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EXECUTIVE SUMMARY

The concept of human development, adopted in this report, includes the development of human capabilities, maximising the potential for adequate utilisation of these capabilities in respect of various aspects of work and production, together with aspects relating to life enjoyment and use of leisure time, decision making, and effective participation in various socio-cultural and environmental issues. This means, inter-alia, that the concept bears direct affinity to topics of social capital, expressed in terms of social customs, networks and organisations. It also involves environmental concerns pertaining to conservation of natural resources and urges their protection to prevent them from being exhausted or distorted by various forms of pollution.

The report begins by identifying these concepts and highlighting the perception that the concept of human development involves a large number of determinants, variables and closely inter-related elements. The report attempts to identify the most important and quantifiable socio-economic, demographic, institutional, and environmental indicators that could be used in the descriptive morphology of human development and its salient interlinks.

The Second Chapter deals with the relationship between human development and economic determinants. The focus, however, is on macro and sectoral economic achievements and their relationship to issues of employment, human resource development, labour productivity, wages and expatriate labour. In this respect, the reports tries to depict the extent of success

achieved by government policies in optimisation and diversification of sources of gross national product. Furthermore, the report, in this chapter, attempts a detailed identification of the most outstanding economic challenges being faced by Bahrain that necessitate the adoption of new strategies, which include sustaining efficiency in various economic sectors and the labour market in Bahrain. This involves active minimization of dependency on foreign labour and simultaneous maximization of use of Bahraini youth as a labour force under the attendant conditions overshadowed by the qualitative transformations in the structures of various economic sectors and the increasing regional and global competition. The chapter concludes that the comparative advantage of Bahrain, competitiveness, and the ability to preserve continuous economic growth largely and ultimately depend upon the education, training, quality, technological capability and productivity of its labour force.

Concerns in the Third Chapter revolve around issues of health. In this regard, Bahrain has made significant gains, which have secured a high rank for the country in the UNDP Human Development Index. Tangible achievements in respect of health care and trends of health and demographic indicators have been intensively discussed and compared to the situation in other countries.

Bahrain's achievements in this sector are, apparently the direct result of the priority assigned to health programmes since the 1950s, particularly in respect of the health sector's share

in public expenditure.

The chapter also deals with patterns of resource allocation within the health sector, particularly in respect of resources allocated to Primary Healthcare and cost effectiveness of health services. In addition, the chapter addresses various health problems and challenges, such as the emergence of new health problems or the exasperation of existing ones as a consequence of the adoption of a new lifestyle, population changes, or increase in the percentage of the elderly. Obviously, these developments demand a qualitative enhancement of health services, including the use of technologically advanced preventive and curative facilities. This, of course, poses a real added challenge in regard to availability of the necessary financial, material and human resources.

Conceptually, education and training are the most important aspects of human development. Therefore, Chapter Four is devoted to various indicators in this regard. Educational indicators show that a high level of achievement has been made in Bahrain, at least in quantitative terms. Achievements in this respect have equalled or even surpassed those reported in some advanced industrial countries. Moreover, it is clear from the available data, that Bahrain has devoted a lot of efforts in developing its educational system through impressive strategic and operational plans of action. But, in spite of that, the efficiency of education does not appear to be satisfactorily strong, particularly so in relation to the important aspects of knowledge, let alone other aspects pertaining to psycho and mobility make-up.

On the basis of this, the report tries to outline various challenges that face the educational system. These appear to be well-known and acknowledged by decision-makers in this field. However, the problem lies in the formulation, design and application of sound answers to questions posed by such difficulties.

Indeed, this takes us to one of the most challenging problems in the education system of Bahrain, namely, the pattern of employment of Bahraini citizens for whom the State has made available free education and training. Nevertheless, the country is faced with an increasing level of unemployment, particularly among school-leavers and university graduates. This would, in effect, enhance the argument of the irrelevance of education to the real demands of the labour market.

Hence, Chapter Five focuses on issues of employment relating it to economic growth (demand) and output of educational systems (supply). Also, the chapter deals with issues of unemployment, efficiency of labour market and ways and means to promote this efficiency. In this respect, the chapter attempts to outline a proposal to develop an effective system for computerisation of information, activation of employment agencies and promotion of professional training. The objective is to increase the opportunity for employment of Bahrainis without, necessarily, jeopardising economic efficiency.

Chapter Six discusses, in some detail, various Government efforts directed towards the assistance of needy and low-income families. It describes some of the characteristic features of

these families, measures the volume and efficiencies of the Government assistance system and highlights the indispensability of that system to certain social categories such as the elderly and the disabled. Conspicuous among the findings reached and the conclusions derived in this chapter is the one which says that emphasis on mere assistance provision is neither enough nor satisfactory. This is so because such a system is bound to enhance values that foster dependency instead of creating an alternative normative framework that encourages independence and individual initiative. This, indeed, draws attention to the urgent need to switch from limited social care to integrated social development. The latter can feasibly be designed so as to yield meaningful development of societal capabilities, to promote and enlarge available productive capacities, and to create sustainable income-generating productive opportunities for the needy families. This, however, receives more attention in Chapter Nine.

It seems that intensive and careful attention paid by the Government and people of Bahrain to the question of housing, coupled with a relatively longer history of interest in various aspects of housing services have resulted in a virtual elimination of the (otherwise expected) gap between the increasing size of population and the number of actually constructed housing units. Moreover, analysis of various housing indicators reveals that Bahrain has an impressive record of achievements in regard to construction of highly important and indispensable related services, such as adequate provision of electricity, potable water, sewerage, etc. The range and magni-

tude of achievements in this area are apparently quite significant. This is so despite accelerated expansion in the construction of housing units. Hence, and perhaps because of the insignificance of problems in the housing sector, the chapter makes only a small mention of them. This, however, is by no means an attempt to underestimate the magnitude of challenges that face Bahrain in respect of associated services, eg. sewage project design and completion, in addition to difficulties arising from the complex nature of the inter-relationship between expansion of housing services and concomitant environmental problems.

A whole chapter in this report is devoted to the status of women and their role in economic and social development. An analytical presentation in the chapter strongly suggests that Bahrain has achieved remarkable progress in regard to gender-related indicators of human development, particularly with reference to the enhancement of women's capabilities through better health and educational services. But, it should also be pointed out that economic and professional opportunities available to women in Bahrain remain significantly limited compared to those available to men.

The challenge here, however, is to exert more intensive efforts to enlarge women's economic and professional opportunities, at least for the sake of utilising capabilities acquired by women through education and health.

The chapter also deals with the body of legislation which has direct bearing on women's status, position and rights, besides an analysis of marriage and divorce indicators in Bahrain.

Concern and interest in the role being played by non-governmental voluntary associations is based upon the fact that these associations are actually enhancing and reinforcing the role of the State in facing and combating social problems that are encountered by society at large in general and certain socially vulnerable groups, in particular.

Available information on activities of these non-governmental organisations indicate that Bahrain has an appreciable social capital represented by these associations. Thus, it is of considerable importance to make the optimum possible use of such an asset. A possible avenue towards this end is a change in the role of the associations. At the centre of all changes is the one that relates to the relationship between the State and the associations. This should be transformed from being based upon patronage into one which is constituted upon a more effective and participatory partnership, for the realisation of socio-economic development. The latter pattern of relationship would allow for full utilisation of wider collective social networking as a substitute for the attendant traditional individualistic one.

The last chapter of the report deals with environmental problems. In doing so, it attempts to delineate various forms of interlinkages between the environment and sustainable human development. It proceeds to discuss the situation of various natural resources in Bahrain-water, marine

and agricultural. In addition, the chapter tries to analyse efforts to develop these resources and to conserve them under the adverse conditions of population growth and housing expansion. In doing so, the chapter consistently attempts to identify and then analyse different challenges posed by various sources of pollution- air, water or rubbish. To this effect, the chapter outlines some proposals for dealing with real challenges and depicts the possibility of collective action that involves both governmental and non-governmental efforts.

The report concludes that human development is a multi-dimensional, inter-related and complex phenomenon. It is strongly recommended that it be addressed and dealt with simultaneously as a unified, comprehensive, integrated and balanced programme. Such development calls for active acquisition of knowledge and skills promotion with the objective of maximising their utility in various spheres of human life, as outlined in this report. Emphasis, however, should be put on activation of the concepts of cooperation and socio-cultural integration rather than on those of individualism and competition. In this respect, maximum use should be made of the Bahraini cultural specificity and distinct body of tradition as far as they enhance, reinforce and sustain such development.

CHAPTER

1

Human Development
Concept,
Indicators and the
Specificity of Bahrain

Human Development Concept, Indicators and the Specificity of Bahrain

First : Concepts of Human Resources Development, Human Development , and their Inter-relationship

The concept of sustainable human development is the result of fruitful interaction between various scientific endeavours and theoretical analyses that span many years and involve the experiences of many countries and unlimited number of thinkers from various humanitarian fields, in addition to - activists (individuals and institutions) in development areas. This continuous process of defining the concept has developed it into something more than just an academic or theoretical articulation. Indeed, it has become a blueprint for action in the development process and in resource mobilisation. Moreover, it is being widely used as a tool for knowledge and critique of the status-quo and an alternative strategy for a more just, humanitarian, feasible and lasting future.

Neither the concept, nor the term is new in economic and social thought, particularly in the Arab world where the process of "economic and political independence" has been closely associated with developmental schemes. Such developmental thinking has always stressed the specificity of the process of progress as tantamount to the accomplishment of political independence, on the one hand, and the achievement of socio-cultural and economic progress on the other. In a nutshell, it is a process for eradication of underdevelopment and realization of a decent contemporary mode of life.

This is particularly what has made socio-economic thinking in the developing countries, including the Arab world which characteristically figure as developing. Development, in this context, assumes a more comprehensive character which applies more to the situations in these countries than the concept of growth with exclusive attention to economic growth. Such conceptualisation, however, would not allow for a broader and more inclusive perspective that is needed in these countries.

However, the present definition of the concept of human development (or sustainable human development), particularly after the meaning it acquired following the publication of the First Human Development Report in 1990, is by no means a mere replication or reiteration of the concepts which had been in circulation during the 1950s and 1970s.

The current concept is a response to two types of challenges. The first pertains to the destiny of different known models in various parts of the world during the development decades of the 1960s and 1970s. The experiences from these models vary from total failure in respect of long term results (unsustainable development), achievement of partial success in regard to a single dimension or level of development (credible economic growth only at the expense of other dimensions, concomitant with increasing unemployment and social inequality) or have accomplishment of balanced growth by only a few countries. Hence, the concept of sustainable

human development is being put forward as an alternative development model to substitute the conventional ones that have proven to be neither feasible nor suitable for future development endeavours. The second challenge relates directly to the social, human and even economic consequences of application of structural adjustment policies since the beginning of the 1980s. The salient results of these policies, especially their social and high human costs have been the immediate catalysis of the suggestion for an alternative pattern of development that puts the human being at the centre of the whole process. It simultaneously conceives the human being as the end and the means, contrary to the assumptions of structural adjustment policies that regard the human being as merely serving the needs of economic growth.

In one sense, the concept of sustainable human development is the outcome of the natural course of evolution of socio-economic thinking which stretches from conventional theories of growth to conceptualisation of sustainable human development. In another sense, it is a kind of positive response and constructive critique aimed at overcoming the policies of structural adjustment.

Second: The Concept of Sustainable Human Development: A Historical Course of Evolution

With the end of the Second World War and independence of a majority of developing nations during the 1950s, concerns in both categories of nations, the newly independent and the war-stricken industrialised countries, have understandably shifted to develop-

ment as an unequivocal priority. That period was characterised by a prime concern for social affairs. This was so despite the varied models of development adopted in different countries. In some countries there was an accentuated reliance on central state intervention while in others there was an allowance for freedom of market forces, though influenced by Keynesian ideas and other social policies in respect of redressing absolute market freedoms. However, the development scene was characterised during that period by dominance of conventional theories of growth and development. These, presently, are subject to increasing critique and are being overcome by new and more contemporary theories. (1)

(i) Conventional Theories of Growth and Development

Conventional theories of growth focus exclusively on economic growth as the sole train for development and progress. Hence, they give priority to increasing production and improving productivity with least consideration to other human and social aspects. For them, economic growth is primarily the result of material capital accumulation (equipment, raw materials, finance) in association with expansion in employment of the labour force. Human skills, technologies, and legislative and institutional aspects are seen as factors external to the production process itself. The major function of these factors is limited to assistance of capital to be more productive; they have never been considered as capital in themselves.

Conventional theories of growth consider economic growth during the

take-off stage as being linked, on the one hand, to economic policies that encourage national and foreign investment and to austere policies that impact wide sections of the population, particularly low-income and wage earners, on the other. This is to say, it is impossible during the early stages of growth to allow for both - high economic growth and equitable in distribution of the yields of this growth. Hence, it is perceived as imperative to sacrifice one for the other. Theoretical justification for this sacrifice is derived out of the argument that economic growth, as it creates increased job opportunities, accelerates economic velocity and raises productivity and production which would, ultimately, have a trickle-down effect. This is to say that sacrifice of equity and austerity are necessary but temporary. These theories assign a limited role to the state in the economy, rather, they advocate full freedom for market mechanisms as the latter are adequately capable of bringing about an equilibrium between growth and equity in the medium and long term.

Alternatively, conventional theories of development which had gained currency during the same period, argued for the realisation of a balance between social and economic dimensions in the process of development. They advocated such achievement through application of various sorts of intervention and imposition of social policies. These practices have assumed some kind of societal responsibility, particularly in case of the state in regard of securing the basic and necessary needs of the population. Various versions of conventional developmental recipes were charac-

terised by assigning a crucial role for the state in catering for human and social dimensions i.e. policies pertaining to income redistribution, generation of employment and provision of basic needs for all.

In reality, combinations of these measures were adopted and applied, but, common to all was the strong reliance on state intervention coupled with meagre grass-roots participation. At this level, people remained as recipients of services provided by the public sector. Moreover, it was characteristic to such a state of affairs to figure as unsustainable. That was due to increasing financial burden on governments under conditions of general diminishing in their flow of public resources. Thus, the policy of expansion of employment in the public sector has led to expansion of state organs to the point of hampering development, encouragement of rural-urban migration, taking society into an impasse in regard to provision of basic services, with no reliable sources of finance. This has been aggravated by the emergence and development of unfavourable global transformations coupled with a continuing increase in the population.

(ii) Structural Adjustment Programs (SAPs) and Neo Theories of Growth:

Since the beginning of the 1980s, shortcomings of conventional models of growth and development have become conspicuously apparent. In 1987, an international debt crisis exploded, registering a landmark for the era of economic stabilization and structural adjustment. Policies of stabilization were directed towards

redressing financial imbalances from which indebted countries were suffering. This was envisaged to be implemented through rationalization of expenditure and finance policy. The objectives were to control budgetary and trade deficits in order to create a hard currency surplus that would allow these countries to service their debts. These measures developed into more comprehensive plans for economic rationalization, i.e. structural adjustment programs.

These programs aimed at active injection of economic, institutional and legislative reforms designed to lead to a more effective involvement of developing nations' economies into the world market. This has concretely meant a shrinking role of the state, removal of all forms of state subsidies for commodities and services, liberalization of prices - including currency exchange prices - and opening of markets for international exchange of *finance and commerce*.

Furthermore, the spectacular collapse of various state - sponsored models of development during the second half of the 1980s has given a fresh and rather strong impetus to the argument for the total removal of state control and regulations on economic activities, i.e. to leave the development process exclusively to free market forces. In practice, however, the above has pushed to a secondary status any interest on issues of social and human development. Consequently, government expenditure has been drastically reduced and the role of the state has been confined to sectors directly defined as "productive". Hence, the 1980s (the decade of structural adjustments) witnessed an incredible spread of poverty and social disparities at

both levels, national and international. Moreover, the decade was characterised by significant deterioration in health and education conditions of vulnerable groups due to the decrease of expenditure in these fields. In addition, the phenomenon of marginalization of some social categories (women) and some countries (even a whole continent like Africa) took shape during the 1980s. Last, but not the least, environmental problems became aggravated to an unprecedented level due to irrational use of resources and spread of new consumption patterns designed for realization of profit maximization at the expense of long-term needs of development sustainability.

Structural adjustment encountered lot of objections. These objections led to gradual amendments of some aspects of SAP, but these amendments have never reached the level of comprehensive review of its fundamentals. First, a parallel package of measures, to mitigate the negative social and human consequences, was added to the main package of structural adjustment, e.g. formation of social safety nets and funds to provide for various forms of assistance to the poor and the vulnerable.

This is what has been labelled as "Structural Adjustment with a Human Face."

Exclusive focus of SAPs, on economic dimension, coupled with limited success in this aspect, have made it imperative to improve research for modernization of development theories in order to be more capable in generating objective and valid explanations of development experiences in different corners of our world. In this context, new theories of growth have

tended to include the human dimension in their analytical frameworks.

That was, primarily, because explanatory studies in many countries have shown that the input of human capital in growth is significantly crucial (64%) in comparison to material capital (16%) or natural capital (20%). (2). According to these new theories, human skills and technologies are organic elements to the process of production.

The focus, hence, shifted to investment in the development of "human resources" or "human capital" through health care, education, vocational training, scientific research and technological development as these play a crucial role in increasing productivity.

Simultaneously, light has been shed on roles being played by social relations, cultural and behavioural traditions, institutions, legislation and administrative efficiency in promotion of production and productivity in addition to enhancing growth.

The above is considered as "social capital" with an important role in growth and development.

These new versions of the theories of growth should be understood as a kind of response to the strong objection to the absence of human aspects in conventional theories.

Nevertheless, these theories continued to deal with the human being, whether on individual (human capital, human resource) or group (social capital) basis, as a factor of production; i.e. as a means of development and not as means and end of development as is the case with the concept of sustainable human development.

Third: Definition of Sustainable Human Development:

The Executive Director of UNDP defines sustainable Human Development as follows:

"Sustainable Human Development is not limited only to generation of growth; rather it equitably redistributes the returns of the growth, it regenerates environment rather than destroys it, it empowers people rather than marginalizes them, it actively enhances people's alternatives and widens their opportunities and qualifies them to participate in the making of decisions that directly affect their lives. It is a development in the interest of the poor, nature, women, children and for universal provision of employment opportunities."

This new concept approaches development as ultimate goal, and also as a structured package of programmes and implementation mechanisms in a manner significantly distinct from those suggested by the conventional approaches. In this context it is worth stating the following:

1) Conventional theories deal with the developmental process as something exclusively directed towards developing countries. Not so. The sustainable human development concept applies to all countries at all levels of development. This is simply because its people-centered approach does not allow for any distinction between human beings in regard to their goals and ends. Undoubtedly, this concept is controversial as there are many objections concerning its practicality. Nevertheless, it is worth noting that sustainable human development does

stress the unity of human goal, rejects the singleness of the development model, and advocates a realistic package of strategies, plans and mechanisms that totally rely upon the concrete specific characteristics of each society.

2) There is an important difference in the perception of the human being and his role in development. While sustainable human development conceives people as the ultimate end of development, as its tool and as an active factor of change in society, the idea of 'human resources' continues to treat people as tools for production and its increase. It, thus, reduces the concept of sustainable human development into mere technical programmes pertaining to the fields of health and education. Also, the concept of sustainable human development markedly differs from ideas being advocated by proponents of the care approach that considers people simply as beneficiaries of development and, thus, relegates people's role, as makers of development and active agents for social change, to the sidelines.

3) Lastly, there is a view that perceives sustainable human development as limited to the social sector. This is absolutely erroneous. Sustainable human development in fact, spans the full range of human needs and ambition, now and in the future. Hence, it is as concerned with the means as with the ends; it deals with results and with causes and it studies phenomena while researching their sources. What distinguishes its approach and methodology is its ability and readiness to encounter problems in a man-

ner that supersedes the sectoral approach and proceeds to introduce comprehensive analysis and to suggest integrated action strategies.

Fourth: Components of Sustainable Human Development

Based upon UNDP's available literature, it becomes possible to identify four basic components of the concept of sustainable human development i.e. equity, productivity, sustainability and empowerment.

1. Equity :

It is a focal concept in sustainable human development which means a state of fair and equal opportunities. This might call for effective restructuring of power relations in some societies. Equal opportunities mean competitive markets, competitors with equal access to productive assets (farming lands, credit, skills and education) and access to information. It also demands a more fair and just policy of distribution, especially a taxation policy that would allow for the flow of incomes from the rich towards the poor. Moreover, the idea of equity comprises total removal of social, legal and institutional obstacles that block access of specific groups to decision-making positions.

2. Productivity:

Sustainable human development is certainly not anti-growth. On the contrary, it considers economic growth, production increase and continuous improvement in productivity as indispensable conditions for real development. However, the concept not only deals with the quantitative dimensions

of growth but also its qualitative ones i.e. the quality of its impact on the life of people and how various sections of the population benefit from it.

A dominant belief in the past was that economic growth, on its own, would spontaneously secure just and fair distribution of wealth nationally and internationally. But, historical experience has shown the opposite, that marked growth in production, productivity and technology has often been accompanied by a significant increase in unemployment, poverty and disparity between the rich and the poor. The new concept, therefore, stresses close association between economic growth, equity and justice. In addition, it emphasises the need for articulation of comprehensive development policies that cater for social dimensions in both the immediate and long terms. Such policies should perfectly provide for investments on health, education, job creation, construction of social safety nets and adoption of expenditure policies that strictly and evenly observe social as well as economic priorities.

3. Sustainability:

The idea of sustainability has been broadened and is not being used in its narrow environmental sense under the new concept. The prime intention is to secure the sustainability of available alternatives for the present and future generations. This precisely means fortifying these generations against environmental debts (pollution and meagre resources) or economic debts (loans, disparities) or human and social debts (poverty, ignorance, poor health). In this sense, sustainable human development does not argue

for sustainability of present relations, situations and disparities. Rather, it explicitly calls for reformation of present consumption patterns and correction of attendant disparities in the distribution of wealth and allocation of productive assets in a more equitable manner. Moreover, sustainability means empowerment of people to develop their own capabilities and participatory capacities in a pattern that would provide for self-generation of necessary conditions of lasting development.

4) Empowerment:

Empowerment and participation, together with other related concepts, form what could be taken as the conducive environment for sustainable human development. The starting point, in this context, is perceiving people as makers of development and not simply as beneficiaries of it. Consequently, there is a host of responsibilities that people should shoulder and a participating role which they must play. This favourable and empowering environment should be accompanied by conditions like political democracy, transparency, decentralization etc, which enable people to substantively participate.

Sustainable human development's contribution, in this respect, is insistence that democracy and participation should not be confined to the narrowly defined political sphere but encompass the masses. The idea is, thus, transformed into an issue of development which calls for active participation of people (the civil society with its various institutions and community-based structures) in actual decision-making pertaining to

development. This includes generation of ideas, identification of needs and priorities, execution, monitoring and control. According to this approach, civil society is a societal team alongside the government and private sector; it is a partner with full rights and obligations in the development process. Thus, according to this approach, the concept of empowerment is a twin to participation and its prime condition. This is why, approaches and programmes of sustainable human development always comprise an element of empowering of people and civil society, an element which enhances the subjective capabilities of individuals and groups in society.

Fifth: Inter-links and Inter-relationships of Various Elements and Determinants of Development:

Analytical treatment of isolated individual components of sustainable human development means neither the possibility of their actual separation in the process of development, nor their compartmentalization by the methodology adopted and used by sustainable human development which is intrinsically integrative and comprehensive in a manner that supersedes sectoral fragmentation. The development process is, ultimately, the result of the interaction and inter-relationship of various economic, institutional, demographic, social and cultural elements and variables which are the components to it.

Sixth: Measuring Development And Precarious Use of Indicators:

The Global Human Development Report comprises over 150 different

indicators that cover various spheres of human development such as economy, housing, health, children, women, communications, poverty, etc. It is apparent that the unavailability of information for all countries, coupled with the virtual impossibility to merge different indicators in a unified measuring index, have caused the Human Development Guide to limit its use to only three indicators. These indicators are:

* Per capita GDP

* Life expectancy at birth

* Illiteracy percentage + average of years of education

This is to argue that the concept of human development is much more deep, comprehensive and richer than its measuring tools, however they are being developed. Thus, it is imperative to note that careful attention should be paid to the nature and character of these indicators, their significance, difficulties encountered in measurement of phenomena and insufficiency and inadequacy of methods of measurement. This is exactly what makes one to refrain from accepting and endorsing the use of these measures without critical evaluation and scrutiny of their feasibility.

Average life expectancy, as a health and demographic indicator, is perceived as the best measure of social and economic progress. The State of Bahrain has made a remarkable achievement in this regard. The average life expectancy in Bahrain reached about 75 years for females and about 73 years for both sexes, which is approaching the average in advanced industrial countries (80 years). At this juncture, one should acknowledge the

commendable role of the State. But this by no means, prevents one from raising the question that if the citizen in Bahrain enjoys such long life, is it free from psychological and physical diseases? Does this long life necessarily mean a rich life full of inventiveness and productivity in the interest of Bahraini society and the individual?

If we move to another indicator, in the field of education, such as "the average years of educational attainment" or "literacy ratio", could it be confidently stated that a quantitative measure adequately reveals the exact quality of literacy in various countries and/or provides a convincing tool for comparison? Does this not call for more research to formulate an indicator that could determine whether people are using their educational attainments for their own benefit and the benefit of society?

Likewise, it is legitimate to question the feasibility of major achievements in the field of education in regard to social and economic development. Moreover, questions about the causes behind attendant contradictions, disparities and bottlenecks in population and labour force structures in Bahraini society are unavoidable. Is it possible to argue that these problems relate to the nature of these services and the extent of their correspondence and suitability to the needs of society and its development?

Even measures of well known economic indicators are not free of such shortcomings. The rate of GDP growth or level of labour productivity is viewed as the best measures of national economic performance. Nevertheless, they fail to adequately

explain the size of efforts or knowledge actually used in injecting economic growth. Adequate understanding of labour productivity is not only confined to labour force directly employed in various productive sector (where it is relatively easier to estimate and measure outputs), but it should include different forms of mental and intellectual labour such as academic, supervisory, administrative, designing, management and consultative. It is, thus, very crucial to point out that the latter activities are difficult to measure in the Government sector where the majority of working people are employed.

This sector not only includes jobs of leadership, administration, consultation and preparation of studies and reports, but also jobs in educational and health services etc, where reliance on levels of wages and salaries, while providing some kind of tangible qualitative measures, provide little help in this respect. However, the known weak relationship between wages and productivity in this particular sector makes one question the feasibility of such measures.

It is, again, important to know the tendencies of various indicators through a reasonable period of time. This would allow for analysis of different forces that contribute to improvement of living conditions, assuming that what could be achieved in a specific period and considered as remarkable would not be so in other periods. Partially this is related to technical considerations; for example, it is possible to reduce the infant mortality rate from 80 per 1,000 to 40 per 1,000 to 20 per 1,000. It is clear that much more efforts are needed to reduce the rate further even by 5 points.

On the other side, some negative tendencies of some indicators need more study and analysis. A small decrease in expenditure on health services is not necessarily alarming since available resources are increasing. However, if the latter are shrinking, this would reflect negatively. In this case, we must know and identify the reasons behind the reductions, since policy makers tend to cut expenditure in fields that evoke the least resistance from beneficiaries. Hence, even in the health services sector, primary health care suffers more than hospitals and specialised services.

At any rate, it is preferable to rely upon trends and average expenditure per capita, whether in education or health services. This is a much better indicator than the rate of expenditure, provided there is an insistence on maintaining the achieved level even under conditions of decreasing available resources.

As for measures of GDP, it seems necessary in the case of Bahrain to consider the net use of material and natural resources. This would reveal any addition or subtraction in the real wealth of the country. This is particularly so as conventional methods of accounting do not include aspects pertaining to environmental deterioration or natural resources depreciation. Such a state of affairs is, fortunately, presently being rectified by the UN and the World Bank.

But, even if it is possible to treat and rectify all the faulty measuring indicators that have so far been mentioned,

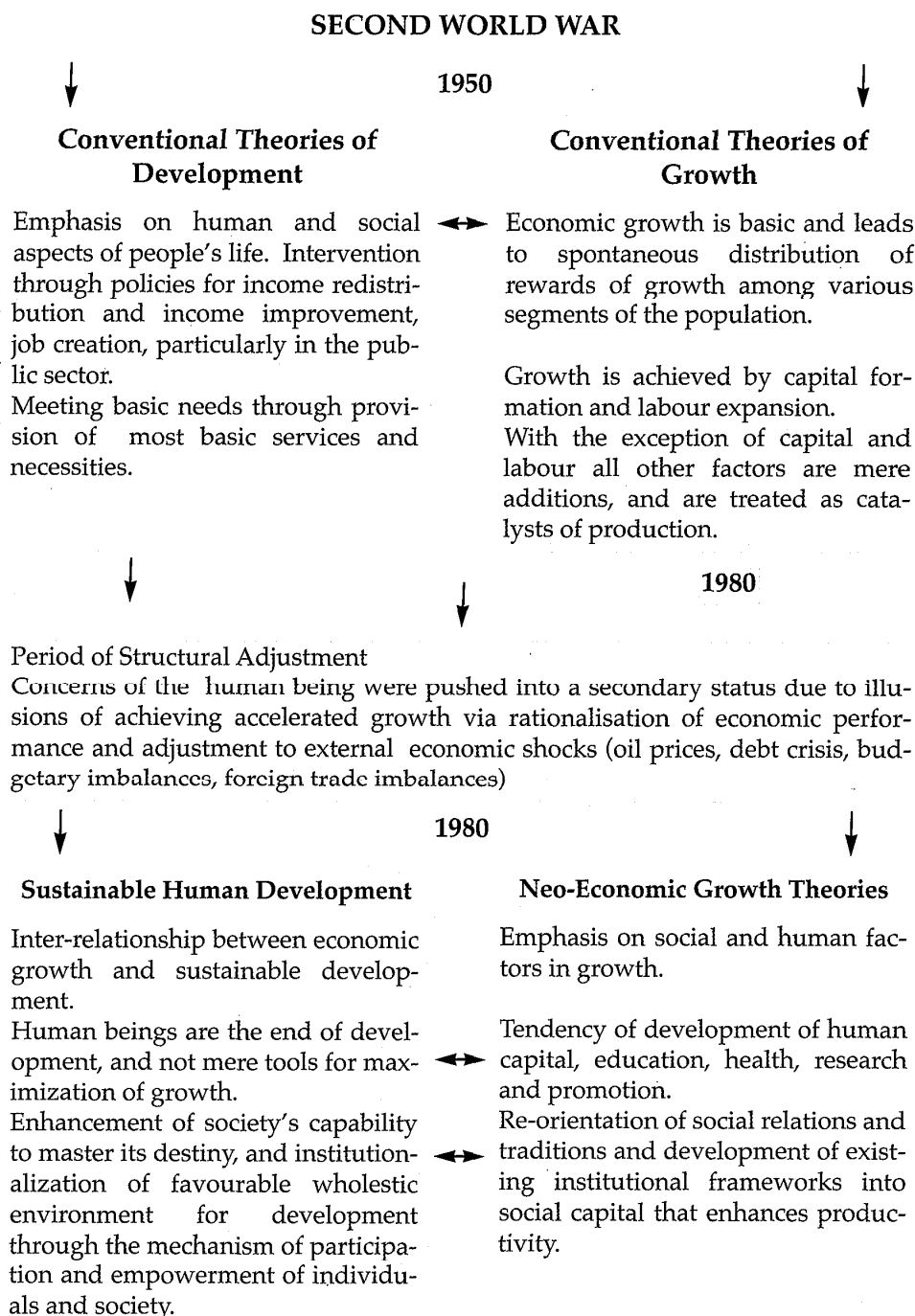
the concept of human development remains more comprehensive and broader than what various quantitative indicators would allow, however precise and adequate these indicators might be, particularly in the case of developing nations, such as Bahrain. The situation is more complicated due to the meagreness of information and statistics and inadequacy of figures used in this regard. Comparison with other countries thus, becomes difficult and confusing because of variation in tools of measurement.

It could be concluded, in respect of the above mentioned quantitative indicators, that we should take utmost care to include in the analysis any qualitative and evaluative indicators in order to avoid the trap of deception of abstracted figures and trends. This is exactly what we intend to do as we discuss problems pertaining to human development, especially in regard to education, training and employment.

(1) This rather quick and fast presentation of new and conventional theories of growth and development is, by no means, free of some degree of arbitrariness and simplification. This is because adequate presentation and content analysis of these theories demand a deep approach which can reveal in detail the characteristic features of each theory as compared to others. The possibility of doing so is not available in this report as such an undertaking would significantly divorce the report from its character and function. However, what this chapter contains in this respect is a general indication of the most basic and joint features common to various theoretical trends in the field of growth and development during the relevant period.

(2) Human Development Report, 1996, UNDP, New York.

FIGURE 1.1
EVOLUATION OF THEORIES IN THE POST WORLD WAR TWO AND
THE 1990s PERIOD



CHAPTER

2

Economic
Development
and its
Challenges

Economic Development and its Challenges

In Chapter One we noticed the extent of inter-relationships that bind various economic determinants and spheres of human development. In this chapter, the focus will be on macro and sectoral economic achievements with particular reference to economic growth, diversification of income sources and the relationship of the above to employment issues, labour productivity and human resource development. In addition, the chapter attempts to identify major challenges facing the economy of Bahrain and ways of overcoming them. Of course, reference to economic determinants will be made so far as they exercise a profound effect on areas like health and education development, employment, environmental resources and others.

First - Economic Developments:

In 1932, oil was discovered in Bahrain and has, since then, been a major source of Government revenues. However, the relative contribution of oil to GDP has been diminishing steadily in the last two decades. In 1980, the contribution of the oil sector amounted to 33.3%, which declined to 19.8% in 1985, 15.9% in 1990 and 15.8% in 1995.(1)

In addition to this diminishing relative importance of oil to the national economy, oil reserves are estimated to be depleted in ten years, if production continues at the present rate.

Because of the limited oil resources and other raw materials in addition to land scarcity, Bahrain has successfully diversified and expanded its economic base. This process involves oil refiner-

ies, petrochemical industries, aluminium production and other manufacturing processes. In spite of the fluctuating contribution of the manufacturing industry to GDP, it maintained a reasonable level of about 14.7% in 1980, which increased to 17.9% in 1990 and, to 21.8% in 1995. (2)

Indeed, Bahrain's economy has, since the mid-1970s, undergone some concrete structural transformations. Principal to these transformations was the increased oil revenues which were the direct result of the rise in oil prices. Thus, during 1973 to 1981, revenues rose fivefold, i.e. from BD. 71.7 million in 1973 to BD. 391.4 million in 1981 (calculated at 1980 prices). This, naturally, led to maximization of state economic activities.(4)

The service sector, however, has proved to be more successful in diversifying Bahrain's economic structure, especially in spheres of finance, commerce and tourism. On the whole, the relative contribution of this sector has increased from 39.1% in 1980 to over 50% at present.(5)

The state has utilised a major portion of revenues in the construction of an advanced infrastructure and in forging economic partnerships with regional and international investors for the establishment of joint industrial projects that relate directly or indirectly, to the oil and natural gas sector. In this respect, Aluminium Bahrain (Alba) is considered the most outstanding non-oil based industrial project, jointly constructed in late 1960 by the State of Bahrain and a consortium of foreign companies. The smelter began with an

annual production capacity of 120,000 tonnes in 1971, which had reached 465,000 tonnes by the end of 1993, ranking it as one of the largest plants of its kind in the world. In the early 1990s, the ownership of the project was transferred to the Governments of the State of Bahrain and Kingdom of Saudi Arabia and foreign participation was reduced to 5.1%. The aluminium industry in Bahrain has led to the emergence of other downstream plants such as Razaz Metals Company, Midal Cables, Bahrain Aluminium Extrusion Company (Balexco), and other local small and medium establishments engaged in various activities pertaining to aluminium processing.

During the late 1970s and early 1980s, a number of joint industrial projects were established. Arab Ship Building and Repair Yard Company (ASRY) was formed as a joint project of the Governments of the Organisation of Arab Petroleum Exporting Countries (OAPEC) and began production in 1977. Bahrain National Gas Company (Banagas) was established in 1979 as a project jointly owned and operated by the Government of the State of Bahrain and the Arab Corporation for Oil Investments, with a foreign participation from CALTEX. The Gulf Petrochemical Industries Company (GPIC) was established as a regional joint project of the governments of the State of Bahrain, Kuwait and Kingdom of Saudi Arabia and, in 1985, began production of ammonia and methanol with a daily capacity of 1,200 metric tons. In 1981, the Arab Iron and Steel Co., was established as another regional joint project with the participation of various Arab governments and public enterprises, in addition to private

investors. However, the company was sold to the Kuwaiti National Petroleum Company in 1988 changing its name to Gulf Industrial Investment Company. In 1981 the Gulf Aluminium Rolling Mill Company (GARMCO) was formed as a regional project owned by the Governments of the Gulf Cooperation Council member countries.

Concomitant to this period of economic growth, due to oil revenues, the Government of the State of Bahrain adopted a number of economic policies, primarily designed to attract foreign investment, particularly in the area of finance and banking services. In 1975, the Government began issuing licenses for Offshore Banking Units, (OBUs), deregulated and repealed various restrictive conditions on banking activities and allowed financial enterprises to deal with investment deposits of resident and non-resident customers.

By virtue of the above, offshore services have flourished in the banking and insurance sector. Thus, since 1980, Bahrain became an important regional financial centre in the Middle East. By the end of 1993, the number of financial institutions in Bahrain stood at 19 commercial banks (two of them specialised), 51 OBUs, 21 investment banks, 47 representative offices, 5 exchange and money dealers, and 22 money cashing units. This is in addition to 9 Bahraini insurance companies, 12 branches of foreign insurance companies, and 42 tax-exempt insurance companies which serve offshore operations.

Increase in both public and private investments, coupled with accelerated

growth in various economic sectors, have resulted in a sharp rise in the number of foreign workers in Bahrain. The foreign labour force accounted to about half of the total labour force in Bahrain during the early 1980s and has systematically increased to about two-thirds of the total labour force in the early 1990s. Like other economies in the Gulf, the economy of Bahrain has experienced an observable degree of economic growth and associated structural transformations due to the oil boom of 1973/74. However, the occurrence of some internal and external factors have played a significant role in dragging the Bahraini economy, since the mid-1980s, into a period of difficulties. These factors include the decline of world oil prices, decline in the demand for oil in industrial countries, continuing increase of private and government expenditure on consumption, and disparities of labour force structure which have come as a consequence of the in-flow of foreign labour during the earlier period of economic growth. Because of these, Bahrain's economic growth declined by 2% in 1985 (-2.5% in the case of non-oil domestic products). Revitalization of the Bahraini economy began in 1980 when the rate of growth reached 7.3%, apparently as a consequence of the end of war between Iran and Iraq. However, the second Gulf crisis of August 1990 dragged the Bahraini economy (together with other GCC economies) again into a further state of instability.

In the light of the above, it should be noted that the Government of Bahrain, in 1986, formed the Committee For Strategic Alternatives which was assigned the task of determining the extent of economic recession,

analysing its causes, preparing strategic alternatives and recommending suitable, feasible and practical policies and measures to combat the recession.

The following are some of the measures that have been successfully implemented:

- 1) Decreasing indirect labour costs through lowering business contributions to the social insurance scheme from 14% to 10% in September 1988. The objective was to achieve a tangible decrease in production costs of various economic projects and, as a result, an increase in the competitiveness of the Bahraini economy.

- 2) Establishment of an Industrial Development Center in the Ministry of Oil and Industry (then Ministry of Development and Industry), to supervise developments in the manufacturing sector. Moreover, a new law to organise industrial licensing was issued. In March 1987, active imposition of the Industrial Protection Act (originally issued in May 1985) began, which significantly increased the rate of taxes on imports of commodities similar to those being produced by local industrial firms. The law also stipulates that the minimum number of Bahraini or GCC workers in local industrial firms must not be less than 20% and should increase to least 40% in a five year period of protection.

- 3) Amendments were effected to the Commercial Companies Law to allow for the formation of commercial companies totally owned by non-Bahrainis. To this effect, an ordinance was issued in 1990 in accordance to law No. 13. The ordinance, however,

requires the companies to make Bahrain the main centre for investment of their capital in respect of goods and services they trade.

The ordinance allowed also for the exemption of commercial companies totally owned by non-Bahrainis from the stipulated presence of a Bahraini guarantor provided that such companies make of their branches or representative offices in Bahrain regional centres or representatives for their activities.

4) In December 1991, the Government established the Bahrain Development Bank with a paid up capital of BD. 10 million. The share of the Government in this bank was 60%, while other commercial banks and private commercial enterprises hold the remaining share of 40%. The bank has been designed to provide finance and soft loans to industrial and service projects, loans for financing of fixed assets, finance for working capital and expansion and upgrading programmes and assistance to small-scale industries.

5) In January 1993, the Government campaigned for the Program of Human Development which was directed at small and medium companies with a capital base not exceeding BD 10 million. The program comprises several industrial incentives such as cash subsidies for electricity, rent on industrial lands and employment of local labour.

The Government has recently developed an interest in adopting a privatization program. In this context, it disinvested in some enterprises. Following the constitution of the Bahrain Stock Exchange in 1989, it sold its equity in the Bahrain Hotel

Company, which owns the Gulf Hotel. In January 1994, the Government sold 20% of its share-holding in the General Trading and Food Processing Company (Trafco) which deals in food production and trade. Likewise, the Government sold its entire shareholding in the Bahrain Aluminium Extrusion Company (Balexco).

Foreign trade plays a major role in Bahrain's economy. This is due to the country's geographical location which has, historically, played a significant role in regional commerce.

Exports have played a major role in Bahrain's economy as they enhance revenues and, thus, improve the balance of payments, situation, accelerate growth and improve living standards. This, of course, positively affects activities pertaining to imports of requirements for consumption, investment and production in the national economy. Major exports of Bahrain are refined oil products, petrochemicals and aluminium. For example, the whole produce of Bahrain National Gas Company (Banagas) is being exported, as well as that of Gulf Petrochemical Industries Company (GPIC). More than 90% and 60% of refined oil products and aluminium industries products are respectively being exported.

Table 1.2 shows the importance of non-oil exports in the growth of gross exports. The rates of growth in non-oil exports amounted to 13.5% and 17.5% in the periods 1980-1990 and 1985-1995 respectively. On the other hand, activities relating to re-exportation have witnessed remarkable increase as recorded annual rates of growth amount to 12.3% and 11.8% in the same above-mentioned periods.

Table 2.1
Bahrain's Imports & Exports
(In millions of BDS.)

Year	Oil Exports	Non-Oil Exports	Re-Exports	Total Exports	Non-Oil Imports
1980	12,206.6	83.5	4.2	1,294.3	501.4
1985	916.3	116.1	13.5	1,045.9	632.8
1990	1,105.1	295.6	13.4	1,414.1	723.6
1994	836.7	491.7	47.7	1,376.1	966.2
1995	922.9	582.3	41.2	1,546.2	897.0
1980/90	-0.9	13.5	12.3	0.9	3.7
1985/96	0.1	17.5	11.8	4.0	3.6

Ref. Collected from the Central Statistics Organisation, Bahrain

One of the most important events that have impacted the economy and society of Bahrain during the last ten years was the inauguration of the King Fahad Causeway between Bahrain and Saudi Arabia on 26 November 1986. The causeway has led to a significant increase in the transport of people and goods and, consequently, a considerable increase in the size of commercial exchanges between Bahrain and other GCC countries, particularly Saudi Arabia. The causeway

has also linked Bahrain to other eastern Arab countries. These have resulted in an upscale swing in economic activities, especially benefiting tourism, manufacturing, commercial and banking services, communication and other sectors. It is worth mentioning that substantial Saudi capital has been attracted for investment industries and services in Bahrain due to the transportation facilities afforded the causeway (7).

Second: Challenges

In spite of the successful achievements of Government policies and programmes in respect of expanding and diversifying sources of GDP and, despite the fact that economic and social development in Bahrain benefited from the harvest of earlier efforts in industrial and human development, the last decade did not witness increasing levels in the savings rate for investment which would have enabled the economy to achieve a rate of economic growth at least higher than that of population growth. Indeed, the rates of GDP growth during the period 1982 to 1996 have showed wide fluctuations as growth during three years (1988, 1992 and 1993) reached high levels of 8% or more, while the rate of growth in other years was weak or even negative (1982 and 1985), and did not exceed 5% in the remaining years.

2) It seems as if expansion in the sectors of tourism and finance has reached a saturation point. In this context, growth in the financial services sector, despite its importance, has apparently reached its highest limits and has already begun retreating, as shall be illustrated in a coming chapter. A similar situation exists in the hotels and tourism sector where possible limits have been achieved as indicated by the fact that an annual average of about half a million tourists has been recorded from 1988 to 1996. Such a challenge in these two important sectors calls for a serious search for new and fresh ways and means to diversify the economy through proper identification of new spheres with a degree of growth potential and economic feasibility that would attract private sector

investment from Bahrain and abroad.

3) The efficiency that distinguished Bahrain in its economics administration and diversification has been made possible by virtue of the assistance of foreign labour. But, continuous attraction and import of such labour at the present rate would, undoubtedly, cause high and increasing rates of unemployment among the local youth. To avoid a possible negative consequence, and without jeopardising the attained efficiency in various economic sectors and the labour market, it is imperative to double the efforts for the effective promotion of skills and capabilities of the Bahrain labour force and to improve its productivity. This would reduce production costs and allow for competitiveness against any potential competitors, particularly those from South and South-East Asia.

4) Development of national human capabilities and maximization of their use are needed not only for future potential challenges or to balance and check the large presence of foreign labour, but also to act as a kind of response to the expected qualitative changes in the economic structure and its various sectors. As is to be shown, all sectors are to undergo far-reaching changes. For example, the building and construction sector, which achieved a significant leap during the 1970s and 1980s has already begun to decline as available residential, service and commercial properties outnumber the actual and effective level of demand for residential and economic services. This has resulted in changes and transformations in this sector as repair and maintenance activities have begun to occupy a progressively increasing share of the sector's jobs.

Such a situation calls for a qualitative development of the labour force, particularly if future improvements in engineering and designing methods are to be done in accordance with advanced techniques.

5) Of the challenges that should carefully be considered is a slow rate of economic growth which may lead to a shrinking of available resources for human development in terms of basic education and primary health care services. This would, inevitably, harm the development of capabilities, knowledge and skills necessary for properly and adequately addressing all the previously mentioned challenges. Therefore, it would be correct to argue that any potential decline in the skills of the labour force would constitute a real obstacle to efforts for realisation of economic growth, particularly under the encapsulating conditions and the obvious requirements of economic globalization, openness and global competition. This, indeed, requires the formulation of strategies for resource allocation and expenditure prioritisation in such a manner that would allow for optimum efficiency and highest possible returns in both medium and long terms.

6) Any potential failure in human resource development would lead to drastic negative consequences. Most important among these is continual import of foreign labour which is characterised by high productivity and low

wages. These characteristics are highly needed by Bahrain, to preserve its competitive position and to enable its business community to flourish and compete. One logical consequence of such a state of affairs is rapid increase in unemployment among the local population.

The other option, that emphasises Bahrainization and expatriate replacement, would decrease the level of local unemployment or result in its total eradication. However, in view of the lack of suitable, qualified and skilled local labour, this may adversely affect economic efficiency at the macro level and, hence, lead to a situation where Bahrain loses its competitiveness. Dependence on cheap foreign labour has, indeed, played a crucial role in the continuous rise in the ratio of surpluses (or profits) to wages and salaries. This increased from 47% in 1986 to 82.5% in 1992 but, afterwards, it began to stagnate or even to decline (see Table 2-2 last column and Figure 2-2). This period has witnessed a progressive increase in import of foreign labour, with a rate of growth twice that of employment of local labour. Such a situation calls for an effective increase in national labour productivity and a meaningful substitution of the foreign workers in various economic sectors and activities. However, the solution, in the long term, remains dependant on the qualitative development of the local labour force.

Table 2.2
Percentage of Operational Surplus
to Wages And Salaries
during 1986-1995 (current prices)

Year	Wages & Salaries (Million Dinars)	Operational Surplus(Million Dinars)	Percentage of Surplus to Wages & Salaries %
1986	620.2	291.5	47.0
1987	606.0	324.1	53.5
1988	624.0	403.5	64.7
1989	653.6	459.9	70.4
1990	708.1	523.9	74.0
1991	705.5	578.2	82.5
1992	733.2	605.0	82.5
1993	764.3	630.3	82.5
1994	810.7	635.3	78.4
1995	832.0	682.4	82.0

Source: Compiled from "The Statistical Abstract", 1995,
Table(10, 19), page 620.

7) As privatisation is considered an integral part of the overall policies of the Government of Bahrain, the issue of the Bahraini labour force working in firms and companies earmarked for privatisation is the biggest problem to that program. This is because it is widely believed that Government-owned firms are over-staffed. Such a belief would deter investors from buying these firms unless drastic amendments to labour force structures are affected.

It is, anyway, apparent that improving economic and productive efficiency in these firms (whether privatised or not) requires an adequate and proper solution of the problem of over-staffing, to enable them to compete locally and internationally, particularly industrial firms which are export oriented.

The challenge faced by decision makers is anchored to the dilemma that disposal of surplus labour would improve economic efficiency and competitiveness at the expense of the workers, while retaining surplus labour would mitigate unemployment at the expense of efficiency.

Third: Adoption of New And Innovative Development Plans and Strategies

It is apparent that policies adopted by Bahrain in the last two decades have yielded a number of significant achievements which we will illustrate later. Nevertheless, the challenges which we have so far mentioned demand a serious search for new and innovative strategies that would allow for adequate redress of current problems and future challenges.

In this context, it is possible to review

the initiative and leading role that is being played by Bahrain since the mid-seventies when it discovered its comparative advantage as a suitable locale for offshore units and banks, which have been providing various financial services to the countries of the region, in addition to linking the region to the world economy. But, it seems that the range of accomplishments has reached its limit and, hence, the calls for adopting a new strategic vision that is able to counter various potential future challenges which include rapid technological changes, increasing international competition and progressive increase in the aspirations of Bahraini citizens.

We now present some strategic perceptions that demand careful study and consideration for possible adoption and implementation. We begin with the development potential of industry and related services.

First, we highlight the fact that the manufacturing sector, compared to other economic sectors, has recorded the highest rate of annual growth in the period under study (1985-1995), averaging 6.8%. The contribution of manufacturing industries rose from 17.3% in 1985 to 21.8% in 1995. This rise in the growth rate of its relative contribution reflects the importance of this sector to GDP, capital formation and employment. Although the size of the manufacturing sector is smaller than that of other economic sectors, such as oil and natural gas, financial services, public administration and other services, its growth potential appears to be immensely evident. Recent years have witnessed new expansion in large industrial enterprises such as ALBA, Gulf

Petrochemical Industries Company, modernisation of the Bapco oil refinery, in addition to numerous new industrial projects under construction. This would, necessarily, lead to an increase in the size of the manufacturing sector.

In addition to the anticipated expansion in this sector, it is also expected that the sector will experience some far-reaching transformations that may exceed those of other sectors. This is, undoubtedly, due to the rapid technological changes which would, however, force industries to be more and more capital intensive, automated and computerised. This necessarily means the eclipse of labour intensive, conventional industries. All in all, such a situation would bring about a fundamental change in the structure of the labour force as the demand for semi-skilled and unskilled professions would decline while the demand for specialised, technical and highly skilled professions would rise.

We are not only concerned with such anticipated developments in industry, but we are even more concerned about the possibilities of growth and expansion in this sector and in the development of related services.

It is important to state that fluctuations experienced by the economy of Bahrain as a result of external shocks (extreme decline in oil prices), have been mitigated by the more systematic contributions made to the economy by aluminium industries, aluminium-related industries, petrochemicals, shipbuilding and repair, in addition to other small and medium scale industries.

The importance of the development of

services related to manufacturing industries relies upon the strength and significance of existing links that bind commodity production to service activities. Due to such links, highly paid service jobs would normally be those relating to commodity production. Hence, the development of specific kinds of services at the expense of others. It is, however, important to stress that the analysis does not intend to minimise the significance of service activities that do not relate to industry, as the latter would always indirectly impact such activities through the multiplier effect of industry on demand at the macro level and, in turn, on the macro rate of economic growth.

It is worth mentioning that in some of the developing countries that enjoy open economies like Bahrain, the services sector constitutes the major part of their GDP e.g. Hong Kong, where the service sector contributes 70% of GDP, and yet keeps developing important and advanced industry-related services. Similar is the situation in Singapore, which enjoys a good and progressive growth in the commercial and financial services sector. In spite of this, Singapore remains committed, within the framework of its economic and strategic policies, to treat manufacturing industries and related services as vital to future economic growth. This is because the manufacturing industry has played a leading role in the initial economic take-off in the late 1960s, provided employment opportunities and actively contributed to the rapid and accelerated economic growth of the last two decades. This is in addition to the anticipated crucial role of industry-related services sector and the highly skilled and capital

intensive industries, such as electronics, in putting Singapore in the group of advanced industrial countries. The significance of analysis of relations between service activities and commodity production and the consequences of such a relationship in the economy of Bahrain is primarily based on the comparative advantages of the service sector that distinguish the national economy of Bahrain, compared with other countries in the region. As Bahrain anticipates a fresh economic leap forward in terms of growth rate of the national economy and provision of suitable employment opportunities for its local labour force, it seems crucial to identify those services which would contribute to this endeavour. Despite the importance of the presently flourishing services in Bahrain i.e. banking, insurance, hotels, restaurants, in respect of increasing the rate of economic growth and maintaining such a rate at a level higher than that of population growth, the decisive role of industry-related services should not be overlooked. This would ensure continuous increase in the per capita income of Bahrain's people and match the rate of population growth. Industry-related services, include a variety of activities, such as engineering, designing, financing, insurance, accounting, management of production processes, maintenance and repair of industrial plants and equipments, training and employment in industrial firms, testing or related services like construction of laboratories specialized in material testing or quality-standard control, eradication and recycling of industrial refuse and transportation of semi-finished goods between factories.

In view of the above, it can be justifiably stated that Bahrain makes a suit-

able case for the attraction of these services which are characterised by strong front bearings to commodity production and, thus, figure as inputs for various branches of manufacturing industry in Bahrain and in other countries of the region.

It is equally important to highlight the significant potential of the King Fahad Causeway in developing these services and realisation of the economic feasibility of locating them in Bahrain.

Turning such a scenario into a reality would, undoubtedly, enhance links between industry-related services in Bahrain and manufacturing sectors in other countries of the region. This, if materialized, would actively contribute to the needed integration of Bahrain's economy with the economies of other countries in the region.

However, by and large, the biggest challenge facing Bahrain is how to prepare and develop its labour force and maximize its utilisation without losing the ability to compete, bearing in mind that the relative size of the Bahraini labour force is the largest in the GCC countries. At another level, the information explosion that is embracing the world and the potential of using advanced technology in industry and related services impose more challenges in regard to human resource development. This is because such developments would induce the demand for new highly productive skills and professions as a condition for sustainable competitiveness without reliance on imported foreign labour.

Thus, it appears imperative to adopt new concepts and institutions for

training and education. These must be renewable and capable of adapting to a changing environment and able to provide people multiple opportunities and mobility within the educational and training systems characterised by efficiency, multiplicity and excellence. The expected variation in spheres of employment demand that graduates be equipped with special capabilities and skills, which are in turn crucial for continuing the education and training necessary for facing changing conditions of various spheres of work.

Such an orientation, despite other factors, would ensure for Bahrain a sustainable prosperity in the long term. In this context, we should consider the case of Japan, which had meagre natural resources and suffered the loss of material capital during the Second World War. Nevertheless, Japan has a well educated, highly disciplined and adequately motivated labour force which has helped turn the country into an economic power second only to the US.

Emphasis on development of Bahrain's human resources does not mean the neglect of the equally important task of properly combining these human resources with physical capital as a prerequisite for achieving systematic and accelerated progress in the short and medium terms. As for the long term, it is useful to cite the well known economist, Stevano De Fliedder, a founding father of world development studies.⁽⁹⁾

"An educated, skilled and healthy labour force is the basis of development and growth in any country. Exploitation of natural resources may result in huge leaps forward in some countries, but unless revenues accruing from these natural resources are invested in the country's human capital, this growth would not be sustained. In the present era of an increasingly integrated world economy, developing countries' comparative advantage depends upon the state of education of its labour force, its skills and technical efficiency".

1. National Accounts, Ministry of Finance and National Economy, Various Years.

2. Op. Cit

3. Including commercial, restaurants, hotels, financial, social, personal and public administration services.

4. Dr. Abdulla Mohamed Al-Sadik, Basic Characteristics of Bahrain's Labour Market, a paper presented in the national symposium for the preparation of Bahrain's Human Development Report, 19-31 October, 1996.

5. The Statistical Collections, Central Statistics Organisation, 1996.

6. National accounts, 1992.

7. Dr. Abdulla Al-Sadik and Dr. Ahmed Alyousha. "The Role of Medium and Small-Scale Industries in the Development of Bahrain's Exports", a paper presented in the symposium on Medium and Small-Scale Industries' in Bahraini Economy, 25 November, 1996, Manama.

8. Cf. A paper on 'Privatization in the State of Bahrain', presented at the symposium on 'Future Directions of Privatization in the GCC Countries', March, 1995, Manama, p. 250.

9. This paragraph is quoted from "Sustainable Human Development and Methodology of Macro Economics" discussion paper, UNDP AND UNECWA, NEW YORK, 1997, P. 29.

10. Stevano de Fielder

CHAPTER

3

Demographic
and Health
Development
Indicators

Demographic and Health Development Indicators

As has been shown in Chapter One, there is a strong relationship between demographic variables and health conditions. They are by no means unilateral in their character; rather, they are naturally dependent and influence each other. They are, also inter-related with other socio-cultural and economic aspects. However, in this chapter, we will focus on the mutual impacts of population and health development. This is to be done through careful monitoring of the levels and trends of demographic indicators and their reflection upon health conditions and vice versa. In addition, strategies for health development and achievements will be addressed, followed by a discussion on the challenges and emerging problems in this sector, coupled with the perceived policies. The chapter will also deal with the private sector's role in health services.

First- Fertility And Birth Indicators:

There is an apparent lack of consistent and reliable statistics in this regard.

Some estimates indicate that the total fertility rate for married women in the age group of 15 to 49 years reached 3.2 in 1994. According to the Child Health Survey in Bahrain of 1989, however, this rate was 4.2, which means a rapid decline of fertility in a relatively short period. It is also estimated that the total fertility rate at present is only 40% of what it was in 1970. This means that fertility has begun to decline since an early time in Bahrain in spite of the fact that it is not normally responsive to social and economic transformations as is mortality. Nevertheless, fertility clearly varies in relation to mothers' educational attainments. In 1989, the percentage of illiterate married women, who had five or more births, was 72% while the same percentage of those who attained secondary or higher education was only 6% . In fact, the variation is more outstanding in the case of younger age-groups (see Table 3.1).

If another fertility measure is considered, we shall discover that the aver-

Table 3.1
Percentage of Married Women with Five or More Live Births according to Education and Age-Group

Level of Education	Age - Group					
	25-29	30-34	35-39	40-44	45-49	Total
Illiterate	37	70	78	84	85	72
Unfinished Primary	27	55	63	81	70	50
Primary	14	34	46	71	-	28
Intermediate	07	24	29	54	-	16
Secondary & Higher	01	07	19	25	-	06
Total	13	39	54	75	79	40

Source: Compiled from Child Health Survey, 1989

age number of children borne by married women is highly dependent on both education and age. For the group with complete fertility, this average reaches about 8 children per woman which indicates that fertility was, until

recent times, rather high in Bahrain. However, fertility considerably declines in the case of women who completed secondary or higher education as shown in Table 3.1.

Table 3.2
Average Number of Children Born to
Married Women According to Age,
Education, Work Status and Residence

Education	Age- Groups				
	20-24	25-29	30-34	40-44	Total
Illiterate	2.6	3.8	5.5	7.8	6.6
Incomplete Primary	2.1	3.4	4.9	6.4	4.8
Primary					
Primary	1.9	2.8	3.9	5.7	3.4
Intermediate	1.4	2.6	3.4	4.4	2.7
Secondary &	0.8	1.7	2.6	3.4	2.0
Higher					
<u>Work Status</u>					
Active	0.8	1.6	3.3	5.3	2.6
Non Active	1.5	2.8	5.7	7.9	4.7
<u>Residence</u>					
Rural	1.6	3.0	6.6	9.3	5.2
Urban	1.3	2.3	4.3	6.7	3.7
Total		2.6	5.2	7.7	4.3

Source: Compiled from Child Health Survey, 1989

The Table shows that the level of fertility among women who are economically active is significantly less than that among women solely engaged in domestic household activities. Likewise, similar differences are observed in the case of urban residents and rural dwellers.

As access to economic employment and education influences various fertility determinants, such as age at marriage and use of contraceptives, it is expected that fertility would show further decline in the future. This is, undoubtedly, welcomed as a decline in fertility will immediately mitigate pressures on health services and, later on, educational services. Nevertheless, an immediate decline in fertility would only affect the labour force after 15 years, as all those joining the labour force have already been born. It is also expected that use of contraceptives would continue to expand as the majority of married women (98% according to Child Health Survey, 1989) know about one or more contraception methods and 54% actually use one or more of these methods.

Second - Health And Mortality Indicators:

1. Infant Mortality:

This is one of the most crucial and important indicators of development achievements. It shows, in the case of Bahrain, concrete progress as the rate of infant mortality declined from 52 per 1,000 to 10 per 1,000. Although the magnitude of achievement looks significantly greater during the first decade if compared to the second, it should be remembered that it is always relatively easy to decrease a

rate from higher levels. Thus, the performance index should not be considered as smaller in the second period than in the first one.

However, when we compare the rate achieved in Bahrain to those in other Arab countries, we can satisfactorily state that it is the best, since it amounts to less than half (18 compared to 45)

2. Under-Five Mortality Rate:

This is an equally important indicator as children of this age are subject to various kinds of diseases which are different from those affecting infants. In this aspect, Bahrain has made a remarkable achievement as it succeeded in reducing the rate of under-five mortality to only 19 per 1,000 during the 1990s, which is 3 1/2 times less than the average mortality rate of the Arab countries (65 per 1,000) and five times less than that of the developing countries (95 per 1,000)

3. Average Life Expectancy At Birth:

This is considered the best indicator of social and economic advancement. The average life expectancy at birth in Bahrain rose from 51 years in 1950-1955 to 57 years during 1960-1965, 64 years in 1970-1975 and, finally, 72 years during 1990-1995. This is significantly higher than that in other countries.

4. Crude Death Rate:

This is a crude indicator which does not consider the specific features of the population structure, particularly those pertaining to the relative age distribution. This is why the crude death

rate of Bahrain is far lower than that of advanced industrial countries.

The crude death rate stood at 4 per 1,000 in Bahrain in 1994, compared with 10 per 1,000 in industrialised countries. Logically speaking, such a state of affairs is quite surprising and even unbelievable as it poses a reduced image of the situation.

But with reference to the specific characteristics of Bahrain's population compared with those of industrialised countries the picture becomes comprehensible. Bahrain's population is a young one as the mean age is only 16 or 17 years, while the average age of the population of industrialised countries is generally more than 30 years.

Only a small percentage of Bahrain's population is above 60 years of age while this percentage multiplies several times in the case of developed countries. In the latter case, it becomes difficult and slow to affect a decline in the rate of death among the aged.

It should not be a source of worry if there is an increase or fluctuation in this indicator (as has happened in the last few years) because such an increase may mean a progressive rise in the percentage of the aged which could be considered as a social advancement rather than a regression. This indicator should not be used for comparison with industrialised countries. Instead, previous indicators can be useful as well as calculate mortality rate according to age groups. Nevertheless, this indicator can be used in comparisons with other developing countries as population, sex and age structures among them are generally similar.

Compared with other developing countries, the crude death rate of Bahrain is less than half.

5. Maternal Mortality Rate:

This considered the most important demographic and health indicator, particularly so in Bahrain, where pregnancy-related problems are one of the main causes of death. In fact, it was the third major cause in 1994. The maternal mortality rate is measured by the annual number of deaths of women from pregnancy-related causes per 100,000 live births. In the case of Bahrain, sufficient data is not readily available but estimates put the rate in 1988 at 88 per 100,000 and even lower at of 60 per 100,000 in 1993.

As such, the maternal mortality rate in Bahrain is the lowest in the world. The comparable rate in other Arab countries averaged 380 per 100,000 in 1990 and 471 per 100,000 in developing countries.

It is quite clear that such a distinguished state of affairs in Bahrain would not have been possible without the ante-natal and post-natal services provided by trained and qualified medical staff. Availability of such services in Bahrain has allowed for the achievement of tangible advances as indicated by the continuous decline in the maternal mortality rate.

6. Child Immunization:

Increased pre-occupation with maternal and child care is, undoubtedly, the most important factor in the continuous decline in the rates of maternal and child mortality. This care is indicated by the comprehensive nature of child immunization effect which cover almost all children against polio, tetanus, diphtheria, pertussis cough and measles. All infants are being vac-

cinated against hepatitis prior to discharge from hospital. Other vaccines are being systematically and regularly administered in various health centres and mothers who fail to bring their children for immunization at the appointed times are duly contacted and urged to do so.

Third - Health Development Strategy:

Recorded trends and levels of health and demographic indicators in Bahrain, as previously shown, certainly reveal that the State has, for long, paid considerable attention to issues of health development in the belief that such development is an indispensable basis for socio-economic progress. In this sense, investments on curative and preventive health programmes have not been considered as an end in itself, but rather, as a significantly rewarding economic endeavour.

Evidence of such attention for primary health care programmes is demonstrated by the budgetary allocations for the health sector during the last four decades. In 1955, actual expenditure on health services reached BD 750,000 which was about a quarter of the State's public budget. This percentage was maintained during the 1950s when the infrastructure of health services was being constructed, which accounted for one-third of capital expenditure. (1)

It is worth mentioning that the State of Bahrain has maintained such an unprecedented level of expenditure on health, despite the limited available resources. However, because of these restrictions health expenditure did not exceed more than BD 2 million up to

1965, although it began to rise afterwards. In 1975, expenditure on health was BD 9.3 million, BD 24.6 million in 1980, BD 34.3 million in 1985 and BD 55.9 million in 1994. (2) Since then, expectedly, the percentage of expenditure on the health sector to total expenditure began to decline with the completion of the major part of the health infra structure and because of increasing expenditures on other sectors. Nevertheless, the health sector has continued to enjoy remarkable priority even under conditions of shrinking state revenues and cuts in public expenditure. Available statistics show that actual health expenditure often exceeded the allocated funds. In general, the percentage of health expenditure remained about 8.6% between 1992 -1995 while it was about 8.7% during the 1980s. Therefore, it could be concluded that the matrix of average health expenditure per capita in 1990 was less than that in 1980 (the matrix in 1990 was 95% that of 1980). Perhaps, this decline was due to accelerated increase in population, both local and resident.

By and large, a good standard of health care services is not only a derivative of the amount of allocated resources but also a function of the cost-effectiveness of these services. In other words, such a standard is achievable with efficient exploitation of available financial and human resources, coupled with facilitating systematic and regular use of services. This is attainable through the formation of an efficient and multi-level health care system which allows top priority to primary units that are able to provide, efficiently and effectively, the needed health services in line with the general directives of the World

Health Organization.

Nevertheless, resources allocated for primary healthcare constitute less than a quarter of the total expenditure on health. The same is seen in respect of distribution of human resources among various areas of health services. There is one physician per 3,700 persons in primary care while there is one physician per 900 persons in the case of all levels of health care services.

Such a situation needs to be corrected since provision of effective services does not demand emphasis on health care of the tertiary kind, which utilises advanced and expensive medical technology. Fortunately, it appears that the Ministry of Health perfectly understands the host of challenges it faces. Therefore, it is adopting strategic, tactical and operational plans within an integrated framework geared towards the improvement and enhancement of health conditions in Bahrain. To this effect, a blueprint of health services, based upon rational and efficient use of material, financial and human resources, is being prepared to provide health services that are distinguished by their excellence and cost-effectiveness.

Fourth- Problems And Challenges:

In spite of the above-mentioned achievements, the health sector in Bahrain is yet to address many challenges in an efficient and effective manner. These challenges are the following.

1. The increase in the average age of the population coupled with a modern way of life would definitely create a

new set of health problems and/or aggravate existing ones e.g., heart-related diseases, hyper tension, diabetes, age-related diseases like cancer and others. Such a state of affairs calls for a qualitative development of healthcare services adequately capable of controlling such diseases and their spread.

2. Despite the continuous decline in fertility rate among the national population, the rate of population growth remains high. The rate of natural growth during 1990s is estimated at about 3% or more, which means that the size of the population will double in 23 years. Surely, such a growth demands a progressive increase in expenditure on health services to ensure its present standard and improvement in its quality.

Growth in the size of the non-Bahraini population is putting additional pressures on the country's health services sector. This is particularly so in view of the fact that health conditions, income levels and housing conditions of most of the foreign workers are conducive to a variety of diseases requiring frequent use of hospitals and health centre facilities.

3. High levels of illiteracy and low levels of health awareness, particularly among national women and foreigners has resulted in a lack of optimum use of available health services and led to some kind of misuse and waste of available material and human resources. It is observed that the number of people visiting various health units is much greater than the population's health conditions actually demand. It is also well-known that a sizeable quantity of medicines pre-

scribed are unused or only partially used, resulting in waste of available medical resources.

4. The perpetual emergence of modern and advanced curative and preventive medical technologies and rapid development in health care methodology necessitate the allocation of more and more resources to cover increasing costs of equipment, training of national human resources and import of expensive foreign medical personnel.

Fifth - Health Policies:

In spite of the problems and challenges we have so far identified, it seems that the Ministry of Health is relentlessly working to accomplish specific objectives before the start of the 21st century. In order to realize such objectives, such as decreasing the incidence of diseases and improving citizens and residents' health, policies adopted by the ministry must be based on the following principles:

1. Policies should emphasise that primary health care is the fundamental basis for health development and that mothers, children, the weak and needy population of towns and villages are the most eligible for health care.

2. Re-allocation of resources in the health sector to allow for the increase of the share of primary health care in order to provide effective and inexpensive services instead of increasing the share of hospitals which are, admittedly, expensive in terms of construction, maintenance and operation.

3. Increasing the effective participation of various social categories in should-

dering some burden of health activities. These include active cooperation in elimination of waste of material and human resources. Also, arrangement for regular, partial or symbolic contributions of beneficiaries towards services' cost would not only enhance the pool of available resources but also, more crucially, rationalize the use of health services. Such an arrangement would effect a tangible reduction in the volume of patient attendance in various health and medical units and a decrease in the quantity of prescriptions for medicines.

4. Activation of the role of social organizations and capable persons and encouraging them to contribute towards the enhancement of health services. This can take the form of assistance to existing health institutions or establishment of new ones, particularly in areas of least fortunate social groups. This can be achieved within the limits of the payable Zakat.

5. Enhancement and assurance of the role of the private sector in gradually complementing that of the government in health activities. This necessitates the formulation of proper legal frameworks and legislation that protect the basic principles of health services in the manner that ensures satisfaction of changing, diversifying and increasing needs in the best possible traditions of efficiency, effectiveness and equity.

6. Last, but not least, it is imperative to develop an efficient system of integrated health information which can be used in identification of problems, their magnitude, analysing various population groups and strengthening capabilities for planning, evaluation,

improving, prioritization and decision-making on carefully-studied scientific basis.

Sixth - Role of the Private Sector in Health Services:

An increasing number of Bahrain's population is, seemingly, tending to use private health services. This is in spite of the availability of free, Government-sponsored services. It is estimated that households in Bahrain spend on average about 1.8% of their incomes on private health services. This, despite the hitherto limited availability of such services which amount to only a small number of private clinics and three hospitals (some do not

consider Awali and American Mission hospitals as private, thus it is only the International Hospital which, typically, operates on profit-making basis).(3) If we regard the three hospitals as private, they constitute 25 per cent of all hospitals in Bahrain. The number of beds in private hospitals represent 11% of total beds in the country while in-patients represents 16% and out-patients 18% of the total number of patients in 1995. Physicians working in private hospitals totalled 90 in 1995, but when you include 83 physicians working in private clinics in the same year the proportion of such doctors working in the private sector represents a quarter of those working in the country.(4) (Table 3.3)

Table 3.3
Contribution Of Private and Public Sector
Hospitals 1995

Description	Public sector	Private Sector
Number of Hospitals	9	3
Number of Beds	1395	177
Out-Patients	750,244	163,592
In-Patients	32364	6353
Number of Physicians	526	90
Number of Private Clinics	-	83

Source: Compiled from Health Statistics, Bahrain, Ministry of Health, 1995, pp 3-6-67-6 and pp 3-11-33-11.

It seems that there is an impression among nationals and residents alike that health services in the private sector are more efficient because of simple and flexible dealings, regular and precise operation, allowance of sufficient time for patient's treatment, etc.

Whatever might be the case, an expansion in private health services would undoubtedly mitigate the pressures on public services and, thus, conserve resources which could be used for promoting the efficiency of primary health care services, as these cater to economically weak groups who would not be able to afford private services .

The Government of Bahrain is, apparently, resolved to encourage the private sector to play a larger role. The

Minister of Health has stated that his ministry is committed to privatization of half of the out-patient services and 25% of in-patient services in the next 10 years.(5)

1. cf Abdul Hameed Ahmed Abdel Ghafar: *An Economic View on Environmental And Health Services in the State of Bahrain: Perspectives, Limits and Prospects*. Bahrain Economic Society, 1996, p.p. 18.29

2. Op-cit

3. Op-cit pp 51-55

4. Calculated from the Health Statistics, State of Bahrain, Ministry of Health, 1995

5. Gulf Daily News, 28 September, 1997 p.1

CHAPTER

4

Developments in
Education and
Training

Developments in Education and Training

Education and training are considered the most important aspects to the concept of human development, because of their profound impact on other aspects of human development.

This chapter begins with the consideration of quantitative indicators of education which reveal a general picture about the educational opportunities available for the people of Bahrain. The chapter will also undertake a detailed discussion on various qualitative approaches to education and training (formal or informal).

The objective is to formulate a proper understanding of actual contributions of education and training in enhancing present and future efforts of economic and human development.

First- Quantitative Indicators:

1) Literacy Rate (Adults) :

In 1993, the literacy rate of individuals in Bahrain stood at 84.1%, with a rate of 88% among males and 77.6% among females. Although Bahrain has been placed 37 among a group of 57 countries that have achieved a high level of human development, the country's performance in the area of illiteracy eradication seems to be the weakest among those countries.

The other countries boast average rates of literacy among males of 97.6% and among females 96.8%, with an average rate of 97.2% for both sexes. This difference of 13.1% should not be directly taken as significant since the point of departure in Bahrain differs from those of other countries.

2) Ratio of Student Enrolment in General and Higher Education:

Bahrain's achievement in human development is impressive even compared with countries with similar achievements. The percentage of student enrolment reached 84% in 1993 in Bahrain compared with 79% in other high achievement countries. The ratio of male enrolment was 82.8% in Bahrain (compared to 79.9% in other countries) and 85.9% for females in Bahrain (compared to 79.6%). Hence, it could be concluded that Bahrain's relative lag in literacy would soon be surpassed as long as rates of enrolment in Bahrain's schools, institutes and universities remain higher than the average rates in countries in the group of high human development, including industrialized countries where enrolment rates are lower than in Bahrain by three percent for females and one percent for males.

As for variations between sexes, it is worth mentioning that the number of female students in Bahrain exceeded the number of male students, as the percentage of the former in 1993-1995 reached 104%.

3) Primary Education Enrolment rate :

This indicator gives the number of students enrolled in primary education as a percentage of the estimated size of population in the same age group. This percentage has reached its maximum (100%) in Bahrain for both males and females alike. In this sense, Bahrain has made available primary education to all children, while the

percentage of children not enrolled in the same stage is 15% in the Arab countries and 9% in the developing world. The drop-out percentage up to the fifth grade is only one per cent in Bahrain, compared with nine per cent in other Arab countries and 25 per cent in other developing countries. This shows that drop-out rates in Bahrain are very low.

4) Expenditure on Education Indicators:

Expenditure on education represented 12% of total Government expenditure in the period 1992-1995, while it amounted to 4.7% of GDP during 1993-1994. Another important indicator is that 73% of the total expenditure on education goes to basic stages of education, primary and secondary.

A more significant indicator in this regard is per capita education expenditure, which increased 30% during 1980-1990, despite economic difficulties that faced Bahrain during that period.

Second - Development Strategy :

Education policies in Bahrain comprise a series of strategic and operational plans for the improvement of the educational system and for combating various problems and challenges. These policies have been based on the following two principles:

- 1) Provision of education to all children of school age.
- 2) Promotion of the quality education to meet needs of students and demands of the country in realizing social and economic development.

As far as the first principle is concerned, qualitative indicators have demonstrated that Bahrain has actually achieved all the requirements.

In the case of the second principle, measuring the extent of concrete achievement, a study of a large number of qualitative indicators and approaches might be required. This would allow for proper evaluation of various projects for the improvement of education quality, particularly those which have actually been implemented or are under implementation.

Early and leading projects in this direction include the system of single teacher class at the primary education level. This system permits pupils to derive the maximum benefit of teaching methodology and guidance and allows one teacher to teach various subjects in a systematic and integrated fashion. In the second step, which comprises the last three classes of primary education, the project has provided for the adoption and activation of the associate - teacher system, which allows for one teacher to teach art subjects and another to teach the sciences.

Education objectives at the intermediate stage comprise more goals of higher knowledge i.e. analysis, practicals, evaluation and invention.

Active teaching of some practical and professional subjects is underway in Bahrain intermediate schools where, in addition to theoretical courses, students are taught practical subjects pertaining to metal works, carpentry, textiles, graphics and some other crafts. It is clear that there are perpetual efforts for the development and

improvement of basic education curricula and in dealing with the various subjects in an integrated manner, based on scientific methods, self-learning, knowledge, problem-solving etc.(1)

In 1988, Bahrain began implementing a project for health and environment education in primary schools. This is being done by including issues and topics of health and environment education in the curricula and class activities. Innovations cover many aspects of the educational process and are not limited only to teaching methods and methodology and teacher's training.

At the secondary stage, the system has been changed from the conventional streams of arts and sciences to the credit hour system comprising six academic semesters. The students have the option, under the new system, to enrol in any of the available four courses: sciences, arts, commerce and applied studies.

Applied studies comprise agriculture, hotel and catering, textiles, graphics etc. Commercial education is being provided in three secondary commercial schools for girls and one for boys.

A number of innovative changes have been introduced in secondary education in recent years in Bahrain. In the 1993/94 academic year, for example, the range of optional subjects has been enlarged and a new group of optional subjects, 'design and production', offered. These enable pupils to acquire and further develop their own skills in design, execution and production. Furthermore, three new subjects in social sciences have been introduced, on the 'Arab Nation',

'Contemporary History of Arabs', and 'Contemporary World History'. Other subjects introduced are 'Contemporary Issues and Problems' and 'Scientific Training', besides an optional subject on 'Social Work'.

It is clear that Bahrain's educational directives do emphasise the importance and significance of education and training. This long-standing orientation is reflected in the form of tangible achievements demonstrated by the qualitative indicators on education we have outlined at the beginning of this chapter. However, it should also be stressed that education officials have not only been concerned with such qualitative achievements but they have been persistent in their efforts towards curricula development, improvement of teaching methodology and ensuring an integrated approach to academic subjects.

Such an orientation is expected to affect a meaningful development and openness in a student's personality in regard to various dimensions of his (her) knowledge, consciousness and behaviour, so as to acquire the largest possible mental capabilities and human values. This would turn the student into a person who is able to invent and initiate and create out of him or her a person who is qualified, equipped and capable of effectively contributing to the economic, social and civil activities of society. An important question, however, remains: Is it, indeed, the case that all these objectives have been translated into text books or have they been actually implemented in schools?

Many reports suggest that efficiency in the educational process remains weak and the level of skills generally low.(2)

Nevertheless, there are some signs that indicate a rise in the level of skills in classes conducted by a single teacher and by an associate teacher. This has actually been reflected in the low rates of failure and drop-outs, which amounts to only one per cent. Yet, it seems that educational authorities make no effort to revamp the educational system and maximize its efficiency through the adoption and application of a strategy geared towards imparting skills instead of exam-passing.

However, knowledge objectives (knowledge of reading and writing, arithmetic, social and scientific information) and evaluation of students' mastery of such knowledge (whatever might be the level of skills), cannot be the prime concern for education at various stages. In this respect, it is observed that there is neglect of, or insufficient attention paid to the achievement of the psycho-conscious and behavioural objectives.

Lack of adequate attention in these aspects would not result in the formation of an integrated and complete personality.

Even on the knowledge plane, the emphasis is on inferior levels (learning and understanding) and not on superior ones (analysing, systematic thinking and application).

Aspects pertaining to consciousness stress religious, moral, Arab and Islamic issues rather than refining students' imaginative talents, enhancing their independent thinking, encouraging their eagerness for knowledge and search for it, deepening their feelings of nationalism, etc.(3)

Furthermore, knowledge is being pre-

sented in an encyclopaedic pattern for memorising without proper critical assessment of the concepts and information. Also, it appears, there is no system for revision or continuous renewal of information given to students.

Third - Problems And Challenges

Consequent to the situation outlined above, basic education in Bahrain is facing a number of problems and challenges. The most salient among them are:

- 1) The quality of basic education in Bahrain does not ensure proper acquisition of sufficient fundamental skills which prepare graduates who are productive and effective members of society. It does not, moreover, induce in them the desire, readiness or capacity for continuous education and training in applied and technical studies needed by the labour market.
- 2) This quality does not ensure adequate mastery of skills pertaining to independent thought and communication abilities that facilitate more acquisition of newly-emerging knowledge and effective use of it in the development of human capabilities for the benefit of society and the self.
- 3) Education in Bahrain is yet to complete a long course before it is to be able to sufficiently procure social and existential skills, particularly in spheres of environment, health, nutrition, citizenship, and various other social and human relationships.
- 4) As for secondary education, the problem not only relates to the school-leavers' knowledge and skills but also to aspects pertaining to their personal-

ity and behaviour which should enable them to be more capable, ready and adaptable in acquiring new skills in response to labour market demands.

5) Bahrain's secondary education is characterised by the existence of some specializations that are either unnecessary or not required in the numbers available. Other specializations are not adequately responsive to labour market demands.

6) Many researchers, together with businessmen, believe that secondary school-leavers lack the necessary psychological make-up. This includes such aspects as responsibility, discipline, regularity in attendance, enthusiasm and inclination towards productive work. This is the result of inadequate attention paid to psycho-formation goals, on the one hand and, on the other, lack of realization of these goals, weak as they are, in various stages of schooling process.

Commercial education suffers from similar problems.(4) This is in addition to the fact that this type of education emphasises theoretical aspects rather than applied ones, with little linkage (except in limited cases) between commercial education and economic establishment for students' training. Businessmen are rather inclined to employ graduates of general secondary schools as they are considered more flexible and open-minded and capable of absorbing work methods, and technologies.

Fourth - Higher Education:

Higher education in Bahrain began with the inauguration of the Teachers' Institute in 1966 and Female Teachers' Institute the following year. The main

objective of establishing these two institutes was to train and produce teachers for primary and intermediate education.

In 1969, the Gulf College of Technology was established as an independent institution for higher education with prime focus on engineering and business administration, to provide for Bahrain's requirement in these two specializations. Later, however, the two teachers institutes were merged under the umbrella of Bahrain University College of Sciences, Arts and Education.

The major concern of this college has been a meaningful promotion of human capacities and development of scientific and artistic cultures. Nevertheless, the college continued to prepare teachers within the framework of single-teacher class programme. In 1987, the Gulf Polytechnic and College of Sciences, Arts and Education were merged into a new establishment under the name of the University of Bahrain which comprises five faculties of Arts, Sciences, Engineering, Education and Business Administration.

It is clear that higher education is closely related to the demands of the development process in Bahrain. This is particularly clear when one considers the distribution of registered students in the University of Bahrain in various faculties. The percentage of students registered in faculties of natural and applied sciences is about 66% of the total number of university students, which is high compared to other Arab and developing countries.

The university's concern in responding to different kinds of labour market demands is highlighted by its emphasis on training of manpower for various levels of employment e.g. training of technicians at the diploma level and limiting the number of bachelor under graduates in engineering and business studies to the actual capacity of the labour market.

Table 4.1 shows the relative excess of the number of female university students over that of male students. This

might be due to a higher level of academic diligence of girls during secondary schooling and/or higher rate of boys involvement in the labour market. (See figure 4.1 for academic year 1990/91 and Figure 4.2 for academic year 1994/95). The persistence of this phenomenon, and its further aggravation in future, involves a host of developmental precautions, particularly in a country such as Bahrain where dominant traditions place the economic burden of family support primarily on the male.

Table 4.1
Students Registered at the University of Bahrain
according to Faculty and Sex
Academic Year 1990/91 - 1994-95

Faculty	Academic Year / Sex									
	1990/ 91					1994/ 95				
	Males	%	Females	%	Total	Males	%	Females	%	Total
Arts	269	32	578	68	847	384	32	834	68	1182
Business Admin	561	41	824	59	1385	439	33	884	67	1323
Education	180	18	798	82	978	334	31	735	69	1069
Science	245	35	455	65	700	385	32	809	68	1194
Engineering	1287	77	393	23	1680	1380	74	494	26	1874
Total	2542	45	3048	55	5590	2886	43	3756	43	6642

Source: Annual Statistics Abstract

Figure 4.1
Registered Students In The University Of Bahrain According to Faculty
And Sex, Academic Year 1990 - 91

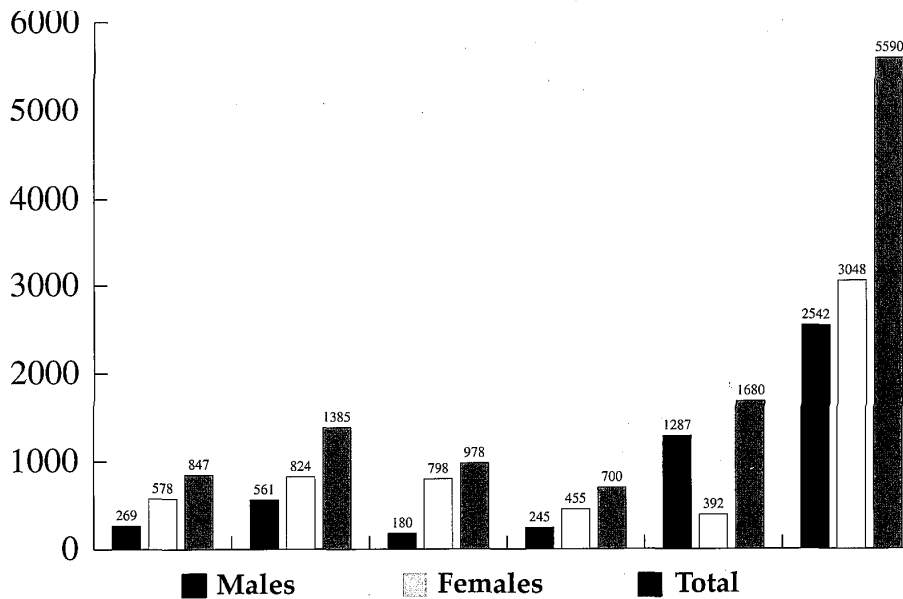
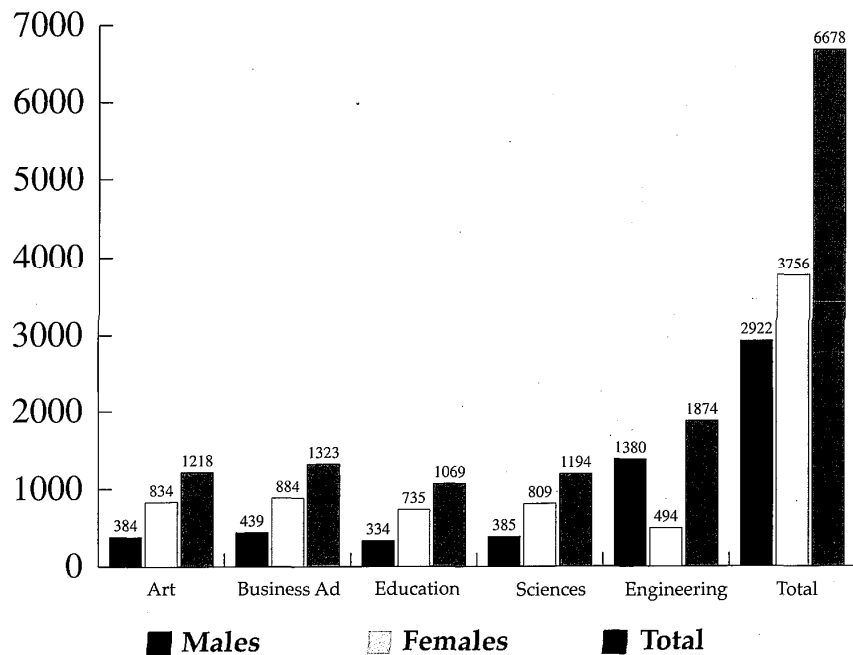


Figure 4.2
Registered Students In The University Of Bahrain According to Faculty
And Sex, Academic Year 1994 - 95



At the higher education level in Bahrain, it is questionable if the philosophy, content and curricula of this education is capable of meeting the present and future needs of the labour market for skills, knowledge and mental abilities. It is vital to note the importance of continuous evaluation of higher education programmes in respect of their content and responsiveness to societal needs for skills and other educational attributes.

It is worth mentioning that the university curricula are primarily tailored to meet job requirements and they lack any cultural dimensions which are either non-existent or rather limited in specialisations other than the arts. It is possible to argue in this respect that cultural development is generally left to personal initiatives, public functions or the mass media which are predominantly oriented to consumer advertisements or entertainment.

Institutions of higher education in Bahrain include a number of colleges and institutes that serve specific needs of particular sectors or levels of employment. The College of Health Sciences, established in 1976, is geared to meet the demands of the health sector for trained personnel. Though the college focuses on preparing trained nurses, it actively contributes towards preparing technicians for laboratories, X-ray laboratories and repair and maintenance of medical equipment. Likewise, the Institute for Hotel and Catering Training, now managed by the private sector, prepares people for jobs in hotels with a major objective of substituting foreigners by Bahrainis (as far as possible) as this sector is characterized by the dominance of foreign workers. The Bahrain Training

Institute provides technical training in various industry-related specializations and crafts.

Obviously, higher education has a high degree of linkage to the demands of the labour market as it emphasizes technical and applied specializations. This is, undoubtedly, a commendable trend but the challenge facing higher education centres around the task that promotion should involve the programmes' philosophy, objectives, contents and teaching methods to allow for the maximum internalization of latest technological and technical variables addition to various conceptional developments in a competitive world where human element plays a progressively crucial role.

Fifth - Private Education :

Private education in Bahrain has shown remarkable development in the last decade. The number of private schools increased from 21 in 1985/86 to 35 in 1994/95. During the same period, the number of classes has increased from 516 to 919. However, a significant development is the progressive increase in the number of Bahraini students in private schools. As the number of non-Bahraini students has increased during this period from 8,562 to 15,039, i.e. an increase of 75.6%, the number of Bahraini students has increased four times, from 1,208 in 1985/86 to 5,949 in 1994/95.(5)

Undoubtedly, this reflects the extent of parental perception about the quality of private education to the degree that they accept the financial burden imposed by this kind of education instead the free public education. It is well known that private schools

are distinguished by their flexibility and provision of greater freedom for students in the choice of courses. In addition, these schools apply new (and renewable) and innovative methods and modes of teaching, training and evaluating. Moreover, private schools put a greater emphasis on psycho-mobility objectives, extra-curricular activities and maintain a close relationship with parents with whom they maintain a meaningful interactive stream of consultation.

A further distinct feature of private schools concerns class density; in private schools the density is remarkably lower than in public schools. The number of students per class is limited to only 25 in private schools, most of which also offer more than one curriculum, and two or more languages are used as medium of instruction. English, in particular, is widely used in these schools which adds to its attraction for students and their parents who believe it is the main language of international communication. This is further stressed with the increasing need for English in commercial dealings and for catching -up with globalization trends.

Therefore, it can generally be stated that the quality of education is better in private schools than others. This state of affairs is expected to persist as competition between different private schools will force them to maintain the quality of their service and improve it further.

Though private education is considered as being for the elite (whether national or foreigner) it plays crucial and multi-dimensional roles for the educational process as whole. In the

first place, it effectively reduces quantitative pressures on public education, thus, indirectly decreasing the high density in many schools in Bahrain which will, ultimately, improve the internal efficiency of public education. Likewise, savings on resources can be channelled towards improvement of standards in public schools. And, more crucially, the Ministry of Education can benefit from the experiences of private schools, particularly those who have made significant successes in respect of application of modern, advanced and effective educational techniques, and circulate them in public schools.

It is, hence, so clear that encouragement of private investment in education will realise a host of educational ends and objectives and allow for better use of resources which shall yield an increasing degree of cost-effectiveness in education.

Sixth - Policies and Areas of Development :

The above-mentioned problems and challenges, together with various national and international developments, such as the anticipated changes in labour tools, methods and technologies, call for persistence in making more efforts to encounter and rectify various shortcomings in the existing system of education and to increase its internal and external efficiency in a sustainable fashion. Such an endeavour should include the following:

1. Insistence on realization of educational objectives such as quality and integration of educational services, in addition to continuous review of these

objectives to keep up with the increasing demand for more knowledge and technical skills. This is extremely crucial for the creation of a society continuously in a learning process and for adequate personality building of citizens.

2. Comprehensive review of various school curricula and teaching methodologies, together with more emphasis on sciences, mathematics and Arabic and English. The major goal should be to equip students at various stages of education with basic effective skills and capabilities that would enable them to shoulder the responsibilities of citizenship, engage in continuous education and participate effectively in civil and socio-economic activities.

3. Since Bahrain occupies a high rank in areas of human development, and strives not only to preserve but, also, to improve, it has to devote more attention to education and training than other countries. This means increasing the budgetary outlay for education and re-allocating resources within the education sector. Primary education should be given top priority. In addition, the use of resources should be rationalized and cost-effectiveness improved (i.e. increase of funds for areas which offer relatively greater returns in respect of acquisition of knowledge and skills).

4. As for increasing the efficiency of technical and vocational education and overcoming related problems, it is important to note that there is no direct link between specializations and job requirements. As knowledge is, by

no means, limited to a particular end and can never be stagnant in a specific form (rather, it is subject to continuous change resulting from social and economic development that includes far-reaching transformation in professions and methods of work) this requires the availability of a wide range of diversified skills. This is realizable through adequate psychological preparedness and mental capability to rejuvenate knowledge, modernize skills and change professions through continuous education and retraining whenever technological developments and professional needs call for that. Hence, it is time for general education and specialized education system to address such challenges.

(1) For a detailed picture of educational renewals, reference can be made to: Fiygha Saeed Al Salih: A Comprehensive Source On Educational Renewals Data Base in Bahrain. Ministry of Education, Information and Documentation Centre, Section of Education Documentation, 1995

(2) Nakhla Wahba; Bahraini Educational Issues, Ministry of Education, Centre for Education Research and Development 1993, p.p. 173 - 189

(3) Adnan Al Amin, et al, An Evaluation of Primary Education Development, Ministry of Education, Centre for Education Research and Development, 1993, Chapters One and Two.

(4) On problems and challenges refer to a report prepared by an international commission of ILO, and UNESCO on The Needs of the Labour Market and the Output of Education in the State of Bahrain, UNESCO, ILO, Geneva, 1996

(5) Figures and percentages are compiled from the statistical abstract, 1995, p 262

CHAPTER

5

**Employment
Prospects and
Labour Market
Efficiency**

Employment Prospects and Labour Market Efficiency

The subject of this chapter is a major challenge facing Bahrain. Hence, concerned Government officials and the private sector devote increasing attention to these issues, particularly those relating to employment of nationals for whose education and training the State has spent considerably, in order to enable them to meet labour market demands and to practise various economic activities that are conducive to social and economic development. Therefore, the study will focus upon employment problems, their link with growth, education output, unemployment trends among nationals and analysis of labour market trends. The prime objective, however, is to arrive at definite conclusions concerning upgrading of labour market efficiency which might help in combating this serious challenge.

First - Economic Growth and Employment Prospects:

Many economic models that are being formulated to specify future demands of the labour market, rely on estimates of such demands in expected trends (or targeted goals) in GDP and anticipated labour productivity in different economic sectors. Some of these models stress on a strong correlation between added value and professional distribution of labour forces.

It is quite clear that the actual situation in Bahrain (if available statistics reflect it in a reasonable degree of precision) is not responsive to such assumptions and expectations. On the contrary, available information indicates that increase in the size of the national labour force and foreign workers fre-

quently surpass the rate of economic growth.

During 1986 - 1991, economic growth exceeded labour force growth in only one year (1988) when the economy achieved the exceptional growth rate of 9% (1). The remaining years of that period witnessed continuous increase in the size of the labour force even during periods of negative economic growth.

Such trends and tendencies reflect, among other things, a decline in both productivity efficiency and employment efficiency. Labour productivity, or the added value which normally reflects real advance in economic and human development, remained low or even negative during a majority of years between 1980 - 1995.

Average per capita income was negative during 1980 - 1985 by 4.8%, it improved slightly during 1986 - 1990 but growth continued to be negative by 1.5%. It then began to grow at a very slow rate during 1991 - 1995 but never reached the level of 1% (2). Meanwhile, annual employment growth continued to exceed economic growth by a disproportionate margin.

Expansion in employment, which is not only confined to Government, as has been frequently argued, but also the private sector, is the main reason behind such a situation. The number of enterprises and the size of their labour forces are, by far, higher than actual demand for services provided by them. This is abundantly clear in spheres of personal services, restaurants and petty trading activities.

This has been clearly reflected in levels and trends of wages, particularly in the case of foreign workers. In 1995, 11% of non-Bahraini workers received wages of BD 50 a month. If we add to this those who earned less than BD100 monthly, the percentage goes up to 57%, bearing in mind that these figures involve only workers covered by the social insurance system of that year.(2)

Since the level of wages in the private sector is frequently at subsistence level, particularly in small enterprises, it is not expected that Bahraini youth will be enthusiastic about taking up such jobs, despite the increasing level of unemployment. Youngsters will only join the labour market if economic policies are re-oriented so as to allow for an increase in the added value of small enterprises by curbing

inflow of foreign labour, on the one hand, and controlling the issuance and renewal of licenses for enterprises, on the other. This would allow for expansion in response to actual demand and in consistency with the level of growth in both macro and sectoral economies.

Understanding the future of employment in Bahrain calls for a proper knowledge about potential changes in various sectors and their expected relative contributions in regard to creation of employment opportunities and generation of added value. Comparing the figures in Tables 5.1 and 5.2 (cf. Figure 5.1, 5.2 and 5.3), it immediately becomes clear that there is a continuous decline in some sectors, relative stability in others while some sectors enjoy concrete advancement.

Table 5.1
Changes in Percentage of Total Workers and
Bahraini Workers
between 1981 & 1991 Census in Various Economic
Sectors

Economic Activity	1981		1991	
	% of total workforce	% of total workforce	% of total workforce	% of total workforce
Social and personal services	34.4	39.1	40.6	52.6
Construction	21.1	6.7	12.6	2.8
Trade, Hotels, Restaurants	13.4	10.2	14.1	8.9
Transport, Storage & Communication	9.5	15.1	6.5	10.5
Manufacturing	8.2	6.7	12.6	8.3
Mining	3.4	6.3	1.7	3.6
Banks, Insurance, Finance	3.3	4.9	8.1	7.6
Other Sectors	6.7	11.0	-	5.7
Total	137.892	57.178	212.070	77.268
%	100.0	100.0	100.0	100.0

Source : Calculated from Central Statistics Organization Data, 1995.

Figure 5.1
Percentage of Total Workforce and Bahraini in 1981 Census in Various Economic Sectors

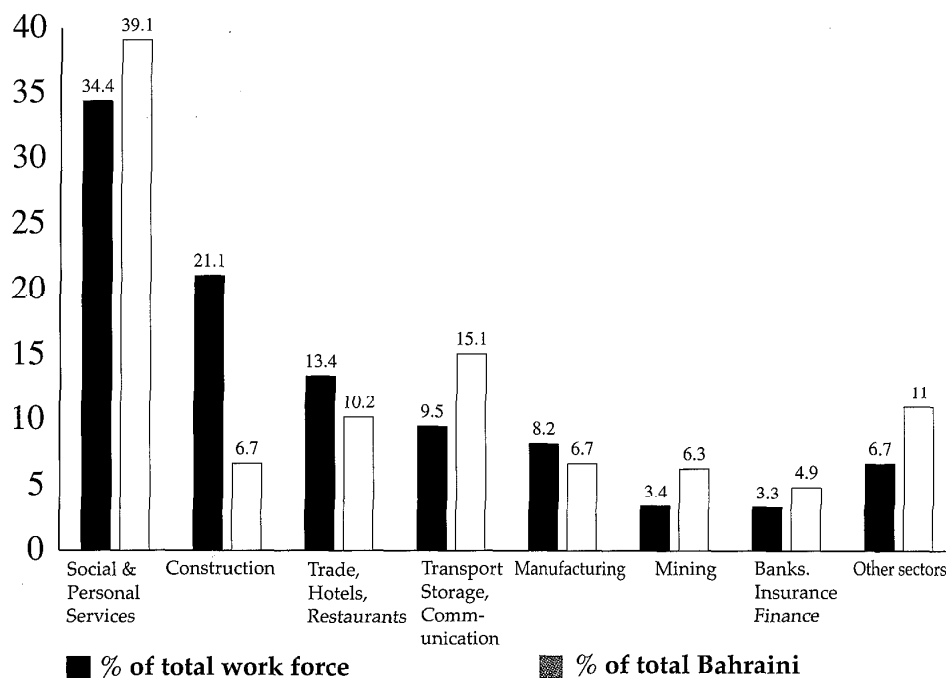


Figure 5.2
Percentage of Total Workforce and Bahraini in 1991 Census in Various Economic Sectors

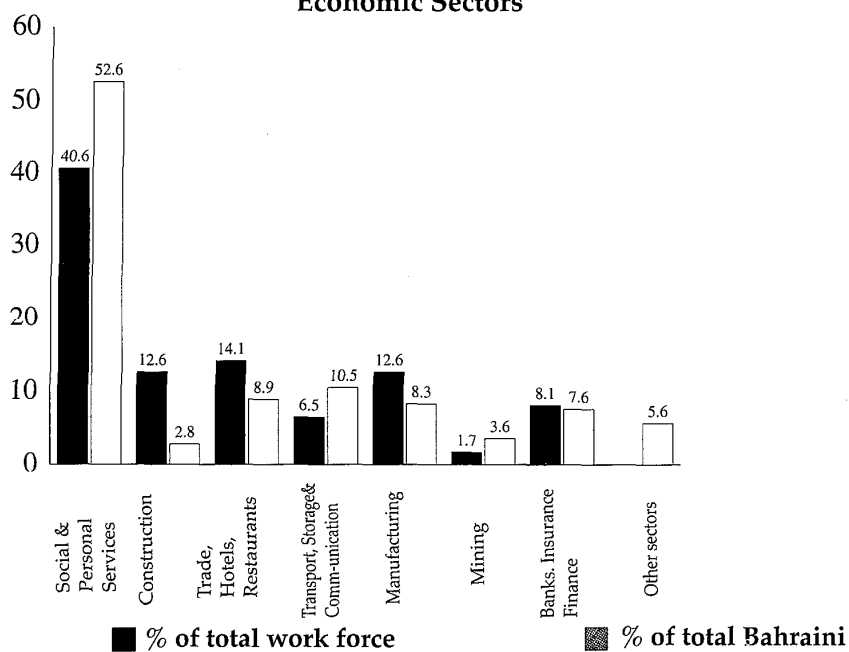
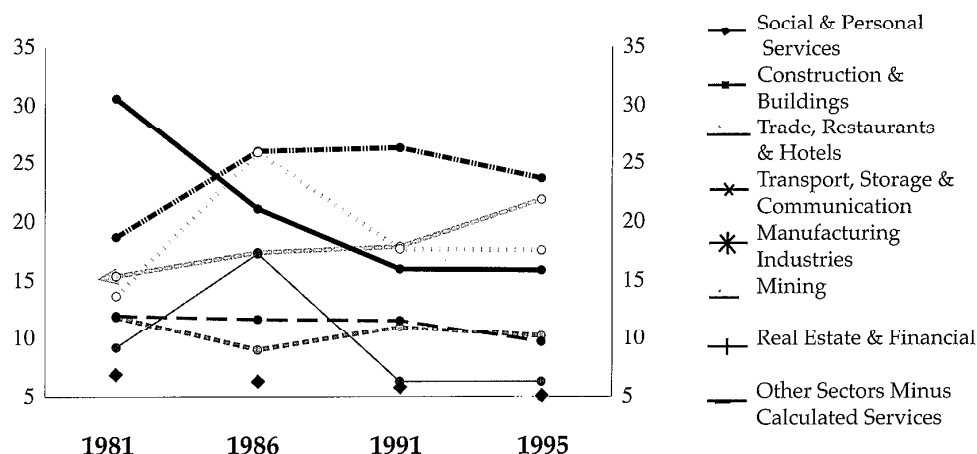


Table 5.2
Changes in Relative Contributions of Various
Economic Sectors to GDP in Selected Years

Sectors	1981	1986	1991	1995
Social & Personal Services	18.7	26.0	26.3	23.7
Construction & Building	4.6	6.3	5.8	5.0
Trade, Restaurants & Hotels	11.9	9.0	11.0	10.2
Transport, Storage & Communication	12.0	11.2	11.6	9.8
Manufacturing Industries	15.4	17.4	17.3	21.8
Mining	30.6	21.1	15.0	15.9
Real Estate & Finance	13.7	25.8	17.7	17.6
Other Sectors minus Calculated Services	-7.0	-17.3	-4.7	-4.0
Total GDP	100.0	100.0	100.0	100.0

Source: Calculated from statistical abstracts of Central Statistics Organisation.

Figure 5.3
Changes in Relative Contributions of Various Economic Sectors to GDP
in selected Years



The building and construction sector, which employed more than one-fifth of the total labour force during the early 1980s, was able to employ only 12.6% of the labour force at the beginning of the 1990s. Comparing these figures with those in Table 2.5, it becomes clear that the sector's contribution to GDP was systematically declining throughout the period 1981-95 though the decline in this instance was less than that pertaining to employment, which means a humble rise in labour productivity.

Cuts and decreases in Government expenditure on infrastructural projects are, undoubtedly, due to the completion of major parts of those projects and/or the decline in public revenues. In addition, the supply of residential, service and commercial units by the private sector is meeting the greater portion of the demand for such units

or, in some cases, more, as is indicated by the numbers of unoccupied or vacant units. This indicates that activities in this sector are approaching a saturation point.

In another sense, positive development on productivity in this sector could be that a focus on activities of maintenance and repair during the last few years may lead to an increase in the importance of using skilled and technical labour. Nevertheless, the percentage of Bahrainis working in this sector declined in 1991 from 1981, which means that either the wages continued to be low in this sector or the skills required have been unavailable among Bahrainis.

In contrast to the situation in the building and construction sector, the manufacturing sector experienced tangible expansion. This sector's percentage

contribution to GDP increased from 15% in 1981 to 22% in 1995. Likewise, its relative contribution to the generation of employment opportunities (for both national and foreign labour) has increased. It is anticipated that this sector will undergo significant transformations resulting from persistent occurrence of rapid changes in the technological realm which, in turn, are leading to more and more inclination towards capital intensive operations, automation and computation. Such a trend will necessitate intensive use of skilled and technical labour.

Of the sectors that have been expanding is banking, insurance and finance. The expansion in this sector is expected to continue in the future by virtue of the reputation achieved by Bahrain and because of its liberal economic policies.⁽³⁾ It is also expected that this sector will continue to employ more and more modern technology which, in turn, will affect a continuous change in the size and quality of the needed labour force.

Limiting the discussion to the above mentioned examples does not mean that other sectors would not experience similar changes and transformations. Even the social and personal services sector, which employs 41% of the total labour force and about 53% of Bahrainis in the labour force, will experience perpetual qualitative changes. In this respect, the health sector, as we have previously seen, will encounter new health problems that call for a qualitative upgrading of services and intensified use of modern technology, which will together, necessitate the employment of a highly-trained and qualified labour force.

Second - The Relationship between Education and Labour :

At the outset, it should be stated that attendant and expected developments in various sectors, including those pertaining to injection of technology into different services and productive activities in Bahrain, do demand graduates with university certificates and diplomas. Indeed, they require (before and after) wide-ranging and diversified kind of cultural, scientific and technological knowledge. However, mastery of such basic skills would not be satisfactory unless it is coupled with willingness, preparedness and capability for continuous learning and acquisition of diverse new skills that shall enable a person to work efficiently and at a high level of productivity, in addition to allowing for maximum flexibility in regard to job change.

Co-relating education, particularly technical and university education, to labour market demands and assuming any kind of linkage, between levels and specializations in education and training, on the one hand, and professional structure, on the other, is, by no means, convincing.

Nevertheless, such perception continues to exercise some influence among some planners and educational practitioners. This has led to an unjustified emphasis on particular narrow specializations. Such tendencies have categorically failed in achieving the needed equilibrium in the labour market. On the contrary, it has led to a host of disparities and distortions which are, to date, negatively impacting the labour market in Bahrain. The rationale behind such a situation

is based upon the difficulties encountered in identification and specification of skills actually needed by the labour market, as many professions do not require precisely delineated, specific specializations. Even in case of successful identification of such specializations, it is again difficult to determine the required training content, its teacher, the teaching methodology and whether schools, institutes and universities are the only places for optimum training and learning of work skills.

Education has been dealt with in detail in Chapter Four. But, it must be stressed that persistence of the current state of affairs will result in a quantitative surplus of graduates concomitant with qualitative shortage. Such a situation would not allow, on the one hand, graduates to secure suitable and feasible employment opportunities and, on the other, businessmen to willingly employ such incapable graduates, particularly if there are some difficulties in their re-education or re-training to equip them with new skills that are needed by work requirements. It is important, however, to mention here (and return later in some detail) that the emergence of increasing and widening unemployment among the youth of Bahrain with secondary school and university qualifications, while foreigners occupy two-thirds of the available employment opportunities, clearly indicate an apparent disparity and dissociation between education output and labour demands. In spite of this, there are other factors and reasons for such a situation some of which have been addressed in the previous paragraph and are to be analysed later. Here, it is suffice to throw some light upon the State's

efforts in the sphere of vocational training, including on-job training.

Third - Training and the Labour Market :

Shortage in skilled national labour force represents one of the most important obstacles that face the State of Bahrain and other GCC countries in their efforts to increase their economic growth rates. This has led to increasing reliance on foreign labour imports. In fact, employment in industrial and services enterprises, particularly in private sector, of foreign labour figures as more attractive than shouldering the burden of local labour force training; i.e. it involves positive externalities. Private sector enterprises are reluctant to assume responsibilities of training unless there is some kind of subsidy. Therefore, there is an inclination in these enterprises to employ labour force from abroad that is equipped with the desired skills. This, indeed, creates a condition that shackles the Government and hampers its efforts to realise its goal in raising the level of employment and skills of the national labour force. Such behaviour is explained by the lack of assurance that trained labourers would continue working for enterprises that have incurred their training costs. Therefore, such enterprises are inclined to hire foreign workers as long as they have the required skills. This is inherently limiting the Government's desire to raise the level of skills and employment of the national labour force. Consequently, the Government is obliged to intervene in training activities when the attendant forces of the market show an apparent failure in involving Bahraini labour force in enterprises operating in

the private sector.

The State has shown a marked concern over development of the national labour force through various programs of continuous education and training, in order to achieve a degree of optimum employment of Bahraini workers. Since the 1970s, the State has formulated policies and training programs which have been designed to produce a skilled national labour force and, in addition, to substitute foreign workers.

In 1975, the State established the Supreme Council for Vocational Training, presided over by the Minister of Labour and Social Affairs, with its members drawn from Government, business and workers. The objectives of this council include the following:

1. Necessary planning and co-ordination of vocational training.
2. Articulation of a training policy that includes identification of priorities in respect of vocational training and associated activities, in addition to provision of consultative services to various government units regarding training.
3. Supervising the State's ratified training policy.
4. Setting the required levels and standards for provision of training programs and supervision of their proper application, in addition to preparation of suitable recommendations for amendments and expansions.

Following the establishment of the Supreme Council for Vocational

Training, the Government formed a new administrative unit in the Ministry of Labour and Social Affairs, called the Directorate of Manpower Development. This has been assigned the supervision application and follow-up of the Council's activities. This was followed by the enactment of the Labour Law for the Private Sector in 1976.

In 1976, the Centre for Vocational Training was established in Isa Town to inject a fresh momentum to the vocational training program in the country. In 1981, a program of vocational apprenticeship was activated to meet the needs of graduates of intermediate schools. This program continued until 1989 when a program of guilds and trades was introduced to serve the training needs of secondary school-leavers. In 1992, the centre was upgraded and its name was changed to the Bahrain Training Institute. In 1995, a board of directors was formed to manage and supervise the institute's programs and services.

The Government has spared no effort to encourage the private sector to contribute to the training of the national labour force. To this effect, the Government issued a ministerial directive imposing a vocational training levy and organization of training in enterprises.

The above system requires that enterprises, which employ more than 50 workers and do not provide training to their workers (i.e. have no training centres), shall contribute towards the public training costs. This is being effected by payment of regular fees for training to the Ministry of Labour and Social Affairs. The charge is stipulated

at 2% of the total annual wages of the enterprise's local labour force in addition to 4% of the total annual wages of its foreign labour force. In exchange, the Ministry is obliged, through the Supreme Council for Vocational Training, to provide training to workers of these private enterprises. Actual application of this system was designed to be in a phased manner. In phase one, it was applied to enterprises with 200 and more workers, in 1997. The second phase was applied in 1994 when the Ministerial Directive of 1979 was amended. According to the new directives, the contribution has been reduced to 1% of total annual wages of the local labour force and 3% of foreigners' wages for enterprises that employ 100 or more workers.

It is worth mentioning here that the Ministry of Labour and Social Affairs has devised a two-phase plan for Bahrainization. The target of the first phase (1989-1994) was to make available 20,000 jobs for Bahrainis looking for employment or entering the labour market for the first time. The second phase, which began in 1995 and is expected to continue up to 1999, has the objective of providing 25,000 new employment opportunities.

Fourth: Unemployment among Nationals:

The concept of unemployment, adopted in Bahrain, is similar to the globally agreed upon definition, which includes all persons within the labour force but not working, though they are able to do so and have the desire to work and are actively seeking work.

Unemployment rates can be calculated from various population census and

household surveys (if any). Otherwise, such a rate can be enumerated from the number of unemployed persons registered in labour offices (as long as all the unemployed, or at least the majority of them, resort to labour offices for help and assistance in job-finding). The latter source, while providing periodical information, nevertheless, covers only a part of the total number of unemployed i.e only the registered.

On the basis of the population census, the unemployment rate was 3% in 1981, rising to 6.3% in 1991. In numbers, this means that unemployed persons increased from 4,500 in 1981 to 14,400 in 1991. Since unemployment among foreigners is of no statistical significance (as it was only 0.3% in 1981 and 0.4% in 1991) this demonstrates that the vast majority of the unemployed are Bahraini nationals. This, in effect, requires the calculation of unemployment rates of nationals on their own. In this case, it becomes clear that the unemployment rate is rather high and, moreover, it progressively increased during the period 1981 to 1991. This is so because the rate increased from 6.6% to 14.7% for both sexes in 1981 and 1991 respectively (for males it was 5.1% in 1981 and 24.8% in 1991).

During the same period, the characteristics of the unemployed persons significantly changed. While in 1981, the level of education of about 97% of them was less than secondary school, this percentage dropped to 43% in 1991 as the majority of the unemployed were those who completed secondary schooling or more. The percentage of female graduates of secondary schools reached 72% and the

percentage of those who attained higher education amounted to 10% compared to 1% and 2% for the two stages, respectively in 1981.

Expectedly, this was reflected in other features of the unemployed such as the average age. In 1981, about 37% of the unemployed were aged 15-19 and 25% were more than 25 years. This remarkably changed to 24% and 36%, respectively in 1991.

It is, therefore, expected that the unemployment rate has undergone a considerable increase between 1991 and 1997. This would be due to the increased number of graduates seeking employment. The anticipated increase in the absolute numbers of the labour force in the specified period is about 35,000 i.e. an annual average of about 5,000, while the number of people exiting the labour market is not expected to exceed 10,000, representing not more than 1,500. The majority of new graduates, if they have not been absorbed into real and productive jobs, one might expect that the size of the unemployed would have been doubled since 1991.

What calls for explanation in the case of Bahrain is the co-existence of such numbers of unemployed nationals and the existence of foreign workers. In 1991, there were 13,400 unemployed Bahrainis while there were 134,000 employed foreigners i.e. one unemployed Bahraini among every 10 employed foreigners. This means that local demand for labour is significantly higher than the supply of national labour. However, the problem of the Bahrain labour market is its openness. Such a market, which is primarily characterized by internal demand and

unlimited supply of foreign workers and because of the prevalent economic liberalisation, encourages businessmen to employ foreign workers, particularly when they consider the costs, profit margins and increase of competitive efficiency of their enterprises.

Fifth: Labour Market Efficiency:

It is important to state that the labour market in Bahrain is not a consolidated one or, at least, not sufficiently consolidated. Nevertheless, it is far better than other labour markets in the Gulf and the Arab world. Fragmentation of the labour market is apparent in the existence of two major sectors, the Government and the private sector. In turn, each of the above markets is divided into one for the national labour force and another for foreign workers. The latter, in turn, might probably be fragmented into a number of markets corresponding to the number of foreign communities i.e. Asian, Arab, European, etc.

The labour market fragmentation is most indicated by the observable variations in levels of wages and salaries, other work terms and conditions, policies of labour importation and terms of sponsorship. For example, the attendant system of double shifts, number of working hours, work environment, levels of wages and other features in the private sector are not attractive enough for a Bahraini, if he or she is being offered an employment opportunity in the Government sector, public enterprises or in banks and big companies.

Hence, in order to generally enhance the employment efficiency and maximize the effective participation of nationals, particularly in the private

sector, it is imperative to formulate the necessary policies and arrangements oriented towards the consolidation of this fragmented market and realization of its efficiency. This should be designed within the framework of a clear cut strategy of economic and social development. This strategy should be strongly related to the realistic conditions of economic, demographic, social and cultural dimensions.

As the problem of employment is so complex, intricate and inter-related with a multiplicity of variables that include work values and societal opinions towards various types of labour, it is again imperative to study the labour market mechanisms with more caution, care and depth. This ought to be simultaneous with the development of an effective system of information on the labour market, together with activation and enhancement of employment offices. Now, it is useful to throw some light on aspects that might increase the efficiency of the Bahraini labour market (or markets).

Sixth: Data-Base :

Bahrain has systematic, modern and important sources of information that can be useful not only to analyse the situation pertaining to the labour market but, more significantly, for the promotion of efficiency in respect of employment services, immigration and employment policies. One such source is the Central Population Registry which provides information and a continuous flow of data that cover the whole population and include systematic information which is subjected to perpetual updating. Likewise, statistics of Immigration and

Passports Directorate can be useful in monitoring changes in the foreign labour force. Of course, use can be made of other administrative sources such as licensing authorities for service and production firms as well as statistics from the labour offices.

The long series of population census in Bahrain can be of use. This is particularly so as the first census conducted in Bahrain was in 1941, which is a rare situation among developing countries. The census, though conducted at varying intervals, allows researchers to carry out deeper analysis of population changes and labour force transformations. In addition to the population census, a number of business surveys have been conducted, the latest being the Industrial Survey of 1993. The latter is distinguished from other similar surveys in respect of its comprehensive coverage of all kinds of industrial firms, large and small alike, and irrespective of the number of workers employed. In this manner, such a survey has included an important portion of the labour force that is concentrated in small scale firms. If it is supplemented by another labour force / household survey before the end of this century, Bahrain would have a better and more comprehensive database. Household surveys are distinct for their coverage of all working people, including those who are self-employed, or those who work in the informal sector, in addition to the unemployed. Such information is extremely difficult to cull from other sources and, moreover, information to provide periodical and systematic data, contrary to the population census which is 10 years apart. In addition to the above-mentioned useful sources, one would suggest a few new

sources which are suitable for the situation in Bahrain and have proven to be of significant success in similar contexts.

In Bahrain, it is frequently argued by researchers, planners and decision-makers that there should be a definite formula to adapt the output of education and training to the needs of the labour market. Likewise, there is considerable discussion over the extent of employment opportunities and training that can be made available for Bahrainis and how to rationalize import and employment of foreign labour. Of the surveys that can help policy-makers in decision-making and allow for intervention at the right time, are the Labour Cycle Surveys. These provide systematic and fast information and allow continuous monitoring of the labour market. Through short questionnaires, it becomes possible to collect data that measure the relative availability or scarcity of various major or minor professions. They also provide quantitative and qualitative data on profession-mobility, job-abandonment, dismissals, new appointments and vacant jobs. Some of this is widespread among Bahrainis working in the private sector.

Of the new and useful sources of information are the Tracer Studies which can provide solid data by tracing one or more batch of students (school, institutes, universities) before and after graduation and then, follow up their interactions in the labour market for a number of years. Such studies can provide strong and clear indicators on yields of education and the state of the labour market and the inter-relationship between them. This would persuade authorities in both

education and employment to simultaneously rectify the situation in the two sectors.

Seventh: Enhancement of Employment Services and Data Computerization

In recent years, the Ministry of Labour and Social Affairs has devoted increasing attention and care to problems of employment of nationals. To this effect, the Ministry has established a special office for employment services which is distinguished by its new approach in dealing with the two partners to the work relationship. On the one hand, the office conducts a systematic dialogue with business owners to identify and understand their needs for skills and to comprehend their responsibilities in employing Bahraini youth while, on the other hand, it extends assistance to job-seekers by examining their actual qualifications and capabilities and training needs and, then, nominating them for available vacant jobs that correspond to their qualifications and capabilities. It is hoped that the establishment of this office in 1995 called, The Employment Services Bureau represents a step towards the building of an integrated system of labour market information in Bahrain and other GCC countries, particularly those which can make available jobs corresponding to inclination and qualifications of Bahrainis. It is, moreover, inconceivable that the Employment Services Bureau is limiting its activities to the production of data pertaining to job-seekers who actually register in the office or data on job vacancies. In addition, the office has to conduct or participate in the generation of data from other sources and analysis of available data on the

labour market in a manner that would facilitate the maximization of nationals' employment and assistance of those who encounter difficulties in employment through some kind of a professional and training guidance.

Optimum use of data is impossible unless such data is treated and analysed by computers, especially in the case of comparing the number of job-seekers to number of vacancies in the labour market.

(1) See the Statistical Collection, Central Statistics Organisation, December 1996, Table No. 6, 19 p 616

(2) Compiled from the Statistical Collection, 1995, p.390

(3) Of 122 of countries in the world, Bahrain has been placed third in regard to economic liberalization, according to criteria set by the American Heritage Foundation. Local, regional and international means of mass-media have reflected this achievement with a great deal of interest which would inject more confidence in the investors' opinions towards Bahrain and enhance its developmental efforts.

CHAPTER

6

**Social Care
and Social
Development**

Social Care and Social Development

First - Income Variations and the Needy Families:

Only scanty information about levels of and variations in incomes of Bahrainis is available. The results of a recently conducted survey on household budgets have not yet been released. Moreover, studies on measuring living standards of various households are unavailable. Hence, reliance will be on partial and scattered information in the hope that this might give, an estimation of income levels and the relative size of the population whose income falls short than of basic needs.

The annual per capita income of Bahrainis in the mid 1990s, amounted to U.S. \$ 7,500 and was certainly higher than the general average. This is because the average wage of the majority of foreign workers, (who were under the umbrella of social insurance) was less than US \$3,000. Indeed, 73% of the latter category had an average annual wage of less than US \$46,800. Thus, if we take into consideration the numbers of their dependants in addition to numbers of foreign workers outside the social insurance umbrella (1), the average per capita income of foreigners would not exceed half the average per capita income of Bahrainis i.e. the average per capita income of Bahrainis was not less than US \$10,000 per annum.

Wage statistics reveal that 27.4% of Bahrainis have annual wages of BD 1,800 (US \$4,800) and 7% have annual average wages of less than US \$3,000. Therefore, when numbers of dependants are added, the annual average per capita income of the majority of Bahrainis seems far below the general

average which reveals a remarkable income variation. However, it should be understood that this partial information reflects only a fraction of the real variation.

There are a large number of people who are unable to work; the aged, the infirm, orphans, widowed women and the divorced, to whom government assistance is being channelled. The amount of assistance has been increasing annually and stood at BD3.7 million in 1995 which covered about 10,328 households with a total of 35,791 persons.(2) This means that the general average household income is BD104 (or US \$ 275). Over and above this, the Government provides free and universal education, training and health services.

Besides the Government, voluntary associations provide assistance in cash and kind to needy families. It is estimated that such associations have provided assistance to about 17,500 families in 1996. In addition to the declared and explicit assistance from the Government and voluntary associations, there is a strong informal system of social solidarity under which able persons directly provide help and support to their needy relatives, acquaintances and neighbours.

If such forms of aid and assistance are taken into consideration, together with other incomes generated from any economic activities that some members of the household might engage in, and the free health care services, which include sewage and tap water, it becomes possible to state that the existence of poverty, defined as a state of deprivation from one or more of the basic human needs, is quite limited

in Bahrain. Indeed, the percentage of those who are classified as "poor" and actually receive Government assistance is only 2% of the total population of Bahrain (see Table 1.6). Even if the number of all beneficiaries of Government assistance (without being defined as poor) is considered, the percentage is probably not more than 10%.

Perhaps it is useful to add that members of needy and poor families are predominantly characterized by specific features that prevent their emancipation from the state of poverty. These features include illiteracy, lack of information, lack of productive assets and difficulty in securing feasibly rewarding employment. Hence,

we observe higher rates of unemployment, lower levels of income and, because of high fertility, larger numbers of dependents among them.

Second - System and Efficiency of Government Assistance:

As previously mentioned, the Government, represented by the Ministry of Labour and Social Affairs, provides assistance to needy families in Bahrain. The number of these families reached 10,328 in 1995. The following figures illustrate the needy groups, their numbers, family sizes and amounts of assistance provided in 1995.

Table 6.1
Average Value of Government's Assistance To
Families And Individuals According To
Needy Group 1995

Needy Groups	No. of Benefit-ing Families	No. of Benefiting Individuals	Amount of assistance BD	Average Amount Received by Family BD.	Average Amount Received by Individuals BD.
Disabled	1,388	4,387	505,857	364	115
Elderly	2,922	11,640	1,026,945	351	88
Infirm	833	3,920	304,539	366	78
Widows	2,015	4,504	730,686	362	162
Divorcees	1,452	3,153	387,555	267	123
Orphans	209	215	67,738	324	315
Poverty	1,442	7,336	667,002	462	87
Imprisonment	67	327	14,836	221	40
Total	10,328	35,791	3,705,158	359	104

Source: Compiled from Statistical Abstract, 1995, p.308.

Figures in the above table show that the average amount of assistance provided to various families is similar, despite variations in the characteristics of the family. This is apparently reflected in the remarkable disparity in the per capita size of received assistance in various groups.

Besides cash assistance, the Government provides various forms of support and social care for the needy. The aged, for example, find distinguished governmental care and attention. The Government's schemes and programs of assistance, in the case of the elderly, include institutionalized types of care. This is because the conditions of the elderly require, in addition to accommodation, provision of all their basic needs which include psychological, recreational and rehabilitational needs. To this effect, the Government established the Home for the Elderly in 1985. Moreover, the Government, in cooperation with experts from the non-governmental sector in the National Committee, supervises care services provided to the elderly who choose to live with their families.

Besides the above, the Government and other social organizations provide care for orphans and children of broken families. To this end, the Government established the Child Care Home in 1984 to provide social, psychological and recreational facilities.

Although the number of the disabled in Bahrain is very low, less than 1% compared to an average of 2.6% in other developing countries(2), the Government and the society provide distinct services to this category of the

population. In this respect a number of care centres and homes have been established in Bahrain for the benefit of the mentally or physically disabled. The Ministry of Labour and Social Affairs alone has established four such centres, while non-governmental organizations have their own centres where psychological, social and rehabilitation services are available.

Despite efforts for assistance, training and rehabilitation of these groups, there is no indicator reflecting the extent of success in the development of capabilities of these groups and their ability to find jobs that suit their capabilities and, ultimately, the role of funding in helping them to achieve complete or partial self-reliance.

Social care plans have included the establishment of a number of social centres in various locations of Bahrain. These centres promote the capabilities of both individuals and families in acquiring skills for income-generating jobs. Women are the majority of beneficiaries as the annual number of female participants in the centres' programs is about 1,000. The centres provide free training, in addition to transportation at nominal charges.

Achievements and activities of social centres in Bahrain include the following projects.(4)

1) Local Female Animator Project:

At present this project involves 28 female animators from different localities in Bahrain. Their prime function is to assist social centres in disseminating awareness programs, identification of needy families and persuading women to get involved in various programs of social development.

2) Productive Units Project:

This program endeavours to provide employment opportunities for women of low and limited income families by training them to sew and tailor. This is being conducted mainly by facilitating the supply of products made by these women to seasonal, permanent, local, international and governmental exhibitions. The project now employs 38 women in various centres.

3) Tailoring and stitching workshops:

In these workshops, women from limited income families are taught principles of tailoring and sewing. The annual number of graduates of these workshops is 350 - 400. Some of these women are able to find employment in tailoring shops and ready-made clothes factories while others use their skills for family self-sufficiency.

4) Handicrafts Project:

Women are being trained through this project to acquire various skills pertaining to manual, traditional and domestic crafts. The project trains about 300-350 women annually who regularly provide their products for local and international fairs.

5) Nutrition, Family and Health Awareness Project:

This project serves about 1,400 women who are users of services of social centres. Under this project female researchers and social workers organize many educational sessions on various issues of community life.

6) Case-Study Project: Social centres conduct systematic case studies about conditions of families that benefit from social assistance. About 370 to 400 case studies are conducted every month.

7) Illiteracy Eradication Classes Project: In cooperation with the Ministry of Education, social centres are providing a number of adult education classes since 1986. About 752 women had benefited from this programme until 1993.

8) Kindergarten Projects: There are seven kindergartens in social centres under the supervision of non-governmental organizations. The total number of active classes in these kindergartens is 35, which accommodate about 850 children.

9) Productive Families Project: The prime objective of this project is to improve the situation of families with limited incomes and help families who are receiving assistance to become self-reliant. This project has been transferred to the supervision of the Ministry of Cabinet Affairs and Information and Ministry of Oil and Industry, which has undertaken some traditional industries projects.

It is, however, worth mentioning that the Bahrain Training Institute is also providing (under the supervision of the Ministry of Labour and Social Affairs) various types of training services for young women which might help them in securing employment in commercial and industrial firms.

Table No. 6.2
Projects and Program of
the Ministry of Labour and Social Affairs
Source: Ministry of Labour
and Social Affairs reports, Bahrain.

Projects & Programmes	1980	1985	1993	
Tailoring & Sewing	364	269	338	Graduates
Handicrafts	34	101	332	Graduates
Productive Units	35	45	38	Workers
Productive Families	133	142	-	Families
Community Animators	84	36	28	Animators
Educational	107	64	210	Rounds
Social Assistance	3830	6484	10060	Families
Adult Education	-	58	60	Students
Training Session	20	58	60	Sessions

Source: Ministry of Labour and Social Affairs reports, Bahrain.

Despite all these efforts, however, the number of needy is increasing year after year. This is because various products and commodities (traditional and domestic), which are being produced through acquired skills, do not meet sufficient demand in the market and / or do not generate sufficient incomes. Likewise, it seems that acquisition of skills does not directly secure feasible employment in the formal or informal private sector.

It is apparent that the priority in

Bahrain is the provision of social services through assistance, while development of skills and capabilities appears to be limited and does not generate enough income. Moreover, the majority of beneficiaries do not effectively participate in the decision-making process regarding the quality and form of services provided to them. They do not participate in the process of marketing commodities that they produce; the social centres market and pay them wages for their labour and provide some other facilities.

What could be concluded from this review is that development of capabilities in an integrated manner is preferable to providing and receiving cash assistance. Such capabilities should include the capacity to participate in the decision making process and product-handling. Absence of this may only foster dependency, instead of enhancing self-reliance.

This is the reality as being conceived by the Government of Bahrain and what it aspires to achieve in this field. The National Report of the State of Bahrain, presented to the World Summit on Social Development in Copenhagen (1995), states that mere provision of financial aid to the needy is by no means an indicator of development; rather, it is the host of efforts to motivate families to undertake productive jobs that might provide for their livelihood and add to the productive capacity of society which is the adequate solution. The report, furthermore, emphasises the role that might be played by civil institutions in the enhancement of social development.(3)

Third - Policies:

1) Switching from mere provision of cash assistance and other forms of social services into effective development of the capabilities of the needy groups necessitates a comprehensive understanding of the characteristics and needs of each needy category e.g. disabled, orphans, the aged, the infirm, widowed, divorced, the poor, unemployed, etc. It is imperative for such a study to include an adequate evaluation of the impacts of social services on each category, particularly in respect of need-satisfaction of each

category. Questions as to whether such services have indeed reduced the number of the needy or if they have decreased the number of the unemployed, or if they have generated suitable jobs with sufficient incomes seem to be of paramount importance in such a study.

2) On the basis of the available data and information, the Government can formulate and adopt a strategy oriented towards the gradual transformation from mere assistance provision (unless it is necessary as in the case of the aged and the infirm) to the development of the capabilities of the needy and their empowerment to overcome their difficulties in a permanent manner.

3) Such a change calls for sufficient support to social centres, whether directly or through NGOs, to enable them to deliver various types of assistance and more specific services that may be useful to the whole population (males, females, young and elderly). Skill development training should focus upon areas which involve richer promise of feasible employment, especially those with greater potential of self-employment.

4) Assistance for those who need to find feasible employment in the private sector should be managed through providing them with sufficient and accurate information on available jobs, their requirements, their specific educational and training requirements etc.

5) Facilitating the needy groups' acquisition of the necessary productive assets, such as land, and helping them to become acquainted with commercial and service activities that hold

promise in addition to developing their expertise in dealing with financial institutions public or voluntary.

(1) Social Insurance System does not include workers employed in small-scale enterprises, which employ less than ten workers. Likewise, the system does not include those who are self-employed. The system, hence, excludes a large proportion of the labour force which is estimated to comprise two thirds of the total number of workers.

(2) The Statistical Abstract, 1995, p.308, Table 1.9

(3) *cf.* U.N. *Annual Reports on Human Development*, particularly those of 1996-1997

(4) Ministry of Labour and Social Affairs reports, Bahrain.

(5) The State of Bahrain National Report, presented to the World Summit on Human Development, Copenhagen, 1995, p.490.

CHAPTER

7

Housing:
Services and
Indicators

Housing: Services and Indicators

Due to the relatively early discovery of oil in Bahrain, the country's level of urbanisation has, for long, been one of the highest in world. The first population census of 1941 showed that 70% of the 90,000 people in Bahrain lived in urban areas. The number of housing units that year totalled 14,200 i.e. one housing unit for every six persons.

The subsequent period of 1941- 1965 witnessed rapid growth in population,

posting a growth rate of 102% i.e. population increased from 90,000 to 182,000. But the growth of housing units did not match the population growth (see Table 7.1). Between 1966-1971, the disparity persisted, although the difference in the two rates of growth did narrow. The difference, in fact, was reversed during 1966 to 1991 when the growth rate of housing units exceeded that of population at ever-increasing rates.(1)

Table 7.1
Percentage of Change in Population and Housing
Units between
Population Census, 1941-1991

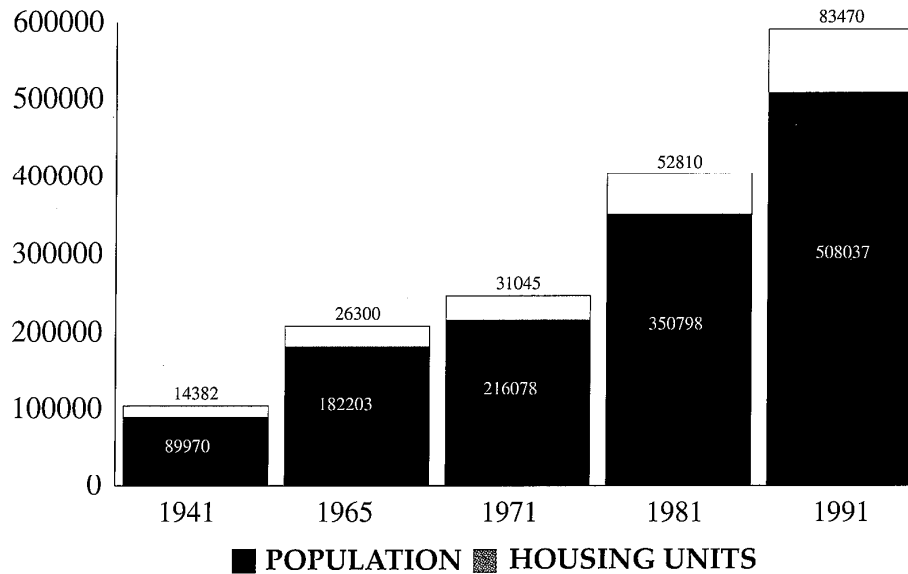
Population Census Years	Population		Housing Units	
	No.	Change%	No.	Change%
1941	89,970	-	14,382	-
1965	182,203	102.0	26,300	82.8
1971	216,078	18.5	31,045	18.0
1981	350,798	62.3	52,810	70.1
1991	508,037	44.08	83,470	58.0

It is obvious that there have been intensive efforts during the last three decades for the provision of housing services. To this effect, new towns have been founded, such as Isa Town in 1968, hosting a population of 35,000 in the early 1990s, and Hamad Town in 1982, with a population of 29,000.

The state is, moreover, planning to build another new town in the area of Jow(2).

The Government's concern about housing and its consideration of housing as a basic need are reflected in a large number of indicators.

Figure 7.1
POPULATION AND HOUSING DURING CENSUSES (1941-1991)



The relatively long history of census conduct in Bahrain (since 1941) can be considered a significant indicator of the Government's pre-occupation with the task of responding to citizens' demands for housing. Moreover, a high percentage (about 44%) of the constructed units have been built by the State or through its assistance in the form of housing loans or licenses. In 1992 the total amount of such loans reached about BD 12.5 million (US \$33 million)

During 1976 -1990, the Government, represented by the Ministry of Housing constructed and sold 150,700 housing units and 2,126 residential flats. Furthermore, the Ministry has issued 7,262 building licences and provided 8,443 housing loans, of which 55% were for new construction and 28% for repair and maintenance. Thus, Government assistance during this period represented 30% of total

housing expenditure in the country. (3)

As a result of such Government concern, in association with continuous expansion, the percentage of people who live in homes owned by them has been progressively increasing. This has increased from 45% in 1981 to 56% in 1991. As the majority, or all, home owners are Bahraini nationals, it can be stated that about 42,800 Bahraini families had their own homes in 1991.(4) This rose to 82% of the total number of Bahraini families (52,000) in 1991, which is a very high percentage when compared to other countries. Of course, all rented housing units are either the property of the Government or Bahraini nationals.

Pursuant to expansion in building and construction of housing units, there has been similar concern about provision of infrastructural services for homes, such as water, electricity, and

sewerage. The percentage of houses provided with clean water is 97.5% since 1981, while electricity services covered 98.4% of houses since that same year. However, this declined in 1991 to 94.6% as the accelerated expansion of house construction has not been accompanied with similar expansion in power services during 1981-1991.

As for the housing units which are provided with sewerage services, it could be argued that there is tangible progress. The percentage of such units increased from 4.5% in 1981 to 69% in 1991 which means that sewage services have a long way to go. The per-

centage of housing units with water, electricity and sewage services is about 95%.

(1) Calculated from Population and Housing census, 1941-1991

(2) Cf. State of Bahrain, Ministry of Housing; The March of Achievements and Produce; Documentary Record of the Ministry of Housing's Achievements and Project.

(3) See, State of Bahrain's National Report, presented to the World Summit for Human Development, 1995, Housing Services.

(4) Calculated from the 1991 census of Population and Housing.

CHAPTER

8

Women and
Human
Development

Women and Human Development

Introduction:

The Human Development Index (HDI) measures the average achievement of various countries in the world with reference to basic human progress in areas such as health, life expectancy, knowledge, educational attainment and income, all of which allow for a decent standard of living, which is the prime indicator in human development.

But the United Nations has developed, besides the Human Development Index, two other yardsticks for measuring gender-based variations and disparities. One of these indices measures achievement on the basis of the same basic measures being used by the HDI but, it also takes into consideration gender inequality. The applied methodology in this measure imposes some penalty for lack of gender equality. This might lead to the decrease of index indicators in case of decline of gender-based achievement or when disparity increases between achievements of females and males. This is to say that as disparity between the two sexes increases (in respect of basic capabilities), gender-related measures tend to decrease.

The other index, called Gender-Related Empowerment Measurement, focuses on three variables - women's economic participation, professional opportunities for women and women's participation in the decision making process.

It is apparent that the Gender-Based Development Index emphasises the

development of human capabilities while the Gender-Related Empowerment Measurement Index stresses the actual use and utilization of these capabilities.

First - Bahrain's Achievements in Gender-Based Development:

In terms of basic human development, Bahrain ranked 36 out of 173 countries covered by the Human Development Report of 1995. This placed Bahrain among countries with high levels of human development. This group comprises 62 countries. (1). The status of Bahrain among this group is fairly satisfactory, since it is preceded only by industrialised and advanced countries.

Nevertheless, the status of Bahrain declines significantly when gender-sensitivity is introduced. Points scored in this index have to be subtracted from those scored in the general human development index. As a result, Bahrain slips 20 points to a rank of 56 out of 130 countries included in the gender-based index and which have sufficient and comparable data.

Nevertheless, Bahrain is distinguished in that it is one of few countries that have achieved tangible progress in gender-related development during the years 1970 to 1992. The country's Gender-Based Development Index increased from only 0.382 in 1970 to 0.674 in 1992, an increase of 79%, which is an achievement compared to other countries.

Of the increase, 43% is related to the rapid and continuous increase in edu-

cation attainment, which was firmly linked to equality between the two sexes during 1970-1992. Total female school registration in Bahrain was 50% in 1970 compared to 63% for males, but this exceeded that of males and amounted to 86% (compared to 81% for males), in 1992.

In 1970, female school registration among the age-group 12-17 years was 70% and this reached 100% in 1992. Female registration in higher education, among the age group 18-23 years, was 59 females per 100 males in 1970 rising to 113 females per 100 males in 1992.

It seems that what has been achieved in Bahrain during this period was primarily based upon the significant changes in educational attainment and health development which have led to a perpetual rise in the average life expectancy as it has been defined in Chapter Three.

In the case of income, as one of the major indicators of human development, there seems no meaningful parity in terms of gender equality. A significant gap between male and female income persists. Nevertheless, women's share in national income has risen from 5% in 1970 to slightly more than 10% in the beginning of the 1990s. This calls for more effort in lessening this gap which is a major reason in diminishing Bahrain's rank in the gender-related development index.

Second - Women and Professional and Economic Opportunities

The concept of human development comprises the enlargement of human capabilities and utilisation of these

capabilities not only in spheres of work and production but, also, in decision-making and active participation in social, cultural and political affairs (see Chapter One). It is apparent that Bahrain has achieved remarkable progress in developing and expanding human capabilities and living standards, but the extent of achievement in respect of the other component of the concept, which is maximisation of utilising these capabilities, has not been achieved in the same degree.

Though economic activities have continued to rise throughout the last two decades, the rates of growth are, so far, low. The rate of economic activity for women, aged 15 - 60 years (active age) was 13.3% in 1981, rising to 18.4% in 1991. The number of economically active women in 1981 was 9,250 i.e. 15% of the total number of economically active Bahrainis that year. In 1991, the number increased to 17,544 and, likewise, the percentage increased to 19%. But due to the high level of unemployment among women, the percentage of working women, in relation to that of economically active women, was only 14% in 1981, rising to 17% in 1991.

The general rate of unemployment rose from 6.5% to 14.7% during 1981 - 1991. This was much higher among women, 14.8% in 1981 (compared to 5% among males) to 24.8% in 1991 (compared to 12.3% among males)

Thus, it is clear that, despite the fact that women in Bahrain have achieved equality in general education and, even surpassed men in higher education, they still comprise less than one-fifth of the national labour force and less than that (17%) of actually work-

ing women. This means that the rate of unemployment among women in Bahrain is high indeed; it is double that of men. Moreover, the majority of the unemployed women (12%) are those who have completed secondary education and those who have achieved higher education (10%).

More than two-thirds of employed women in Bahrain work in the Government sector (67.5% in 1991) and they are concentrated in the ministries of Education and Health. In 1995, the Ministry of Education employed 58% while the Ministry of Health employed 22% of the total number of women employed in

Government in Bahrain. (Table 1.8 and Figure 1.8). Women's presence in various other government ministries remains remarkably limited.

However, it appears that in the private sector, the general rate of employment of women has accelerated. In 1993, women's share of employment in this sector decreased to 54% and continued to decline until it equalled that of men in 1995 as the figures in Table 2.8 show. It should be appreciated that these figures include estimates of numbers of workers employed in small-scale enterprises (i.e. informal sector which is not covered by the umbrella of social security) and estimates of those who were unpaid or self-employed.

Table 8.1
Development of Employed Women in
Bahrain

Ministry	1986		1995	
	No.	%	No.	%
Education	3,356	53.1	5,213	57.9
Health	1,503	23.8	2,007	22.3
Others	1,463	23.1	1,773	19.8
Total	6,322	100.0	8,993	100.0

Source: Compiled from the statistical abstracts of these years.

Figure 8.1
DEVELOPMENT OF EMPLOYED WOMEN IN BAHRAIN
1986, 1991, 1995,

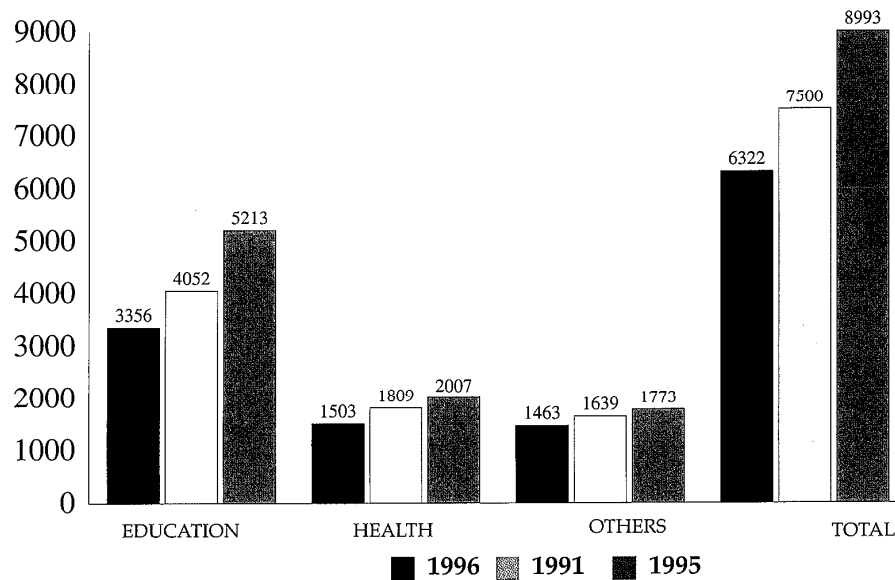
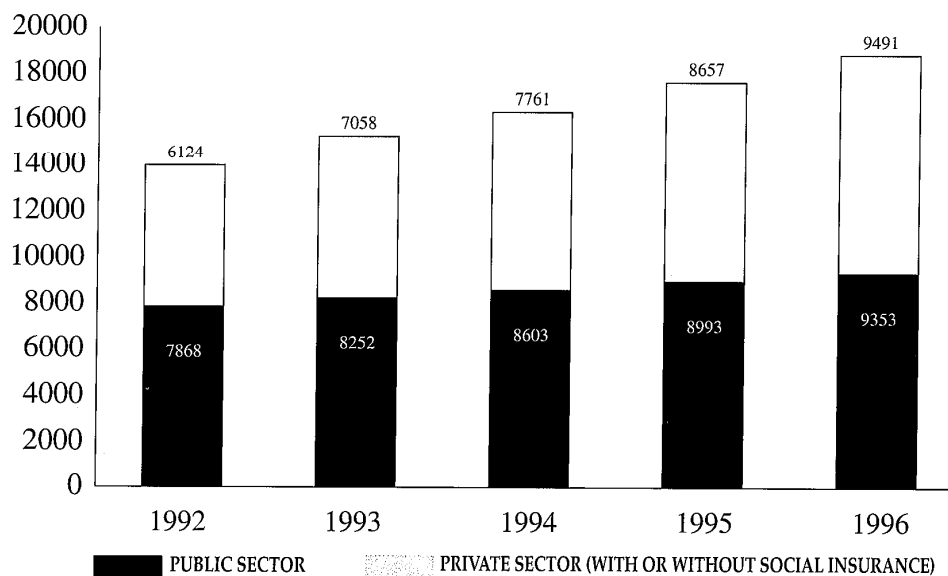


Table 8.2
Development of Women's Employment in
Public and Private Sectors during 1992-1996

Year	Public Sector	Private Sector			
		With Social Insurance	No social Insurance	Total	Grand Total
1992	7,868	3,876	2,248	6,124	13,992
1993	8,252	4,599	2,459	7,058	15,310
1994	8,603	5,132	2,629	7,761	16,364
1995	8,993	5,821	2,836	8,657	17,650
1996	9,353	6,464	3,027	9,491	18,844

Source: Ministry of Labour and Social Affairs estimates based upon labour force projections according to the 1991 census and data from General Organisation for Social Insurance and Civil Service Bureau.

Figure 8.2
DEVELOPMENT OF WOMEN EMPLOYMENT IN PUBLIC
AND PRIVATE SECTORS IN THE PERIOD 1992 - 1996



The reason for the progressive increase in the rate of unemployment among women in Bahrain is that the Government sector, which employed a majority of them, is approaching a saturation point, which means a systematic decline in the demand for women workers while the supply increases as the number of school and university graduates increase (see Chapter Five). Hence it is apparent (if trends shown in Table 8.2 prove to be correct) that the majority of employment opportunities for women in the future would be in the formal and/or informal private sector.

It is quite clear that the problem of women's employment is urgent and calls for decisive action at various levels to prevent and ultimately halt the waste of the available and highly qualified human resources.

Educational qualifications, undoubtedly, need to be supplemented by practical experience in a real environment. Lack of such experience can result in diminishing and, ultimately, loss of that educational knowledge. The latter is likely to lead to the gradual emergence and development of negative unproductive interests and concerns while meaningful and productive work shall always lead to the discovery, development and promotion of the individual's talents and activation of capabilities.

Also, active contact between women and their external environment, through work, would allow them to acquire the social consciousness necessary to correct administration of children socialization.

But employment opportunities made

available for women will most likely be in the private sector. Participation of women, particularly Bahraini women, in this sector, is so far quite limited despite its relatively bigger employment share. As Table 8.3 shows, women comprised only 2.6% of the total labour force employed in the private sector in 1986, a percentage which increased to 4.1% in 1994 and is expected to continue rising in the future.

It should be noted that about two-thirds of the labour force in the private sector comprises foreign workers, a majority of whom are males. The percentage of foreign working women is higher than that of Bahraini women in the private sector. Undoubtedly, Bahraini women can take up a significant portion of jobs currently being occupied by foreign women and men. Yet, a major challenge in this respect is the manner by which such a substitution can be realized. If a successful substitution of only 10% of foreign labour force can be achieved, this would allow for the absorption of all of the presently unemployed Bahraini women.

It is worth noting that the average salary in the private sector for non-Bahraini women exceeds by far that of foreign men, while the opposite is found in the case of Bahraini women; the average wage of national men is significantly higher than that of national women.

In the public sector, however, the average wage of Bahraini women is higher than that of Bahraini men, while the situation is reversed in the case of foreigners. (See Table 8.4)

Table 8.3
Relative Distribution of Workers in both Private and
Public
Sectors according to Sex and Nationality, 1986-1994

Sector/Sex	1986			1994		
	Total	Nationals	Foreigners	Total	Nationals	Foreigners
Private Sector						
Women	5.6	2.6	3.0	9.6	4.1	5.4
Men	94.4	18.6	75.8	90.4	21.7	68.7
Total	100.0	21.2	78.8	100.0	25.8	74.1
Public Sector						
Women	31.3	24.4	6.9	33.1	27.7	5.4
Men	68.7	54.0	14.7	66.9	56.7	10.2
Total	100.0	78.4	21.6	100.0	84.4	15.6

Source: The Statistical Abstract, Central Statistics Organisation and General Organisation for Social Insurance.

Figure 8.3
RELATIVE DISTRIBUTION OF WORKERS IN BOTH PUBLIC AND
PRIVATE SECTORS ACCORDING TO SEX AND NATIONALITY:1994

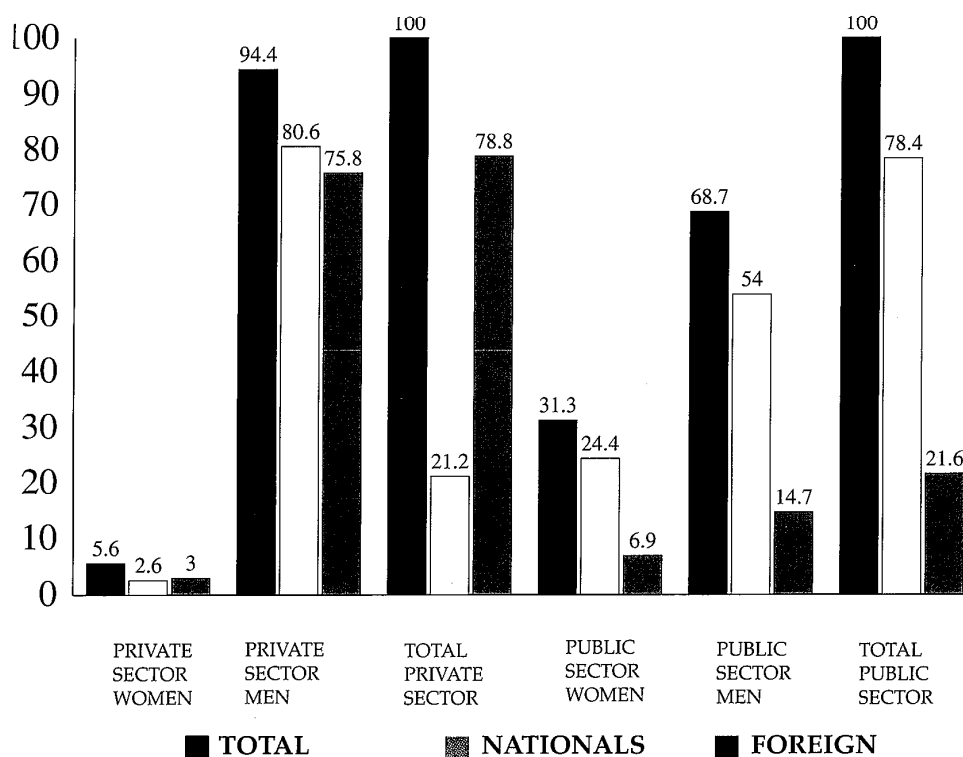


Table 8.4
Average Wages in Public and Private Sectors,
according to Sex and Nationality, 1991 - 1994

Sector/Sex/Nationality	1990	1991	1992	1993	1994
<u>Private Sector</u>					
Bahraini Women	347	344	344	335	314
Bahraini Men	401	403	416	428	419
Foreign Women	262	247	241	210	206
Foreign Men	170	168	175	180	178
<u>Public Sector</u>					
Bahraini Women	347	365	373	381	391
Bahraini Men	310	324	330	337	347
Foreign Women	345	352	355	362	364
Foreign Men	410	408	412	425	431

Source: The Statistical Abstract and General Organisation for Social Insurance.

The relatively high level of wages earned by Bahraini women in the Government sector is due to their higher educational attainment. About 41% of them have secondary school certificate and 45% higher education diplomas or university degrees. Among men, only 30% of employed males have secondary certificates and only 10% of them hold higher qualifications.(2) In addition, civil service regulations do not discriminate between the sexes, at least in terms of wages. Indeed, these regulations stipulate the payment of full salary for 45

days a maternal leave and allows nursing women to work one hour less for a period of 4 months, to breast-feed their babies.

Thus, Bahraini women have benefited from the available rank classifications in the job structure which is linked to qualification levels. Since women are more qualified than men, they could easily supersede men in wage levels. However, the general increase of women's share in the acquired incomes primarily depends upon lessening the gap between them and men

in respect of the rate of participation in economic activities.

This disparity in participation of the two sexes in economic activities becomes wider when we consider women's professional opportunities and their participation in the decision-making process. The highest post in the State occupied by a woman in 1991, was the post of Assistant Under-Secretary, while men occupied 36 similar posts in that year. The number of male directors in various government ministries was 63, compared to only three female directors, i.e. 4.5% . Even in the case of the Ministry of Education, where the vast majority of employed Bahraini women work, all but two of the posts of director are taken by men.

Judging by the status of women in the Government sector, one can only speculate about their status in the private sector where they constitute a very small percentage of the labour force. Does such a marginal status allow women an effective presence in respect of decision-making and self-realization? Or, does this status help them in regard of resources-control (in terms of ownership or partnership) and direct administration of their own businesses?

Sufficient and reliable information is not readily available to allow for adequate answers to these questions, but the 1981 population census classifies 22 Bahraini women out of 1,108 as business owners. As for non-Bahraini business owners, there are two women and 282 men. However, the number of Bahraini women who own businesses has increased to 193 i.e. 5.1% of the national business community, accord-

ing to 1991 population census.

At another level, statistics of the Bahrain Chamber of Commerce and Industry reveal that commercial registration recorded under women's names amount to 250 out of 70,000 registrations i.e. only 3.6% (3). But, inspite of the relative measure presence of women in this sphere, the majority of firms operated by women are small-scale projects, each of which employs less than 10 people.

An exploratory study on this topic points out that involvement in economic practice has enabled women to command a remarkable degree of courage and self-confidence, to meet their aspirations and to be more open to their own society and external world. This is so despite various societal obstacles they have encountered.(4)

Inspite of this, however, the role of Bahraini women remains generally limited, and their share in the national income is quite meagre compared to men or the share of women in other societies. Having said the above, one should bear in mind that women in Bahrain do practise a variety of domestic economic activities which are seldomly considered in National Income Accounts. These activities include stitching and sewing, various handicrafts, trade in different commodities etc. Apparently, such practises encompass a large number of women in Bahrain and generate considerable incomes in the country.

Perhaps the most significant injustice that engulfs women is the one that pertains to the society's lack of acknowledgement of their household

activities, such as cooking, cleaning and washing, child rearing etc. Women are not being rewarded in wage form for such activities and, hence, not included in National Income Accounts. If this were to happen, women's status in national income would remarkably improve. In reality, most working women are solely shouldering the responsibility of domestic household work and child rearing while the contribution of men remains quite limited. Such a situation puts considerable burden on women who either withdraw from employment or accept limited working hours for lower pay in order to have more time for domestic household activities.

Indeed, some legislation contributes to the increase of gender inequality. This becomes apparent in the case of legal sanctions in respect of empowerment and economic opportunities as will be discussed with reference to residential land distribution and allocation, titles to property etc.

Third - Legislations

It seems necessary to revise various legislation, particularly those pertaining to personal law, labour law and housing law.

In the case of personal law, the practise of which is in accordance with Sharia jurisprudence, it is observed that in Bahrain there is a lack of this kind of law inspite of the societal readiness for it and its importance to women and the family situation.

As for women's right to work, the constitution has sanctioned it for all citizens. Moreover, the Labour Law for the Public Sector of 1967 defines the

term worker without discrimination between the sexes and it emphasises total gender equality in regard to work-related rights. *But, despite this assurance of women's right to work, their choice of jobs and equality in rights with men, Bahrain has yet to ratify the International Convention for the Eradication of All Forms of Discrimination against Women.* In reality, women in Bahrain are suffering from inequality in economic opportunities, as has been previously shown.

As for housing legislation in Bahrain, the Amir's Decree, issued in 1976, to organize allocation of residential plots and housing loans, in addition to residential land distribution to limited income groups, has proved to be biased in favour of males. Even in cases where residential lands have been allotted to women, the titles were registered under the names of their patriarchal families. Added to this are the formidable difficulties associated with the formalities accompanying residential land ownership and registration. Recently, however, the state has attempted to ease such formalities in cooperation with some charitable and women's organisations.

Thus, we find that absence of some legislation concerning women and non-implementation of other laws have led to gender inequality, frustration of women's efforts and considerable injustice in regard to public rights. It should be noted that provision of legislation for the protection of women's status and rights is quite important, but, more crucial is the need for women's awareness on the extent and nature of these rights and the suitable means in which they can be utilised in their endeavour to

ensure their status as perfectly responsible members of the society.(5)

It is, therefore, clear that women's educational achievements have not been matched by a corresponding expansion of their roles in the labour market or similar improvement in their professional opportunities. If women are able to achieve such successes in education, despite psychological and ideological obstacles, would it be conceivable to assume that they will be less disciplined and incapable of shouldering responsibilities and making decisions? Women will be equally successful if they are given responsibility and if they are allowed access to various activities where they can prove their own capacities for their own benefit and for the benefit of the national economy.

Enhancing women's economic opportunities is, by no means, a function of mere educational attainment. Rather, there are other socio-cultural hindrances (related to customs and traditions) and institutional obstacles (legislation) that seem to hamper women's access to a number of professions and economic activities, particularly in the private sector. These considerations also deny women access to leadership positions in various places. Unless such obstacles are adequately removed, it would be extremely difficult to achieve a meaningful progress towards gender equality.

Fourth - Marriage and Divorce Indicators:

In Chapter Three, which dealt with demographic and health indicators, we discussed levels of fertility and rates of birth and the extent of the use

of various methods of contraception. In that context, we have noticed the progressive awareness of Bahraini women which has positively been reflected on the tangible decline in the recorded rates of fertility, improvement of women's health and socio-economic conditions. This, of course, effectively contributes to the enhancement and perpetuation of sustainable human development.

Nevertheless, it seems important to address, in this chapter, some of the indicators that are crucial to the social and economic life of a woman. These are the indicators of marriage and divorce, which exercise a decisive impact on women's status and family stability and cohesion.

The most important factors here are age at marriage and percentage of married persons. According to the 1991 population census, there is a continuous rise in the average age at marriage in Bahrain. In the case of females, the percentage of women who had married at below 15 years was 13.1% in 1991, which was a drop from 21.3% in 1981. The percentage of those married between 15-19 years was to 44% in 1981, declining to 35.3% in 1991. It is apparent from these statistics that a significant proportion of women in Bahrain (about 50%) married at an age below 20 years.(6) In fact, the majority of illiterate women (more than 70%) and half of those who attained only primary schooling have married at such an early age.

However, it is equally true that there is a strong positive co-relation between level of education and average age at marriage, as the latter has shown progressive increase with the expansion

of secondary and university education. Hence, it is expected that this trend will continue in the coming years. Likewise, there is a positive correlation between the level of urbanisation and average age at marriage as the latter tends to increase among urban women and decrease among rural ones.

Statistics of 1993 reveal that 65% of married Bahrainis (males and females) had similar educational attainments (intermediate, secondary, university) which indicates the importance of educational equality as a factor to marriage.(7).

The phenomenon of polygamy, which is tolerated in various Muslim societies, does not seem to be of a significant levels in Bahrain. The 1991 population census shows that Bahrainis who are married to one spouse constituted 94% of the married population. The same statistics reveal that 43.4% of those who have more than one wife are illiterate and their number is less than 20%(8) of the Bahraini population.

Due to polygamy being limited as it is, the number of divorced wives is more than double that of divorced husbands. In 1991, the percentage of

divorced husbands was 1.7% of the total number of married men while the corresponding percentage among women was to 3.6% (9).

(1) United Nations; Human Development Report, 1995

(2) The percentage has been calculated from in the Statistical Abstract and the General Organisation for Social Insurance.

(3) Munira Fakhro: Women Business Owners in Bahrain, a paper presented to the symposium on "Women and Development," Woman and Child Information Centre, Bahrain 8-9 November. 1997.

(4) Op it.

(5) The part on legislation and associated commentary has heavily relied upon Huda Al Mahmood, Women and Development in Bahrain, a paper presented to a symposium on "Human Development", jointly organized by Ministry of Labour and Social Affairs and UNDP, Bahrain, October 1996.

(6) Figures and percentages have been calculated from the Statistical Abstract, 1995, Table 2-23, p.p. 47, 48.

(7) Huda Al Mahmood, Ibid, p.13

(8) All figures and percentages have been calculated from general Population census, Houses and Buildings, Social and Demographic Characteristics of the Population, Section Three, Table, 2, 7, 3 p 190.

(9) Calculated from op cit, p 40

CHAPTER

9

Voluntary
Organizations
and
Emergence of
Civil Society

Voluntary Organizations and Emergence of Civil Society

Activities of Non-Governmental Organizations (NGOs) represent another aspect of development of the Bahraini society, the concept of grass-roots participation. Although NGO activities are considered a component of civil society (which is, yet, in an embryonic stage in Bahrain as is the case in other Gulf countries), the history of such activities in Bahrain goes back to the 1920s and 1930s. Various non-government institutions or at least some of them, have expressed and shown a reasonable degree of maturity in their societal relationships and rationality in decision-making. Moreover, these NGOs have, in various ways, expressed the aspirations of some social and socio-political forces in the society, in making known the perceptions of these forces on their relationship with the rest of society and the state.

Achievement of development necessitates people's participation in development decision-making and activation of civil society's institutions. Effective activation of such institutions positively contributes to the strengthening of state's performance and enhancement of its role. Different NGOs and voluntary associations, though they attempt solutions for problems of specific social categories when public service fails to do so, are believed to act (particularly as far as the nature of their relation to the state and the mechanisms of their activities and internal interactions) in such a manner which facilitates the introduction of individuals and groups into wider contacts that supersede the fundamentals of traditional ones, based upon personal consideration to more

rationalized contacts based upon law and achievement.

First : The Historical Evolution of People's Non-Governmental Actions:

Early modernization endeavours which began in this area during the 1920s, together with the early oil discoveries of the 1930s, played a decisive role in Bahrain taking the preliminary steps in the building of State institutions and their rationalization. The establishment of the departments of education, justice, police and customs in the 1920s, in addition to attempts to formulate regulations for the rationalization of these institutions, have, undoubtedly, contributed to the emergence and development of some form of societal consciousness. The most important indicator of such consciousness might, perhaps, be the formation of non-governmental organization on a basis that varies to some extent from those of traditional organisations. These organizations have always endeavoured to transcend their ethnic and tribal foundations of society to more rational concept that might help society to graduate into the stage of modernization.

People's non-governmental action, in its general conception, is a new phenomenon in the Gulf society, which boasted a traditional practice of mutual help called "Murfazaa". Thus, it can be argued that the concept is an old one but it is new in terms of legislation, administration and technical dimensions. Available information reveals that early attempts of such non-governmental activities were led

by the aristocratic, commercial and political elite. That elite was subjected then to influences of exerted by various experiences of commercial and non governmental institutions in Egypt, Syria, India and Persia. Some historians consider the establishment of the Art Club in Bahrain in 1919 as the first attempt towards non-governmental action. The club served for its members as a meeting place where lectures on morality and art were conducted, and social problems were discussed. The club was, for its members, a channel for exchange of views and scientific ideas (1). The club had to cease operations due to the intervention of the then dominant British administration, which was worried and anxious about any undesired political fallout from the club's activities. The second half of 1930s witnessed the establishment of three other clubs, for cultural and sport activities. The three clubs, which are still existing, are the Bahrain Club, established in 1937, Al Arouba (Arabism) Club and Ahli Club, both established in 1939. These clubs, though considerably desperate in terms of their socio-economic constitution, represented at that time an emerging new social force comprising merchants, teachers, students and workers in the state and oil sectors. These clubs have played a remarkable cultural role, especially the Bahrain and Al Arouba. Because of the largely nationalistic character of their discourses, the clubs emerged as active centres in promoting nationalistic ideas. They, also, actively supported the women's liberation and education movement. In a nut-shell, they functioned as out-posts for various social and political demands and aspirations. Bahrain Club has recently tended to focus on sport activities rather than

politico-cultural ones. On the other hand, Al Arouba Club has been increasingly, particularly during this decade adopting (perhaps resurrecting) the nationalistic thought process in addition to promoting some other demands of a social (possibly political) content.

The other NGOs, with a relatively long history and socio-political gravity, is the Bahraini Reformation Society, which is considered the oldest religious NGO in the Gulf. It was established in 1941 under the name of the the Students Club, but, under the influence of Bahraini students who were then learning Law and Islamic Sharia in Egypt and possibly being influenced upon by Egyptian Islamic Organisations, rapidly changed into the Reformation Club in 1948. The club kept this name up to 1980 when it changed to the Reformation Society a name which has strongly linked it to similar organizations in Kuwait and Dubai in the UAE. The club was founded by students of the Al Hidya Al Khalifia School common interests, thoughts as well as some students who were studying in Egypt. During the 1950s, and 1960s the club had limited attraction and participation. However, since the 1980s, it began to emerge as a considerable force concurrently with the expansion of the influence of Islamic political groups in the Arab world and other Muslim countries. Although the club began as a little isolated and exclusive in its membership, which comprised individuals from certain ethnic and tribal groups, it has succeeded in the last two decades in attracting some key personalities from the merchant community in Al-Muharaq and Al-Manama, in addition to people from new social cat-

egories, such as university professors, engineers, physicians, teachers and others employed in the public and private sector and who come from different ethnic and tribal origins. Besides the club transcended its traditional geographical boundaries by becoming active in old and new residential areas and expanding its range of activities to include religious congregations as well as cultural, scientific and educational activities. Such an extensive and comprehensive character of the club's activities has allowed it to occupy an influential social and political position in society. The club's inclination to autonomy and independence has encouraged it to diversify sources

of its revenues which are generated mainly are generated from its own activities and investments or from internal and external private sources. Frequently present at the club are some personalities known for their religious discourses such as Sheikh Al-Garadawi, Al-Gattan, Al-Mutawa, Al-Awadhi etc.

Second : People's NGOs: A General View

The number of NGOs operating in Bahrain is estimated at 138, serving various ethnic groups and sections of the society, as Table 1.9 shows.

Table 9.1
NGOs in Bahrain by Type and Number

Type	Number
Women's Organizations	4
Social Organizations (Specialized)	12
Charity Organizations	2
Religious Organizations	3
Professional Organizations	21
Gulf Organizations	4
Foreign Organizations	51
Charity Funds	41

Source: Compiled from NGOs Report, Ministry of Labour and Social Affairs, 1996.

The table reveals that the number of social organizations totals to 46. They are active in various spheres related to women and charity, religious and professional fields. Other activities are directed to foreign communities that have settled in Bahrain and are largely mutual-assistance funds rather than organizations.

Professional, women's and religious organizations in Bahrain are the most active and have large membership bases. Women's and religious organizations tend to focus more on support services that complement state-sponsored services with an emphasis on women's legal rights in the case women's organisations and on social and religious activities in the case of religious organisations. Professional organizations are oriented to serve the particular members of the specific profession with minimum contact with

other social segments. However, lawyers, a possible exception, are more involved in society's problems and aspirations.

It is, however, noticed that the multiplicity of NGOs in Bahrain has helped in diversifying the social groups that benefit from their services and, consequently, the available social services. The sphere of activities of these organizations covers various socially and economically needy groups and sections of the population. Hence, it is no surprise that Bahraini NGOs are the most active in the service of their people compared to others in similar situations. A recent study shows that Bahraini NGOs direct 23.8% of their activities for servicing their respective neighbourhoods and families and 23.8% for the infirm and the blind, as Table 9.2 shows.

TABLE 9.2
Groups Benefiting from NGOs' Services

Benefiting Category	Percentage
The neighbourhood	23.8
Orphans	4.8
Poor individuals and families	23.8
Students	9.5
The infirm, disabled and the blind	23.8
Women	23.8
Children	23.8
Youth	9.5
The Elderly	4.8

Source: Baghir Al Najjar, NGOs in the Gulf Cooperation Council Countries: A survey study, unpublished, 1997

In support of a previous argument, the diversity of the section of the population towards whom the services of the NGOs are directed, coupled with the perpetual need for these services and increasing dependence on them, have enhanced the continuity of services and dependency upon NGOs. As a result, some areas in Bahrain have turned to the establishment of charity funds which function in their respective areas as support institutions at varying degrees. Bahraini NGOs provide a range of social services directed at children, urban development, socio-cultural development, provision of educational and religious services etc. This diversity of activities does not mean that the organisations lack focus and emphasis in their areas of interest. On the contrary, organizations such as those serving women serve professional and religious needs, in addition to addressing women-related issues. Indeed, they provide charity, educational, student assistance services together with other national and international humanitarian services. Some of the Bahraini NGO are considered the most active in the Gulf region or the Arab World.

Third - Democratic Practice: An Avenue to the Building of Civil Society:

Although the concept of democracy does not seem to be compatible to the state of affairs in the Arab World, some studies have tended to use the concept of participation in order to include spheres and activities not usually falling under the umbrella of democracy. Hence, the nature of people's participation has greatly varied in response to variations of the economic and social (perhaps the political and

cultural) context of the society. This part of the chapter discusses the concept and its application in the specific societal framework of Bahrain and as it figures in the organizational structures of NGOs particularly in respect of these organizations' institutional make-up, their societal role and their relationship to the State. The NGOs' democratic character is best illustrated with reference to the process of election for the periodical appointment of board members. Regulations that govern this practice stipulate that board members are elected and that the general assemblies are the supreme bodies in running the affairs of the organisations. It has, however, been noticed that board members of these NGOs, are subject to continuous change in spite of the fact that some of these directors are being re-elected for long periods particularly in positions such as the president or secretary general. Some NGOs tend to re-elect a particular person (persons) for more than one term and, may be, for decades to the extent that the names of such persons become strongly associated with the NGOs they work for. This happens either in respect of the wide range of influence such persons exercise or, because of their financial capabilities which they frequently use for the assistance of their respective NGOs or, lastly, the degree of acceptance they enjoy in various state organs.

Fourth - The Nature of NGO's Relationship to the State:

This relationship is being organized in accordance with Act No. 21 of 1989, which has come into force as a substitute for the earlier Licence to Clubs and Organisations Act of 1959. The new act allows the Administration of

Public Utility Organizations (The Ministry of Labour and Social Affairs) a wide range of powers which go so far as to include the attendance of NGOs general meetings, participation in meetings of their board of directors and access to recorded minutes of their meetings. Examining the opinions of some NGOs on the nature of their relationship to the State, a recent study has found that the majority of organisations (65%) reached it as supportive to their activities and as being supervisory in character (93%). On the whole, the organizations do not regard this relationship as restricting their independence. Indeed, active NGOs in Bahrain enjoy a degree of autonomy and independence which is on in Arab societies. Moreover, these organizations' discourse, which differs from that of the State, does not necessarily imply a ban on their activities or their isolation from State organs. Some of these organizations have been able to survive despite their discourses that markedly contradict that of the State.

Fifth - Finance: Problems and Sources:

Finance is, undoubtedly, a crucial element in the operational aspects of NGOs; it is for them a matter of life or death. Moreover, finance can easily suck NGOs into traps of dependency on donors and sponsors.

Many NGOs in Bahrain have strived to secure sources of finance beside subsidies they receive from the State. The identified sources are the following:

i. Annual subscriptions of NGO members which constitute the prime source of finance for many organisations.

ii. Financial support from individuals, companies and merchants, which is characteristically unsustainable and markedly fluctuating in size and source.

iii. Limited revenues generated from projects and activities conducted by the particular organisation which by all accounts form a small percentage of NGO budgets.

iv. Limited support from other Arab and international organizations and agencies for financing specific projects.

v. Commercial profits and rents from properties which, however, are possible only for large NGO and support a significant portion of their activities.

Of course, the State's financial support has been, to date the prime source of support for NGOs' activities. But the size of this support varies in accordance with social, cultural and political variables, in addition to the size of the organization and the extent of its activities. State support seems to have little or no impact on NGOs independence in Bahrain. A recent study shows that the majority of NGOs (71%) do not feel that such support affects their freedom. Moreover, the size of support does not allow for State intervention concerning its use. The same applies to support from foreign international organizations and agencies and from the private sector. In fact, most of the active NGOs in Bahrain are primarily providing support activities though some of them have discourses with clear social, cultural or political content. The extent of difference between any organization's discourse and that of the State, does

not involve a definite enmity, rather, it means a degree of variation which is not analogous to the contradictions one can observe in the case of State's discourse and that of organizations in other Arab countries such as Egypt, Lebanon, etc. At another level, intra-organization differences in Bahrain never reach the degree of conflict between competing groups, as is the case with the Egyptian Bar Association, Physicians Union, Jordanian Union of Authors or other organisations in Arab countries.

Sixth - NGOs' Effectiveness: the Dilemma of a Societal Role

The degree of effectiveness varies from one organisation to another in Bahrain and, in a particular organisation from time to time, due to the nature of each organisation's discourse (agenda) and social activity e.g. organisations that were active during the 1970s do not seem so during the 1990s. Some organizations are confined to the service of a relatively small category of people who constitute their membership. Others act exclusively within the geographical boundaries of specific districts, such as urban, religious and areas of economic need. Also organisations, specifically religious, charity and women's seem the most active and effective in the service of the needs expressed by the target groups, both in terms of their close relationships with these groups and in their ability to reach wider sections of society. Although the general character of these organizations' activities is social support, such activities are not expected to solve and eradicate the problems that face the beneficiary groups. This is due to a host of reasons the most important being the weak financial

capabilities that limit the organizations' capacity to adequately and positively respond to the needs of those groups. Poor technical capability is another factor that curtails the extent and effectiveness of services. It is important to state that this technical weakness, coupled with lack of technical personnel who are adequately equipped to innovate, diversify and improve activities, are the major factors behind the poor performance of NGOs, not only in Bahrain but all over the Gulf and Arab world. This is remarkably indicated in the apparent inability of these organizations to shift their focus of activity from social service into a developmental one. The latter is conceived as a crucial mechanism in transforming beneficiary groups from a recipient status into an active participator in the operational activities of society's development process.

Seventh- Enhancement of NGOs role and Development of Social Capital

Although NGOs in Bahrain did contribute to the process of societal transformations (education, culture, charity and politics), particularly during the pre-oil boom period, the quantitative and qualitative shrinkage of State's capacities to provide social services during the 1970s has significantly contributed to NGOs weakness and decrease in their societal role. However, the last decade has witnessed an increasing activation of this role. Nevertheless, the challenges that face Bahrain's society require such organizations to affect a meaningful change in their role from social service providers active participation in the development process and in decision-

making.

It is quite apparent that Bahrain has a tangible asset in respect of social capital accumulation represented by NGOs and voluntary associations. Such capital is likely to be more equitable, humanitarian and sustainable as has been pointed out in Chapter One. Thus in reality, development of this capital is not an end in itself, rather it effectively contributes to the creation of an environment that is supportive to both economic and human developments. Moreover, active relationships between NGOs, their members and beneficiaries do enhance horizontal

interaction and civil social participation, in contrast to the relationships between the State and citizens which are frequently vertical. It could be concluded from the above presentation that enhancement of NGOs role and intensification and diversification of their activities will increase the societal capabilities of various sections of society to co-operate for the realization of mutual, collective and public interest.

1. Abdalla Abdeldeim; From Here, Kuwait has begun, Kuwaits, Ghabas Printing, 1980, pp 68-102 (in Arabic)

CHAPTER

10

Human Development and Environmental Resources

Human Development and Environmental Resources

First - Inter-relationship and Integration between Environment and Development.

There is growing interest in sustainable human development in Bahrain. This has led to a similar interest in environmental issues to an extent that discussion of environmental topics is becoming an integral component of developmental planning. It is true that sustainable development is inextricably linked with environmental concerns.

Sustainability means, *inter alia*, systematic efforts to ensure that future generations are to have opportunities that are no less than those enjoyed by the present generation.

This means that the present generation is totally responsible about adequate preservation of natural resources and replacing what it uses from the general resource inventory. As soon as it becomes apparent that there is an excessive drain of resources, there should be an immediate halt of such depletion which might result in a radical change in various unacceptable styles of life.

For a proper understanding of the close relationship between development and environmental resources, one can state that development that is able to expand human energies can, just as easily apply the human mind to solving the problem of diminishing and depleting resources. Human development cannot be sustained if it is achieved at the expense of total destruction, distortion and pollution of the natural environment. This is

particularly so if such development fails to address and resolve environmental problems at a pace that surpasses its effort in creating these problems.

It is upon such considerations that this report's interest in environmental issues is founded. Indeed, policy-makers in Bahrain have long been aware that the anticipated development is unrealizable in the absence of sufficient and adequate conservation of the environment. Thus it was that the Emir's Decree No. 7 of 1980 was issued. According to this decree, an Environment Protection Committee was established to act as an executive organ of the State to this effect. The Commission consists of representatives of most Government ministries which indicates the importance being attached to environmental issues by the State. Furthermore, the wide representation of various governmental units reflects the State's awareness on the inter-relationships that exist between environmental issues and other economic, social and cultural sectors. The Emir's Decree defines the Commission's scope of responsibilities as follows(1):

1. Development and application of various environmental legislation, including standard measures for the quality of water, air and rubbish discharge, in addition to a strategy for pollution control.
2. Undertaking research and studies for the proper evaluation of environmental situations.

3. Identification of pollution sources and their impact on the environment.
4. Controlling air, water and soil pollution.
5. Co-ordination of studies on environmental impacts of various private industrial, commercial or developmental activities and ensuring proper and adequate studies prior to commencement of such activities.
6. Ascertaining that various developmental activities are in line with Government arrangements for waste disposal.
7. Co-ordination with various public and private institutions for the incorporation of subjects pertaining to environmental education in academic and mass media programs.

In 1996, a decree was issued according to which a Public Administration of Environment Affairs was established under the Ministry of Housing, Municipalities and Environment. The Administration consists of two directorates; one for evaluation and planning, the other for environmental control. The Decree has, clearly and separately, defined the responsibilities of each directorate. It is clear that in the absence of such attention on issues of environment, pollution and resource exhaustion, Bahrain would not have been able to achieve what it has in human development. Maintaining these achievements requires proper and increased attention for recurring environmental problems in order to lessen their negative impacts on the health and welfare of the people.

Second - Environmental Resources:

1- Underground Waters:

Since the dawn of the Delmon Civilization, the people of Bahrain have relied, until the 1960s, on underground water reserves for their various needs such as drinking, washing, bathing, cultivation, etc. The required amounts of water came from a number of natural springs found in most of Bahrain's districts, particularly the northern and the eastern. In addition, deep-water wells have been dug by the Government in its efforts to provide tap water for various human uses in different areas of Bahrain. However, demand for clean water continued to rise due to the progressive increase in the size of the population coupled with continuous exhaustion of water resources in agricultural pursuits. These have significantly affected the quantity and quality of water in this category. Water salinity reached an intolerable degree that has turned its direct use into an impossibility. Therefore, and to meet the people's needs for water, the Government has been obliged to resort to the rather expensive exercise of erecting a number of stations for sea water desalination to supplement the available underground water. Production of water has continuously been on the rise and in 1994, the State Cabinet set the ceiling at 70 million gallons per day, of which desalinated water represents about 50%.(2) Desalination is an unconventional water source and is much more complex and expensive to develop. Agriculture takes the lion's share of extracted underground water in Bahrain, constituting more than 113 million cubic metres annually which is

50% of the water demand, according to 1990 statistics.(3)

2- Treated Water:

Sewage water in Bahrain amounts to more than 55 million cubic metres annually. Most of it is being treated in the water treatment stations. About 23% of this water is being reused for irrigation in public streets, gardens and for growing fodder.(4)

Bahrain has plans for increasing the use of treated water by constructing a complex network of pipes that would allow for the use of 54 million cubic metres by 2005.(5)

3- Agricultural Resources:

Bahrain has been famous, since ancient times, for its fruit and date gardens which provided for local consumption and were also exported to neighbouring countries. Because of its agricultural fame, Bahrain was once called the country of a million date palms, due to the presence of numerous date palm gardens which were being irrigated from fresh spring water sources. Agriculture, for many centuries, was one of the most popular professions in Bahrain. Besides date palms of more than 100 varieties,(6) the natives of Bahrain used to cultivate various types of vegetables. More than 11,000 donums of land, valued at more than BD 2 million(7) was under cultivation.

In spite of development in various tools and techniques of agriculture, traditional means of irrigation remain in use in more than 60% of the culti-

vated area while protected areas constitute less than 6%. During the last two decades it has been noticed that there is strong building construction encroachment on cultivable lands. This has been accompanied with a progressive deterioration in agriculture in various aspects such as:

i) Shrinkage in the area of cultivable lands, particularly those under date palm plantation, which is reflected in the decline of the number of fruit giving palms from 623,000 in 1974 to 56,500 in 1980.(8)

ii) Increase in soil salinity in most of Bahrain.

iii) Decrease of agricultural productivity.

iv) Poor efficiency of systems of irrigation and sewage.

v) Immigration of some of the national labour force and the stoppage of others from agricultural activities and the consequent reliance upon unskilled foreign labour.

4- Natural Pastures and Wildlife:

1. Large areas of the country are covered with natural pastures where more than 300 varieties of wild plants grow. This vegetation forms an important natural habitat and food for different wild animals and domesticated ones, such as camels and sheep. These natural pastures all over the country have been subjected to a variety of pressures for a long time. Construction expansion, illegal grazing and other natural factors have contributed to the aggravation of the desertification phenomenon. Human beings in Bahrain

have, since early times, used various wild plants for medicinal purposes, a practice which became a component of the heritage of Bahrain. Such a heritage should be preserved, particularly in respect of the genetic origins of these wild plants, specifically for their medicinal uses. In 1976, Bahrain successfully established its first natural protected park presently known as Al Areen Wildlife Park. The prime objective of this natural park is to protect rare Arabian animals that face extinction, such as bustards, gazelles and antelopes.

At the end of the 1980s, the Ras Sanad district, which is rich in Gharam plants, was designated as the second natural protected area, under the supervision of Environment Protection Administration. In 1994, the National Commission for the Preservation of Wildlife was formally established, tasked with formulating legislation to protect natural wildlife. In 1997, the Hawar Islands have also been designated as a protected area. Moreover, in 1997, Bahrain ratified the RAMSAR Convention for the protection of humid lands and Tubli Bay and Hawar Islands were included in the list of RAMSAR protectorates. Such positive measures for the preservation of biological diversity and wildlife are the start of a long journey full of various challenges. In this context, specific legislation for the maintenance and development of various natural resources assume paramount importance. Legislation for the effective preservation of agricultural, wild and marine resources, conscious planning for land use and proper identification of suitable sites as natural protectorates, and promotion of environmental awareness, including active

programs to educate youngsters in schools would positively contribute to the objective of environment and resource preservation.

5 - Marine Resources:

The people of Bahrain have for thousands of years, enjoyed affinity with the waters of the Gulf, which has been the prime source of living and the sole avenue to the outside world. Hence, communities in Bahrain tended to settle along the coast, rationally exploit the available marine resources and (using simple traditional techniques that did not adversely impact resource availability) skilfully worked for the sustainability of these resources. Crafts of fishing and pearl harvesting were the most important activities practised by Bahrain's people. They were also able to extract stone, sand and clay from the seabed for house-building and construction.

With the turn of this century, particularly after the discovery of oil, pearl extraction as a profession was considerably affected as the majority of the labour force shifted away from unsafe sea activities to the more stable and secure jobs in the vicinity of their homes and close to their relatives. Moreover, pearl trade suffered a serious decline because of competition from the Japanese cultured pearl industry. Also, due to a shift in people's attitudes towards building materials, as they began to use manufactured bricks and cement, the demand for building materials from the sea diminished considerably.

In contrast, the fishing profession witnessed significant development and growth due to the increase in the size

of population and the consequent increase in their food requirements. Besides conventional fishing methods, the industrial sector, using big modern boats, began to participate in fishing activities in order to contribute increasingly to the supply of fish to meet the rapidly growing demand for food. The amount of fish supplied in the market in 1995, according to the Fisheries Directorate, was about 9,500 metric tonnes, 80% of which was supplied by conventional fishing methods.

The marine environment has, thus, faced numerous pressures that have seriously endangered its wealth, particularly fish reserves as is indicated by the decrease in fish supplies to the market. Despite the increase of 58% in the number of people working in the fishing industry, from 1,200 in 1981 to 1,900 in 1991, the supply of fish increased by only 36%. (9) Furthermore, the supply of fish has shown noticeable quantitative fluctuations between 1985 and 1995. The State, through the Fisheries Directorate, has, since the beginning of the 1970s, made a considerable effort in exploring the possibility of transplanting some of the major commercial types of fish like, Hamour and Safi. In addition, the State has issued a number of legislation for the protection of fish wealth and regulation of fishing. However, this important resource is, still, apparently endangered and faces numerous challenges. The difficulties that face marine resources in general, and fish wealth in particular, are as follows:

i) Illegal fishing and the use of techniques that negatively affect fish resources like drag nets and multi-

layer nets.

ii) Continuous coastal land reclamation.

iii) Continuous sea sand collection activities.

iv) Introduction of a large number of unlicensed foreign labour in the fishing industry.

v) Marine pollution by oil and other chemicals.

6 - Oil and Natural Gas:

with the inauguration of the first oil well in 1932, Bahrain entered a new era in its history; an era that has changed many of its features and actively contributed to the development of its economic, social and political structures. In 1995, Bahrain's oil production totalled 14.5 million barrels and its gas production about 35,500 million cubic feet. The number of people employed in this sector in 1995 was 4,000, the majority of whom were Bahrainis. Although the oil and gas industry has significantly added to the development and advance of the country, it has equally contributed to the emergence of some concomitant disadvantages, the most serious of which are those pertaining to its role in environmental pollution.

Third - Challenges of Environment Pollution

1) Traffic Pollution:

Bahrain witnesses a continuous increase in the number of vehicles and cars on its roads. The annual growth rate of vehicles on the road, during

the last three decades has reached 10%, while the annual population growth rate during the same period has never exceeded 4%. While there was one car for every five persons in 1980, the ratio became 1:4 in 1990, then 1:3 in 1993. The number of registered cars in Bahrain reached 169,318 last year (10).

Also, an increasing number of cars enter Bahrain daily via the King Fahad Causeway which should also be taken into consideration. Traffic, thus, constitutes the prime source of air pollution in Bahrain. Estimates indicate that the level of emissions from car exhausts had increased from 106 tonnes in 1979 to 214.6 tonnes in 1988.

However, it seems that the implementation of the 1994 plan of Environmental Affairs Commission has affected a noticeable improvement in the situation. The plan has primarily relied upon educating citizens about the dangers of fumes and car exhausts. The Traffic Directorate monitored, identified and ultimately banned various cars that emit smoke exceeding a certain limit.

In the course of one year, the detection of the number of vehicles not conforming to the limit had declined from 30 per month in August 1995 to only 6 per month in January 1996. But, in spite of this, and because of the continuous increase in the number of vehicles, the situation continues to show considerable fluctuation between good and bad.

Thus, it seems necessary to formulate a more effective set of solutions that can affect a meaningful reduction in the progressive reliance on private cars as the sole means of transporta-

tion. Such solutions should pay adequate attention to the expansion and improvement of public transport networks in addition to intensification of awareness campaigns for educating citizens, and the traffic police in particular, on environmental issues. Efforts to highlight the dangers of exhaust smoke on the environment would however, be incomplete unless measures for the use of lead-free petrol are not properly applied through the gradual reduction of lead level.

2. Noise:

Increase in the number of vehicles on Bahrain's roads is, undoubtedly constituting a source of a high level of noise. Moreover, these cars, in spite of their large number, are driven at high speeds that cause considerable anxiety among some citizens and frequently inflict considerable psychological and physical injuries to others. The airport, which is adjacent to residential areas, coupled with intense air traffic also contributes to the rise of the noise level. Perhaps the situation could have been worse but for self-discipline among car drivers in Bahrain, who, unlike in other countries, tend not to use noisy car horns unless absolutely necessary. This, in itself is a positive point scored by Bahrain in the field of integrated human development.

In the context of our treatment of noise, we should mention other factors that add to the increase of its level, such as earth moving, drilling and digging equipment and machines. These are increasingly used for construction of roads and buildings and thus is bound to increase with the continuous expansion of residential development in Bahrain.

3. Air Pollution from Electricity Generation and other Industries:

The power generation sector is one of greatest consumers of oil products, second only to cars. Burning of petrol for the generation of electricity and, consequently, the operation of various industrial plants is producing many air polluting gases, such as nitrogen dioxide and sulphur dioxide and others. The volume of released gases increases with the growth of population and expansion in construction of residences and industries. This is a function of excessive use of energy coupled with lack of adequate awareness about the possible impacts of such use on health, environment and resource depletion.

4. Pollution of Sea Water and its Impact on Fish Resources:

Discharge of solids and industrial waste, in addition to the increasing use of oil and oil products by ships, have contributed considerably to sea water pollution as they discharge high levels of copper, mercury and other destructive substances. Marine pollution is not only harmful to human health, particularly at swimming and tourism sites, but it is a major factor in the remarkable decrease in fish resources. Other factors include excavation and earth-moving activities, unregulated illegal fishing, the growth in the number of fishermen and fishing boats in response to the growth of demand for fish etc. Nevertheless, Bahrain spares no effort in its endeavour to treat and adequately deal with oil debris which it is trying to eradicate. To this effect, the State has issued a license to a firm to tackle the problem of such debris and recycle the waste materials.(11)

5. Environmental Resources and Earth-Moving Activities:

Since ancient times, Bahrain has been renowned for its elegant palm trees that covered its virgin coasts. The beauty of these coasts has been a source of artistic inspiration as well as daily subsistence in the form of fish and other marine creatures. The coasts of various islands of Bahrain, with their soft sands, have been the home for people who are known for their love of the sea and of nature. The sea coasts in Bahrain have also been the play-grounds for children during the day and meeting places for adults during the evening. Three decades ago, however, expansion in building and construction works began. This required earth-moving works to fill up large areas of northern coasts in Manama island. The economic leap of the mid-1970s had a great impact on the trend to adopt and implement big economic and construction schemes which needed new lands to be reclaimed, particularly in the vicinity of central sites around Manama city. In time, land reclamation was extended to most of Bahrain's areas; most of Muharraq Island was covered in addition to Sitra, Nabih Saleh and particularly, Tubli Bay at the southern end of Manama, known for its large fish wealth. (12)

According to a report prepared by Philip Turtol (1994) the area of land reclaimed between 1976 to 1990 exceeded 20 square kms. It could be estimated that up to the present, more than 30 square kms. have been reclaimed and, it seems, this activity will continue for many years to come. Although earth-moving for land reclamation purposes had some positive

effects like new land acquisition, which has been used for various socio-economic developmental ends, the whole endeavour has affected a number of negative consequences which might be indicated by the following:

(1) The change in tide-waters (particularly in shallow coastal areas) has drastically transformed the once beautiful natural scenes including natural coastal routes.

(2) The regions of tide-waters and shallow coasts are considered a rich habitat as they accommodate a dense biological mass. Shrinkage of this habitat has negatively impacted the biological diversity and marine life. More importantly, Bahrain has lost a significant portion of its marine wealth including the loss of Gurum trees in the Tubli Bay.

(3) Burial of some coastal areas resulted in shrinkage in the available traditional fishing enclosures (Huthour), on which many families relied for their livelihood since centuries.

(4) The method of digging in the sea areas, adjacent to coasts, has always involved active destruction of existing natural marine environments, including coral reefs, which adversely affected fish wealth and, consequently, social and economic conditions.

(5) Clay and soft sand granule sedimentation has caused the death of a vital biological environment of marine vegetation and coral reefs.

(6) Digging operation in the coastal area is most likely to be associated with emancipation of various sorts of polluting toxic sediments.

(7) Blockage of sewage lines from agricultural lands (palm gardens) significantly increased the salinity of these lands and consequently led to the death of many palm trees on the lands along the coasts.

Earth-moving operations have impacted various eco-systems that supported many living organisms on land or sea. On the other hand, most of coastal areas of Bahrain have lost their natural beauty and acquired artificiality. Many islands have lost their identities and now appear as extensions of other islands. Nevertheless, it could be stated that coastal land reclamation activities have brought about many developmental advances like reclamation of extra land for use in the implementation of various projects, yet they have proved a source of many disadvantages. Among the priorities that should receive more attention in this respect are: issuance of more firm legislation and proper research studies on environmental impacts and consequences of any new project that might need coastal land reclamation. It is also recommended that utmost attention should be paid to preservation of the natural environment of the coasts, particularly the narrow, palm-shaded roads conventionally used by people to reach the coasts.

6. Solid Waste Problems:

Due to the limited geographical area of Bahrain and the relatively high population density, in addition to the high standard of living and the associated industrial and building expansion, solid-waste discharge has become an increasingly complex problem. The present population density in Bahrain, which stands at 1000 persons per square kilometre (assuming a total

population size of 600,000), coupled with industrial and commercial expansion, have made it quite difficult to dispose solid wastes in places far from residential areas. What complicates the situation is the daily increase of the magnitude of rubbish that correlates to the increase in population size and density. Hence, it is necessary to seek permanent solutions that include adequate treatment of industrial waste and rubbish or proper recycling of it as happens in many small countries like Bahrain. Known indicators show that private business persons are not very enthusiastic about investing in this particular sphere. However, some private firms have actually applied for projects of industrial waste recycling and Environmental Affairs has finished its

study of these projects and, it is anticipated that implementation of such projects would mitigate the environmental burden through the recycling of various industrial and domestic waste. But, if the expected advantages do not exceed the costs of recycling operations and if there are not enough markets for recycled products, it would figure as difficult if not impossible for such recycling projects to survive. It is worth mentioning that the amount of industrial and domestic waste and rubbish reached 351,000 tonnes in 1996, which is a large volume for a small country like Bahrain. These wastes and rubbish could be categorized according to their different types as follows:

Type of Waste	Quantity
Domestic (Household)	1,213,757
Commercial	566,254.31
Building and Construction	528,558.22
Agricultural	48,642.22
Non-toxic Industrial	83,388.24
Toxic Industrial	224,000
Motor cars and equipment	686,386.93

It is therefore, important to tailor a suitable set of solutions for the disposal and elimination of rubbish and waste in strict conformity with international measures and standards. Although the majority of waste is presently being disposed in landfills in distant areas which are far from residential areas, the State does encourage recycling activities. Thus, a number of small-scale enterprises have actually begun the business of waste material separation as a step towards recycling and aluminium rubbish is being largely recycled in Bahrain. At a different level, the State shows considerable awareness of the need for adequate and safe disposal of chemical substances, particularly toxic ones. To this effect there is a fair degree of coordination and cooperation between Environmental Affairs and other concerned enterprises.

7. Collective Efforts to tackle of Environment Problems:

Whatever being the nature of the proposed solutions for the perceived problems of environment in Bahrain, the latter necessitates the collective efforts of governmental and non-governmental entities for adequately tackling them and resolving them effectively. Indeed, the cumulative negative impacts on environment are mostly the consequences of erroneous and deviant human behaviour. Such behavioural patterns demand a lot of governmental and people's formal and informal efforts to transform and reorient them towards the development, preservation and sustenance of environmental resources to replace the present polluting and depleting patterns of behaviour. As the Ministry of Education has already included envi-

ronmental education subjects in its school curricula, other mass media apparatus should prepare themselves to play a more effective role in this regard. Likewise, NGOs should inject in various aspects of their activities some attention to environmental dimensions. Bearing in mind the dynamic and recurring nature of environmental problems, suitable counter-ing measures must be of a highly sustainable and innovative character. Besides environmental enlightenment of individual members of the society, resolving of environment-related problems calls for proper promotion and adequate development of skills and capabilities of those working in different aspects of environment which have been dealt with in this report.

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(3) AKSAD, 1997

(4) Al Zubari, Waleed. 1997 Towards the Establishment of a Total Recycle Management and Re-use Programme in the GCC Countries.

(5) Hyas, M.A. and N. Al Hamdan, 1997, The Role of Wastewater in Enhancing Rationalization of Ground Water in Agriculture, The Regional Workshop on the Technologies on Wastewater Treatment and Re-use. UNEPAGU. Bahrain, June 1997.

(6) Mohamed Abdul Wahab Al-Khalifa, Abdulla Mansour and Ali Attowa Muslim; 1994, Date Palm Agriculture in Bahrain, Ministry of Works and Agriculture, State of Bahrain.

(7) Ibid

(8) Ibid

(9) Fisheries Directorate, Statistical Reports, 1981-1991

(10) Ministry of Housing, Municipalities and Environment, Country Report on Environment Administration in Bahrain, April 1997, p90.

(11) cf. Al-Ayam Newspaper, 27 April, 1997

(12) Proceedings of Bay of Tubli Workshop, 14th January 1994, Bahrain Center for Studies and Research.

(13) Environmental Affairs Adm. 1997, Country Report on Environmental Management of the Small Islands of the State of Bahrain.