History of Social Security Scheme in OPT

Home to 4.5 million Palestinians, the Occupied Palestinian Territory (OPT) is in the process of rolling out its first comprehensive social security system to cover all private sector workers and their families.

Today, only public sector workers benefit from social protection benefits, while most private sector workers are effectively not covered in cases of maternity, workplace injury, or old age. According to official figures, private sector workers make up 66 per cent of the workforce, relative to 22 per cent in the public sector and 12 per cent in Israel and West Bank settlements.

With support from the International Labour Organization (ILO), the framework of the current social security system was developed in 2013 by the tripartite National Social Security Committee in consultation with workers’ and employers’ organizations, government officials, as well as other stakeholders. In order to ensure its efficacy in combating poverty as well as social exclusion, the system was modelled on an ILO actuarial evaluation which assessed the system’s parameters and sustainability. In addition, the system is built on the Civil Servant Pension Scheme (Law of Public Retirement No. 7 of 2005), Labour Law No. 7 of 2000, the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) and international good practices.

ILO Interventions to set up a comprehensive Social Security System

The OPT lacks a tripartite social security institution which could implement the new social security law and administer and deliver social insurance benefits to insured workers and their family members. Thus, the ILO is providing technical assistance to Palestinian tripartite stakeholders for the setting-up of a well-functioning administration, based on the internationally agreed principles of equality of rights, transparency and disclosure, sustainability, adequacy and good governance.

By supporting the implementation of an administrative structure to make the right to social protection a reality for Palestinians, the ILO is supporting the setting-up of social security operations, a critical step for the building of a sustainable social protection system. Moreover, ILO’s support will be based on international Standards and worldwide comparable best practices. It will also promote South-South and Triangular Cooperation (SSTC), which adds new forms and actors of development cooperation, and all components of ILO’s support will mainstream SSTC, through study tours, peer learning mechanisms and regional sharing of information. ILO’s assistance will further contribute to the development of global knowledge, e.g. through a guide on the establishment of the social security administration that can be used in other countries, notably in those supported by ILO’s Flagship Programme on Building Social protection Floors for All.

ILO - SSTC: Social Protection Study Tour to Jordan

(From 17th to 20th September 2017)

With the assistance of the ILO within the framework of the South-South and Triangular Cooperation, a study tour was organized in September 2017 for members of the Palestinian Social Security Corporation (PSSC) to the Jordanian Social Security Corporation (JSSC) in Jordan as part of a strategic plan to develop the necessary knowledge and skills to effectively implement the new Palestinian social security law and its social security schemes. South-South and Triangular Cooperation, as provided by the ILO, has proven to be an important intervention modality for facilitating regional exchange but also helping to build the skills and knowledge of the participants.

This SSTC initiative complements a TC project “Establishing an Independent Social Security Institution for the Administration of the New Social Security System for Private Sector Workers and
their Family Members in Palestine. The project, with the funding support of the Governments of Kuwait and Qatar and ILO funds, aims to assist in the establishment of an independent social security institution for the administration of the new social security system for private sector workers and their family members in the OPT.

The ILO has already been providing assistance on the establishment of the new social security system in the OPT and is providing, since more than one decade, assistance to the development of the Jordanian Social Security Corporation.

The Jordanian social security system administered by the Jordanian Social Security Corporation is regarded as one of the best in the region. The Jordanian Social Security Corporation functions in line with international standards and good governance principles and is regularly praised by the International Social Security Association for its excellence in social security administration.

In addition, the Jordanian Social Security Corporation is a relatively young social security administration, and thus has faced similar challenges, as the Board of Directors of the Palestinian Social Security Corporation is facing now, not too long ago. Finally the OPT and Jordan share a similar cultural and social background, as about 70 percent of Jordan's population is of Palestinian origin.

For these reasons, it has been agreed upon with the Board of Directors that a study visit should be carried out at the Jordanian Social Security Corporation, which aims to create a synergy between the new Palestinian Social Security Institution and the Jordanian Social Security Corporation.

The study tour group was headed by His Excellency Mamoun Abu Shahla, the Minister of Labour and Chairman of the PSSC. Along with the Director General of the PSSC, a total of eight members of the Board of Directors and three key manager (Information Technology, Legal and the Actuary) of the PSSC participated in the study tour. Mr. Mounir Kleibo, Representative of the ILO Office in Jerusalem and Mr. John Carter, ILO's international administration expert accompanied the participants during the study tour and attended the sessions of the study tour.

One of the main objectives of the study tour was to gain knowledge with regard to IT systems, as emphasized by His Excellency and the Director General of PSSC. The PSSC IT expert attended intensive meetings with his counterparts from Jordan. However, a future visit is envisaged to other countries with a view of selecting an effective system for PSSC, fit for the OPT.

His Excellency, the Chairman of the Board of Directors and the Director General of PSSC also highlighted other priorities for the study tour such as human resources and administrative affairs, financial affairs, insurance funds operations, investment, public relations and media as well as legal issues. Representatives from Jordan SSC made several presentations to cover these issues. Presentations were also made concerning the different social security funds and investment of the funds. The participants were interested in all these subjects and felt the presentations were very effective and allowed for time to answer questions.

An official Memorandum of Understanding was formally signed by representatives of JSSC and PSSC where JSSC would appoint experts to visit the OPT throughout the implementation period. A first visit of the Jordanian experts will take place by end of February 2018.

Also, two group meetings were held with the participants before the start of the study tour and half way through the study tour.

His Excellency, the Chairman of the Board of Directors guided the first discussion and the Director General of PSSC lead the discussions with the three experts providing their feedback on the
presentations by Jordan. The participants enjoyed being part of the discussions and asked several questions.

The feedback from the participants was positive and participants viewed the study tour a success for the Board of Directors and key managers of PSSC.

The study tour proved to be an important means of learning and ILO provision of assistance. It improved considerably the knowledge and skills of the participants. The PSSC participants gained a better understanding of the complex issues regarding implementing multiple social security schemes at once and that there is a need for a thoughtful and progressive implementation for the multiple schemes prescribed by the new Palestinian social security law.

The ILO will ensure to continue to provide technical advice and support, and to arrange a number of study tours in the near future.

List of Participants

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<tr>
<th>Name</th>
<th>Title</th>
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<tbody>
<tr>
<td>H.E. MAMOUN A. H. ABUSHAHI A.*</td>
<td>Minister of Labour and President of the Palestinian Social Security Society (PSSC)</td>
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<tr>
<td>MR BELAL THAWABI</td>
<td>Member of the Board of Directors of the Palestinian Social Security Society / Risk Committee - representing the Government</td>
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<tr>
<td>Ms KHOLOUD ABDULKHALEQ</td>
<td>Board of Directors member</td>
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<tr>
<td>Mr BASHAER ALRISHIQ</td>
<td>Board of Directors member</td>
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<tr>
<td>Mr MOHAMMAD ARURI</td>
<td>Board of Directors member</td>
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<td>Mr ABDELHAKIM ELAYAN</td>
<td>Board of Directors member</td>
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<tr>
<td>Mr ZAHER HMEDAT</td>
<td>Board of Directors member</td>
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<td>Mr NUSFAT KHUFASH</td>
<td>Board of Directors member</td>
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<td>Mr MAJDI ELSALEH</td>
<td>Board of Directors member</td>
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<tr>
<td>Mr OSAMA HERZALLAH</td>
<td>Director General</td>
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<tr>
<td>Mr YAHYA ALSALQAN</td>
<td>IT expert</td>
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<tr>
<td>Ms BUTHAINA SALEM</td>
<td>Legal expert</td>
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<td>Mr RAED ABU ROUK</td>
<td>Act expert</td>
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</tbody>
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*Attended only the first day of the study visit.

ILO contact

Ms Ursula Kulke
Senior Social Protection Specialist
ILO Regional Office for the Arab States
kulke@ilo.org

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http://iloglobalprogramme.social-protection.org

AND FOLLOW US ON
https://twitter.com/soc_protection
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