



KINGDOM OF BAHRAIN



UNITED NATIONS

**MILLENNIUM DEVELOPMENT GOALS  
First Report**

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## **Foreword by the Ministry of Foreign Affairs**

In the recent years, the Kingdom of Bahrain has witnessed a number of significant and historic developments under the leadership of His Majesty King Hamad Bin Essa Al-Khalifa, aimed at bringing further political, economic and social development to the country. In 2001, in a historic national referendum, the people of Bahrain overwhelmingly endorsed the National Action Charter, the blueprint for the country's reform programme.

Through concerted official and popular efforts, the Kingdom of Bahrain has taken major strides in its development and modernization process to further consolidate transparency, democracy and progress in Bahrain. The country also plays an active role in the Arab region, and its progress has been noted by Bahrain's many international partners.

The Kingdom of Bahrain has been an active participant in international conferences and has ratified a number of international conventions, such as the Convention on the Elimination of all Forms of Discrimination Against Women. The Kingdom of Bahrain continues to be a regional leader in human rights, democracy and development, and has consistently confirmed its pioneering role in free trade and economic openness.

Bahrain takes pride in these achievements, which have been consistently recognized by UNDP Human Development Report 2003, which, for the seventh time, placed Bahrain first among Arab states.

The Kingdom of Bahrain, which has endorsed the United Nations Millennium Declaration, reaffirms its determination to continue honoring its national, regional, and international responsibilities, with a view to achieving the common objectives set out in the Charter of the United Nations and the Millennium Declaration. Furthermore, Bahrain's aspirations to achieve and surpass the Millennium Development Goals is a sign of its commitment to continuing development and bodes well for a future in which all citizens can enjoy comprehensive economic and social development in a stable, secure and open environment.

**Dr. MUHAMMAD ABDUL GHAFFAR**  
Minister of State for Foreign Affairs

## **Foreword by UNDP**

In 2000, at the Millennium Summit in New York, member states of the UN reaffirmed their commitment to the Millennium Development Goals, on which occasion the government of Bahrain endorsed the Millennium Declaration. Within that context the UN system in Bahrain and in coordination with the government initiated the preparation of the first MDG report whose aim is to present the state and prospects of Bahrain's development, and to prepare recommendations which might be helpful for Bahrain's government and international partners in achieving progress in social development.

As part of this exercise UNDP with the full involvement and support of the Bahrain Central Information Organization has undertaken a comprehensive household survey, which has provided much of the data on which the current report is based.

The present Report reveals that the government made significant progress towards achieving the MDGs, and is potentially on track on all of them. For example Bahrain does not suffer from extreme poverty (people living on less than one US dollar per day), it witnesses 100 per cent enrolment in primary school, and is on track to meet the 2015 target of reducing child and maternal mortality.

However, certain goals need to be monitored in order to ensure ample compliance. For example, despite visible advancements of women in various areas and sector, eliminating or alleviating gender inequalities in the workforce is still a challenge that needs to be continuously addressed. Moreover, even though Bahrain has a low prevalence of HIV/AIDS cases, adequate attention is required from the responsible authorities in order to prevent it from becoming a major concern. By the same token, environmental management of natural resources represents a high national priority.

KHALED ALLOUSH  
UN Resident Coordinator

## INTRODUCTION

At the UN General Assembly in 2000, heads of government and state assessed the inequalities in human development worldwide and recognized “their collective responsibility to uphold the principles of human dignity, equality and equity at the global level.” They established the following set of numerical and time bound targets that express key elements of human development:

- ⊕ Eradicate extreme poverty and hunger
- ⊕ Achieve universal primary education
- ⊕ Achieve gender equality and empower women
- ⊕ Reduce child mortality
- ⊕ Improve maternal health
- ⊕ Combat HIV/AIDS, malaria, and other diseases
- ⊕ Ensure environmental stability
- ⊕ Develop a global partnership for development

In particular, these goals included meeting certain quantifiable targets, as measured by specific indicators, by the year 2015. Thus, poverty and hunger are to be reduced by 50 percent, under-5 mortality by two thirds and maternal mortality by three quarters, reversing the spread of HIV/AIDS is to be reversed, and halving the proportion of people without access to safe water reduced by half.

The Kingdom of Bahrain signed the MDG initiative in September 2000. As part of that initiative, the country is committed to preparing a report that uses the millennium goals as a framework for determining the current status of the country’s development. Progress toward the 8 goals is measured by 18 targets and 48 quantitative indicators. In the case of Bahrain, many of these goals have already been achieved, while others are well on target to being achieved by the year 2015. Even where formal MDG targets have been reached, however, current information regarding the maintenance and improvement of those goals needs to be cited and discussed.

Analysis of development progress depends, of course, on the collection of timely and accurate statistical data, and unless such data is available, monitoring progress will be haphazard and inadequate. Thus, it must always be born in mind that comprehensive statistical systems provide the basis for rational decision making, macro-economic management, and the efficient allocation of resources. The priority of timely and relevant statistics for policy, management, monitoring, and democratic accountability cannot be over emphasized. With this in mind, the local UNDP office has recently undertaken a comprehensive household survey which has

provided much of the data on which the current report is based.

This report, then, will focus on the areas for which adequate data is available as well as those targets which remain a particular challenge, and for which analysis of current status as well as recommendations for future action will be of use to government ministries and agencies, other public and private institutions, and NGOs.

of the candidates were women. The Government expressed concern about the outcome, and indicated that it underlined the need for waging an effective campaign to empower women.

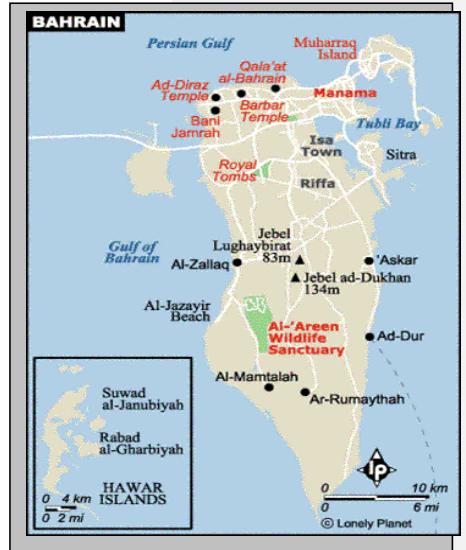
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## Country Survey

The Kingdom of Bahrain is composed of a group of islands with a total area of 700-716 sq km and a total population of 645,000-650,604 people. GNP per capita was estimated at about US \$11,000 in 2000. Bahrainis make up 63 per cent of the total population, with the remaining made up largely of foreign labour. The country is a Net Contributor Country (NCC), which means that UNDP core resources allocated to Bahrain are nil. Furthermore, MFIs, such as the WB and EU, have no programmes in the country. So far, government cost sharing has been the source of funding for UNDP supported activities, a situation that limits the number of external partners but ensures national ownership. GNP per capita was estimated at about US \$10,615 in 2001.

The Kingdom is undergoing political changes that are having a profound impact. On 14 February 2002, Bahrain was declared “a constitutional monarchy” with an elected parliament, an appointed council, and an independent judiciary system. MThe first municipal elections in twenty-nine years were held in May 2002 and the parliamentary election took place in October 2002.

The setting up of 333 NGOs over a period of three years, including the establishment of two Human Rights NGOs, newcomers as part of the reforms. The “State Security Law” was abolished and political prisoners were released. The UN High Commission for Human Rights and Amnesty International have praised these developments, as has the Secretary General of the UN. In October 2001, the Supreme Council for Women was established with a mandate to improve gender equality and to ensure that women were given greater opportunity in public life. In February 2002, the Kingdom joined the 1979 UN Agreement on combating all forms of discrimination against women. Unfortunately, women were unable to secure a position in the recent municipal elections, although 10 percent



As for the economy Due to rapid depletion of oil, it has been estimated that the country will exhaust this natural resource in the near future unless new discoveries are made, two-thirds of GDP currently comes from the tertiary sector, while oil contributes 24.3 per cent of GDP (2002) and accounts for

## INTRODUCTION

two-thirds of the government's revenue in 2001.

~~Meanwhile~~ At present, to offset declining oil revenues, Bahrain has developed the largest offshore banking center in the region, and is striving to encourage tourism as a source of income. The Kingdom has limited natural resources that are increasingly strained by high population growth, urbanization, and industrialization, ~~and increasing salinity of water resources~~. Presently, two-thirds of consumed water is desalinated, while air and sea pollution, landfill of coastal areas, over-fishing, and the absence of effective waste management are negative factors affecting the island's inhabitants.

So the challenge is to diversify the economy in order to sustain the high standard of living in view of these pressures. A related concern is to advance the role of the private sector in becoming an agent of a knowledge-based, growth-driven economy, while at the same time continuing to focus on integration into the ~~global~~ international market. ~~At a double digit level, unemployment among Bahrainis is a national concern. Sixty percent of the total labor force is expatriate, a situation due, partially, to the mismatch between demand and supply of skills. Both education and training systems need realignment. This, in turn, calls for an up to date labor information management system to guide national decision~~ Despite these challenges, however, Bahrain's aspirations to achieve and surpass the Millennium Development Goals ~~Millennium Development Goals~~ is a sign of its commitment to continuing development ~~and bodes and bodes~~ well for a future in which all of its citizens enjoy a life of material and social well-being.

### Box (1) Bahrain Fact Sheet

Area: 716 square kilometers

Population (2001): 650,604 (62.3% Bahrainis)

HDI: 0.831, 39<sup>th</sup> out 162 countries

Adult literacy rate: 87.4% (age 15+)

(2003) Males: 92.4%

Females: 82.3%

Unemployment rate: 10.1% (Bahrainis only)

(2003) Males: 8.4%

Females: 13.5%

Life expectancy: Males – 73.2 years

(2001) Females – 76.2 years

Infant mortality: 8.7 per 1000 live births

(2001) Males: 9.7

Females: 7.7

Real GDP Growth: 4.6% (2001)

GNP per capita: US\$10,615 (2001)

Population growth: 2.5% (Bahrainis), 2.7% all

## **Millennium Development Goals**

At the UN General Assembly in 2000, heads of governments and states assessed the inequalities in human development worldwide and recognized “their collective responsibility to uphold the principles of human dignity, equality and equity at the global level.” They established the following set of numerical and time-bound targets, known as Millennium Development Goals (MDGs) that express key elements of human development:

- Eradicate extreme poverty and hunger.
- Achieve universal primary education.
- Achieve gender equality and empower women.
- Reduce child mortality.
- Improve maternal health.
- Combat HIV/AIDS, malaria, and other diseases.
- Ensure environmental stability.
- Develop a global partnership for development.

In particular, these goals included meeting certain quantifiable targets, as measured by specific indicators, by the year 2015. Thus, poverty and hunger are to be reduced by 50 per cent, under-5 mortality by two-thirds and maternal mortality by three-quarters, reversing the spread of HIV/AIDS, and halving the proportion of people without access to safe water.

The Kingdom of Bahrain signed the MDGs initiative in September 2000. As part of that initiative, the country is committed to preparing a report that uses the MDGs as a framework for determining the current status of the country's development. Progress towards the 8 goals is measured by 18 targets and 48 quantitative indicators. In the case of Bahrain, a number of these goals have already been reached, while others are well on target to being achieved by the year 2015. Even where formal MDG targets have been reached, however, current information regarding the maintenance and improvement of those goals needs to be cited and discussed.

Analysis of development progress depends to large extent on the collection of timely and accurate statistical data, and unless such data is available, monitoring progress will be haphazard and inadequate. With this in mind, the country office of UNDP undertook jointly with the Statistical Authority in Bahrain, in December 2002/January 2003, a household survey of 1,210 Bahraini families composed of 7,779 individuals (referred to as MDG survey, 2003) which has provided much of the data on which the current report is based.

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## ERADICATE EXTREME POVERTY AND HUNGER

**Target:** Halve the proportion of people living on less than \$1 a day  
**Target:** Halve the proportion of people suffering from hunger

**Performance Summary:**  
 Will development goal be reached?  
**Possibly** – Probably – Unlikely – Lack of Data  
 State of supportive environment:  
**Strong** – Fair – Weak but improving - Weak

### Status and Trends

**Target:** Halve the proportion of people suffering from hunger

- ⇒ Prevalence of underweight children (under five years of age)
- ⇒ Proportion of population below minimum level dietary energy consumption

### Assessing poverty and its causes

#### Income and expenditure level

The MDG survey reveals that the average Bahraini daily expenditure is US\$13.9 per person, compared with an average income of US\$12.8. The difference may be attributed to more accurate reporting of expenditures (a common phenomenon), or to negative savings (borrowing), or both. Statistical evidence suggests that saving at the national level is close to zero or even negative. The survey shows that out of the whole sample (1,210 families) 12.2 per cent (147 families) have average daily income of less than US\$5 per person.

By all conventional standards, and certainly by the MDG standard of US-\$1 or less per day, Bahrain does not suffer from extreme poverty. No single individual lives on less than US\$1 per day according to the survey. Although there are undoubtedly cases of genuine poverty, a recently completed MDG household survey, reveals Table (1). If the level of daily expenditure increases to US\$2, however, 0.6 per cent of the population falls below that level. And if the level is further increased to US\$3, the poverty level reaches 2.0 per cent, and so on.

Similar conclusions can be drawn from the data on per capita income, with a slight increase in analogous rates. The MDG survey shows that from the total sample (1,210 families) only 12.2 per cent (147 families) have an average daily income of less than US\$5 per person.

Table (1)

% Bahraini population below poverty level

Item	Income/Expenditures less than				
	\$1	\$2	\$3	\$4	\$5
Income	0	0.2	2.3	8.3	16.0
Expenditure	0	0.6	2.0	6.0	12.2

Sources: MDG survey, 2003.

This conclusion is consistent with the findings of an analytical study that used MDG results to estimate used the MDG survey results – the average expenditure on food needed by an individual Bahraini to ensure the requirements of calories, vitamins, and iron elements for normal body growth and protection from illness, and be consistent with the To maintain this dietary norm costs an society. The total cost of such a estimated US\$42 per month or US\$1.4 daily, a further confirmation that Based on this methodology, the conclusion remains that there is e same, no absolute poverty in Bahrain.

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#### Income and expenditure distribution

However, according to the same study, projected the average level of expenditure needed to live in Bahrain at an acceptable level (covering food, drink, housing, cloths, shoes, energy, fuel, transport, communication, education and health) is US\$29 per family of 6 members per day per family of 6 members, or a monthly expenditure of US\$155 per person per month. In light of these estimates, the study concluded that 11 per cent of Bahraini families fall below this level.

Furthermore, the MDG survey reveals that, for example, that over 91.5 per cent of Bahraini families reside in homes or apartments of at least three or more rooms, while 77.7 per cent of families own their dwellings. In addition, Furthermore, judged by ownership of traditional household appliances and amenities, such as refrigerators (87.1 per cent), gas cookers (99 per cent), washing machines (96.9 per cent), and water heaters (98.6 per cent), the vast majority of families have a relatively high standard of living. Box (2). Even more indicative is the list of amenities, such as cars (90.4 per cent), phones (91.3 per cent), mobiles (87.6 per cent), PCs (51 per cent), internet connectivity (26.5 per cent) and satellite TVs (82.1 per cent), owned by Bahraini families (Box 2).

Regarding In addition, income distribution, the MDG survey shows that the income gap ratio between the richest and poorest 10 per cent in Bahrain is 6.2. Bahrain fares comparatively well in contrast to other developing countries. In addition, the survey The 2002 MDG Survey revealed that the share of the poorest 10 per cent of the population was 4.3 per cent of total income, while the poorest 20 per cent earned 9.3 per cent. Conversely, the richest 10 per cent of the population owned 26.6

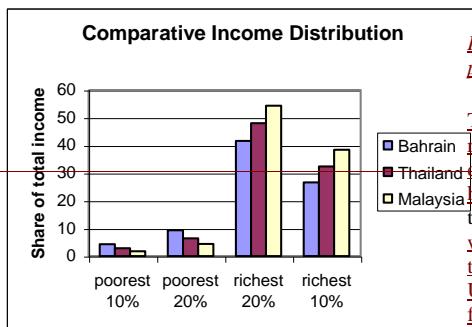
Box (2): Bahraini families possess or have access to:

Owning a house or apartment: 77.7%  
 Three or more rooms: 91.5%  
 Kitchen: 98.5%  
 Access to safe water: 100%  
 Proper sewage system: 99.7%  
 Facility for garbage collection: 99.6%  
 Cooling system: 100%  
 Gas or electric cooker: 99.6%  
 Microwave: 45.5%

## **INTRODUCTION**

*By the MDG standard of US\$1 or less per day, Bahrain does not suffer from extreme poverty.*

per cent<sup>16</sup> of total income while the share for the richest 20 per cent<sup>17</sup> was 41.6 per cent<sup>18</sup>. The following table indicates the favorable comparison with, for instance, Thailand and Malaysia, where ratios of the richest 10% and 20% to the poorest 10% and 20%, respectively, are considerably higher. In addition, the income gap ratio between the richest and poorest 10% in Bahrain is 6.2. Figure (1). The income and expenditure distribution shown in Figure (2) suggests a moderate degree of inequality, compared to 16.6 for the United States.



Clearly, what poverty, judged by conventional standards, there is in the country is relegated to affects a small percentage of the population, those families, for example, constituting 10% of the population, whose monthly income is BD200 or less, not included in these statistics. Poverty may be one cause of the prevalence of underweight children under five (7.6%), though other factors may also be a contributing factor. However, on a broader scale, many Bahraini families suffer from economic hardships, as judged by indicators such as the negative (-6.84%) average national savings as a percent of GDP, which shows that people are spending more than they earn. While so, while Bahrain does not suffer from poverty, however, per se, indicators such as the above do not reflect the relative widespread economic difficulties which constitute a serious and continuing problem for a significant portion of the population. To purchase household amenities and maintain an acceptable standard of living, many families incur a high level of indebtedness which current incomes are unable to reduce and which will simply be passed on to successive generations.

Figure (1)

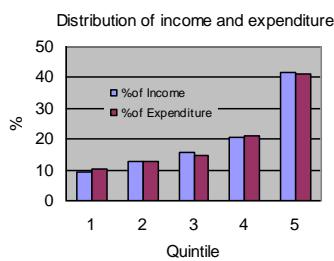
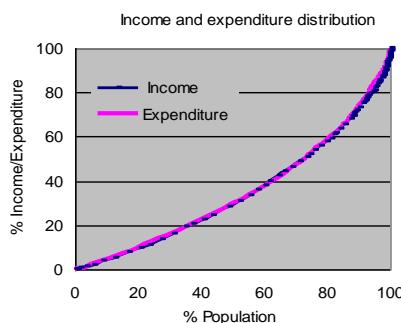


Figure (2)



### Challenges to Achieving this Goal

High unemployment rate

At a double-digit level, unemployment among Bahrainis is a national concern. Perhaps the most serious problem facing the future development of the Kingdom of Bahrain is unemployment, particularly among recent school-leavers and university graduates, although, the overall rate has declined from 14.8 per cent in 1991 to 12.7 per cent in 2001 and to 10.1 per cent in 2003, Figure (3). According to ILO figures for 2001, unemployment for all Bahrainis is 12.7%. Among the 15-24 year old age bracket it is estimated to be as high as 40%. While this figure does not take into account the varying degrees of employment, such as part-time or temporary employment, the rate is still extremely high and represents a dilemma for government planners.

### Income and expenditure level and distribution for population living in families headed by females

The MDG survey uncovered interesting results regarding income and expenditure levels and distribution for individuals living in families headed by females. For example, no individual in this sample lives on less than US\$3 per day, while 0.5 per cent lives on an expenditure of less than US\$4 per day and 5.4 per cent on less than US\$5 per day, Table (2). This suggests that families headed by females are better off as a group than the population as a whole, a conclusion reinforced, to a lesser extent, by the distribution of income which shows lower percentages for individuals who are part of families headed by females compared to the total sample population. A partial explanation for this phenomenon can be found in the cultural practice of favoring families headed by females when providing cash and non-cash assistance (69.2 per cent of female headed families in the less than US\$5 group receive assistance compared to 30.6 per cent for male headed families).

Table (2)  
% of Bahraini Population below poverty level

Item	Income/Expenditures less than				
	\$1	\$2	\$3	\$4	\$5
Income	0	3	19	62	11.4
Expenditure	0	0	0	5	5.4

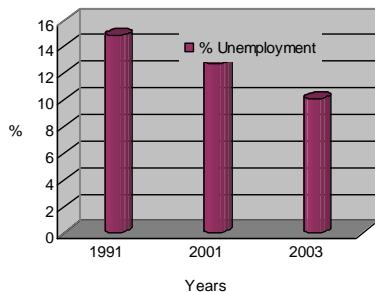
Sources: MDG sample survey, 2003.

On the other hand, the average income per family headed by females represents 72 per cent of the overall average but when adjusted for family size the ratio increases to 93.4 per cent. At the distribution level, the ratio between the richest to the poorest 10 per cent is 16.1 for income and 14.1 for expenditure, while the same ratio between the richest to the poorest quintile is 9.7 and 7.4 respectively (Figure 3).

Figure (3)

## INTRODUCTION

Unemployment Rates Among Bahrainis



As seen in Tables (3.&4) most unemployed are young (50.9 per cent in the 15-24 age group) and have completed secondary schooling (55.5 per cent). This state of affairs has long been clear to the government, which has implemented a number of programmes to address the predicament, ~~since it is clear that a continued high level of government welfare assistance cannot be maintained.~~ With the rising number of Bahraini young people entering the labor market and increasingly limited government resources, jobs

cannot be guaranteed for all new entrants to the workforce, especially as graduates are, on the one hand, ~~are~~ over-qualified for semi-skilled private sector jobs or unwilling to work for such low wages. On the other hand, they are under-qualified for highly skilled technical or managerial positions.

Families headed by females are better off as a group with no individual living on less than US\$3 per day.

Although, unemployment rate shows decline in the past years it is still is a national concern.

**Table (3)**  
Unemployed by age group

Age group	% distribution
15-24	50.9
25-29	15.7
30-49	28.4
50+	5
Total	100

Source: MDG sample survey, 2003.

**Table (4)**  
Unemployed by education

Education	%distribution
Illiterate	2.7
Read & Write	6.6
Primary & Intermediate	35.9
Secondary Plus	55.8
Total	100

Source: MDG sample survey, 2003.

#### Inadequate distribution of cash assistance funds

The cash assistance funds provided by the Ministry of Labor to needy families create a situation which is unsustainable in the long term. Not only does it create a climate of dependency, but it also depletes resources which could otherwise be devoted to training, reorientation, and self-employment schemes, all programmes which would help to alleviate the unemployment that is a major cause of economic hardship. Furthermore, the inevitable inequities that arise in such a system undermine the goodwill that the programme is designed to overcome. The MDG survey revealed that only 31 per cent of the government cash assistance in 2002 went to families with a daily income per capita of less than US\$5. The rest went to individuals who did not genuinely qualify for such assistance.

The government's challenge is to develop mechanisms for alleviating the need for cash allotments, on the one hand, and creating sustainable incomes, on the other. Along with major NGOs, it is beginning to channel welfare assistance into programmes that will help people solve their economic problems

#### **Supporting Environment**

Bahrain is a welfare-oriented state with a large proportion of the population benefiting from government subsidies. Education and health services are free to all people, while utilities and fuel are highly subsidized. The result is a high

level of HDI, 0.831 in 2000. While social policy has had a positive impact on the welfare of the people, its sustainability, however, is uncertain. Current measures to combat unemployment On the other hand, there are a significant number of families which, for a variety of reasons, are forced to depend on further welfare assistance in the form of cash handouts. The Ministry of Labor and Social Affairs provided small amounts of cash assistance to 10,804 families in 2002, disbursing a total of US\$11.3 million, a figure which has almost doubled over the past 12 years.

The government's challenge is to move from "a charity-oriented" to "a social-development" strategy that empowers people, promotes self-employment and

Entrepreneurship. To achieve this goal, job training and placement centers have been established, and "Bahrainization" policies have been set for the private sector. In addition, there has been concerted efforts to attract foreign investment and stimulate the private sector to create more jobs suitable for national graduates.

While these measures have met with some success, greater efforts are being undertaken to focus on educational and training programmes that will produce candidates who are qualified, both professionally and attitudinally, for the specific employment opportunities available in the job market.

#### **Priorities for Development Assistance**

- Further expansion of the UNDP Micro-Start Programme and UNIDO supported Small and Medium size entrepreneurs programme, which allow financially burdened people to receive training and small repayable loans to start their own small enterprises. Such programmes will make a significant contribution to solving the unemployment problem and reducing the number of families perpetually dependent on welfare assistance, while at the same time achieving sustainable socio-economic development.
- Development of proper monitoring systems of distribution and follow-up of the government cash-assistance programme funds, redirection of a portion of this handout fund to self-supporting programmes.
- Enhancement of the capacity of the

national statistical authorities agency to monitor progress towards achieving and/or maintaining the level of MDGs.

The cash assistance funds provided by the Ministry of Labor to needy families create a climate of dependency.

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The government's challenge is to move from "a Charity-oriented" to "a social-development" strategy.

## ACHIEVE UNIVERSAL PRIMARY EDUCATION

**Target:** Ensure that children everywhere boys and girls alike—complete a full course of primary education.

**Performance Summary:**  
Will development goal be reached?  
**Possibly** – Probably – Unlikely – Lack of Data  
State of supportive environment:  
**Strong** – Fair – Weak but improving - Weak

## ACHIEVE UNIVERSAL PRIMARY EDUCATION

<p><b>Target:</b> Ensure that children everywhere—boys and girls alike—complete a full course of primary education.</p>	<p><b>Performance Summary:</b> Will development goal be reached? <b>Possibly</b> – Probably – Unlikely – Lack of Data State of supportive environment: <b>Strong</b> – Fair – Weak but improving - Weak</p>
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### Status and Trends

#### Enrolment Rate

In 1919, Bahrain was the first country in the Arabian Gulf to establish a public school. Since then, education has been a high priority for the government and great strides in this area have been made in the succeeding decades. Today, schools are free and accessible to all, Bahrainis and non-Bahrainis, and although, education is not compulsory, it is highly encouraged by the government. By 2001/2002 Bahrain had already achieved 100 per cent net enrolment rate in the primary school, 88.1 per cent in the intermediate and 73.4 percent in secondary level, Table (1). The last two rates are slightly higher (89.7 and 74.5 percent respectively) if non-Bahraini population is excluded.

On the other hand, the drop-out rates continue to decrease while enrollment rates continue to increase.

Table (1)  
Net enrolment rate by level of education

Level	Rate	
	1990-91	2001-02
Primary	85.9	100.0
Intermediate	79.0	88.1
Secondary	57.6	73.4

Source: Ministry of Education

#### Literacy 15-24

Literacy data follows a similar trajectory as school enrolments, increasing in the last decade to almost 100 per cent for 15 to 24 year olds. This finding is entirely consistent with intermediate and secondary school enrolments which are already very close to 100 per cent. Likewise, university education showed significant gains. For example, enrolment in the University of Bahrain, the national university, increased from 5,359 students in 1990-91 to 19,000 students in 2001-02, an increase of three and half folds.

in part, for the success of Bahrain's educational system. In the 1990s, for instance, investment in education ranged between 3 to 4 per cent of GNP (not including university education), the most recent figure for 2001 being 3.3 per cent, a figure which compares favorably with many developed countries.

In addition, the amount allocated to each student has increased over time as reflected in the index of per capita expenditure shown in Table (2).

Table (2)  
Index (1991=100) of GDP per capita expenditure on education

Years	Index
1991	100
1995	104.4
2001	125.6

Source: Ministry of Education

*By 2001 Bahrain had already achieved 100 percent net enrolment rate in the primary school.*

#### Challenges to Achieving the Goal

The main challenge facing the government of Bahrain in the area of education is how to bring the content of the educational system to the 21<sup>st</sup> century standard. One way is to refocus on applied science and technologies in order to meet the needs of national and international labor markets that are increasingly driven by high-content knowledge economies, and to move away from root-memorization method of teaching to a more communicative participatory approach.

Currently, and like many other countries, Bahrain finds itself unable to absorb the growing number of school and university graduates in the local labor market, who are also not well-equipped to compete in the international labor market. On the other hand, authorities come under an increasing pressure to invest more resources into the education system, not only to accommodate an increasing number of enrolled children, but also to give more people the opportunity to higher education.

*"Education is compulsory and free in the early stages as specified and provided by law. The necessary plan to combat illiteracy is laid down by law."*

*Art 7,  
Constitution of  
the Kingdom of  
Bahrain*

#### Public Expenditure on Education as a Percentage of GNP

Government expenditure on education accounts

## **Supportive Environment**

As a member of the global UN Education for All (EFA) since 1990, Bahrain has made special efforts to incorporate and achieve the designed targets as part of the National Action Plan, as required by EFA. The plan includes mechanisms to improve the quality of education so that graduates are adequately prepared for the job market. Further measures, however, have to be taken in order to avoid a growing population of dissatisfied educated young people.

Furthermore, the constitution of the Kingdom lays emphasis on providing all school age children with free education, regardless of gender or nationality. Within this context, the government has been considering the human resources as the fundamental element in achieving the overall national goals of social and economic development and as a consequence, it has used all available means to maintain education as a high priority, while at the same time improving its quality.

## **Priorities for Development Assistance**

The government of Bahrain is in agreement that international development assistance needs to focus on:

- Supporting the Ministry of Education in enhancing the quality of education through introducing proper mechanisms that integrate the views of the community, the business sector, and all others who are concern with education process. In addition to revising the contents of national syllabuses, the main aim is to equip young people with the kind of skills and conceptual capacities that make them relevant for the increasingly complex and intellectual base economies of the modern world.
- Enhancing the policy planning mechanism at the Ministry of Education, with regard to the implications of socio-economic changes and globalization on the education system of Bahrain.
- Strengthening the mechanisms of coordination and communication among various institutions and units, which are part of the education system.

*According to the UN EFA, Bahrain concentrates on the improvement of the quality of education so that graduates are well-prepared for the job market*

## GENDER EQUALITY AND EMPOWERMENT OF WOMEN

**Target:** Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education by 2015.

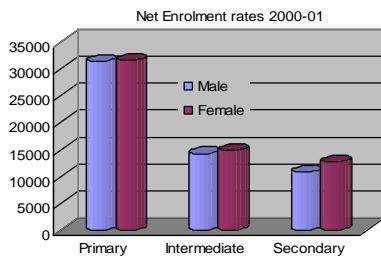
**Performance Summary:**  
Will development goal be reached?  
**Possibly** – Probably – Unlikely – Lack of Data  
State of supportive environment:  
**Strong** – Fair – Weak but improving - Weak

### Status and Trends

#### Women in Education

Virtually all the MDG targets with regard to females in education have been reached and even surpassed; today females outnumber males in all but the earliest stages of Bahrain's educational system, including the university level, where the percentage of women students enrolled at the University of Bahrain, Arabian Gulf University, and the College of Health Sciences substantially surpasses that of men. According to 2000-01 statistics, the ratio of females to males (Bahraini only) was 1.01 in primary, 1.04 in intermediate and 1.13 in the secondary (Figure 1, using absolute numbers). In addition, in tertiary education, mainly at the University of Bahrain total enrolment in 2003 is above 19,000, with a female to male ratio of 1.6:1. Most recently recorded figures of graduates from the University of Bahrain indicate that women are graduating at a rate approaching twice that of men.

Figure (1)



Furthermore, while the dropout rate is relatively insignificant for both sexes, it is consistently lower for females at all levels according to 2000-01 statistics. For example, the dropout rate among females in primary education was 0.1 per cent and among males 0.3 per cent, at the intermediate level the rates were 0.4 and 0.5 per cent respectively, and in secondary education, the corresponding rates were 1.2 and 2.4.

This achievement reflects Bahrain's longstanding commitment to education in general and to girls in particular. As part of its early educational strategy, Bahrain established its first girls' school, the Khadija AlKobra Girls School, in Muharraq in 1928. Since then, and particularly in recent years, great strides have been made in providing females with access to education at all levels.

On the other hand, the MDG survey indicates that for Bahrainis 15 years of age and above as much as 17.7 per cent of women is illiterate, as opposed to 7.6 per cent among men. While this represents a significant gender deficit, it should be noted that this disparity increases according to age, and among the younger generations the disproportion disappears. It can be assumed that with universal education this inequality will ultimately evaporate.

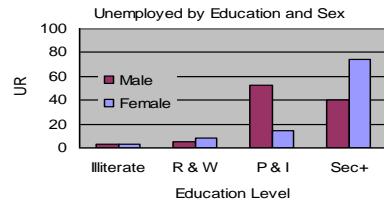
#### Women in the Workforce

The MDG Survey revealed that even though females outnumber males at the secondary and post-secondary educational levels, their share in the national workforce is limited. Women suffer from the general problem of unemployment in Bahrain but are unduly affected by this economic situation, enduring an unemployment rate almost double that of men. Although the ratio of women in the workplace continues to rise (from 7.1 per cent in 1991 to 25.8 per cent in 2001), and the varieties of occupations in which they are engaged is increasing, there is still substantial discrimination against employing women in both the public and private sectors of the economy.

*Females outnumber males in all but earliest stages of Bahrain's educational system including the university level.*

*Yet, women's share in the national workforce is limited.*

Figure (2)



Female unemployment is at its highest among those who completed high school, 74.3 per cent (Figure 2), and among married women, 48.7 per cent (Figure 3), with very highest concentration in the age group 30-49, 38.5 per cent (Figure 4). This is partly due to the fact that women are often passed over for employment in favor of males, who may be less qualified, on the grounds that their roles as mothers and homemakers disqualify them.



Women who are employed tend to be grouped in “gender-appropriate” sectors such as teaching and health care where salaries and social prestige are relatively low. Once employed, their opportunities for promotion are limited, and their participation seldom rises above low or middle management levels. The current state of affairs may also be accounted for in part by the fact that unlike men, women in general have not been outspoken in voicing their complaints. This is beginning to change as women are demonstrating, along side men, to call for government action to improve the employment situation.

#### Women in the political arena

Bahrain’s commitment to the MDG of gender and women’s rights has been reinforced by the pledge contained in the National Action Charter that “all citizens are equal before the law in rights and duties. There is no discrimination on the basis of sex . . .” and “all citizens, males and females, have the right to take part in public affairs and to

enjoy political rights in the country, starting with the voting and candidacy rights in accordance with the law.” These rights of universal franchise were initially exercised in the May 2002 municipal elections and in October 2002 Parliament elections.

Currently, women are appointed to ministerial and sub-ministerial positions, act as ambassadors, under-secretaries, and, most recently, appointment to the presidency of the University of Bahrain has been a woman.

In addition, women are involved in organizations and societies, including the human rights and women’s rights organizations, and have applied to establish a Women’s League, an umbrella organization to represent women who are active participants in such societies. With continuing appointments to leadership and decision-making positions, women will increasingly be seen, it is hoped, as fully capable of filling elected roles as are their male counterparts.

*Women’s call for government action to improve their status has strengthened and thus women are progressively appointed in leadership and decision-making positions.*

#### Challenges to Achieving the Goal

The educational achievements of women have yet to be translated into greater economic participation. To achieve this, discrimination against job seeking women must be eliminated. Additionally, job opportunities for women need to be expanded in order to ameliorate the overall unemployment situation as well as to augment economic growth.

The main challenge is to change the traditional outlook on the role of women both in society and in the workforce. Marriage severely limits women’s involvement in the labor market, and women who work are still required to play a dual role, that of homemaker and child-bearer as well as breadwinner. Furthermore, traditional stereotypes about the ability of women to play an effective part in the workforce creates obstacles to their employment. Prevailing social views, arising from the stigma that women are emotional beings better suited to the home and family, cast doubts on female employment. Thus, women are expected to “sacrifice” their own happiness and fulfillment on behalf of their families.

#### Supportive Environment

In 2001 the Supreme Council for Women was established as an advisory body to assist the government in formulating gender related policies. The council is to propose public policy to the government on issues concerning women

*The Supreme Council for Women, the advisory body in gender related policies advocates the improvement of the status of women in Bahrain.*

and advocate amendments to existing legislation. The establishment of such a body corroborates the Kingdom's commitment to eliminate gender disparities in education, society and the economy.

Furthermore, women NGOs in Bahrain, representing 11 out of the approximately 300 NGOs, play a major role in supporting women and the acknowledgement of their rights. The government is committed to working closely with these NGOs especially on matters relating to the formulation of gender policies to integrate the contributions of all sectors of society.

The legislative structure in Bahrain, starting with the Constitution and the National Action Charter, as well as the recent ratification of the Convention for the elimination of all forms of discrimination against women (CEDAW), gives women equal access to public affairs, allows them voting rights, and assures protection against any type of discrimination in the economic and political fields.

## Priorities for Development Assistance

The following are areas for development assistance:

- Education and awareness on gender issues, elimination of stereotypes and false perceptions and promotion of female entrepreneurship.
- Advocacy and support for gender mainstreaming in government policy formulation and implementation and in the decision making process.
- Monitoring progress towards gender mainstreaming through collection and analysis of periodic statistics.

### Current status of HIV/AIDS cases

Reducing and halting the spread of HIV/AIDS depends, first of all, on obtaining reliable data; a serious challenge in a society where the subject is still considered taboo by many individuals. So strong is this prohibition that the health care system, including doctors and other health care workers, is indisposed to provide adequate facilities and treatment for known HIV/AIDS patients. A consequent reluctance to disclose possible infection or undergo medical testing hampers efforts to create a database from which reliable statistics and measurements of increase or decrease can be derived. Thus, although the number of HIV/AIDS cases in Bahrain is presumably low, reliable figures are hard to come by.

According to a surveillance report made by UNDP in conjunction with the Ministry of Health, dated May 2002, the number of HIV/AIDS cases as of the last quarter of 2001 was a total of 134. However, the figure given in the World Human Development survey for 2002 was 150. These figures are imprecise, at best, and until more reliable data can be obtained, it will be difficult to measure progress towards reducing or eradicating this scourge. Furthermore, a lack of accurate data poses the danger that the actual number of cases may be increasing without an awareness on the part of health authorities, though it is unlikely that Bahrain will suffer the dramatic increases seen in some other parts of the developing world.

It may be that incorporating the problem of HIV/AIDS into a project of screening for other communicable diseases can yield the kind of data necessary to engage in an active program of prevention and treatment. For example, pre-marital screening for genetic defects, a potential threat where intermarriage is still a fairly common practice, is one method of determining HIV/AIDS infection without testing explicitly for that disease. In addition, mandatory screening of blood donors will not only assure health officials that volunteers are disease free, but will also prevent the spread of infection through blood transfusions.

### Causes of HIV/AIDS infection

Some sufferers have presumably acquired the disease from intravenous drug use or from sexual contact with drug users. In addition to intravenous drug use, HIV/AIDS is introduced into the country by individuals who are exposed through sexual contact with infected partners overseas, and who then spread it to their spouses and children. Whatever the causes, the major incidence of HIV/AIDS transmission appears to be heterosexual. Again, however, a lack of reliable data regarding primary causes makes it difficult to stipulate appropriate interventions.

### Health education and HIV/AIDS prevention

Because of the traditional nature of Bahrain society, the most promising approach to a reduction of HIV/AIDS cases is a programme of community awareness and prevention. Unlike some other regions, where less traditional societies make it possible to advocate the use of safe sex devices such as condoms, or needle exchange programmes for drug users, a large proportion of the society in Bahrain would view such interventions as simply fostering promiscuity or advocating drug addiction.

A more practical and acceptable method is through educational campaigns aimed at heightening the perception, especially among the younger generation, of the dangers posed by HIV/AIDS infection. Public lectures at clubs and schools, discussions in the media, publication and dissemination of educational materials, and increased publicity associated with AIDS Awareness Day, are all useful schemes for promoting awareness of the risk. The annual Model United Nations (MUN) meeting, in which a number of local and regional schools participate, conducts a session on the global HIV/AIDS problem.

This educational and public awareness strategy not only avoids offending local sensibilities; it is, in fact, endorsed by religious authorities who provide moral reinforcement from their respective platforms by warning of the perils of sexual promiscuity or intravenous drug use. Such an approach, along with an increased facility for collecting accurate data, is likely to go far to contain the spread of HIV/AIDS infection and reduce its incidence in the future.

## ACHIEVE UNIVERSAL PRIMARY EDUCATION

**Target:** Ensure that children everywhere—boys and girls alike—complete a full course of primary education.

**Performance Summary:**  
Will development goal be reached?  
**Possibly** – Probably – Unlikely – Lack of Data  
State of supportive environment:  
**Strong** – Fair – Weak but improving - Weak

### Current status of malaria and tuberculosis

Neither malaria nor tuberculosis constitute major problems in Bahrain, and in both cases, rates are declining. Those who suffer from these diseases are mainly expatriates who have contracted them abroad and are currently being treated by local health care services. It is therefore likely that they will continue to decline, particularly in the case of malaria which is not indigenous to the island.

Tuberculosis is declining more slowly, and although a significant majority of cases are expatriates, the contagious nature of the disease means that it can be passed to citizens. To halt and reverse the prevalence of TB will require a stricter screening policy to prevent those with the disease from entering the country, especially those like housemaids who come in close daily contact with families, especially infants and children who are more vulnerable. Up until 2000, all primary school children were vaccinated against TB. At present it is mandatory only for babies born in Bahrain of expatriate parents, but the Ministry of Health is trying to introduce a compulsory vaccination programme for all infants under the age of one.

For individuals who suffer from tuberculosis, the biggest problem involves monitoring patients to ensure that prescribed medication is taken for the full term so that they do not contribute to the development of resistant forms of the disease. This requires adequate staffing, a perennial problem, and one which budget constraints make it difficult for government health services to provide. The publication of an informational manual setting out the proper guidelines for diagnosis and treatment protocols may be a provisional measure for dealing with the spread of tuberculosis in lieu of trained personnel who can provide the necessary care and monitoring.

## ENSURE ENVIRONMENTAL SUSTAINABILITY

**Target:** Integrate the principles of sustainable development into country policies  
and programmes and reverse the loss of environmental resources  
 Land area protected to maintain biological diversity  
 Carbon dioxide emissions (per capita)

**Target:** Halve the proportion of people without sustainable safe drinking water.  
 Proportion of population with sustainable access to an improved water source

**Target:** By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers  
 Proportion of people with access to improved sanitation

### Current status of environmental protection

With a coastline of 126 km and 8,000 km<sup>2</sup> of marine area, Bahrain is a country in which most of the inhabitants live in close proximity to the sea. More than land per se, which is primarily desert, with limited areas of natural vegetation (Bahrain has no streams or rivers; sparse rainfall), and relies primarily on finite sources of groundwater for agricultural, industrial, and domestic needs), maintenance and preservation of the marine and littoral environments for biodiversity as well as for the fishing industry are essential. Both the Tubli Bay and the Hawar Islands are areas in which animal and bird life are protected, but land reclamation projects in the populous northern parts of the island have imposed severe pressures on marine habitats and consequent ecological depredation.

Nowhere is this environmental degradation more conspicuous than in the Tubli Bay Protected Area, a diverse marine environment which shrank from 24 square kilometers in 1956 to a mere 10 square kilometers by 2000. The decrease of mangrove trees, due primarily to landfills for the purpose of villa construction as well as public projects, has resulted in the loss of nurseries for small fish and crustaceans which form the base of the food chain for many marine and bird species.

Although a government edict for environmental protection was issued in 1993, and a National Commission for the Protection of Wildlife has been established to control

development, regulation has only been sporadically enforced. Until a planning scheme is carried out which takes into account the need for economic gains along with a requirement for sustainable development that protects the environment, the latter will continue to suffer from deprivation which may be irreversible, to the long-term detriment of the country and its future generations.

### Carbon dioxide emissions

With the rapid increase in population and consequent rise in the number of vehicles, from 14 persons per car in 1970 to 3.3 in 1997, more than 90% of Bahraini families own at least one car. This, along with industrial pollution emanating from refineries, distillation plants, and an aluminium smelter, constitutes the major causes of air pollution and CO<sub>2</sub> emissions. Bahrain is fortunate in being a small, relatively flat island where air pollution is easily dispersed by prevailing winds, and topographical features, such as basins, or meteorological conditions, such as heat layer inversions, are not conducive to the formation of smog. Thus the range of air pollution parameters rarely, if ever, exceed range of air pollution parameters rarely, if ever, exceeds international standards. As a signatory to international agreements on climate change, however, Bahrain needs to institutionalize appropriate legislation to promote protection of the ozone layer and

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## ACHIEVE UNIVERSAL PRIMARY EDUCATION

**Target:** Ensure that children everywhere boys and girls alike—complete a full course of primary education.

**Performance Summary:**  
Will development goal be reached?  
**Possibly** – Probably – Unlikely – Lack of Data  
State of supportive environment:  
**Strong** – Fair – Weak but improving - Weak

reduce global warming.

### Access to improved water sources and sanitation

Universal access to improved water resources and sanitation contribute substantially to the high standard of living in Bahrain. However, the currently commendable situation should not blind one to the serious challenges of diminishing natural water resources or the increase of domestic and industrial waste products. High population growth, along with growing industrialization, is creating pressures in both areas. Domestic water consumption is increasing at 6% a year, double the population growth. Average per capita water use is more than 500 litres per day, all dependent on depleted groundwater sources and costly desalination processes. With agricultural, industrial, and domestic demands on water slated to intensify as a result population growth, groundwater is becoming increasingly saline and unfit for domestic or agricultural use. To protect diminishing water resources, strict conservation measures will have to be implemented along with strategic decisions about what constitutes the most urgent and productive uses of this indispensable resource.

### Waste management

Bahrain generates an estimated 1,000 tons of municipal waste per day, or roughly 600kg per person per year, a high average for a developing country. Domestic waste is increasing by 3.4% annually, while industrial and oil wastes are escalating by 1.2% and 5% respectively. With its limited space and fragile desert and coastal environments, the country bears a special responsibility to establish and monitor an efficient waste management system.

### and small island developing states

**Target:** In co-operation with the private sector, make available the benefits of new technologies, especially information and communications

- Telephone lines per 1000 people
- Personal computers per 1000 people

### Employment problems and opportunities

The high unemployment rate of educated young people between the ages of 15 and 24, approaching an estimated 40%, represents a critical test for government planners; posing both economic and social challenges. Unemployment is but one dimension of the employment problem faced by young people. A disproportionately large number of the young are underemployed, some working fewer hours than they would like to and others working very long hours with little gain. In addition, wage setting institutions, employment protection legislation, fixed term contract regulations are often deemed to affect youth entry into the labour market. Although education and training policies must be seen as the cornerstone of any effective strategy for improving youth labour market prospects, a comprehensive policy framework must pay attention to labour market arrangements and institutions and their impact on job and earning prospects.

An effective policy for generating youth employment should be part of an overall strategy of employment creation through employment intensive economic growth. Youth employment and unemployment are highly responsive to the economic cycle and the effects of low labour market demand are particularly problematic for out-of-school youth. It is necessary to adopt sound macroeconomic policies that promote overall employment growth as a basis for addressing the employment problems of young people and educational attainment.

Poor skills are only one of a myriad of factors leading to youth unemployment. Labour market policies for young workers need therefore to include training as part of an integrated and targeted package. Targeted programmes that combine work experience with classroom training and job search and career counseling can also be effective for many unemployed young people who require help in attaining the social skills and work habits needed to obtain decent work.

Linking part-time employment with classroom studies may also enhance students' motivation and educational attainment while allowing them to gain valuable work experience. School/work combinations may have a positive impact on young people's successful integration into employment. Early school leavers and other at-risk young people are often drawn disproportionately from particular social and economic groups whom should be among the major preoccupations of policy makers as they are particularly vulnerable to repeated spells of unemployment, long-term unemployment and low-paid work. A key policy priority should be to discourage young people from dropping out of school or to encourage early school-leavers to return to regular education and training.

A number of possible solutions have been scrutinized, with particular focus on the areas of IT, telecommunications, and

tourism. The Crown Prince, Shaikh Salman bin Hamad Al Khalifa, is a firm believer in the "Singapore Model" the small island success story in which the service sectors are the driving forces in the economy, and with sufficient investment plus a properly trained workforce, Bahrain could become a locus of such development, though it faces stiff competition from its GCC neighbours, Dubai in particular.

### Access to technology

A step in this direction is the access to the latest models of 20<sup>th</sup> century technology which Bahrainis have long enjoyed. The recently completed UNDP household survey indicates that over 87% of the population owns cell phones, while 51.79.3% own or have access to a computer, half of which are connected to the Internet. The challenge for Bahraini society is to put this growing technological sophistication, particularly on the part of the younger generation, to use in ways that provide economic benefits not only for individuals but for society as a whole.

### Future employment challenges

In order to do so, however, Bahraini job seekers will have to overcome certain attitudinal problems with which many are handicapped. On the one hand, they do not enjoy all of the benefits of citizens in more affluent GCC countries who are supported by an extensive, and

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## DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

**Target:** In co-operation with developing countries, develop and implement strategies for decent and productive work for youth

Unemployment rate of 15-24 year olds

**Target:** Address the Special Needs of landlocked countries

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## ACHIEVE UNIVERSAL PRIMARY EDUCATION

<b>Target:</b> Ensure that children everywhere—boys and girls alike—complete a full course of primary education.	<b>Performance Summary:</b> Will development goal be reached? <b>Possibly</b> – Probably – Unlikely – Lack of Data State of supportive environment: <b>Strong</b> – Fair – Weak but improving - Weak
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sometimes lavish welfare system that reduces the pressure for employment. Furthermore, the public sector in those countries supplies jobs for all who do not find employment in the private sector. Such government munificence reduces the anxiety associated with finding employment. On the other hand, Bahrain lacks the resources to supply such assistance, and many citizens resent the fact that they are not the recipients of a public largesse which they feel to be their natural right. In addition, frustrations are further fueled by disparities in income level, inequities in employment opportunities, and a sense that foreign labour displaces jobs rightfully reserved for citizens. Together, these constitute the country's most serious challenge to maintaining and improving its generally high standard of living.

Among the actions which must be seriously considered in developing a sound strategy for overcoming the unemployment problem among young people are the following:

Establishing a framework for promoting decent work for young people.

Undertaking research on youth employment issues, including on innovative and effective policies and practices for enhancing opportunities for young people in employment and enterprises.

Preparing and disseminating user friendly policy tools and manuals of good practice on youth employment policies and programmes, raising awareness of successful strategies to combat youth marginalization and unemployment

Documenting successful programmes for reducing the number of school dropouts and helping them to return to school

Identifying innovative pathways from school to work, including better linkages between initial education, training and work experience, and building bridges between schools and employers

Establishing and maintaining databases that provide information on the employment situation of youth worldwide. The Key Indicators of the Labour Market (KILM) database, for example, includes gender-disaggregated data on the youth unemployment rate; the ratio of youth unemployment rate to adult unemployment rate; the share of youth unemployed to total unemployed and the share of youth unemployed to youth population.

Providing policy advice and technical support to government on how to develop "second chance" schemes for young school dropouts.

Evaluating and drawing lessons from labour market programmes for unemployed young women and men. Also, setting up demonstration projects/pilot activities that combine training institutions and enterprises to provide apprenticeship, mentoring or work experience for young persons.

Introducing a private sector led youth entrepreneurship programme for unemployed and disadvantaged youth. Mobilizing the business community to help disadvantaged young people to become entrepreneurs and set up their own business. Focus will be on strong business mentoring and business support which can provide an opportunity for

business people, whether active or retired, to recycle their skills and share their experience with the wider community.

Developing career guidance programmes at schools in addition to the need for educational reforms and special attention to address the problem of school drop outs.

### Bahrain as a small island developing state

The small size of small island developing States such as the Kingdom of Bahrain means that development and environment are closely interrelated and interdependent. Unsustainable development threatens not only the livelihood of people but also the islands themselves and the cultures they nurture. The biological resources on which small island developing States depend are threatened by large-scale exploitation of marine and terrestrial living resources.

Due to the small size, fragility of island ecosystems, requires that in pursuing development special attention be paid to protecting the environment and people's livelihoods. It also requires the integrated management of resources.

The rate of population growth exceeds the rate of economic growth, placing serious and increasing pressure on the capacity on basic services to people. The lack of opportunities for achieving economies of scale, together with limited and depletable resource base, tends to limit the total production of Bahrain as an small island developing State. Any adverse development whether arising from market factors, natural or environmental constraints, is likely to lead to significant reductions in output, a fall in foreign exchange earnings and increased unemployment.

Because in a small island development state such as Bahrain options are limited, it presents special challenges to planning for and implementing sustainable development. To meet that challenge, the most valuable asset of small island developing State is their human resources, which need to be given every opportunity to fulfill their potential and contribute meaningfully to national, regional and international development consistent with the Rio Declaration on Environment and Development and Agenda 21. The sustainable development of small island developing States requires actions that address the above constraints to development. These actions should integrate environmental considerations and natural resource conservation objectives and gender considerations consistent with the development of social and economic development policies.

Within small island developing States the critical contribution of women to sustainable development and the involvement of youth to the long term success should be fully recognized. Accordingly, youth should be encouraged to contribute to the decision making process and all obstacles to the equal participation of women in this process should be eliminated to allow both youth and women to participate in and benefit from the sustainable development of their particular societies.

Sharing a common aspiration for economic development and improved living standards, Bahrain, as an small island developing state, is determined that the pursuit of material benefits should not undermine social, religious and cultural values or cause any permanent harm to either the people or the land and marine resources, which have sustained island life for many centuries.

*Women's NGO's play a major role*

## ACHIEVE UNIVERSAL PRIMARY EDUCATION

**Target:** Ensure that children everywhere boys and girls alike—complete a full course of primary education.

**Performance Summary:**  
Will development goal be reached?  
**Possibly** – Probably – Unlikely – Lack of Data  
State of supportive environment:  
**Strong** – Fair – Weak but improving - Weak

*in supporting their rights.*

## CHILD AND MATERNAL MORTALITY

**Target:** Reduce infant and under-five mortality rates by two-third by 2015

**Target:** Reduce maternal mortality ratio by three-quarters

**Performance Summary**  
Will Development goal be reached?  
**Possibly-Probably-Unlikely-Lack of Data**  
**State of Supportive Environment**  
**Strong-Fair-Weak but Improving-Weak**

### Status and Trends

Due to a relatively high standard of health, one that has been improving over the past decades as a result of the government commitment to providing free quality health care to its citizens, Bahrain is on track to meeting the 2015 target of reducing child and maternal mortality. Child and maternal mortality rates in Bahrain are relatively low, close to the level recorded in advanced economies, and it is likely that there will be a further decline in mortality rates as a result of health precautions taken by pregnant women, as well as progress in prenatal medicine.

#### Child Mortality Rate

The infant mortality rate is low compared to other developing countries. Ministry of Health statistics indicate that the overall infant mortality rate in 2001, including non-Bahrainis, was 8.7 per 1000 live births, Table (1) and Figure (1). With more than 13,000 births per year, the total number of infant deaths was approximately 106. This rate held constant for the five years from 1997-2001, with only minor changes in any given year, resulting in a statistically insignificant variation in the total number of deaths. Furthermore, female mortality rates are lower than those of males but do not differ much from the corresponding rates in advanced economies.

Figure (1)

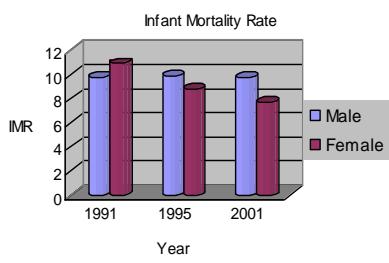


Table (1)  
Infant Mortality Rate

IMR			
Year	Male	Female	Total
1991	9.7	10.9	10.3
1995	9.9	8.8	9.4
2001	9.7	7.7	8.7

Source: Central Information Organization

In order to further reduce the infant mortality rate, the Ministry of Health has established a committee to review the main causes of infant mortality, including hereditary diseases, congenital defects, and suffocation in the course of delivery.

Measures of the generally superior standard of health care available in Bahrain are indicated by the current under-five mortality rate, which stands at 2.7 per 1000 live births, Table (2) and Figure (2). The lower mortality rate is undoubtedly due to the high level of preventive and medical services provided to this key sector of the community and to the rising standards of living.

Table (2)  
Under 5 Mortality Rate

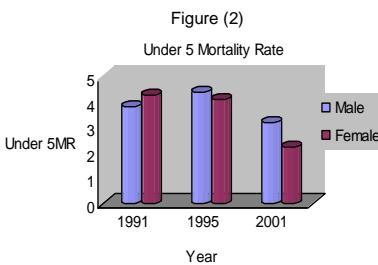
Under 5 Mortality Rate			
Year	Male	Female	Total
1991	3.8	4.3	4.1
1995	4.4	4.1	4.2
2001	3.2	2.2	2.7

Source: Central Information Organization

*Child and Maternal mortality rates are relatively low, close to the level recorded in advanced economies.*

*“Every citizen is entitled to health care. The state cares for public health, and the state ensures the means of prevention and treatment... through hospitals and healthcare institutions.”*

*Art 8,  
Constitution of  
the Kingdom of  
Bahrain*



Contributing to a reduction of the under-5 mortality rate is the widespread implementation of measles immunization. Figures for 1-year-old children reveal that immunization coverage has risen to 97 per cent and should easily reach 100 per cent by 2015.

#### Maternal Health

Maternal mortality is another area where the Kingdom of Bahrain has made significant strides in the past decades. Primary causes of maternal mortality are complications arising from pregnancy, child-birth, hereditary diseases, blood diseases, or hemorrhaging, but the most recent data show that 99 per cent of expectant women were attended by trained personnel during pregnancy and childbirth, including pediatric care for children up to the age of one. Maternal mortality rates vary from year to year, actually showing an increase in 2001. However, the number of fatalities is so low that these variations are insignificant, amounting to not more than one or two individuals out of more than 13,000 live births per year, Table (3).

The low level of infant and maternal mortality rates in Bahrain is attributable to general developments such as improvement in the social and economic well-being of the population, greater respect for women's rights and social status, the high standard of prenatal care, and the attendance of skilled health personal during deliveries.

Table (3)

Maternal Mortality Rate per 100,000 live births.

Year	Deaths	Births	MMR
1997	4	13382	30
1998	2	13381	15
1999	3	14280	21
2000	2	13947	14
2001	3	13468	22

Source: Ministry of Health

While low rates of maternal mortality, along with relatively low rates of infant mortality are a credit to the country's advanced health care system, the high fertility rate of 3.0 children per woman, resulting in a population growth rate of 2.7 per cent, is a matter of continuing concern. Though both figures constitute a significant decline from the fertility rate of 5.9 and growth rate of 3.4 per cent that existed only twenty-five years ago, population growth exerts a constant pressure on human and social resources which the country will be able to meet only if it can bring about a decline in the rate.

*The low level of infant and mortality rate is attributable to the high standard of living.*

#### Challenges to Achieving this Goal

Bahrain's health figures are commendable, but the country's health services cannot afford to remain complacent if they expect to maintain and reduce the incidence of infant and child mortality, as well as childhood diseases. An infant mortality rate of 8.7 out of every 1000 live births is laudable, but still somewhat high for a country ranked in the High Human Development category of the UNDP HDI (.0831). Infant deaths occur most commonly during the first week of life, usually due to pulmonary distress or genetic and hereditary blood diseases. Increased resources, both financial and human, are required if the country is to successfully address these medical conditions and further reduce instances of infant mortality.

With a growing population, health care budgets are coming under mounting strain as the country strives to maintain and improve its services. Financial allotments for medical care have risen substantially in recent years, but they are still insufficient for the demands placed upon them. In contrast to developed countries, Bahrain spends only 2.6 per cent of its GDP on health care, a relatively small percentage by comparison. While private clinics and hospitals absorb some of the demand for medical care, thus reducing the pressure on government services, greater expenditures will have to be allocated for both facilities and personnel in order to meet the health care needs of a growing population. Particularly in the area of public health services, more training is needed to provide qualified professionals who are willing to devote themselves to this vital area rather than to specialize in more exotic and lucrative branches of medicine. At the same time, the under funding of health care personnel, especially the low compensation of doctors and midwives, represents a challenge to achieving this goal.

*Yet, health care budgets need to be increased in order to meet the health care needs of a growing population.*

## **Supportive Environment**

A number of supportive policies and programmes to reduce child mortality are in place, including the expansion of the health services network-health posts, information on health, sanitation and family planning. Furthermore, the health infrastructure, which is well developed and long established, provides universal health services to Bahraini citizens. By the same token, the country is hoping to be a regional hub for “health tourism”.

On the other hand, the country runs an accurate vital civil registration system where all demographic events such as births and deaths are timely recorded. This gives confidence in the rates calculated from these records.

## **Priorities for Development Assistance**

- Provide all pregnant women with early prenatal care; make possible an early diagnosis of high-risk pregnancies, and promote proper nutrition and lifestyle tips for pregnancy
- Improve the organization of and provide training to medical and paramedical professionals and teams in hospitals.
- Strengthen the existing monitoring system of data collection and analysis.

## COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

<b>Target:</b> Halt and begin to reverse the spread of HIV/AIDS
<b>Target:</b> Halt and begin to reverse the incidence of malaria and other major diseases

<b>Performance Summary</b>
Will Development goal be reached?
<b>Possibly-Probably-Unlikely-Lack of Data</b>
<b>State of Supportive Environment</b>
Strong-Fair-Weak but Improving-Weak

### **Status and Trends**

Compared with many countries, Bahrain has a relatively low prevalence of HIV/AIDS. Nevertheless, this is no excuse for lack of action. The relatively young age structure of the country's population, the mobility of a significant number of expatriates, and the increased movement of Bahrainis abroad for educational and commercial purposes, heighten the risk of an outbreak. Certain factors that need to be addressed include a lack of adequate information and awareness about HIV/AIDS, especially among at-risk groups, as well as the lack of an adequate regulatory framework to provide guidelines on prevention. Treatment and reporting of HIV/AIDS, as well as obtaining reliable data, constitute a serious challenge in a society where the subject is still considered taboo by many individuals.

Malaria and tuberculosis do not constitute major problems in Bahrain, and in both cases, rates are declining as shown in the table below. Those who suffer from these diseases are mainly expatriates who have contracted them abroad and are currently being treated by local health care services. It is therefore likely that they will continue to decline, particularly in the case of malaria, which is not indigenous to the island.

#### HIV/AIDS Prevalence

An accurate assessment of the HIV/AIDS epidemiological situation in Bahrain is not possible due to the lack of updated, reliable data. Nevertheless, according to a surveillance report by the Ministry of Health, dated June 2002, HIV accounted for 115 cases in Bahrain and AIDS cases 7, or a total of 122. The 2002 UNAIDS report, on the other hand, estimated that the total number of HIV/AIDS cases in Bahrain at the end of 2001 was around 1,000, Table (1).

According to the Ministry of Health report published in June 2001, the major cause of HIV/AIDS transmission was through sexual

**Table (1)**  
HIV/AIDS Number of Bahraini Cases

Indicator	1997	1998	1999	2000	2001
HIV	85	139	83	132	122
AIDS	14	11	8	8	7

Source: Ministry of Health, 2002

contact, which accounted for 90 per cent in 1997, 88 per cent in 1998, 95 per cent in 1999, and 85 per cent in 2000, Table (2). The age distribution of HIV/AIDS positive cases in 1999 was 17 per cent in the age 20-24 age bracket, 39 per cent in the 25-29 age bracket, and 18 per cent in the 30-34 age bracket.

**Table (2)**  
Number of HIV cases by method of distribution

Indicators	1997	1998	1999	2000	2001
Hetero	78	122	79	108	119
Homo/Bi	0	0	0	3	1
IDU	2	6	1	2	0
Blood	4	7	3	2	1
Other	1	4	0	17	1

Source: Ministry of Health, 2002

Because of the traditional nature of Bahraini society, the most promising approach to a reduction of HIV/AIDS cases is a programme of community awareness and prevention, which is the necessary key to reducing infection rates and ultimately defeating AIDS. Even though it is unlikely that Bahrain will suffer the dramatic increases seen in some other parts of the developing world, nevertheless the low prevalence rates can be halted and reversed at a relatively low cost by investing in prevention and care before HIV/AIDS becomes a significant health issue.

*Bahrain has a relatively low prevalence of HIV/AIDS, however, this is not an excuse for lack of action.*

*Neither malaria nor tuberculosis constitutes major health problems in Bahrain.*

#### Malaria and other Diseases

Neither malaria nor tuberculosis constitutes major health problems in Bahrain. Malaria is not endemic to the island and therefore only appears in patients who have contracted it elsewhere.

Tuberculosis is declining slowly, Table (3), and although a significant majority of cases are expatriates, the contagious nature of the disease means that it can be passed to citizens. Up until 2000, all primary school children were vaccinated against TB. At present it is mandatory only for babies born in Bahrain of expatriate parents, but the Ministry of Health is trying to introduce a compulsory vaccination programme for all infants under the age of one.

Table (3)  
Malaria and TB cases

Indicators	1991	2001
Number of those with malaria	192	79
Prevalence and death rate associated with TB %	1.9	1.5

Source: Ministry of Health, 2001

For individuals who suffer from tuberculosis, the biggest problem involves monitoring patients to ensure that prescribed medication is taken for the full term so that they do not contribute to the development of resistant forms of the disease. This requires adequate staffing, a perennial problem, and one which budget constraints make difficult for government health services to provide. The publication of an informational manual setting out the proper guidelines for diagnosis and treatment protocols may be a provisional measure for dealing with the spread of tuberculosis, in lieu of trained personnel who can provide the necessary care and monitoring.

#### Challenges to Achieving this Goal

The Kingdom of Bahrain is committed to halting and reversing the spread of HIV/AIDS. However, due to Bahrain's geopolitical status as an important tourist hub in the Middle East, and its diversified economy which encourages travel into and out of the country, a more sophisticated screening system for incoming tourists needs to be established. In addition, providing young people at especially high risk of contracting HIV with the information and support they need to prevent infection is of paramount importance.

It is believed that most people with HIV are unaware of their HIV-positive status. The widespread stigma and discrimination that HIV-infected persons and members of vulnerable

groups often experience, both from officials and general society in general, render people reluctant to seek prevention and information services. So far there has been a general dearth of measures promoting safer conduct among vulnerable groups and raising awareness among the general public, especially the youth. People have to be effectively empowered to be able to protect themselves and others by gaining access to adequate protection

*In order to control the spread of HIV/AIDS, a sophisticated screening system for tourists needs to be established.*

#### Supportive Environment

In view of the increase of HIV/AIDS patients, the government has adopted certain preventive steps to stop its spread. The Ministry of Health, in cooperation with the World Health Organization, initiated a national programme with a work plan for prevention and control of HIV/AIDS that focused on screening of blood donors, training of AIDS counseling, periodic exams of persons with HIV/AIDS, and providing counseling for persons with HIV/AIDS and their close contacts. These actions, taken at the highest political level, if strongly enforced by the health officials, are expected to open up new opportunities for addressing HIV/AIDS.

#### Priorities for Development Assistance

Development partners could usefully focus their assistance in certain key areas include:

- Strengthen the capacities to help the National Aids Committee created by the government to implement the national HIV/AIDS strategy
- Develop a national capacity for HIV/AIDS surveillance. There is a need to improve the relevant health information systems, quality of data and analysis
- Conduct public awareness and education campaigns.

*Public awareness and education campaigns are of paramount importance in the prevention of HIV/AIDS.*

## ENSURE ENVIRONMENTAL SUSTAINABILITY

<b>Target:</b>	<b>Performance Summary</b>
<b>Target:</b> Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	Will Development goal be reached?
<b>Target:</b> Halve the proportion of people without sustainable safe drinking water.	Possibly-Probably-Unlikely-Lack of Data
<b>Target:</b> By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	State of Supportive Environment Strong-Fair-Weak but Improving-Weak

### **Status and Trends**

Unchecked high population growth, and ad hoc urbanization and industrialization, undoubtedly will result in depletion of natural resources and, diminishing biodiversity. This operates contrary to the government strategy of adopting sustainable development policies, and a setting that intended to effectively set Agenda 21 in motion. It is paramount that integration of environmental management becomes an integral part of the overall development objectives.

#### Land area protected to maintain biological diversity

Three sites have been set aside as protected areas in the Kingdom of Bahrain with a total area of 71.54 sq km, 10 per cent of the total area of the country. The Tubli Bay Protected Area is a diverse marine environment which shrank from 24 sq km in 1956 to a mere 12 sq km by 2000. The second protected area is the Hawar Islands estimated at 51.4 sq km in which animal and bird life is protected. These two sites are registered in the RAMSAR Treaty. Al-Areen Wildlife Sanctuary is a third protected area of 9.14 sq km containing rare and endangered Arabian wildlife species as well as desert plants.

#### Carbon dioxide emissions (per capita)

The energy sector produces the highest level of CO<sub>2</sub> emissions of 75 per cent followed by waste and effluents, Table (1). The two major producers are power stations and the aluminum industry. Although CO<sub>2</sub> emissions from the transportation sector represent only 5.6 per cent of the total, dependency on private cars has increased the number of vehicles from 14 persons per car in 1970 to 3.3 in 1997. At present, more than 90 per cent of Bahraini families own at least one car and about half own at least two cars.

**Table (1)**  
Major sector GHG emission in the state of Bahrain

Sector	G.gram Co2	%
Energy	17,428	75.8
Waste	2,327	10.1
Industrial Process	1,895	8.2
Transport	1,300	5.7
Other	46	0.2
Total	22,996	100.0

Source: Environmental Affairs

*The energy sector produces the highest level of CO<sub>2</sub> emissions.*

Even though GHG emission and its contribution of CO<sub>2</sub> to the world total is less than 0.1 per cent, the protection of the atmosphere and abatement of global warming is important. A preliminary vulnerability assessment indicates that due to high carbon dioxide emission the Kingdom's land area will have an inundation level of 5 per cent if the sea level rises by 20cm and 10 per cent if the sea level rises by 100 cm.

#### Proportion of population with sustainable access to an improved water source

According to MDG survey, universal access to improved water resources is 100 per cent, a figure which contributes substantially to the high standard of living in the Kingdom of Bahrain. Since 1986 domestic water has increased at 6 per cent per annum. Average per capita water use is more than 500 liters per day, all dependent on depleted groundwater sources and costly desalination processes. Nearly one-third of water demand is met by groundwater abstraction, while desalinated water contributes to two-thirds

*Universal access to improved water resources is 100 per cent.*

#### Proportion of people with access to improved sanitation

The MGD survey revealed that 97.1 per cent of Bahraini families have flush toilets and only 2.6 per cent have toilets not equipped with flush. On the other hand, the areas provided with a

sewerage system has increased steadily every year, and is planned by the year 2010 to reach virtually all inhabited areas of Bahrain. An official report published in 1993 indicated that 75.3 per cent of the population was provided with central sewerage facilities.

### **Challenges to Achieving the Goal**

#### Marine environment

Bahrain has approximately 126 km of coastline and 8,000 km<sup>2</sup> of marine area, an area where more than 90 per cent of the population lives close to it, which is posing great threat to these natural resources. For instance, it is reported that about 82 per cent of coral reefs in marine areas are endangered due to bleaching and pollution. Implementing sustainable development plans that concentrate on adopting policy measures to integrate coastal zone management and conservation of marine resources represent a national challenge.

#### Water management

As mentioned before, the country suffers from a scarcity of water resources, although, only 30 per cent of the sewage effluent is tertiary treated currently and used in watering forage crops and landscapes. The future plans aim at fully utilizing recycled wastewater of the expected effluent of 200,000 m<sup>3</sup> per day by 2010, which will save 20 per cent of the current annual abstract.

#### Management of wastes and chemicals

On the other hand, it is estimated that 1400 tons of municipal waste are generated per day, well above 464 kg/person/year considered relatively high for a developing country. Municipal waste is increasing annually by 3.4 per cent, whereas industrial solid and oily wastes as well as solid healthcare wastes are on an annual rise of 1.2 and 5 per cent respectively. Most of this waste is dumped in landfill sites with healthcare waste being incinerated. Implementing an effective waste management, including recycling, should become a priority.

Furthermore, Ministerial Order No:7 of 2002 bans 127 hazardous chemicals and severely restricts the importation and use of further 255 ones. In 2002, Bahrain signed the Stockholm Convention on Persistent Organic Pollutants and in January 2003, UNEP assisted with the formulation of a Plan of Action to further strengthen Bahraini's capability to implement the Convention. GEF was invited to support.

### **Supportive Environment**

The political will and support for sustainable development in the country is expressed in the Charter of National Action (CNA) adopted by a referendum in 2001. Since its adoption, significant steps have been taken to consolidate social organizations, in order to activate interest and participation in synthesizing sustainable development policies.

A central committee for preparing a national plan to execute Agenda 21 has been formed from representatives of all Ministries, NGOs, and academia. Both civil society organizations and the recently elected Municipal Councils are keen to participate in decisions aiming to improving the physical environment of their constituencies.

In addition, the Kingdom's interaction with the international community and signing of many international conventions has created an opportunity for revising legislations and development plans to incorporate environmental considerations. Furthermore, the implementation of a currently under preparation "National Environmental Strategy" that is supported by UNDP should result in the creation of a national capacity capable of balancing the diverse interests of economic, environmental, and societal development.

### **Priorities for Development Assistance**

- Support the capacity-building initiatives that are targeting the newly formed environmental body, which is a primary factor in dealing effectively with diverse environmental and natural resource issues. These initiatives are essential for ensuring proper capacity that is capable of ensuing an environmentally sustainable development policies and optimum utilization of natural resources.
- Development and implementation of a national strategy for sustainable development, including coastal zone management plan, with participation of all partners.
- Institutionalization and consolidation of environmental impact assessment policies based on sound environmental information system and database.

*Bahrain suffers from a scarcity of water resources.*

*The "National Environmental Strategy" prepared by UNDP will create a national capacity to deal with the environment.*

## DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

<b>Target:</b> Develop further an open trading and financial system	<b>Performance Summary</b> Will Development goal be reached? Possibly-Probably-Unlikely-Lack of Data
<b>Target:</b> Make available the benefits of new technologies	<b>State of Supportive Environment</b> Strong-Fair-Weak but Improving-Weak

### Status and Trends

#### Foreign Trade

Bahrain a founding member of the World Trade Organization (WTO), with a liberal approach to foreign investment is committed to promote a favorable business environment. From the foreign investors' point of view, Bahrain offers advantages such as non-discriminatory financial regulations, efficient procedures and political stability. The country has recently passed laws for anti-money laundering and liberalized foreign property ownership, while currently is in the process of passing several laws to protect industrial and intellectual property rights.

Bahrain, the financial hub of the Gulf region, has over 100 banks and financial institutions (48 offshore ones) operating from Bahrain with assets exceeding US\$ 100 billion. On the other hand, the GDP in 2001 was estimated at US\$ 7,934 billion, and the GNP was US\$ 7,604 billion. The GNP per capita was estimated at US\$ 10,615. Imports in 2001 amounted to 59.5 per cent of GDP, with the major countries importing from including Australia, Saudi Arabia, Japan, USA, and UK. Exports, on the other hand, amounted to 77 per cent of GDP, with major countries exporting to including USA, Saudi Arabia, Taiwan, UAE, and India. The Balance of Trade was positive US\$ 1,272.3 million.

#### Debt

According to government sources national and international debt is approximately BD 900 million (\$=BD 0.376) or US\$ 2.4 billion, while other sources put the figure at US\$ 2.8 billion. Interest paid on debts in 2001 amounted to BD 52 million (US\$ 138 million), which is equivalent to 6.2 per cent of the total expenditures (BD 833 million). Currently, the debt service is relatively low, although, it can grow rapidly into a major component in the government budget unless it is closely monitored.

### Communication Technology

Bahrain stands at the forefront among the Arab countries in benefiting from the new communication technologies. According to the MDG survey 51 per cent of the families have at least one PC and 8.4 per cent have two PCs or more. On the other hand, 26.5 per cent were connected to internet while 11.4 per cent of the families have one or more members visiting internet cafés. Likewise, 89.8 of the families have at least one mobile and 65 per cent have two mobiles or more. The number of mobile telephones increased from 133,468 in 1999 to 205,727 in 2000 to 300,829 in 2001, an increase of 225 per cent over 1999-2001. TV satellites exist in 82.1 per cent of the families.

#### **Challenges to Achieving the Goal**

Maintaining a steady improvement in the level of welfare of the population, in light of the limited natural resources and high population growth, is a major challenge for the Kingdom. In addition, due to the small size of its open economy, Bahrain has no protection against regional or global turbulences, especially instability in the oil market. This, in turn, reduces strategic planning of economic development to mere reactionary scenarios of which the elements of success are positioned outside the country.

Since independence in 1971, the government of Bahrain has been perusing a heavy socially-oriented doctrine that produced an impressive human development capital, although, it has not been fully utilized. This policy, which have been made possible by the oil revenue, however, may not be an option for long, and consumers, whether private citizens or production units, that are currently enjoying free or highly subsidized services such as health, education, fuel, utilities, housing, etc., may have to pay the real cost. A gradual taxation system should be introduced not only to diversify the government revenue but also to improve the efficiency level of the use of depleteable resources. On the other hand, well justified social programmes can be designed to protect the welfare of the genuinely needy families.

*Bahrain is committed to promote a favorable business environment.*

*Bahrain is the financial hub of the region with over 100 banks and financial institutions.*