

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

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**Oman is located on the south-eastern edge** of the Arabian Peninsula, bordering Saudi Arabia, the UAE and Yemen. The country is part of the six high-income Gulf nations and has a population of approximately 4.5 million, of which 1.1 million (25 per cent) are under the age of 18 and 0.4 million (9 per cent) are under the age of 5. Fertility rates declined from 7.2 in 1990 to 2.7 in 2015. Due to a high volume of immigration, only slightly more than 50 per cent of the total population are Omani nationals.

Poverty estimates for Oman are not publicly available. However, its Human Development Index (HDI) of 0.796 classifies it as a high human development country. Oman's HDI lies above the Middle East and North Africa (MENA) region's average of 0.704, placing the country 52<sup>nd</sup> out of 188 countries in 2015.

Oman provides (almost) free universal medical care to its citizens.<sup>2</sup> Total health expenditure accounted for 3.6 per cent of gross national product (GDP) in 2014, which is lower than the MENA average of 5.3 per cent. Stunting occurs in 14.1 per cent of children under the age of 5, and 9.7 per cent of all children under the age of 5 are underweight.

The country provides free education up to the end of secondary school, and about 13 per cent of government expenditure was made available to the Ministry of Education in 2015, compared to an average in the MENA region of 14.2 per cent in 2008. Although school is compulsory up to a basic level, net primary-school enrolment rates declined from 96.6 per cent in 2012 to 94.3 per cent in 2015. While there is no significant gender disparity in primary-school enrolment, fewer boys than girls are enrolled in secondary education (90.2 per cent vs. 98.9 per cent). Overall, 68.3 per cent of school-age children are developmentally on track in at least three of the following four domains: literacy-numeracy, physical, social-emotional and learning.

Oman's 9th Five-Year Plan (2016–2020) focuses on economic diversification, development of the private sector and enhancement of welfare and social benefits. It is the last of the series of five-year plans developed within Vision 2020, which aimed to improve the population's living standards and to achieve equality between individuals and between the country's different regions. After the 2011 protests in the region, public spending on social services increased, notably on allowances for university students and job seekers.

Oman's social insurance system is administered by the Public Authority for Social Insurance and includes private-sector pensions for elderly people, those with chronic injuries and disabilities and orphans, as well as marriage and death grants. Although short-term benefits exist for temporary migrant workers, most benefits target Omani nationals. In addition to the social insurance system, the Government of Oman provides several non-contributory benefits.

As in many other countries in the region, subsidies account for a high proportion of government expenditure, allowing the population to purchase food, electricity and fuel at subsidised prices. In 2013 the government spent a total of USD833.5 million on energy and USD72.5 million on food subsidies. The subsidies for several food items were reduced by 48 per cent in 2015 following a slump in oil prices. Given the high cost of subsidies and the decline in crude oil production, the International Monetary Fund (IMF) recommended the introduction of subsidy reforms to finance more targeted programmes for poor households.

The Ministry of Social Development is in charge of providing social welfare, family development, supervision of community associations and support services. It also offers unconditional cash benefits (social security benefits) to several vulnerable groups, including orphans, elderly people, those with disabilities, and abandoned families with no male family member. In 2013, expenditures on these programmes amounted to USD337 million. These benefits reached 84,644 individuals in 2015. A mixture of means-testing and categorical targeting is used, and the benefit level depends on the size of the family.

The Ministry also provides social aid services and emergency assistance to support poor families in the event of natural disasters, fire or special medical needs. Benefits are provided in cash or in-kind and include housing benefits and educational scholarships. The decision to grant assistance is determined on a case-by-case basis. In 2015, 2,215 individuals benefited from this programme.

Despite positive human development indicators, limited data availability makes it difficult to evaluate Oman's social protection system and the extent to which it reaches the most vulnerable children. There have been recent improvements in legislation such as the adoption of the Child Law in 2014, the Social Housing Law in 2010, the Comprehensive Social Insurance Law in 2013 and the Labour Protection Law in 2011. Also, non-contributory benefits offered by the Ministry of Social Development represent a step towards greater coverage by targeting families in need and increasing benefits according to household size. However, it is an increasing cause for concern that almost half the population are non-Omani, with limited access to social protection schemes.

## Notes:

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*. Brasilia and Amman: International Policy Centre for Inclusive Growth and UNICEF Regional Office for the Middle East and North Africa: <<https://goo.gl/QfmKwK>>.
2. A small fee was introduced in 1996 to decrease the burden on the government budget.