

# Oman: Design, implementation and child-sensitivity of social protection responses to COVID-19<sup>1</sup>

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This One Pager is part of a series based on the report 'Social protection responses to COVID-19 in MENA: Design, implementation and child-sensitivity', developed in partnership by the IPC-IG and UNICEF MENARO (Bilo, Dytz, and Sato 2022). The study reviewed the design and implementation features of the social assistance measures implemented in the Middle East and North Africa (MENA) region up to the end of March 2021, and the extent to which they took children's needs and vulnerabilities into account.

As part of the Gulf Cooperation Council (GCC), the Sultanate of Oman was profoundly impacted by the drop in oil revenues due to low prices and the decrease in exports in 2020. Oman's gross domestic product (GDP) contracted by 3.2 per cent in 2020 (World Bank 2020). Like other countries in the GCC region, migrant workers constitute a large part of the population in Oman (38 per cent in 2022) (National Centre for Statistics & Information 2022).

Up to the end of March 2021, the IPC-IG mapping of social protection responses to COVID-19 in the Global South<sup>2</sup> identified six government-provided responses in Oman: two social assistance, two social insurance and two labour market interventions. While a number of social assistance programmes were already in place in Oman, they were not expanded during the pandemic to address additional shocks faced by households. Instead, the focus was on the provision of subsidies.

The first response was the *Salat Al khair* initiative, which was launched during Ramadan and consisted of a food subsidy: the Public Authority for Consumer Protection launched a food basket sold at supermarkets for a subsidised price of OMR9.40–9.90 (USD24.40–25.70)<sup>3</sup> for vulnerable families. The second initiative was also related to a subsidy and consisted of extending the eligibility criteria for the National Fuel Support Card, to allow low-income Omani workers whose salaries had been reduced due to COVID-19 to receive a subsidy on fuel each month.

In addition to the social assistance responses, other measures included the expansion of services covered by health insurance schemes, to include COVID-19-related treatments, and flexibility in the payment of social security contributions by employers, employees and self-employed workers. It is noteworthy that expatriate workers were legally allowed to benefit from the expansion of health services, and even those previously without health insurance or sponsors were offered free treatment for COVID-19. Moreover, the country introduced its first ever unemployment scheme, creating a single fund for all formal Omani workers in all sectors—a major step towards the expansion of social security

The assessment conducted by the IPC-IG and UNICEF was limited to cash, in-kind and school feeding interventions; therefore, the subsidies adopted by Oman were not included in the analysis. It is essential to highlight though that, besides social assistance, other types of social protection programmes

that do not explicitly include child-related features in their design can have indirect positive effects on children, but they were not assessed here.

Based on the analysis of the social assistance responses to COVID-19, some of the key lessons learned for Oman in terms of shock-responsive and child-sensitive social protection are the following.

- Subsidies, particularly universal, untargeted subsidies, are potentially regressive tools of social protection. Further assessment of the impact of the subsidies adopted by Oman during the pandemic is recommended.
- Existing social assistance responses—especially cash transfers—should be enhanced with clear child-sensitive features, to be vertically and horizontally expanded in future shocks, if needed.
- Further efforts should be made to increase the availability of data on the coverage and impact of existing social assistance programmes, to make it easier to assess them.
- It is recommended to examine the feasibility of extending the national social protection system to foreign workers and their families, who represent a major part of the country's population and are potentially more vulnerable than Omanis to shocks and crises. Proactive outreach and enrolment will be required to identify vulnerable households/individuals in remote areas and urban settlements.
- The expansion of the social protection system in Oman should be accompanied by further efforts to increase the fiscal space for social protection and secure sufficient funding, especially with the expected decrease in oil revenues.

In mid-2020, the Sultanate of Oman initiated a reform of the social protection system, in line with Vision 2040, which represents a significant opportunity to address some of these recommendations.

## References:

Bilo, C., J.P. Dytz, and L. Sato. 2022. "Social protection responses to COVID-19 in MENA: Design, implementation and child-sensitivity". *Research Report*, No. 76. Brasilia and Amman: International Policy Centre for Inclusive Growth and United Nations Children's Fund Middle East and North Africa Regional Office.

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World Bank. 2020. "GDP growth (annual %) - Oman." World Bank website. <<https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=OM>>. Accessed 14 July 2022.

## Notes:

1. For the full list of references and a description of all social protection measures mapped, see the full study.
2. See: <<https://socialprotection.org/social-protection-responses-covid-19-global-south>>.
3. All values in US dollars at the exchange rate of 6 April 2022.