

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

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.

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 recently completed MDG household survey, 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 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. To maintain this dietary norm costs an estimated US\$42 per month or US\$1.4 daily, a further confirmation that there is no absolute poverty in Bahrain.

However, according to the same study, 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 day per family of 6 members, or 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 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, judged by ownership of traditional household appliances and amenities, the vast majority of families have a relatively high standard of living, Box (2).

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

Own 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%
 Refrigerator: 100%
 Freezer: 87.1%
 Electric water heater: 98.6%
 Washing machine: 96.9%
 TV dish receiver: 82.1%
 Car: 93.4% - More than one: 56.7%
 Telephone: 93% - more than one: 20.1%
 Mobile: 89.8% - more than one: 6.5%
 PC: 51% - more than one: 8.4%
 Internet connection: 26.5%

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

Income and expenditure distribution

Regarding income distribution, the MDG survey shows that the income gap ratio between the richest and poorest 10 per cent in Bahrain is 6.2. In addition, the 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

per cent of total income while the share for the richest 20 per cent was 41.6 per cent, Figure (1). The income and expenditure distribution shown in Figure (2) suggests a moderate degree of inequality.

Figure (1)

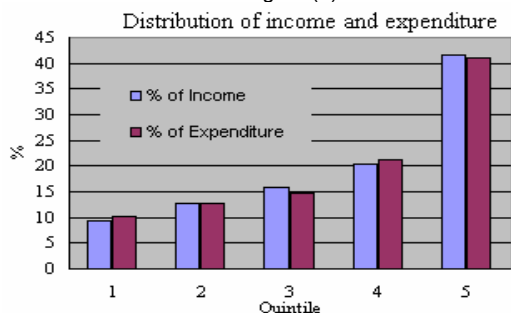
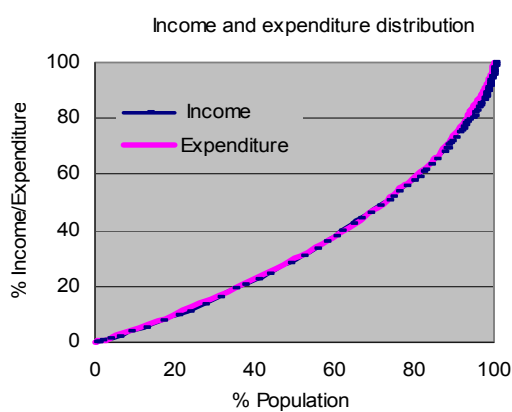


Figure (2)



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	1.9	6.2	11.4
Expenditure	0	0	0	.5	5.4

Sources: MDG sample survey, 2003.

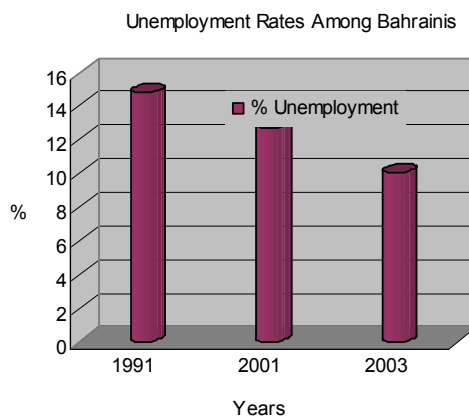
On the other hand, the average income per family headed by females represents 72 per cent of the overall average but when adjusted for family size the ratio increases to 93.4 per cent.

Challenges to Achieving this Goal

High unemployment rate

At a double-digit level, unemployment among Bahrainis is a national concern, 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). While this figure does not take into account the varying degrees of employment, such as part-time or temporary employment, the rate is still high and represents a dilemma for government planners.

Figure (3)



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. 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, 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. 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 have 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; redirection of a portion of this handout fund to self-supporting programmes.
- Enhancement of the capacity of the national statistical authorities to monitor progress towards achieving and/or maintaining the level of MDGs.

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