

Past, Present and Future

in the National Insurance System of Israel

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Israel's National Insurance Institute (NII) grew out of a long tradition of Jewish mutual assistance, a variety of voluntary organisations which developed in the pre-State period and the growth of National Insurance in post-war Europe. When the state was founded it became clear that a national solution was needed to meet the needs of all the population as well as the special tasks at hand, such as the absorption of new immigrants. The National Insurance Law (1953) provided contributory benefits for old age and survivors; work accidents and maternity benefits, to which the state added non-contributory benefits for immigrants. Over the years the NII has expanded to provide a wider range of insurance services (unemployment, disability, etc.) and an increase in the level of pensions, which are now linked to the average wage. The NII has become a major force in guaranteeing a minimum income, such as providing supplementary benefits for those with no other source of income and child allowances for large families, and it has expanded its range of services in kind, e.g. through the development of pilot and demonstration projects. Plans for the future include the expansion and consolidation of children's benefits and the establishment of a national pensions authority to develop income-linked pensions for all. By providing statutory benefits and pensions, as of right, instead of charity-based welfare payments, the NII is creating a social infrastructure of a guaranteed minimum income on which other social services can be built.

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