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# Community Development

How GCC Social Reforms Are Poised to Protect and Develop Local Communities



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## How GCC Social Reforms Are Poised to Protect and Develop Local Communities

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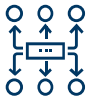

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The landscape of social services and benefit systems is rapidly evolving, influenced by global trends such as demographic shifts, technological advancements, changing economic conditions and shifts in citizens' lifestyles and priorities. These trends require changes across the social sector, for example, to make education more digital, social security schemes more adaptable, and pension systems financially sustainable. Addressing these trends is crucial for maintaining effective and responsive social support systems in a dynamically changing world.

Discover how we can assist in shaping communities and social services for the future. Our approach includes developing proactive strategies that anticipate challenges, designing innovative policies for enhanced well-being and ensuring tailored support for individuals' needs while looking at the sector in a holistic and integrated manner and engaging and empowering the community.

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## The Scope of the Challenge

National social services and benefit systems are being impacted by global trends, such as shifting demographic structures, technological advancements, changing economic contexts, and the evolving lifestyles and priorities of citizens. These trends will require changes across all areas of the social sector – for example, education will need to become more digital, social security schemes more flexible, and pension programs more financially sustainable. Countries in the Gulf Cooperation Council (GCC) are among those searching for sustainable and strategic ways to respond to these trends and move their societies forward. To find a path aligned with their ambitions, GCC countries will need to take an integrated approach, prepare and plan holistically, and continuously monitor the social effectiveness of their interventions.

There are models for taking on these challenges, and some are more effective than others. The United Nations Sustainable Development Goals set the bases for improved social outcomes such as poverty and hunger eradication, good health and well-being, quality education, gender equality, decent work, reduced inequalities, and sustainable communities. And while many countries have responded in an ad hoc, reactive way, firefighting issues as they arise, a few countries have taken more planned and comprehensive approaches that may provide a guide. Singapore and Australia, for example, have created cross-sectoral, forward-looking plans for their social sectors. Singapore's National Council of Social Services

developed a comprehensive roadmap for the country's social services, and in Australia, local councils are developing community development strategies for their jurisdictions, tying together education, health, housing and other social issues.

While reactions in GCC countries have often been well-designed in specific areas, challenges remain and an integrated approach remains elusive. Take benefit and support schemes as an example. In KSA, the Citizen's Account Program, a cash transfer program established in 2017 to protect families from the expected direct and indirect impact of various economic reforms, has been extended in 2024 in its current mechanism along with the provision of additional support to its beneficiaries for a full year; and other social welfare programs are being reformed to address current shortcomings. In 2022, Qatar decided to increase contribution rates and raise the early retirement age to bolster the financial sustainability of its social security program. There has been a transformation in social services such as education, healthcare and housing as well. KSA is reforming its health sector with a focus on improving access, modernizing facilities and equipment, and enhancing the role of private-sector investment. And in 2022 the UAE started systematic reform efforts to improve state schools, early childhood development and youth education.

Even so, the region has no shortage of examples of detailed plans that foundered upon implementation: generous benefits schemes that did not incentivize work, for example; or detailed plans that stumbled

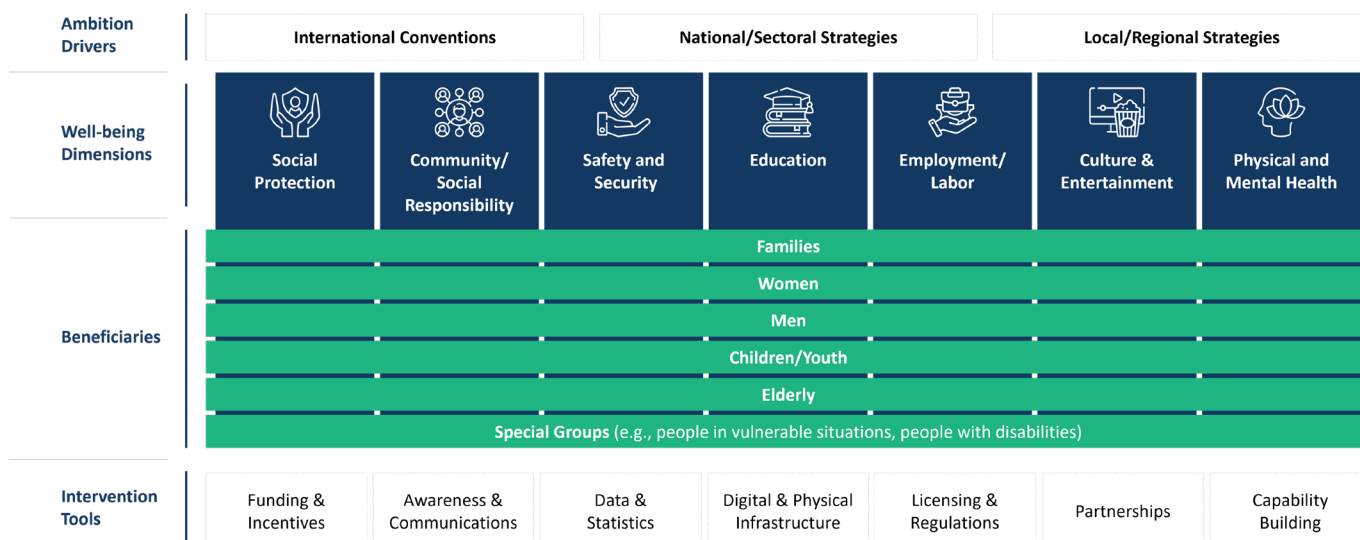
because of poor-quality delivery, particularly in areas like healthcare or education; or roadblocks or inefficiencies caused by overlapping or contradicting priorities among different authorities.

Why? Because these community development programs take place in a complex matrix. Successfully navigating them from design through implementation requires alignment with international, national, sectoral, regional and even local drivers. The full range of dimensions should be considered, from social protection to culture and others, across all beneficiary segments, from families to special groups. Finally, the various types of intervention, from funding to infrastructure and others, should be factored in (Figure 1).

A deeper understanding of programs that take on social protection and community/social responsibility, two primary well-being dimensions, will provide

insights into the challenges and opportunities in charting an efficient, effective and sustainable course. Modernizing social protection systems and augmenting their operational frameworks will require attention to vulnerabilities and empowering beneficiaries to take on more active and productive roles. Enhancing community and social responsibility means drawing in all stakeholders, which not only reduces the government burden, but also taps into the breadth and wealth of experience and expertise of diverse networks to take on these complex challenges. And while much has been done in the GCC to address diverse beneficiary groups, for example, tackling these challenges requires continued work to identify and address areas of inequality and gaps in the comprehensiveness and adequacy of their corrective programs.

**FIGURE 1: FTI DELTA'S FRAMEWORK FOR COMMUNITY DEVELOPMENT**



## Social Protection

Social protection policies and programs target specific social vulnerabilities like poverty and unemployment, exclusion, sickness, disability, and old age. They come in two forms: contributory and non-contributory. In **contributory** programs, individuals or employers make contributions during their working years and receive benefits when they encounter specific life events or circumstances, like retirement, illness, and disability. Notable examples are social security, pension plans and workers' compensation. In countries with economic models that entail low or no taxation on wages for nationals and non-nationals, like GCC countries, **non-contributory** programs are provided

to eligible recipients based on needs rather than prior contributions. Key categories for non-contributory programs are financial support, educational support, healthcare support, housing support, work and employment support, family support (e.g., counselling to abused children) and social care support (e.g., personal assistance to people with disabilities).

Many countries have found social protection programs effective in addressing poverty and inequality and in empowering individuals to become productive members of society and break the cycle of poverty. Mexico's cash transfer program, Prospera, is a good example. With its three components (nutrition, health, education) and four lines of action (productive inclusion, labor market insertion, financial inclusion,

social inclusion), Prospera had served over 6 million families by the end of FY2014, decreasing poverty and extreme poverty significantly (from 69% to 53% and from 37% to 21%, respectively, over a period of 20 years since inception in 1995). So, too, Brazil’s Bolza Familia program, recognized as one of the largest cash transfer programs globally, benefitted over 20 million families by March 2023. And this program has made a difference: According to the World Bank, by 2015, the percentage of the population living below the international poverty line had decreased by approximately 7 million people.

A closer look at non-contributory programs, which are more relevant to the GCC, shows that they vary in delivery across countries and are distinguished by three main characteristics:

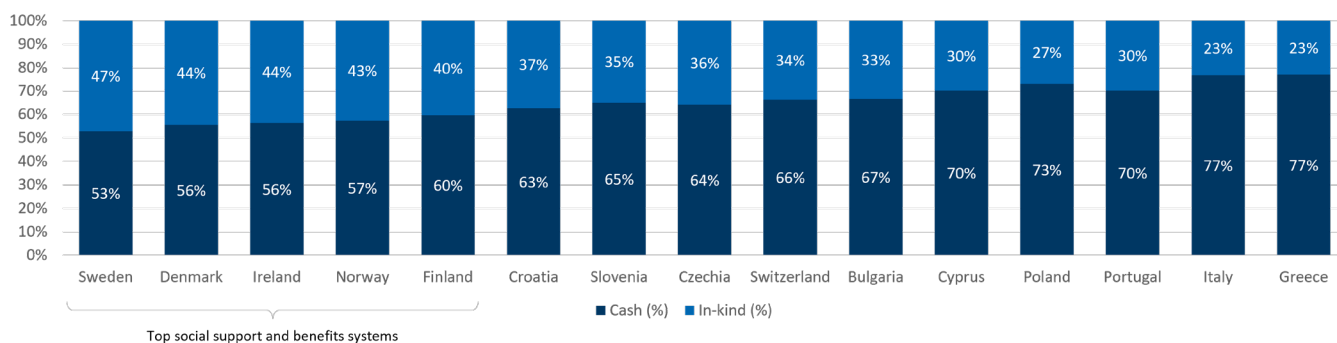
**1. Benefit type:** Advanced social protection systems tend to adopt more in-kind programs to ensure that benefits are used for the right purposes; in contrast, GCC countries focus more on cash support (Figure 2). The type of program and the risks that are being addressed also matter: for example, while financial support is clearly cash, housing is primarily in-kind support, as governments aim to ensure that recipients access secure and stable living conditions

and minimize the possibility of funds being misused for unintended purposes (Figure 3).

**2. Eligibility:** Advanced social protection systems often employ targeting mechanisms to assess eligibility and minimize inclusion errors, such as means tests, functional assessment for people with disabilities, and site visits. Means-testing is widely used in cases where eligibility cannot be clearly identified (e.g., through age or employment status or disability level), notably in housing and family assistance programs, to guarantee that assistance is directed towards individuals genuinely in need while avoiding disincentives to workforce participation (Figure 4).

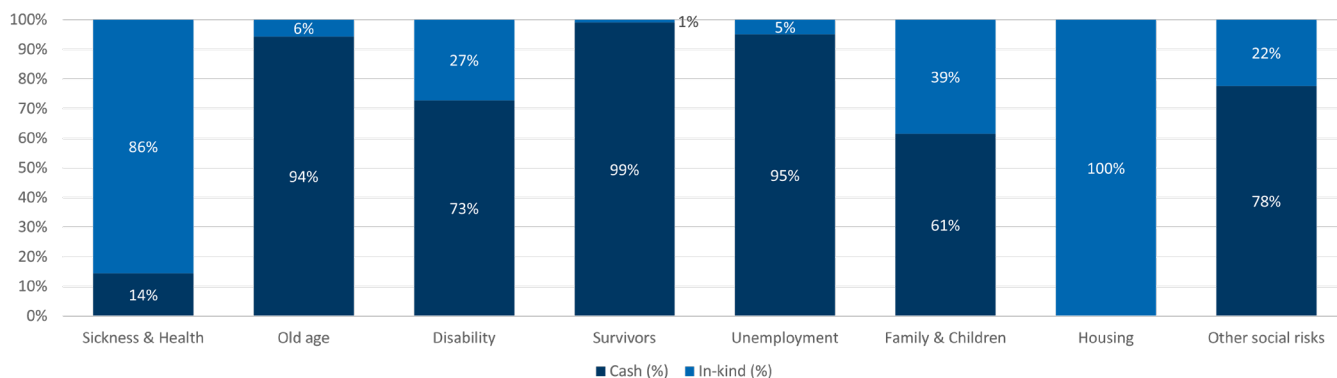
With limited data availability, technological infrastructure and comprehensive assessment tools, GCC countries must use rudimentary targeting mechanisms to effectively identify and assist vulnerable populations. For example, many GCC countries lack a centralized information system that comprehensively captures all forms of household income such as local income, foreign income and income from financial assets. So, eligibility for support programs with income - related

**FIGURE 2: SOCIAL SUPPORT AND BENEFITS SPENDING FOR EU-27 (IN-KIND VS. CASH TRANSFER AS % OF TOTAL) – 2021**



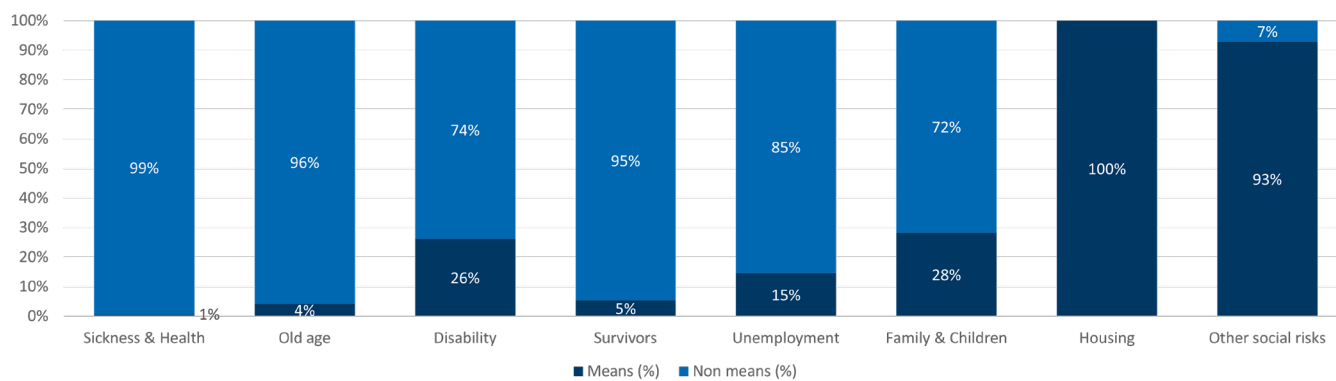
Source: Eurostat

**FIGURE 3: SOCIAL SUPPORT AND BENEFITS SPENDING FOR EU-27 (IN-KIND VS. CASH TRANSFER PER TYPE OF SUPPORT AS % OF TOTAL) – 2021**



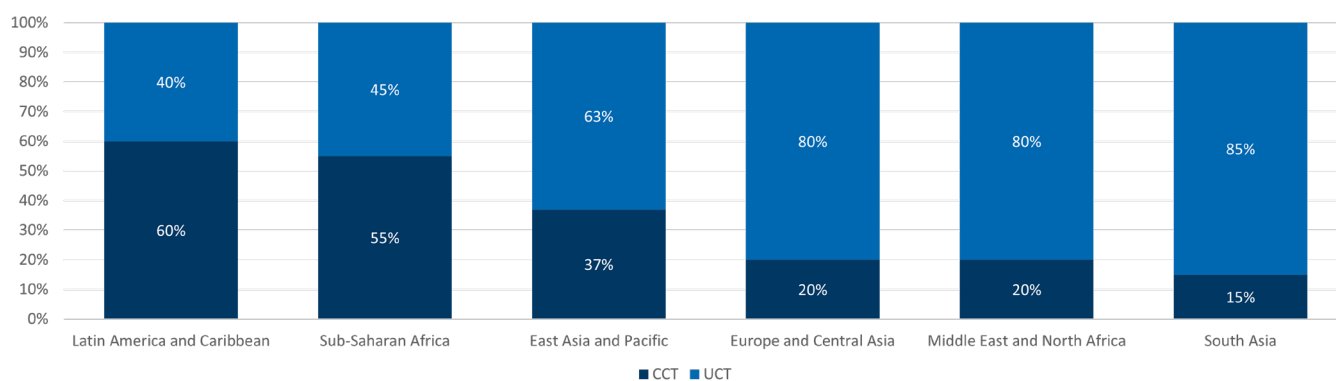
Source: Eurostat

**FIGURE 4: SOCIAL SUPPORT AND BENEFITS SPENDING FOR EU-27 (MEANS VS. NON-MEANS TESTED PER TYPE OF SUPPORT AS % OF TOTAL) – 2021**



Source: Eurostat

**FIGURE 5: SOCIAL SUPPORT AND BENEFITS SPENDING (CONDITIONAL VS. UNCONDITIONAL PER TYPE OF SUPPORT AS % OF TOTAL) – 2015–2021**



Source: ASPIRE – World Bank (Figure shows statistics based on 112 countries)

criteria is verified through on-site visits and relies on information provided by households themselves. As a result, certain individuals or groups are underserved, and others included though not warranting assistance.

- 3. Conditionality:** Some countries are increasingly demanding additional prerequisites for beneficiaries to access government support, such as ensuring children attend school regularly, receive routine health check-ups and participate in community activities (Figure 5). In fact, these countries see these more holistic programs as a way to **invest in long-term human capital development**. Successful programs — Egypt’s Takaful program and Morocco’s Tayssir program, for example — are aligned with national social policies related to education, healthcare and community services, highlighting the importance of an integrated approach. Nevertheless, use of these programs remains limited across the MENA region, and especially in the GCC countries.

As GCC countries move to modernize their social protection systems and enhance their operational frameworks, they must strive to address existing vulnerabilities while simultaneously fostering the empowerment of individuals to become active and productive members of society.

Drawing lessons from where social protection programs have been designed and implemented successfully, creating such programs means:

- Implementing various forms of support** and adopting innovative design characteristics
- Using efficient targeting mechanisms** such as means-testing to minimize inclusion errors
- Introducing conditionalities** as a means of long-term human development in line with efforts and needs within other well-being dimensions
- Ensuring the right enablers are in place**, including an integrated case management system

# Community / Social Responsibility

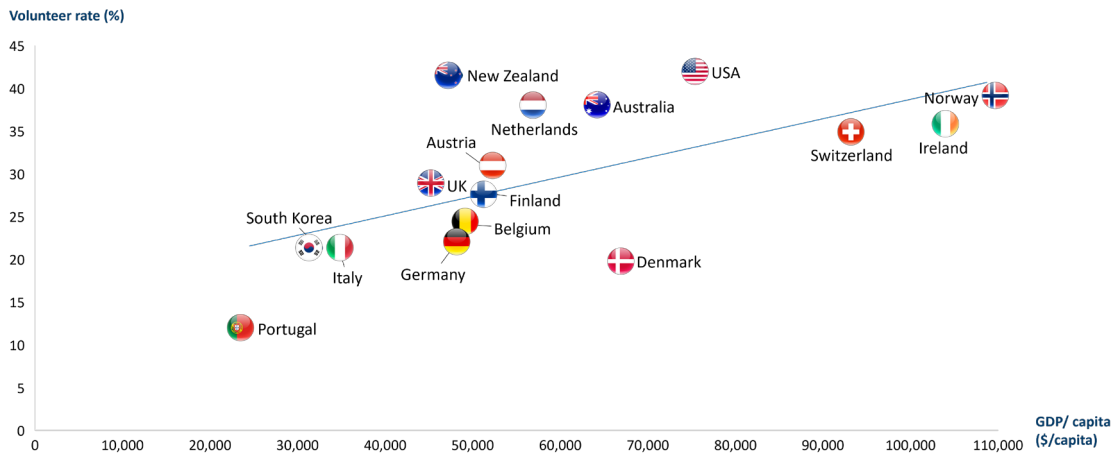
The term “community and social responsibility” refers to the ethical obligation of individuals and organizations to contribute positively to the welfare and improvement of society as a whole. It involves recognizing the interconnectedness between individuals and the communities they inhabit and entails actively engaging in initiatives that benefit the community, such as volunteering, supporting local businesses, participating in community events, and advocating for social justice and equality. It also extends this concept to organizations, emphasizing their duty to operate in a manner that benefits society beyond their primary economic objectives. Socially responsible businesses strive to integrate environmental, social and governance (ESG) considerations into their operations and decision-making processes. This includes implementing environmentally sustainable practices, promoting diversity and inclusion in the workplace, ensuring fair labor practices, and contributing to community

development through philanthropy and corporate social responsibility (CSR) programs.

Unlike social protection schemes, efforts to build community and social responsibility involve complex interactions among diverse stakeholders as well as subjective perspectives and experiences, which makes impact assessment difficult. Nevertheless, communities characterized by high levels of social responsibility experience greater social cohesion, increased levels of trust, and higher resilience to shocks. Additionally, social responsibility initiatives address pressing economic issues such as poverty and inequality. Thus, an observable trend reveals a positive correlation between a country’s volunteering rate and its GDP per capita and a negative correlation between a country’s donation rate and income inequality (Figures 6 and 7).

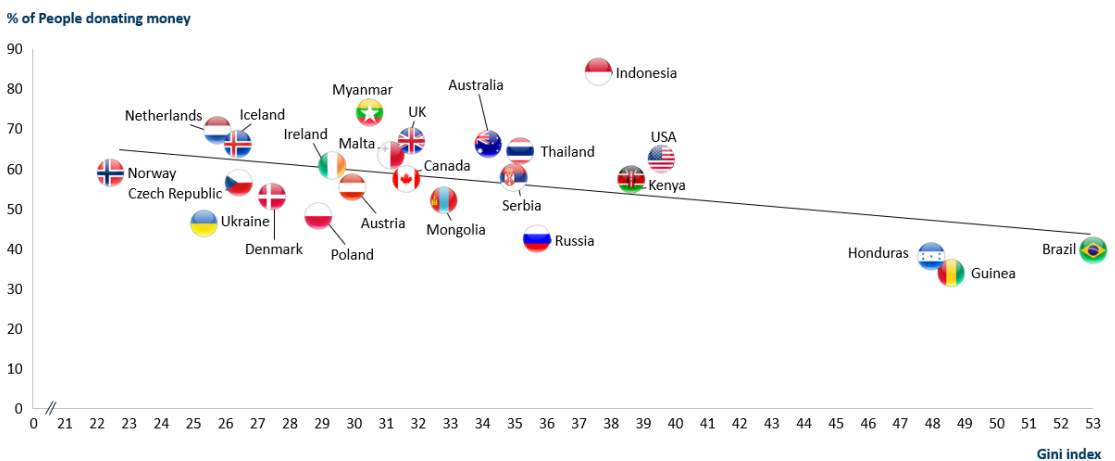
In the realm of community and social responsibility, four broad groups of stakeholders are increasingly playing pivotal roles in driving progress: **benefactors, intermediaries, beneficiaries, and governments** (Figure 8).

**FIGURE 6: VOLUNTEERING POPULATION PERCENTAGE VS. GDP PER CAPITA**



Sources: Johns Hopkins Center for Civic Society Studies, World Bank

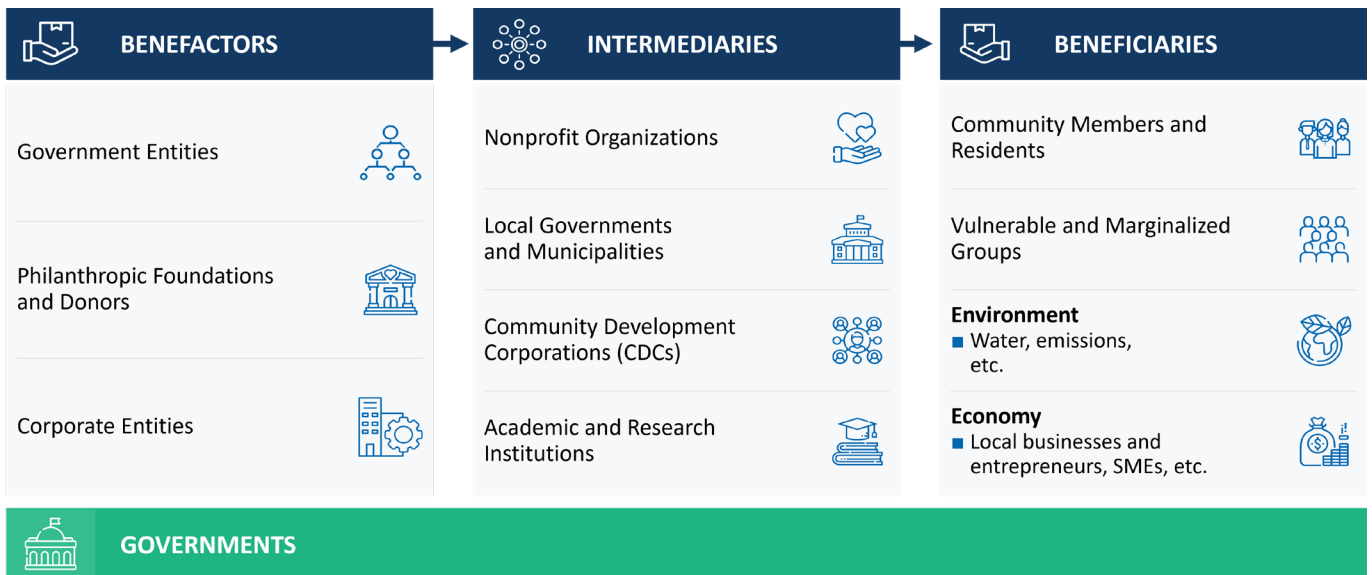
**FIGURE 7: PERCENTAGE OF PEOPLE DONATING MONEY VS. GINI INDEX**



Sources: Charities Aid Foundation, World Bank



FIGURE 8: COMMUNITY AND SOCIAL RESPONSIBILITY STAKEHOLDERS



1. While traditional philanthropy has often been characterized by unconditional giving, **benefactors** are adopting more strategic, data-driven and results-oriented approaches to philanthropy to maximize the impact of their philanthropic investments. For example, more benefactors are now exploring **impact investing** as a means to generate financial returns while creating positive social and environmental impact. According to the Global Impact Investment Network, impact investment AUM grew at a CAGR of 18% between 2017 and 2022. So, too, the use of **data and evidence** to inform benefactors' decision-making processes, to monitor progress, and to evaluate the impact of their investments. The World Bank, for instance, employs rigorous monitoring and evaluation (M&E) systems to assess the impact of its development projects and programs.
2. **Intermediaries** are increasingly engaging in **root-cause intervention strategies** to address underlying issues contributing to social problems and create systemic change. An example of this trend is the Global Health Program of the Bill & Melinda Gates Foundation, which goes beyond providing medical treatment for diseases in developing countries to invest in sanitation, vaccines and access to clean water, among other initiatives. Intermediaries are also increasingly fostering cross-sector partnerships and collaborations among nonprofit organizations, government agencies, businesses and communities, and engaging in advocacy and policy efforts to advance systemic change and influence public policies. Notable among intermediaries for this work is Doctors Without Borders, which conducts advocacy campaigns in Canada, pinpointing areas where Canadian policymakers and agencies can address some of the obstacles that hinder access to healthcare and medicine for those affected by conflict and crisis worldwide.
3. **Beneficiaries** are increasingly seeking to play a more **active role in decision-making processes** that affect their lives and communities. For example, women in informal settlements in India participate in meetings and surveys conducted by Mahila Housing SEWA Trust (MHT) and provide their housing preferences, infrastructure requirements and sanitation concerns, which helps MHT design and implement housing and sanitation projects that meet their specific needs and priorities. In Porto Alegre, Brazil, citizens have a direct say in how municipal budgets are allocated through a participatory budgeting process, whereby residents attend community meetings, discuss priorities and vote on how public funds should be spent.
4. **Governments** also have a crucial role to play. They drive effective stakeholder dynamics by planning, regulating, funding, incentivizing, promoting, training, and coordinating activities. On the regulatory side, governments set standards for the registration, reporting and governance of nonprofit organizations, regulate donation platforms

to prevent fund misappropriation, and penalize violations, among other things. An illustrative regulation is India’s section 135 of its Companies Act, 2013, which mandates certain classes of profitable organizations to spend a minimum of 2% of the three-year annual net profit toward CSR activities in a particular financial year. On the training side, the Chicago Department of Business Affairs and Consumer Protection launched a nonprofit capacity-building program in January 2023 to empower nonprofit organizations through readiness summits, webinars, workshops, and one-on-one assistance, in response to increased demand during the COVID-19 pandemic. As incentives toward community and social responsibility, governments use both financial and non-financial instruments, such as tax deductions for donations in Germany, the U.S., the UK, Canada, India, Italy and the Netherlands, among others.

As they seek to encourage community and social responsibility, GCC countries have made solid progress. They have established national social responsibility strategies, designed government incentives to promote social responsibility, and directly engaged in philanthropic endeavors. For example, KSA has defined “A Vibrant Society” as one of three pillars in its Vision 2030, with a focus on the third sector, and recently launched the Sakhaa program to find donors to contribute towards projects that are impactful to the community. In the UAE, initiatives like the “Strategy for the Year of Giving” underscore the national commitment to societal advancement through community and social responsibility. Qatar’s CSR National Program, hosted by Qatar University and under the patronage of the Prime Minister since 2015, encompasses diverse endeavors, including research studies, workshops, training courses, lectures, exhibitions and honor awards, to acknowledge CSR accomplishments. Even with these advances, however, key challenges persist in the region, such as the lack of a mature regulatory framework, suboptimal stakeholder orchestration, and opportunities for more impactful incentives.

As GCC countries continue to strive to enhance community and social responsibility, they must build a cohesive ecosystem that empowers all other stakeholders. Doing so not only diversifies sources of funding and decreases the burden on the government, it also leverages the unique expertise, resources and networks of different stakeholders to address complex social challenges more effectively. This entails:

- a. **Empowering other benefactors** such as corporations and donors, to share the responsibility and contribute to social responsibility — this can be done by providing financial and non-financial incentives to benefactors, establishing transparent monitoring systems that allow benefactors to track the impact of their investments, and conducting awareness programs to highlight the benefits of social responsibility participation.
- b. **Empowering intermediaries** which have better capabilities and understanding of needs — this can be done by designing capacity-building programs that (1) equip intermediaries with the necessary skills, knowledge and tools to address root causes rather than merely providing immediate solutions to social challenges, and (2) emphasize the importance of ecosystem collaboration.
- c. **Empowering beneficiaries** to have a more active role — this can be done by soliciting beneficiaries’ input in identifying developmental needs and creating solutions through various participatory methods such as community meetings, focus groups, surveys and participatory mapping exercises.
- d. **Linking those efforts to other social development actions** across other well-being dimensions in order to identify priority sectors that community/social responsibility needs to focus on.



## Tailoring to Different Beneficiary Groups

Social programs, whatever their aims, must connect to and engage with their beneficiaries. But experience indicates that extending social programs across disparate beneficiary groups can often result in a lack of effectiveness and efficiency. For example, in the UAE, discussions around family planning and contraceptives require careful consideration and involve well-trained healthcare professionals and tailored communication due to cultural and religious sensitivities. Similarly, in the UK, a uniform approach to family support services despite differences among beneficiaries, coupled with the predominance of crisis intervention over preventive strategies, led to repeated occurrences of family breakdowns and the need for more intensive, reactive interventions.






A common-basket social program approach can also lead to a lack of social equity, as experienced by the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), the largest social welfare program in India, which provides guaranteed employment to rural households. Although the program was designed to address rural poverty, it did not cater to the unique needs and circumstances of each region, and led to job opportunities that were not adapted to the skills of the local population in some regions.

To address these shortcomings, many countries have created dedicated strategies or programs for specific population groups as a way to protect the rights of each one of those groups.

Whether broadly or narrowly focused, successful programs need to be designed and implemented in an integrated way to account for disparities that necessarily exist even among narrow groups and to engage key stakeholders. While the GCC has shown initiative in developing a range of programs and accounting for diverse beneficiaries, areas of inequality and gaps in the levels of comprehensiveness and adequacy of social protection programs persist, such as those targeting migrant workers.



## Representative Targeted Beneficiary Programs

Beneficiary	Country	Program Example
Families		<p>KSA's National Family Strategy focuses on the importance of the family unit and proposes family-member-specific plans, for children, women, and the elderly. Five fundamental pillars comprehensively cater to families and family members' needs: safety and security, inclusiveness and equality, prosperity and stability, social responsibility, and the preservation of values and identity. Innovative initiatives include:</p> <ul style="list-style-type: none"> <li>— For families, a family financial literacy program and the families' values enhancement center.</li> <li>— For children: a developmental framework for the first 1000 days and a child volunteering program.</li> <li>— For the elderly, continuous learning opportunities and the development of elderly-friendly cities.</li> <li>— For women, programs focusing on STEM fields, sports and leadership, among others.</li> </ul>
Juvenile offenders		<p>The typical strategy for addressing juvenile crimes in many countries consists of fragmented initiatives related to youth, in education and other relevant sectors. Canada took a different path and issued a dedicated strategy focused on juvenile offenses, the Youth Criminal Justice Act (YCJA). Between 1999 and 2010, Canada saw a decrease in the proportion of accused youths being charged, from 63% to 42%. These results were a testament to the Act's tailored focus on rehabilitation and diversionary methods as opposed to formal charging and prosecution, marking a progressive change towards measures that were more rehabilitative and less punitive for young offenders.</p>
People with disabilities		<p>The UAE's National Policy to empower "People of Determination" envisions an integrated community that guarantees their right to a dignified life through six key pillars: healthcare and rehabilitation, education, vocational training and employability, outreach, social protection and family empowerment, and public life, culture and sports. These six pillars establish a comprehensive foundation to address the different challenges of "People of Determination" through tailored initiatives consisting of inclusive education and employment policies, financial assistance programs, social and health care services, accessibility to public services and infrastructure, awareness campaigns, and others. Similar efforts have been noted in Ireland, Canada and Australia.</p>
Beggars		<p>The UK is a good example of a country that developed specific strategies to combat begging (in Darlington, Glasgow, etc.), while other countries/cities have also focused on begging in their homelessness strategy (in Sydney and Denmark). The focus is increasingly on customizing and strengthening the social benefits system and on awareness campaigns to prevent begging, as well as providing support and reinsertion programs after law-enforcement interventions. In the UK and Denmark, this approach results in a low number of arrested beggars (fewer than one per 10,000 people, compared to above two for some GCC countries).</p>
Religious minorities		<p>Singapore upholds religious harmony as a foundational pillar to its unique heritage, and it has focused on integration policies to accommodate the needs of the Muslim community, which comprises 16% of the population, in areas such as education and workplace practices. The impact is evident, as 88% of Singaporean adults stated that Islam aligned with their national culture and values, according to a Pew Research Center study in 2023.</p>

Successful engagement with the broadest range of beneficiaries will require:

- a. Customization of needs assessments:** Conduct a focused needs assessment to understand unique requirements and challenges, which will drive the development of customized social programs designed to cater to the specific needs of each social group.
- b. Demonstration of cultural sensitivity:** Understand cultural sensitivity by honoring the traditions, values and norms prevalent in the diverse communities, which fosters trust and contributes to overall program success.
- c. Empowerment of beneficiary groups:** Focus programs on empowering beneficiary groups by creating awareness, fostering skill development, and providing required support and opportunities.
- d. Ecosystem collaboration:** Work with different local government, private and nonprofit organizations and individuals to leverage the expertise, financial means and networks at hand.
- e. Alignment with national efforts:** Adopt a strategic and coordinated approach to ensure alignment of social programs with the wider national efforts within the country, including those related to other beneficiary groups.



## Conclusion

Countries in the GCC have set themselves ambitious targets to address a range of social challenges, and they have made real progress across a number of dimensions. But regional demographic shifts coupled with global social and economic trends will make continued success more difficult.

To navigate and account for continuous global, regional, national and local change and to preserve and develop their communities and avoid potential deterioration of their well-being, GCC countries need to act now. They will need to approach social and community reform holistically and engage across benefactors, intermediaries and beneficiaries. Moreover, countries must continuously monitor the effectiveness of their social sector interventions, realigning them as circumstances change, to avoid the pitfalls that sometimes, at best, leave the social problems unaddressed, and in some cases actually make things worse.

Based on our experience working with social-sector government entities, countries should consider some best practices as they chart their path forward:

- Develop future-proof plans that anticipate and address challenges in a proactive manner.
- Design innovative policies and programs across well-being dimensions that take into account the latest trends for maximum effectiveness.
- Examine beneficiaries comprehensively to ensure policies and programs address their individual needs.
- Look at the social sector holistically by taking an integrated planning approach, which accounts for interdependencies, optimizes resource efficiency and avoids contradictions.
- Engage and empower the community, both individuals and organizations, from the development of plans to their delivery — effective engagement will increase the sense of community and belonging while leveraging the combined resources of individuals, companies and the third sector.

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