislation allows a pregnant woman the right to reduce her daily working hours by one hour from one month before giving birth. She also has the right to 10 weeks of paid maternity leave provided she has been employed for more than six months. She is allowed an additional unpaid sick leave of 3 months on top of the normal sick leave if her sickness is due to pregnancy or delivery. For the first six months after her return to work, the woman is allowed one hour out of working hours to breast-feed her child. In institutes with more than 50 employees, a woman can take unpaid leave for one year to raise her child. According to the law, the employer should bear half of the financial burden when applying the special rules of maternity leave. The remaining costs should be covered by the social security fund.

Civil service law gives the pregnant employee a continuous 10 weeks of maternity leave before and after giving birth. She also has the right to leave work an hour earlier for one year after giving birth and to take unpaid leave for one year.

Palestinian children in the WBGS enjoy free medical treatment in government health facilities until the age of three. Mother and child clinics provide their services for free during the child's first year, including vaccination and monitoring of growth. The 1996 health survey by the PCBS concluded that 89% of children between the ages of 12-23 months had been vaccinated. Some vaccinations, like polio, had higher vaccination rates than others but vaccination rates in general were similar whether in cities, refugee camps or villages (90.9%, 88.2%, 87.2% respectively) (PCBS, 1997a, p.176).

The percentage of women who did not receive pre-natal care stands at 19.7%. The figure for those who did not receive post-natal care is 80.3%, despite the fact that these services are more widely available. Contraceptive advice has been given to more than 98% of women surveyed but is only used by 45.2% (PCBS, 1998).[50]

Four groups, the government, NGOs, UNRWA and the private sector, provide health services for women and children. Many villages lack health or child clinics but their residents can use services in the nearby city or village or sometimes mobile clinics (Table 7 on the distribution of health facilities).

The Ministry of Health has drawn up a Palestinian national health plan until the year 2002. The Ministry expects to provide primary health care for the entire population by the beginning of 2002 through 491 health facilities, which include 100 first aid centers, 170 clinics, 127 health centers and 94 hospitals.[51]

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[50] The 1996 health survey shows that 74.8% of women in the 30-40 age group use contraception compared to 55.8% of those under 30 years of age (PCBS, 1997a, p.142). This is due to the belief in Palestinian society that a woman's age for reproduction is in her twenties.

[51] A first aid center has one health employee who provides educational, first aid and health services for mothers and children. A doctor visits twice a week to provide medical care. These centers are situated in communities

Both non-governmental and private institutions provide kindergarten and day care for children. In the academic year 1996/1997 there were 705 kindergartens in the WBGS, in which 69,134 children were enrolled, an average of 32% (PCBS, 1998b, p.68-69).[52] The Ministry of Social Affairs has proposed a preliminary system to register and license day care centers and is preparing a plan to promote educational day care and the development of this sector (Ministry of Social Affairs, 1998).

The Basic Law that was passed by the Legislative Council, Article number 29 describes maternity and child care as a national obligation.[53]

It is essential that health legislation should provide free medical treatment for nursing mothers during the first year after giving birth and free contraception. Contraception should be treated as a social responsibility. Legislation should also include child benefit to large families once that is financially possible. It should also provide for kindergartens and day care to help parents to raise their children.

5.4 Orphans

There are 24 residential homes for orphans, two of them in the Gaza Strip. These homes belong to NGOs and usually provide daily care in addition to medical and educational services. These homes housed 2,800 orphans in 1996.[54] The Ministry of Social Affairs, *zaka* committees and some charitable associations provide financial assistance and services in kind to orphans but they are unable to meet all the demand (Hilal and Al-Malki, 1997a, p.50-51).[55]

Legislation relating to social assistance must include measures to ensure that orphans receive adequate rehabilitation, social, educational and health care. The role of the NGOs in this area should be developed under the supervision of the Ministry of Social Affairs.

5.5 The Role of Local Government in Providing Services to those with Special Needs

Local government has the potential to expand its role in the community. Homes and day centers, especially for the elderly and the disabled, could be established and monitored by local government. These local institutions could then be entrusted with the responsibility of following through and supervising cases in coordination with the Ministry of Social Affairs.

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with a population below 1000.
Health clinics provide all medical and preventive services. A team that includes a doctor and nurses run the clinic throughout the week. These clinics are situated in communities with a population ranging between 1 – 3,000 people.
Health centers provide all the services mentioned above plus dental care, laboratory facilities, x-ray units, physiotherapy and specialized clinics. These centers serve areas with a population of more than 10,000. (Health Development Information Project p.80-82).

52 The enrollment average is the percentage of enrolled students in a specific grade compared to the total number of children of the same age.

53 The Article dictates that children have the right to: 1. Complete care and protection. 2. Protection from exploitation or performing acts that might damage their well-being, health and education. 3. Protection from harm and maltreatment. 4. The law prohibits parents from beating their children and from treating them harshly. 5. They have to be separated from adults if held in custody as a punishment and should be treated in a manner suitable for their age and with the aim to reform them.

54 Information from Ministry of Social Affairs - Family Welfare Department, a list of institutions for orphans and juveniles.

55 *Zaka* committees pay orphans between 15-30 JD. The scale of assistance used by the Ministry of Social Affairs is applied (96 NIS for the first individual). The entitlement of each individual is reduced as the family size increases.

This would lead to a greater level of cooperation between public and non-governmental sectors at local level. This policy might also increase the efficiency of NGOs and lead to their geographical distribution based on demand. This is not intended to belittle the role of NGOs, which would continue their activities in coordination with the local authority and under its supervision. Programs relating to special needs can be funded, albeit partially, from the local government budget and from the relevant ministries or government bodies (like a social security fund). This would result in a multiplicity of care providers coordinating their activities under the supervision of local government. It would be possible to start with the major municipalities.

5.6 The Role of NGOs in Providing Care to those with Special Needs

NGOs played an important role in the care and rehabilitation of individuals with special needs in the WBGS prior to the establishment of the PNA and they still fulfill this task today. This has enabled these organizations to acquire knowledge and experience in this area. The positive features of NGOs are that they are locally based and are able to reach their target groups easily. This allows them to reach those who require help more rapidly than institutions in the government sector, which are acknowledged to be bureaucratic and centralized. NGOs are more likely to recruit local members of the community to support and participate in their activities.

The establishment of the PNA has led to an expansion of the governmental sector, which is now the linchpin of the social care system in the WBGS. This has opened the door to the possibility of future plans to improve the types and range of services plus the integration of all organizations into the existing social care network. To take advantage of the experience already gained, the role of NGOs in providing rehabilitation, care and residential services at local and regional level could be increased. They should be considered as a branch of the public sector as regards other services such as financial assistance and aid in kind (food and equipment). Financial support should be provided to these organizations and they should be supervised by the public sector in accordance with a national strategy of care and rehabilitation.

5.7 Funds for Groups with Special Needs

The local community bears the bulk of the expenses for the care of the disabled and the elderly through the local rehabilitation committees. These depend on voluntary workers, supplemented by the activities of the local (charitable) voluntary institutions and direct funding (financial assistance and contributions in kind). It is possible to augment social care for the disabled and the elderly with services designed to meet their needs in their homes according to the available resources.
A special fund aimed at the integration of the disabled into the community could fund the expenses of vocational training and the creation of an accessible infrastructure (streets, lifts, building entrances, etc.).

Social services are funded from various sources that include the government budget (like maternity and child care programs), profits from social security fund investments plus contributions from the community. When local government is an effective player in this area, it reduces the expenses of social services.

5.8 Social Assistance Funds for those on Low Income:[56]

This fund provides assistance for those without income or on a very low income. These include individuals who do not fall into any of the categories of special needs cited earlier. The fund (which is supervised and administered by the Ministry of Social Affairs in coordination with organizations providing assistance to the poor) needs a specific scale of assistance based on a national poverty line. This fund can undertake two tasks. The first is to guarantee an income (complete salary) for those who are unable to work like the sick, the disabled, those injured in work accidents, the unemployed and those who are not entitled to financial payments under any other program. The second is to supplement the income (partial salary) of those whose income from work or any other source is less than the national poverty line.

5.9 A Summary of Assistance to Groups with Special Needs

Individuals with special needs require specific legislation to ensure equal participation in society. This might include positive discrimination as a right of citizenship, plus suitable services. The following steps are recommended:

1. Legislation that makes suitable facilities for the disabled in public buildings a legal requirement in order to be licensed. A reduction in the fees for public, cultural and health facilities plus the right for those with severe disabilities to receive allowances and special equipment. These conditions should be viewed as rights to be implemented according to the resources available to the national authority and institutions for the disabled. NGOs that care for and rehabilitate the disabled must also be encouraged and supported.
2. Social security payments and health insurance allowances for the elderly must be provided, in addition to rest homes and day centers. Programs should be implemented to provide home services to the elderly in addition to transportation facilities and general recreational and cultural institutions. Neighbors can be assisted financially to supervise the elderly living without support.
3. Free medical treatment for mothers during the first year after delivery and free contraception. Child allowances for large families.
4. Social legislation should include the right of orphans to adequate health, educational, social and rehabilitation care. The role of NGOs working in this area should be developed under the supervision of the Ministry of Social Affairs.
5. Assistance to those without an income or on a very low income according to a scale of assessment determined by a national poverty line.
6. Entrusting local government with the provision and supervision of social care programs and institutions for groups with special needs in its region. Coordination between the institutions that provide services for these groups within a strategic framework of national care and rehabilitation. This enables each institution to share its knowledge and experience with the other.

[56] This fund covers some groups with special needs like widows, divorced women and women who are the main breadwinner for the family. Assistance to these groups is assessed according to their level of income.

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TABLES

Table 1: Anticipated age distribution of WBGS residents for selected years

Year	Population (in thousands)	0 - 14 (%)	15 - 64	+65	15- 59	+60
1996	2534.598	47.9	48.5	3.6	46.9	5.2
2000	3133.851	48.1	48.6	3.3	47.2	4.7
2006	3855.834	46.8	50.3	2.9	49.0	4.2
2012	4649.904	43.7	53.5	2.8	52.2	4.1

Source: PCBS, Demography of the Palestinian People - Current Status Report No. 1, 1994, pp.165-183.

Table 2: Anticipated demographic features of WBGS for selected years

Year	Fertility rate	Death rate	Growth rate	Dependency rate	Dependency rate calculated for ages +60
1996	6.40	6.11	5.80	106.19	113.22
1997	6.30	5.86	5.65	-	-
2000	5.99	5.23	3.64	105.76	111.86
2006	5.31	4.36	3.28	98.81	104.08
2012	4.59	3.81	2.98	86.92	91.57

Source: PCBS, Demography of the Palestinian People - Current Status Report No.1, 1994, p.117.

Table 3: Number of days of closure imposed by Israel on WBGS after the establishment of the PNA

Year	1993	1994	1995	1996	1997
West Bank	17	58	84	132	85
Gaza Strip	26	76	102	138	70

Source: Palestinian Ministry of Labor.

Table 4 : Features of WBGS Work-Force According to Labor Force Surveys

Date of survey round	Average daily wages		Government sector workers*	Employed in Israel		Partial unemployment	Unemployment		Labor force	Participation rate in the labor force		Population of working age
	** (NIS)	(NIS)	(%)	(%)	Thousands	(%)	(%)	Thousands	Thousands	Females % +15	Males +15 %	Thousands
9-10/1995		60.1	13.3	16.1	63.88	21.3	18.2	94.162	497.15	11.20	66.9	1283.00
4-5/1996	45.1	45.7	18.3	9.5	35.29	14.3	28.4	159.135	543.62	12.10	70.10	1326.55
7-10/1996	47.7	49.10	17.0	16.2	65.65	11.9	21.8	121.420	539.55	11.40	69.70	1340.12
10/96 - 97/1	48.1	50.0	17.6	17.6	74.01	9.8	18.3	100.782	531.91	10.80	68.50	1352.84
2-3/1997	46.5	50.0	18.1	18.6	79.08	9.1	19.5	104.116	531.03	10.20	67.30	1371.70
4-5/1997	55.4	60.1	17.0	16.6	76.05	9.9	18.9	107.849	567.18	12.60	68.70	1390.56
7-9/1997	56.0	61.0	17.6	16.1	69.08	9.3	21.5	123.126	572.68	12.30	69.50	1406.48

Source: PCBS, Labor Force Surveys, Nos. 1-7.
* PCBS, Unpublished data.
** Taking into consideration the inflation rate.

Table 5: Number of Private Sector Establishments and Their Employees According to their Principal Economic Activity in the WBGS∗, 1997

Economic Activity	Percentage of employees %	Number of employees	Number of establishments
Agriculture and Fishing	4.83	9211	6075
Mining and Quarrying	1.17	2225	375
Manufacturing Industry	31.68	60417	14597
Electricity, Gas, and Water	0.65	1237	885
Construction	1.98	3783	517
Wholesale, Retailers, and Car Repairs	34.73	66232	39770
Hotels and Restaurants	2.94	5616	2548
Transportation, Storage, and Communications	1.74	3322	679
Financial Brokerage	2.16	4112	611
Real Estate and Leasing Activities	3.54	6758	2720
Education	5.44	10378	1518
Health and Social Work	5.53	10539	2940
Social and Personal Services	3.59	6854	3473
Extra-territorial Organizations	0.02	44	25
Total	**100**	**190728**	**76728**

Source: PNA, General Census for Population, Housing and Establishments 1997, the press conference document to declare preliminary results (establishments), 1998, p.5.

∗ Excluding regions within the borders of what is called Greater Jerusalem.

Table 6: Type of disability and follow up of diagnosis in central and southern parts of WBGS (%)

Region	Follow up	Type of disability						
		Behavioral	Speech	Fits	Mental	Sight	Hearing	Physical
Central WB	Has been followed up	61.2	22.6	87.0	43.9	63.0	74.7	72.6
	Has not been followed up	38.8	77.4	13.0	56.1	37.0	25.3	27.4
	Total	100	100	100	100	100	100	100
Southern WB	Has been followed up	46.5	5.1	88.8	23.5	19.6	69.4	74.8
	Has not been followed up	53.5	94.9	11.2	76.5	80.4	30.6	25.2
	Total	100	100	100	100	100	100	100
Gaza Strip	Has been followed up	65.5	41.1	78.8	60.8	78	74.3	80.2
	Has not been followed up	34.5	58.9	21.2	39.2	22.0	25.7	19.8
	Total	100	100	100	100	100	100	100

Source: Palestinian Ministry of Social Affairs and PCBS, Survey of Rehabilitation Services at Intermediate level in the WBGS. 1997. Table no.44 in each of the three reports.

Table 7: Distribution of Health Services in WBGS according to Region and Management

Region	Hospital	Specialized hospitals			General hospitals				Primary health care*		
	Maternity	Priv.	NGOs	Gov.	Priv.	UNRWA	NGOs	Gov.	UNRWA	NGOs	Gov.
Jenin	0	1	0	0	1	0	0	1	5	20	29
Tulkarem	2	0	0	0	0	1	0	1	5	23	42
Nablus	0	0	0	0	0	0	2	2	4	19	28
Ramallah	4	0	0	0	1	0	0	1	4	51	28
Jerusalem	3	2	1	0	0	0	3	0	2	16	0
Jericho	0	0	0	0	0	0	0	1	3	6	4
Bethlehem	4	2	0	1	0	0	0	1	2	16	14
Hebron	2	0	0	0	0	0	2	1	7	25	33
West Bank	**15**	**2**	**1**	**1**	**2**	**1**	**7**	**8**	**32**	**176**	**178**
Northern Gaza	0	0	0	0	0	0	1	0	1	4	6
Gaza City	1	0	0	3	0	0	2	1	2	12	9
Central Gaza	0	0	0	0	0	0	0	0	4	5	5
KhanYounes	0	0	0	0	0	0	0	1	1	7	9
Rafah	0	0	0	0	0	0	0	0	1	4	2
Gaza Strip	**1**	**0**	**0**	**3**	**0**	**0**	**3**	**2**	**9**	**32**	**31**
WB & GS	**16**	**2**	**1**	**4**	**2**	**1**	**10**	**10**	**41**	**208**	**209**

Source: Ministry of Health, the following three documents:

Annual Report for 1996.

Annual Health Statistical Report (WB Regions) 96/97, 1998.

A Quarterly Epidemiological Report- 4th Quarter 1997 (GS Regions).

* Including all primary health care institutions (clinics, health centers, mother and child clinics).

Table 8: Features of Provident Funds available in the WBGS Work Places and Number of Employees Included

Employment sector	Pension fund type	Optional or mandatory	Administration	Percentage of institutes that offer fund	Percentage of employees included
Governmental /WB	Pay as you go	Mandatory	Employee from Ministry of Finance	100%	100%
Governmental/GS	Funded	Mandatory	Director General of Pensions and Salaries	100%	100%
Security Agencies	Funded	Mandatory	Board of Directors	100%	100%
Palestinian Monetary Authority	Salaries and pension funds/ Gaza	Optional	Director General of Pensions and Salaries		100%
PCBS[1]	Not available	-	-	-	-
PECDAR	Not available	-	-	-	-
Municipalities[2]	Pay as you go in WB and funded in GS	Mandatory for permanent staff	WB: Municipal financial administration GS: Director General of Pensions and Salaries	100%	52.4%
NGOs[3]	Provident fund	Optional	Committee of employees and managers	16.5%	21.5%
Professional associations[4]	Funded	Optional	Special committee	100%	74.5%
Universities	Provident fund	Optional	Committee of employees and managers	100%	90%
UNRWA	Provident fund	Mandatory	Central administration	100%	100%
Other UN organizations	Provident fund	Mandatory	Central administration	100%	100%
Private sector[5]	Provident fund	Optional	Committee of employees and managers	3.6%	16.4%
				Total	**43.8%**

Source: Information collated by MAS.

[1] 60 of these employees were engaged as contract employees on the PNA salary scale.
[2] Includes only municipalities established prior to 1967.
[3] Includes organizations with 10 employees or more.
[4] It includes the Lawyers', Engineers' and Physicians' Associations in the West Bank only. At the beginning of 1998 the Palestine Lawyers' Association was established and requires compulsory fund contributions.
[5] Includes companies with 10 employees or more.

Table 9: Health Insurance in the WBGS Work Place and Extent of Coverage

Employment sector	Type of insurance	Insurance fees	Percentage of institutions included	Percentage of employees included
PNA Ministries	Governmental	5% from basic salary, minimum 40 NIS and maximum 75 NIS	100%	100%
Security Agencies	Governmental	As for Ministries	100%	100%
Palestinian Monetary Authority[6]	Governmental	As for Ministries		100%
PCBS	Governmental and private	As for Ministries for government workers and according to contract for private		100%
PECDAR	Private	According to contract		100%
Municipalities[7]	Governmental	As for Ministries	100%	80%
NGOs[8]	Governmental, private, and self	According to contract	55.2%	79%
Professional associations[9]	Private and self	According to contract	100%	75%
Universities	Private	According to contract	100%	90%
UNRWA	Run by institution	The beneficiary pays 25% of medical costs outside UNRWA centers	100%	100%
Other UN organizations	Run by institution	1% from employee's salary	100%	100%
Private sector[10]	Governmental, private, and self	According to contract	12.7%	33.8%
Workers inside Israel (registered)	Governmental	93 NIS monthly	-	100%
Individuals under care of Social Affairs Ministry	Governmental	40 NIS for each case	-	100%

Source: Information collated by MAS.
The percentage of families covered by health insurance in the WBGS (without Jerusalem) is 44.3%.

[6]Health insurance is no longer available for PMA employees in Ramallah since the beginning of 1998.
[7]Includes only municipalities established before 1967.
[8]Includes organizations with 10 employees or more.
[9]Includes the Physicians', Engineers' and Lawyers' Associations in the West Bank only.
[10]Includes companies with 10 employees or more.

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