

# Non-contributory social protection through a child and equity lens in Saudi Arabia<sup>1</sup>

International Policy Centre for Inclusive Growth (IPC-IG)

**The Kingdom of Saudi Arabia** is the largest Arab State in the Persian Gulf region. Along with other Member States of the Gulf Cooperation Council, Saudi Arabia's rapid economic growth contributed to significant social advancements. The country achieved most of the Millennium Development Goals and a very high Human Development Index of 0.847—the second highest in the region after Qatar. Despite considerable progress, regional and gender disparities are important social concerns that have yet to be addressed. Saudi Arabia's total population stands at 32.2 million, of whom 9.6 million (29.8 per cent) are under 18 and 2.9 million (9.2 per cent) are under the age of 5, according to estimates for 2016. In 2016, migrant workers and their families, as well as Syrian and Yemeni refugee communities, accounted for a third of the country's population (11.7 million people).

The recent drop in revenues from oil sales in the aftermath of the global financial crisis pushed Saudi Arabia towards a series of reforms. Saudi Vision 2030 introduced a set of plans to increase economic opportunities and improve social protection, aiming to alleviate the impact of energy subsidy reforms. However, limited data availability on poverty in Saudi Arabia is still a major barrier to developing schemes that respond to the needs of the population: the country has no official poverty line, which is crucial for the monitoring and evaluation of the pro-poor policies outlined in Saudi Vision 2030. Female migrant domestic workers and other immigrants are most likely to be among the most vulnerable groups in Saudi Arabia's society, yet they are rarely considered in government interventions.

Saudi Arabia has a well-established social security system comprising two national insurance funds available to public- and private-sector employees. School education and health care are provided free of charge, although recent assessments showed that non-Saudi children or children without a residence permit have been facing challenges when it comes to access to free health care or education at public schools. For women, especially adolescents and young adults, challenges persist: low employment rates render access to social security more difficult, and youth unemployment rates are significantly higher among women (at 58 per cent) than among men (22 per cent). As the government aims to accelerate the phasing-out of energy and water subsidies, public authorities have identified the need to provide a more comprehensive social support system for Saudi low-income households.

In 2016 the Ministries of Labour and of Social Affairs were merged, and the newly established entity is the leading actor when it comes to social assistance in the country. Earlier, in 2006, a Social Security Law introduced the Supplementary Support Programme (SSP), a financial assistance programme for impoverished households as well as orphans, people with disabilities, elderly people (if not entitled to a retirement pension) and unsupported families. Only Saudi citizens with permanent residence in the country are eligible, and benefit levels are calculated based on household composition (wives and children). Benefit transfers are capped at SAR5,000 for a family with 15 members. Further, low-income households are also eligible for a

one-time payment limited to SAR30,000. The cash transfers for both components of the programme currently benefit 877,000 Saudi households, reaching 2.4 million people in the country. According to the 2013 Household and Expenditure Household Survey, average monthly expenditure in the Riyadh administrative region amounts to SAR18,470 for a family of 6.9 members. Although data are not disaggregated by income, contrasting SSP benefit levels with the average expenditure levels in Riyadh suggests that SSP benefits might be insufficient to fulfil families' basic needs.

Saudi Vision 2030 aims to integrate Saudi Arabia's social assistance system into the Citizen's Account Programme, the country's new strategic approach to addressing poverty and vulnerability. In addition to the overall target of improving coordination between the health care, housing, education, social security and social development systems, the government announced the introduction of a Household Allowance to compensate for reductions in the universal energy and water subsidies planned for 2017–2020. All SSP beneficiaries are automatically eligible for the new allowance, while new members will be assessed according to household composition and income. The programme will be launched before price adjustments are made.

In 2009 the government established *Hafiz*, a monthly cash assistance programme to support job-seeking Saudi citizens aged 20–34. The support is provided for up to one year, conditional upon participating in training sessions and attending job interviews. In 2012 more than 1 million Saudis benefited from *Hafiz*, more than 80 per cent of whom were women. The National School Feeding Programme benefits children at public schools and reached 2.1 million pupils in 2011. Charity organisations supported by both public and private donations are also relevant providers of social assistance, covering both nationals and immigrants. In 2016 the Saudi government provided SAR500 million to non-governmental and religious institutions.

As outlined above, Saudi Vision 2030 proposes measures that, if implemented effectively, can improve the well-being of the most vulnerable members of society, including children. However, existing social protection and anti-poverty mechanisms face important challenges, such as limited data availability and in-depth knowledge about poverty rates, limiting the targeting efficiency of programmes. Lastly, fragmentation of different government initiatives, limited monitoring and evaluation instruments and restricted service provision for non-nationals are prominent issues that need to be addressed.

**Note:**

1. This One Pager is taken from a comprehensive study developed in partnership between the IPC-IG and UNICEF MENARO. All data are thoroughly referenced in the full report:

Machado, A. C., C. Bilo, R. G. Osorio, and F.V. Soares. 2018. *Overview of Non-contributory Social Protection Programmes in the Middle East and North Africa (MENA) Region through a Child and Equity Lens*. Brasília and Amman: International Policy Centre for Inclusive Growth and UNICEF Regional Office for the Middle East and North Africa: <<https://goo.gl/QfmKwK>>.