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Good Practices in Social Security

Good practice in operation since: 2006

The Unified Law of Insurance Protection Extension for the Gulf Cooperation

A case of the General Organization for Social Insurance
et al.

Winner of the ISSA Good Practice Award – Asia and the Pacific competition 2009

General Organization for Social Insurance
Saudi Arabia

Summary

In its effort for more cooperation, the supreme council of the Gulf Cooperation Council (GCC) States foresaw the need for social tranquility for the council state citizens working outside their home states. Therefore, a working group of specialists was formed from the social security agencies, as well as from the Executive Office of the Council of Ministers of Labor and Social Affairs of the Council States. This working group was assigned to come up with the most appropriate option to achieve the goals of the supreme council. Finally, and after considering different options, the working group concluded that each council state should be committed to extend the coverage of insurance protection for its citizens working in any council state. This should be done in accordance with the rules provided in what was then the draft of the Unified Law of Insurance Protection Extension for the Gulf Cooperation Council State Citizens Working outside their Countries in any of the Council State Members. This draft has been approved by all GCC states and implementation of this law started on 1 January, 2006.

CRITERIA 1:

What was the issue/problem/challenge addressed by your good practice?

Before the law was implemented, any GCC state national working in any other GCC state did not have social insurance coverage. This has created a large group of vulnerable citizens, which in turn has led to more poverty susceptibility and limited the exchange of expertise and professionals among the GCC countries.

CRITERIA 2:

What were the main objectives and the expected outcomes?

The main objective was the extension of social security coverage to citizens of any GCC state who are working in any other GCC states. The expected outcomes of this law vary on different levels. At the workers level, a large unprotected group of citizens is now covered against old age, disability and death. Also, workers will become more intrigued to peruse better employment opportunities in other GCC states. At the GCC economies level, the law increased labor mobility among GCC states, which allowed transfer of knowledge and expertise easily, driving more economic growth and less unemployment rates. On top of that, the law is expected to lead to more integration and cooperative economic initiatives among the GCC states. On the social insurance institutes level, the approach is expected to be implemented efficiently and effectively.

CRITERIA 3:**What is the innovative approach/strategy followed to achieve the objectives?**

The approach undertaken by this law is that each social security institution should be committed to extend the coverage of insurance protection for its citizens working in any of the GCC states. The institutions of the hosting country will act as liaisons of the institutions of workers' home countries. Therefore, the need for creating offices in other GCC states was overcome by this innovative approach.

CRITERIA 4:**Have the resources and inputs been used in an optimal way to implement the practice?**

In implementing the law, there was no need for:

- creating offices in all GCC states hence utilizing the integration between social security institutions in the GCC states;
- hiring new staff to handle the process: the current staff is trained to handle those cases;
- the implementation of the law is monitored by a permanent committee formed from the social security institutions in the GCC states.

Without any doubt, the benefits of implementing this law exceed by far any cost thereof.

CRITERIA 5:**What impact/results have been achieved so far?**

- More covered citizens.
- Less poverty incidents.
- Less unemployment rates.
- More labor movement and exchanges of expertise.
- Economic growth for all GCC states.

CRITERIA 6:**What lessons have been learned?**

The law required social insurance institutions in the GCC states to have basic understanding of the laws, regulations and practices of all other social security institutions in the GCC states,

which helped in expanding the horizon of the staff in each social security institution in the GCC states. Moreover, there has been some observable sharing of knowledge and experiences among social security institutions in the GCC states which sometimes went beyond the Unified Law of Insurance Protection Extension for the Gulf Cooperation Council State Citizens Working outside their Countries in any of the Council State Members.

CRITERIA 7:

To what extent would your good practice be appropriate for replication by other social security institutions?

The law is very simple and very replicable. The only required aspect is the willingness of countries to cooperate with each other. Most often, it will not require new legislations, but rather the extension of the current legislation. Also, it will not incur much cost, which makes it affordable, and certainly cost effective. Moreover, if implemented properly, the results are guaranteed and the possibility of failure is very limited.