



Palestine Economic Policy Research Institute (MAS)

Consultative Forum on Comprehensive Social Protection

Summary and Policy Paper

**“Coronavirus and the Need to Develop the Social
Protection Sector in Palestine”**

2021

Contents

1. The Framework and Goal of the Forum	1
2. The First Session on “The Foundations for launching Comprehensive Social Protection”	2
2.1 The Concept of Social Protection and its Relationship to Social Security	2
2.2 Proposed Policy Framework for a Comprehensive Social Protection Program in Palestine	3
3. The Second Session: The Expected Macroeconomic Impact of Implementing the Social Security Law in Palestine	3
3.1 Modeling Possible Scenarios for Implementing the Social Security Law	4
3.2 Scenario Results	5
3.3 Conclusions and Recommendations	2
4. The Third Session: Universal Health Coverage and the Required Health Insurance System	2
4.1 Facts and Figures about the Health Situation in Palestine	3
4.2 Challenges that Hinder the Improvement of Health Services in Palestine	4
4.3 The Foundations of Successful Health Insurance	4
4.4 Recommendations	4
5. The Fourth Session: Social Security Law No. (19) of 2016 and its Amendments	5
5.1 Duplication in the mechanisms and rules for calculating retirement pensions in case of old age, disability and natural death	5
5.2 Calculation of the retirement pension in the event of complete permanent disability and partial permanent disability (Articles 56-59)	5
5.3 Calculating the retirement pension in the event of death and the number of contributions required for eligibility (Article 64)	5
5.4 Duplication in provisions indirectly related to calculating the pension	5
5.5 Overlap/Duplication with other Laws	6
5.6 Composition and Responsibility of the Board of Directors of the Insurance Institution (Article 18)	6
5.7 Legislative Mechanism for Issuing the Law and Implementing Regulations	7

1. The Framework and Goal of the Forum

The Palestine Economic Policy Research Institute (MAS) took the initiative in November 2020, over the course of four months, to launch a scientific and civil dialogue initiative entitled “The Consultative Forum for Comprehensive Social Protection in Palestine”. It is an initiative that will contribute to encouraging community dialogue on comprehensive social protection, based on a series of research papers prepared by the Institute that dealt with various aspects of this topic.

This initiative was motivated by the Institute’s conviction that the current social protection and social security systems in Palestine are disjointed, and unavailable to wide segments of society. Moreover, the initiative was launched in conjunction with the Corona pandemic crisis, which resulted in a large segment of Palestinian society falling below the poverty line, raising unemployment rates to unprecedented levels (for more details, see Forum papers). This convinced the Institute, as an independent research body, of the need to highlight the importance of a strong and comprehensive system of social protection, based on scientific foundations. Social protection can be considered one of the most important policies and tools necessary to confront the economic and social crises afflicting Palestinian society.

To achieve the goals of this Forum, the Institute presented, over the course of four months, four research papers. This was preceded by a roundtable discussion entitled “**The Corona Pandemic and the Need to Develop the Social Protection Sector in Palestine**”, designed to prepare for this Forum. The four papers dealt with the following topics, based on four dialogue sessions:¹

1. The first session dealt with “**The foundations and starting points for social protection - conceptual framework and the experiences of countries during the Covid-19 pandemic**”.
2. The second session focused on “**The expected macroeconomic impacts of**

implementing the social security system in Palestine”.

3. The third session covered “**The road to universal health coverage in the State of Palestine and the required health insurance system**”.
4. The last session involved a discussion of the legal provisions of the Social Security Law, entitled: “**Aspects of Failure in Launching the Social Security System**”.

The four dialogue sessions achieved their desired goals, presenting a successful, constructive and evidence-based civil intervention, based on dialogue between a group of decision-makers, dozens of knowledgeable experts, and individuals with scientific and practical experience in the issue of social protection. To complement this dialogue, and to ensure the achievement of its objectives, and in order to place it on the agenda of those concerned with the issue of social protection in Palestine, MAS decided that an expanded and comprehensive policy paper should be drawn up. This paper summarizes the most important and essential points, as well as policies proposed in the four papers. It can be utilized to commence the process of the practical application of comprehensive social protection in Palestine. Adopting these policies will help decision-makers and relevant authorities in building and crystallizing a broad and clear vision on comprehensive social protection. It also contributes to removing duplications between various pension systems in force in Palestine, while achieving equality and fairness in their application to workers in various sectors. This will certainly enable and facilitate the process of transition, in the future, to a single pension system that applies to all workers in all sectors in Palestine.

The dialogue between various parties in this consultative forum, as a means of reaching consensus on proposed amendments and recommendations, faced difficulties and challenges. This resulted in disagreement on many issues, given differences and conflicts of interest between employers and the employed, as a result of the financial burdens or obligations resulting from desired adjustments. Therefore, the most appropriate proposal in this case is the

¹ Forum papers and recordings of the dialogue sessions can be found at: www.mas.ps/socialprotection

formation of a legal committee, that includes in its membership representatives of all parties concerned with the issue of employment. This committee should work on reviewing the Social Security Law and reformulating some texts, to arrive at amendments, as well as reviewing the laws related to the health system, through another specialized committee.

2. The First Session on “The Foundations for launching Comprehensive Social Protection”

2.1 The Concept of Social Protection and its Relationship to Social Security²

Social protection is a long-term investment. It deals with the system of rights that must be available to individuals across all stages of their life. The International Labor Organization has the most advanced concept of social protection. It consists of three main pillars: contribution-based social protection such as a social security system; others that do not depend on contributions such as aid and social allocations; and a third type which falls under the title “other”, which is the least important, such as the general business of entrepreneurs, merchants, and international institutions as well.

Most of the social security and health insurance systems around the world only cover workers in the organized (formal) business sector. Therefore, they exclude workers in the informal sector, who do not pay contributions to social security and/or health insurance programs, or whose employers do not pay these subscriptions on their behalf. From here arises the need for social protection systems that cover workers in the informal sector, who are mostly from marginalized and poor groups in society, and who do not have any economic and social rights, especially in third-world countries that are experiencing a state of political instability, low levels of economic development and high poverty and marginalization rates.

In practice, a social protection system can be classified as “universal” if it is available to everyone who needs to access it, regardless of

² Recording of the 1st dialogue session can be found at: [منتدى الحماية - Zoom - الاجتماعية الفلسطينية الشاملة \(الجلسة الأولى\)](#)

whether this is performed through non-contributory mechanisms.³ According to the experiences of some countries, achieving universal social protection requires complete coverage for non-contributors through direct government support, based on social criteria and specific government policies. This includes providing emergency aid or direct, material or in-kind support, such as food parcels. It also includes exempting the poor from school fees, as well as other exemptions, aid and social allowances. In summary, a comprehensive social protection system must include four components, which are:

- A social security system that depends on individual contributions.
- A health insurance system which depends partly on individual contributions, and partly on universal health coverage provided by the state as a right for all its citizens. It is applied through various means and tools, and specific government policies.
- A system of social assistance and family transfers based on government subsidies, for those who do not work or have no income. This system requires effective coordination between service and aid providers, as well as building a comprehensive information system, based on national standards, that takes into account poor and needy groups. Here, it is necessary to emphasize the need to adopt the National Strategy for Social Development and institutionalizing its operation. The government, primarily, should provide a system of social services, such as health and education services for all, with high efficiency, and with clear, transparent criteria without favoritism in its procedures.

Pursuant to the above, and given the reality of social protection in Palestine, there is a wide gap between the current and ideal conditions of social protection, which can be inferred through the following:

- Social security is one of the basic components of a social protection system in

³ The idea of establishing social security is for the benefit of those who do not have a guarantor, and social protection for those who do not have a protector. This requires the distribution of roles between government as a protector and guarantor. The private sector and employees need to be contributors, in order to achieve inclusiveness.

most countries. In the Palestinian case, there is still no law for social security, although many social issues such as retirement and work are covered by special laws.

- More than 50% of Palestinian society does not enjoy any kind of security or social protection. The most that is available to them is health insurance, which covers only 55% of the Palestinian population. It is free for only 27% of the population.
- Only 23% of workers have social security through the government retirement system, meaning that 77% of workers do not have social security (more than one million employees).
- 38.8% of workers earn less than the minimum wage, which is approximately \$420. Only 25% of establishments in Palestine are obliged to pay end-of-service allowances to their employees.

2.2 Proposed Policy Framework for a Comprehensive Social Protection Program in Palestine

Social protection programs in Palestine suffer from weakness and dispersion. Efforts that have been - and are being - made do not meet required standards, and do not achieve protection and safety for poor and marginalized groups. In this context, and based on this reality, the situation calls for intensifying and coordinating governmental efforts, in association with other parties, in order to create a comprehensive social protection system that responds to the needs of all groups of society. This can be achieved through the following means:

- Benefit from the experience of the socio-economic shock of the Corona pandemic, and the resulting global rethink on the role of governments and the importance of public resources in securing citizens' social and economic needs. In any case, this requires the establishment of regulations and laws that guarantee the health of citizens, protect the vulnerable, take care of the elderly and compensate the unemployed, considering them to be indivisible components of the social contract and the rule of law.
- Taking into consideration the interests of poor and marginalized groups in overall

economic and social policies, in order to face the challenge of an increase in the numbers of the new poor. This requires changing the perception of the social protection sector, from being a relief sector based on seasonal donations, to serving as an enabling sector that guarantees the rights of these groups.

- The necessity of framing social protection programs, supervised by the government, in an integrated system that includes all areas of protection and all groups of society. This requires improving the governance of social protection programs; unifying sources of funding; and directing these, in a focused manner, to the most needy groups in various regions in the West Bank and Gaza Strip. It also requires modernizing the social registry and building a database on the living conditions of all segments of society. This will help direct aid to those who need it most, with transparency and justice.
- It is also important to review the gaps and problems that the previous Social Security Law suffered from, as well as rebuilding confidence between the three formation parties. There is a need to clarify the mechanisms of managing the Security Fund, while agreeing on the entity that will manage it. It is necessary to firmly implement the minimum wage law, in order to enable the activation of the Social Security Law.
- Reconsider the health insurance system, especially with regard to establishing 100% free health insurance for poor families (whose numbers may have reached more than 200,000 families), and for people with special needs. Despite the costs associated with this, a large proportion of poor families do not have access to basic health services.

3. The Second Session: The Expected Macroeconomic Impact of Implementing the Social Security Law in Palestine⁴

⁴ Recording of the 2nd dialogue session can be found at: [الأثار الاقتصادية الكلية المتوقعة لتطبيق قانون الضمان الاجتماعي في فلسطين - Zoom](#)

In every scenario except for the baseline scenario, we consider five options for end-of-service payments, for all employees in sectors that are already committed to such payments in the West Bank:

- i. Non-payment of termination compensation upon application of the Law, while end-of-service compensation for previous years of work will be paid upon exit from work.
- ii. Paying end-of-service benefits over a period of 7 years (on average, one additional salary per year, for a period of seven years, where the average number of years of service in the current job is 7.3 years).
- iii. Payment of end-of-service benefits over a period of 5 years.
- iv. Payment of end-of-service benefits over a period of 3 years.
- v. Paying all compensation during the first year of law enforcement.

3.1 Modeling Possible Scenarios for Implementing the Social Security Law

The implementation of an effective social security system requires financial sustainability as a basic condition, which means avoiding a financial situation in which it is difficult to fulfill the obligations and services that ought to be provided to citizens, through various services provided by the social security system. To this end, sound planning requires a prior study of financial sustainability, across multiple scenarios and with realistic assumptions. MAS has performed a preliminary study that illustrates the basic features of the expected effects of applying social security, according to several assumptions about payment periods, using a computerized general equilibrium model (CGE). Three main scenarios are analyzed according to this model:

The baseline scenario assumes that the current situation remains as is, without implementing the social security system in the West Bank and Gaza Strip. Meanwhile, the end-of-service system for those who comply with the labor law will continue. For the other three scenarios, different degrees of compliance with the law are assumed. In each scenario, we display the percentage change in macroeconomic variables from the base scenario. In the social security implementation scenarios, we assume that

employee and employer participation rates are 7% and 9% respectively.

The First Scenario

We assume that only employers who are committed to giving end-of-service benefits, according to the Palestinian Labor Law, are bound by the Social Security Law. The compliance rate remains constant throughout the ten years 2020-2030. This scenario means that the Palestinian Authority and the Social Security Institution will not work to expand the scope of law enforcement, neither in the West Bank nor in Gaza. Compliance rates with the law vary according to different sectors, based on the percentage of employees who received end-of-service benefits, according to data from the Labor Force Survey of 2018 conducted by the Palestinian Central Bureau of Statistics. The compliance rate in the mining sector in the West Bank, for example, is estimated at 2.6%, while it reaches 94.2% in the financial services sector. In the Gaza Strip, lower compliance rates were assumed than in the West Bank, according to Labor Force Survey data. A zero-compliance rate is assumed in the mining and construction sectors, while the highest compliance rate is 85.2% in the private education sector.

The Second Scenario

It is the most optimistic of the three scenarios, in which the Social Security Institution works to gain the confidence of worker and increase their awareness of the importance of social security, during the five years after the law comes into force. In this scenario, we assume the same compliance rates as in the first scenario, in the first year of law enforcement. Then, the compliance rate with the law in the West Bank grows over the next five years. However, the implementation of the system in the Gaza Strip will face difficulties, due to political divisions between the West Bank and Gaza, and difficulties in the work of public institutions in terms of enforcing the law in the Gaza Strip. Consequently, we assume that compliance with the social security system in the Gaza Strip remains constant. Furthermore, the Scenario includes the investment of 35% of contributions in the four most productive sectors of the domestic economy.

The Third Scenario

This scenario is based on the same assumptions as the second scenario, including the 35% fund

investment criterion. However, the increase in confidence and compliance is less rapid: the same compliance ratio will be reached as in the previous scenario, but over 10 years instead of 5 years.

3.2 Scenario Results

First Scenario

The results of the first scenario simulation indicate that regardless of the mechanism of payment of end-of-service benefits across the five cases, we see a positive impact in the application of the social security law in the long term on the overall economy. The simulation finds an increase in real GDP by 8.4% compared to the baseline scenario; an increase in labor demand by 7.8-8.0%; an increase in consumption by 4.5%; and an increase in exports by 17%, compared to the baseline scenario. However, this long-term positive effect assumes that accumulated social security contributions are not invested abroad but are

grouped together with other savings and converted into investments, without targeting specific types of investment.

The immediate and short-term impact of enforcing the social security law is a decrease in GDP, employment, consumption, exports and imports. Moreover, unskilled employees are more affected by this than skilled employees. The negative impact is more severe when end-of-service benefits are paid over a short period. For example, GDP will decrease by 0.6% when applying the Social Security Law while the current system for paying end-of-service benefits remains in effect. That is, it pays for any years of service prior to joining the social security system, upon leaving the job. However, GDP will decrease by 4.5% with payment of all end-of-service benefits during the first year of law enforcement. Table 1 and Table 2 below illustrate changes in all macroeconomic variables according to this scenario.

Table (1): The impact of enforcing the social security law in the West Bank, without paying accumulating end-of-service benefits

Year	unskilled employees	skilled employees	GDP	Imports	Exports	Gov. Spending	Total Savings	Consumption
2020	-1.3%	-1.1%	-0.6%	-0.2%	-0.5%	-0.6%	65.7%	-1.2%
2021	1.9%	1.9%	2.5%	1.9%	4.5%	2.5%	22.8%	0.8%
2022	3.8%	3.7%	4.4%	3.1%	8.0%	4.4%	32.2%	2.1%
2023	5.1%	5.0%	5.6%	4.0%	10.3%	5.6%	18.5%	2.9%
2024	6.0%	5.8%	6.5%	4.6%	12.1%	6.5%	18.4%	3.4%
2025	6.6%	6.4%	7.1%	5.1%	13.3%	7.1%	15.6%	3.7%
2026	7.0%	6.9%	7.5%	5.5%	14.3%	7.5%	14.8%	4.0%
2027	7.3%	7.2%	7.8%	5.8%	15.1%	7.8%	14.1%	4.2%
2028	7.6%	7.4%	8.0%	6.0%	15.7%	8.0%	13.8%	4.3%
2029	7.8%	7.6%	8.2%	6.2%	16.3%	8.2%	13.6%	4.4%
2030	8.0%	7.8%	8.4%	6.4%	16.8%	8.4%	13.4%	4.5%

Table (2): The impact of enforcing the social security law in the West Bank, with paying accumulating end-of-service benefits during the first year of law enforcement

Year	unskilled employees	skilled employees	GDP	Imports	Exports	Gov. Spending	Total Savings	Consumption
2020	-9.0%	-6.7%	-4.5%	-2.0%	-5.2%	-4.5%	94.1%	-4.1%
2021	3.2%	3.2%	3.8%	2.7%	6.7%	3.8%	20.5%	1.7%
2022	4.7%	4.6%	5.3%	3.7%	9.7%	5.3%	26.6%	2.7%
2023	5.7%	5.6%	6.2%	4.4%	11.4%	6.2%	16.8%	3.2%
2024	6.4%	6.2%	6.9%	4.9%	12.8%	6.9%	16.7%	3.6%
2025	6.9%	6.7%	7.3%	5.3%	13.8%	7.3%	14.7%	3.9%

Year	unskilled employees	skilled employees	GDP	Imports	Exports	Gov. Spending	Total Savings	Consumption
2026	7.2%	7.0%	7.7%	5.6%	14.7%	7.7%	14.2%	4.1%
2027	7.5%	7.3%	7.9%	5.9%	15.3%	7.9%	13.7%	4.3%
2028	7.7%	7.5%	8.1%	6.1%	15.9%	8.1%	13.5%	4.4%
2029	7.9%	7.7%	8.3%	6.3%	16.4%	8.3%	13.4%	4.4%
2030	8.0%	7.9%	8.4%	6.4%	16.9%	8.4%	13.3%	4.5%

Second Scenario

Consequently, we assume that compliance with the social security system in the Gaza Strip remains at the same rate. Thus, we assume an average annual growth in compliance of around 5%, with differences between sectors. We assume average wages will rise by 3.4%, with some differences between sectors. We also assume that the Social Security Institution will have investment plans across all four productive sectors, at 35% of total contributions.

The gradual increase in compliance rates during the years 2020-2024, linked to an investment plan of 35% of social security contributions, will increase positive impact in the long term, compared to the first scenario. GDP will

increase by 16.2% compared to the baseline scenario. Moreover, local employment will increase by 15.9% compared to the baseline scenario.

Third Scenario

The results of the simulation, according to the third scenario which entails a longer period for achieving compliance and investment of funds in local productive sectors, shows an increase in GDP in the long term by 11.3% compared to the baseline scenario (Table 3). This increase is less than that in the second scenario. Therefore, expanding the social security system to a greater proportion of workers in a short time will enhance the positive effect of law enforcement in the long term.

Table (3): The impact of enforcing the social security law in the West Bank, without paying end-of-service benefits and including a 35% fund investment of subscriptions in the four major productive sectors and a steady increase in the compliance rate over the period 2020-2029

Year	unskilled employees	skilled employees	GDP	Imports	Exports	Gov. Spending	Total Savings	Consumption
2020	-0.80%	-0.60%	0.10%	0.00%	0.10%	0.10%	55.40%	-0.70%
2021	1.5%	1.7%	2.4%	1.7%	4.0%	2.4%	25.5%	0.7%
2022	3.8%	3.9%	4.7%	3.1%	8.2%	4.7%	39.7%	2.2%
2023	5.2%	5.2%	6.0%	4.2%	10.8%	6.0%	28.9%	2.8%
2024	6.9%	6.9%	7.8%	5.4%	14.1%	7.8%	27.4%	4.0%
2025	7.8%	7.8%	8.7%	6.2%	16.1%	8.7%	23.3%	4.5%
2026	8.7%	8.7%	9.6%	6.8%	17.9%	9.6%	21.4%	5.1%
2027	9.3%	9.3%	10.1%	7.4%	19.2%	10.1%	20.3%	5.4%
2028	9.9%	9.7%	10.6%	7.8%	20.4%	10.6%	19.5%	5.7%
2029	10.2%	10.1%	11.0%	8.1%	21.3%	11.0%	19.0%	5.8%
2030	10.5%	10.4%	11.3%	8.5%	22.2%	11.3%	18.7%	6.0%

3.3 Conclusions and Recommendations

There are negative impacts in the short term, due to the payment of contributions by employers and employees. However, there are positive effects in the long run, as all contributions are pooled and converted into physical capital, due to the conversion of

savings into investments. This is the main assumption that generates long-term growth. The payment of end-of-service benefits for all previous years of work at the moment of application of the Social Security Law, leads to negative consequences for the economy, which

are exacerbated by shorter payment periods. It is possible to implement the social security system at enterprises that are currently committed to the end-of-service system, according to the labor law, as a starting point, while keeping end-of-service benefits until the end of work, or paying these over a period of seven years, which is the least harmful option.

The scenario of gradual implementation of the social security system (the second scenario) over a period of five years, starting with companies that are currently committed to the end-of-service compensation system (31.1% of private sector employees) to reach 53.7% coverage, shows the same negative impact in the short term, but the positive impact on GDP doubles.

In the first compliance scenario, at least 35% of social security contributions should be directed to investing in new capital in the four economic activities: industry, trade, transportation, communication and information, with the aim of reducing negative impacts on GDP in the short-term.

In order to reduce the short-term, negative impact of social security implementation and achieve the highest positive impact in the long run, the following policies are recommended for consideration by the Palestinian government and the Social Security Institution:

- The Palestinian government is advised to choose the appropriate timing for implementing the Social Security Law, in order to ensure that there is sufficient positive growth to limit the expected negative impact of implementing social security in the short term.
- The progressive implementation of social security is important to avoid the negative impact associated with broad compliance. A starting point could be with companies currently complying with the severance payment system, followed by a rapid, incremental expansion of social security compliance.
- The most important element required to achieve a gradual and rapid increase in the rates of compliance with the law is building confidence in the social security system. This requires making amendments to the

Social Security Law and its regulations, to increase confidence in the system, conduct awareness campaigns about the importance of social security and its benefits, and announce clear investment plans.

- The negative impact can be reduced in the short-term through investment plans targeting the productive sectors: manufacturing, trade, transportation, communications and information. An investment of at least 35% of social security contributions is required to cancel out the short-term negative impact on GDP growth.
- There is a need to improve efficiency in financial institutions, in order to convert savings into investments in productive sectors. Establishing a national development bank could be a step in the right direction.
- Enforcement of the minimum wage law, prior to the implementation of social security, is necessary to reduce the negative impact of broad compliance with social security on welfare. The Social Security Law states that wages subject to the social security system must not be less than the minimum wage. It is not recommended that the application of end-of-service benefits for previous years be paid once the law is enforced, as this would amplify the negative impact in the short term. Maintaining the current system, where severance pay is paid upon exit from work, is the best option. However, the current system, according to the Labor Law, stipulates that end-of-service benefits are calculated according to the last wage upon exit from work, and not with the wage that complies with the Social Security Law.
- Since the model assumes constant real wages, nominal wages, and hence severance payments, must be fully linked to the annual rate of inflation.

4. The Third Session: Universal Health Coverage and the Required Health Insurance System⁵

⁵ Recording of the 3rd dialogue session can be found at: "[الجلسة الثالثة](#)" - Zoom ["المنتدى التشاوري حول الحماية الاجتماعية الشاملة في فلسطين"](#)

4.1 Facts and Figures about the Health Situation in Palestine

At its General Assembly meeting, held at its seventy-second session in May 2019, the World Health Organization issued a resolution on universal health coverage, through which it called on member states to:

1. Accelerate progress towards achieving universal health coverage, with a focus on the poor, the vulnerable and the marginalized.
2. Financing the health sector.
3. Establishing sustainable and resilient health systems.
4. Strengthening the capabilities of the health sector workforce.
5. The importance of investing in, and strengthening, primary healthcare.

The Palestinian Basic Law does not affirm health as a right, but rather as a service that the Ministry of Health must provide to citizens, as stated in the Public Health Law. The National Authority has worked to develop and implement successive strategic plans, since 1994, to develop health services, during which it also expressed the Authority's commitment to international covenants on ensuring the right to health for the population. This includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, as well as the Constitution of the World Health Organization, which affirms that health is a human right.

Article 2, Paragraph 5 of Public Health Law No. 20 of 2004 underscores the commitment of the Ministry (the Ministry of Health) to provide health insurance to the population, within its available capabilities. Article 4 of the Law affirms the Ministry's commitment to prioritize healthcare for women and children, considering this to be an integral part of the development strategy of the Palestinian National Authority. It should be noted that the compulsory health insurance bill has not come into effect, as it was not considered to be an urgent law, given the absence of the Legislative Council; the existence of objections⁶ to the law regarding the issue of refugees; and UNRWA's

responsibilities towards providing healthcare services to registered refugees in the West Bank and Gaza.

Here are some important statistics that reflect the reality of health services in Palestine:

- The number of primary healthcare centers in Palestine⁷ reached 749, including 475 centers affiliated with the Ministry of Health, 65 centers affiliated with UNRWA, 192 health centers affiliated with non-governmental organizations, and 17 health centers affiliated with military medical services.
- The number of operating hospitals in Palestine in 2019 reached 84, of which 52 operate in the West Bank, including East Jerusalem, constituting 61.9% of total operating hospitals in Palestine. The remaining 32 hospitals operate in the governorates of the Gaza Strip. The total number of hospital beds, including psychiatric and neurological hospital beds, and East Jerusalem hospital beds, is 6,435 beds. This amounts to an average of 12.9 beds for every 10,000 people.
- The Ministry of Health operates 28 governmental hospitals with 3,531 beds. They constitute 54.9% of the total number of operational beds in the country. Of these government hospitals, there are 15 hospitals in the West Bank with 1,749 beds, and 13 hospitals in the Gaza Strip with 1,782 beds.
- The number of non-governmental hospitals, that is, private and community hospitals, including East Jerusalem, is 56, with a capacity of 2,821 beds. The private sector operates 16 hospitals, with a total capacity of 536 beds, while non-governmental organizations run 36 hospitals, with a capacity of 2,061 beds. UNRWA runs a 62-bed hospital in Qalqilya.
- There are 5,297 doctors in Palestine, 8,286 nurses, 1,024 midwives, 1,547 dentists, 2,463 pharmacists, 6,131 workers in allied medical professions, and 12,061 administrative staff in the health sector. The results presented included the distribution of these cadres based on workplace, governorate, age, and gender.

⁶ Legal review of the draft National Health Insurance Law, Independent Commission for Human Rights, "Board of Grievances", Ramallah - August 2009

⁷ Ibid.

4.2 Challenges that Hinder the Improvement of Health Services in Palestine

The following are the main challenges that hinder the improvement of the quality of health services:

- The great shortage of medical and administrative staff, and the difficulty of direct follow-up in some directorates.
- Emergency departments in governmental hospitals face great pressure, as a result of high turnout, due to insufficient medical specialties in health directorates. It is also noted that marginalized/border areas and Area C do not receive adequate health services.

4.3 The Foundations of Successful Health Insurance

Approaches to providing social health protection, and thus universal health coverage, differ from country to country. However, the common denominator between all countries, as mentioned earlier, is a risk pooling system that enables all citizens, each according to their capabilities, to share the risks of contracting disease and resorting to expensive healthcare. This means that the funds allocated to healthcare are collected by prepayment and managed in a way that ensures that all individuals bear the costs of healthcare in the event of illness, rather than each individual bearing these costs separately.

In general, a successful health insurance system depends on basic strategic principles:

- Ensuring the availability of adequate funding for all services that citizens need, with clear and acceptable quality standards.
- It is mandatory for everyone, according to the rules of social solidarity.
- General coverage, as the system covers all risks and compensation.
- Governmental coverage of contributions for groups that are unable to pay.
- Imposing taxes on some luxury goods, to meet the financing needs of the health insurance system, and to develop the necessary infrastructure for the health system.

- Enhancing cooperation between the public and private sectors with regard to hospitals and financing health services.

4.4 Recommendations

Among the disadvantages of the current health insurance system in Palestine is that it is compulsory for government employees only, and optional for the rest of the citizens and residents of the country. However, compulsory insurance for all will achieve justice for all citizens, based on a social system that provides the right to health with minimal financial burdens on families, and without burdening the state's budgets, or making it dependent on foreign grants and aid. In addition, it provides the necessary self-financing for the development of health infrastructure, and the improvement of the quality of health services, as well as developing the required manpower to work in the healthcare sector. Achieving comprehensive health insurance requires adopting the following policies:

- Review the study prepared by the national team, formed in accordance with the Cabinet decision of May 27, 2019.
- Completion of a draft, health insurance law, as a basis for issuing a compulsory health insurance law, and setting up the necessary mechanisms that require everyone to obtain adequate insurance coverage, including the informal sector, the socially-disadvantaged, the unemployed, and the elderly.
- Following-up on the establishment of a National Health Insurance Institution that is administratively and financially independent, to manage health insurance funds and all available financing, as well as purchasing the required health services from health centers, and governmental and non-governmental hospitals.
- Identifying methods for partnerships or contracting with health service funders, for example, UNRWA.
- Developing mechanisms to increase investment in the health sector, developing existing health institutions, and rehabilitating them in line with the right to provide quality health services.
- Conducting studies on the costs and pricing of services for the purposes of procurement, preserving the Institution's funds, and

undertaking other studies on the needs of the health system.

- Conceptualizing the implementation of mandatory, full-time employment for workers in the government health sector, and providing the necessary financial allowances for full-time employment, such as sabbatical leave, which is a condition for improving the quality of services provided to citizens.

5. The Fourth Session: Social Security Law No. (19) of 2016 and its Amendments⁸

The Social Security Law, even after its amendment, was suspended by the President of the Palestinian National Authority. It still suffers from many problems. Numerous welcome amendments have been made and approved by Decree-Law No. (19) of 2016,⁹ which canceled the first version of Law No. (6) of 2016. This included modifying deduction rates, i.e. the distribution of burdens, and raising the minimum wage which is eligible for retirement benefits from eight times the salary to ten times the salary. Moreover, amendments were made relating to maternity leave for pregnant women, in terms of reducing the number of contributions that a pregnant woman must pay during the year preceding maternity leave, and the entitlement to maternity leave with pay from six months to three months, as well as the right to bequeath her pension. However, it is clear that these amendments did not meet the demands of protesters, as these fundamental amendments did not remedy the legitimate concerns of those subject to the provisions of the law. The law has not achieved social justice that different segments of society aspire to, despite the fact that the law was originally conceived for this purpose. In light of the escalation of popular protests against the law, the President of the Palestinian National Authority issued Decree-Law No. (4) of 2019, according to which the Social Security Law No. (19) of 2016 was suspended.¹⁰

⁹ The Law on Social Security No. 19 of 2016 was published in "Al-Waqi'at Al-Falastiniya" on 20/10/2016, page 2.

¹⁰ The Decree-Law No. (4) of 2019 repealed the Social Security Law No. (19) of 2016, and its amendments. It was published in "Al-Waqi'at Al-Falastiniya" on February 19, 2019, in issue 152, on page 4.

Based on the above, we present below the most important and problematic points which must be solved in preparation for the law's re-approval:

5.1 Duplication in the mechanisms and rules for calculating retirement pensions in case of old age, disability and natural death

Proposal: Equality with the general retirement law in calculating the retirement pension, without stipulating a maximum wage, and setting a ceiling for the pension itself. The justification is that the deduction rates specified in the Social Security Law are the same as those specified in the Retirement Law, and therefore there is no justification for this double counting. This mechanism falls short of what was specified in the Jordanian Social Security Law, which set the rate at 2.5% for the first JD 1,500, and then 2% for more than that.

5.2 Calculation of the retirement pension in the event of complete permanent disability and partial permanent disability (Articles 56-59)

Proposal: Abolish the calculation process for the maximum salary subject to retirement, which is ten times the minimum wage, while setting a ceiling for the pension itself.

5.3 Calculating the retirement pension in the event of death and the number of contributions required for eligibility (Article 64)

Proposal: Abolish minimum contribution requirements for entitlement to a retirement pension, based on the case of (complete total disability). Cancel the calculation process for the maximum salary subject to retirement, which is ten times the minimum wage, while setting a ceiling for the pension itself. Moreover, abolish the requirement that there is no source of income for unmarried girls and parents in order for them to be entitled to their share of the pension. It is possible to stipulate that their income does not exceed the minimum wage.

5.4 Duplication in provisions indirectly related to calculating the pension

5.4.1 Concerning the adjustment of the minimum wage

Proposal: Include text that considers the minimum wage to be a standard that should be measured in the calculation of pensions in all cases, and that any amendment to the minimum wage requires, in return, an amendment to the pension, such that the issue does not remain open to interpretation and amplification.

5.4.2 Concerning the calculation of personal and family allowances

Proposal: Since deduction rates are equal in the General Retirement Law and the Social Security Law, this equality must also be applied with regard to retirement pensions. This requires the application of what was mentioned in the General Pension Law, adding a family allowance to the retirement pension, as well as a personal allowance.

5.5 Overlap/Duplication with other Laws

5.5.1 Concerning early retirement provisions (Article 51/2)

Proposal: To achieve the principle of equality between workers in the public sector and the private sector, and since deduction rates are equal, the provisions of the General Pension Law can be applied. It is also possible to follow the Jordanian Social Security Law, which set the age of 50 years for early retirement for both men and women, provided that the male pays 252 contributions and the woman 228 contributions. Alternatively, early retirement can be set at the age of 45, provided that 300 contributions are paid.

5.5.2 Concerning maternity leave (Article 90)

Proposal: Abolish the condition which states that working women must pay three contributions during the year preceding maternity leave, in order to be entitled to paid maternity leave. Consider this leave to be a right for every pregnant woman under the Labor Law, provided that a period of not less than 180 days has passed before giving birth. Abolish the discriminatory factor based on gender or the marital status of the woman herself, and thus remove the suspicion of unconstitutionality from this text.

5.5.3 Concerning differences related to end-of-service benefits (Article 116/1/A)

Proposal: If the defined contributions system is adopted, then this can be a solution to this problem. Otherwise, the worker is entitled to the

end-of-service difference between the 9% that is equivalent to the end-of-service gratuity for each month, and end-of-service gratuity based on the last salary.

5.5.4 Concerning the settlement of labor rights prior to the enforcement of the law (Article 116/1/b)

Proposal: Either stipulate specific dates for the employer's commitment to pay end-of-service gratuity that was due to the worker for the period before the law comes into force, or link that to specific additional interest that the employer must pay to the worker, as a result of the delay in paying these dues, in compensation for the decrease in the purchasing power of those delayed sums.

5.5.5 Concerning complementary old-age insurance (Article 10 and Article 116/3)

Proposal: Abolish the complementary old-age pension system, due to its ambiguity and the lack of clarity in the texts regulating it. Replace it with a defined contributions system which achieves fairness for the worker. However, if it is necessary for complementary old-age insurance to remain, then it must be addressed in a clearer manner, which removes the contradiction between (Article 116/2) and (Article 5/10). Amend Article 116/2 to become compatible with Article 5/10, such that complementary retirement covers that amount that exceeds the maximum wage subject to insurances, i.e., exceeding ten times the minimum wage.

5.6 Composition and Responsibility of the Board of Directors of the Insurance Institution (Article 18)

Proposal: In light of the presence of several representative bodies for workers, it is necessary to solve this problem by creating an inclusive union body that represents workers, so that representation on the board of directors is convincing. Moreover, stipulate the mechanism for selecting the five members representing workers, and the qualifications required in accordance with the nature of the institution's work, in a manner that guarantees the efficiency of the fund's management. The responsibility of the institution's board of directors must be determined by a specific representative body, such as the Legislative Council, for example, in addition to determining the extent of this

responsibility, whether it is punitive, given that the fund's assets can be considered public money. Find solutions to members' financial inability, concerning any breach or damage to the fund's assets, in case of civil liability.

1. The necessity for the law to be promulgated by the legislative authority that has jurisdiction over the legislative process.
2. The necessity of examining all insurances contained in the law (Article 3).

5.7 Legislative Mechanism for Issuing the Law and Implementing Regulations