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FOREWORD

During the World Summit for Social Development, held in Copenhagen in March 1995, heads of State and Government committed themselves, through the Copenhagen Declaration and Programme of Action, to taking decisive national action and to mustering international cooperation to eradicate poverty in the world, "as an ethical, social, political and economic imperative for humanity."

The world leaders also called for the formulation of "national policies and strategies geared to substantially reducing overall poverty in the shortest possible time, reducing inequalities and eradicating absolute poverty by a target date to be specified by each country in its national context." Accordingly, it was agreed that the year 1996 should be considered the International Year for the Eradication of Poverty.

The Draft Arab Declaration on Social Development, prepared by ESCWA in cooperation with the League of Arab States at the beginning of 1995, stated that in "Islamic cultural terms, the eradication of poverty is the duty of individuals, society and the State. This duty is linked to social solidarity and is not a mere act of charity." The Draft Declaration also stated that

"poverty cannot be eliminated by addressing it as a side effect caused by the adoption of certain policies or methodologies; it should rather be dealt with as a separate phenomenon that can be eliminated only by the eradication of its causes. This is particularly true in the light of the fact that poverty has spread far and wide in the Arab region; its impact has been on such a large scale that it has become a structural phenomenon that cannot be solved by policies, methodologies or programmes."

In recognition of the gravity of the situation of poverty in our region, ESCWA proposed a time-frame for the study of poverty in the ESCWA member countries, which would cover four to six years. In the current programme of work for 1994-1995, the focus has been placed on measurement, characteristics and determinants. In the next work programme, the focus will shift to evaluating policy measures adopted by the ESCWA member States to combat poverty. The final stage will be devoted to proposals of operational policies aimed at reducing poverty in the region.

As part of the current work programme, the present study has been prepared by the ESCWA Human Development Section. Building on an expanded definition of poverty which responds to the context and social realities of the countries of Western Asia, the study aims primarily at providing a poverty profile of the region, with information on the extent, the nature and the causes of poverty. Focusing on the social dimensions of the problem, the study singles out four issues to assess their correlation with poverty, namely population dynamics, employment, health and education. The study also aims to identify groups of the population most affected by poverty.

The study provides a baseline assessment of poverty in the ESCWA region by piecing together fragmented information on poverty and the characteristics and living conditions of the poor in the region and is intended to help both research workers and policy makers address the most critical aspects of poverty.

Given the overall scarcity of studies that measure the actual extent and prevalence of poverty in the ESCWA region, the present study had to rely largely on secondary data and information sources, such as a series of income-expenditure surveys and other national data as well as international data sets and reports dealing with poverty and the standard of living in the different countries of the region. Nevertheless, it was possible to incorporate in the study the findings of a series of poverty profiles on Iraq, Lebanon and Palestine. In addition, a number of ESCWA regional studies were used, including a study on measurement of poverty in the countries of Western Asia (in Arabic), on *Women and Poverty in the ESCWA Region: Issues and Concerns* and on the *Impact of Macroeconomic and Social Policies on Poverty: the Case of Egypt, Jordan and the Republic of Yemen*.

The impact of political factors, such as war, displacement and occupation, on the level of poverty in the region has been taken into account. In so far as data are available, the effects of the Lebanese civil war, the Gulf war and its aftermath, the economic sanctions imposed on Iraq, and the continuing military occupation of some parts of the West Bank and the Gaza Strip, as well as parts of Lebanon and the Syrian Arab Republic, have been considered. It is as yet too early, however, to assess the impact of the Middle East peace process on the economies and the social situation in the region.

The present study is only a first step in a larger programme for the understanding of poverty in our region. Comments and contributions to increase our knowledge of the size, characteristics and determinants of poverty in the region would be greatly appreciated. This in turn would facilitate the formulation of appropriate policy measures for poverty eradication.



Hazem El-Beblawi
Executive Secretary

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INTRODUCTION

*"In contrast to the professional definition of poverty—which tends to be narrow and one-dimensional—the realities of the poor are local, complex, diverse and dynamic."*¹

"Poverty" and "Poverty Eradication" have been on the international agendas for decades, beginning in the 1950s. They have, however, been in and out of fashion with the changing global social and economic climates. After receding from the forefront of public attention in the late 1970s and early 1980s, poverty made a strong comeback in the early 1990s, with the publication of the World Bank's report on poverty in 1990,² and has recently made headline news again as a result of the United Nations World Summit for Social Development held in Copenhagen in March 1995. One of the Social Summit's main tenets was the problem of world poverty and its eradication. The Summit also concentrated on the promotion of productive employment and social integration. The International Conference on Population and Development, held in Cairo in September 1994, had earlier emphasized the relevance of population planning and policy programmes in achieving poverty alleviation and equitable social services. The Conference stressed the importance of linking population and sustainable development. The Platform of Action adopted by participating States in the recent United Nations Fourth World Conference on Women, held in Beijing in September 1995, recognized poverty as one of the major problems and obstacles facing the development of women, and the population of poorer countries.

Recently, it has also been acknowledged that for sustainable human development³ to be achieved, poverty and its causes need to be addressed and dealt with as a priority. Poverty was acknowledged by the General Assembly in its forty-ninth session as an extremely urgent problem. General Assembly resolution 49/179 of 23 December 1994 on human rights and extreme poverty reaffirmed that "extreme poverty and exclusion from society constitute a violation of human dignity and that urgent national and international action is therefore required to eliminate them." The United Nations has in fact proclaimed 1996 the International Year for the Eradication of Poverty.

A recent World Bank publication opens with the following statement:

¹ Robert Chambers, "The professionals and the powerless: whose reality counts?", *Choices: the Human Development Magazine* (New York, United Nations Development Programme), April 1995.

² World Bank, *World Development Report 1990: Poverty* (New York, Oxford University Press, 1990).

³ See chapter I for the definition of this term.

“It is intolerable that, as the world approaches the twenty-first century, hundreds of millions of people still lack minimally acceptable levels of education, health and nutrition. Investing in people must therefore be the highest priority for developing countries—until human capital limitations no longer restrain growth or keep people in absolute poverty.”⁴

Poverty has been increasing all over the world and is no longer confined to the poor countries of the developing world. The impact of poverty is increasingly being felt in Eastern Europe, and in the inner cities of Western Europe and the United States of America. The increase in the incidence of poverty is now being matched with a re-emergence of interest in the determinants of poverty and its alleviation.

This re-emergence of interest comes as the result of an increased realization that poverty is actually on the increase all over the globe, especially in developing countries, and that “development” efforts of the past three decades have not really been reaching the most needy segments of the population.

Main objectives of the study

In this paper, the view is put forward that poverty is more than poor persons; it is a problem of States, associated with poor economies, poor human resources, poor social service provisions, and poor policies to tackle the challenge of development and poverty alleviation.

The present study, as well as other studies recently prepared by the United Nations Economic and Social Commission for Western Asia (ESCWA), has been undertaken with the view that ESCWA can contribute more meaningfully to the global debate on poverty and its eradication, and that it will be better able to participate more actively in activities being planned around the International Year for the Eradication of Poverty if, as an organization, it has a better understanding and grasp of the regional situation of poverty.

In more general terms, this study, in conjunction with the other studies referred to above, is intended for use by various ESCWA sections as a reference for future work on poverty assessment and alleviation of poverty in the region. As a consolidated review, this study is primarily an attempt to piece together the various fragments of what is known about poverty and the poor in the region in order to present a picture of the current situation. It is essentially a baseline assessment of the regional situation with regard to poverty, with a special focus on the social dimensions of poverty problems. In this regard, emphasis is placed on two issues of extreme

⁴ The World Bank, *Investing in People: the World Bank in Action* (Washington, D.C., 1995), p. V.

importance in the region: population dynamics and employment. The final output is a composite picture portraying the situation at present.

Gaps do exist in the data available as well as in knowledge. However, it is hoped that having these gaps identified, recognized and highlighted will serve to build a framework for identifying areas requiring intervention. More important, the preliminary picture to emerge should also be seen to offer a framework for the identification of areas on which work can be started in the fight against poverty and its social ramifications in the ESCWA region.

Organizations other than ESCWA, such as Governments, research institutions, the academic community, international agencies, and even some non-governmental organizations, may find such a social overview of poverty in the region useful in formulating work plans in the areas of poverty assessment and poverty alleviation, both formally structured plans and plans with a more participatory outlook and orientation.

More specifically, the present study aims at the following:

1. To identify, present, and build on an expanded definition of poverty that is relevant to the context and social realities of the countries of Western Asia.
2. To present an overview of the state of current knowledge on the nature and causes of poverty and its social dimensions and implications, in order to assess in what areas further work needs to be undertaken.
3. To construct a baseline of the poverty situation and of the characteristics and living conditions of the poor in the ESCWA region, in order to contribute more effectively to the formulation of well-targeted policies for poverty alleviation.
4. To highlight issues of relevance to poverty eradication policies in the areas of employment programmes and population programmes, in order for policy work on these issues to be well aimed and targeted. This would help to identify areas for prioritizing work so that realistic policies may be adopted for the short and medium term.
5. To identify and prioritize social issues requiring further research and exploration, including those with special reference to special population groups (the marginalized and vulnerable), in order to better focus limited resources and save valuable time in the fight against poverty.

In discussing this issue, it should be borne in mind that poverty alleviation is not merely the provision of a mechanism whereby the poor are helped to cross a given threshold of income or consumption, but rather involves a sustained increase in productivity and an integration of the poor into the process of growth. Therefore,

understanding the causes of poverty and the mechanisms of impoverishment and poverty perpetuation are what will eventually determine policies to address the problem.

Main sources and measures

That research in the ESCWA region is often hampered by the lack of reliable and accurate statistical databases is a well-known and oft-repeated fact. This constraint also applies to the study of the phenomenon with regard to the extent and characteristics of poverty in the region. The problem is perhaps compounded by the fact that "poverty" is, in spite of efforts to give it a narrow definition, in essence an overriding general state of being that cuts across many other factors and socio-economic-cultural-political sectors.

This being the case, the present study attempts to describe the state of poverty, relying mainly on secondary data and information sources. As poverty is a multidisciplinary topic, with ramifications in all other economic and social sectors, several types of sources were compiled for use in this study, including:

1. Recently commissioned (by ESCWA) country poverty profiles of Lebanon⁵ and Iraq;⁶
2. Two recent ESCWA studies on the measurement of poverty⁷ and on the impact of macroeconomic and social policies on poverty;⁸
3. Published empirical work on various topics with a bearing on poverty and the standard of living in the different countries of the region;
4. Published social and anthropological anecdotal information on various topics with a bearing on poverty in the different countries of the region;

⁵ ESCWA, *الفقر في لبنان* [Poverty in Lebanon] by Antoine Haddad (E/ESCWA/SD/1995/8/Add.2) (Amman, 1995). The document also contains a summary in English.

⁶ ESCWA, *دراسة عن الفقر في العراق* by M. Muhager (Amman, forthcoming).

⁷ ESCWA, *قياس الفقر في دول اللجنة الاقتصادية والاجتماعية لغربي آسيا* [Measurement of Poverty in the Countries of Western Asia] by M. Bakir (E/ESCWA/SD/1995/8/Add.1/Rev.1) (Amman, 1995). The document also contains a summary in English.

⁸ ESCWA *Impact of Selected Macroeconomic and Social Policies on Poverty: the Case of Egypt, Jordan and the Republic of Yemen* (E/ESCWA/ED/1995/6).

5. International published data sets;
6. Published reports and papers by other international organizations on poverty in different countries of the region;
7. Unpublished data and information undertaken or commissioned on poverty in the region or on other related topics.

In the case of Jordan, however, raw data from the 1994 Jordanian Survey of Employment, Unemployment, and Income were reanalysed by a consultant whose services were commissioned to produce statistical evidence on the relation between population dynamics and poverty, and with the specific purpose of highlighting any differences between the population in abject poverty, in absolute poverty and the non-poor. The results have been used throughout the text to lend some concrete illustrations to the general regional situation.

In the absence of reliable measures of poverty levels, proxy indicators must often be used to assess the poverty situation and the prevalence of poverty among a population. Nutritional intake is one such proxy indicator. Living conditions, in particular housing, access to and availability of safe and clean water, safe sanitation, and the availability and affordability of roads and means of transport to services, are usually highly correlated with poverty levels and the quality of life.

After an initial review of the various sources listed above, an overview of current literature on poverty and the prevalent development paradigms will be presented in chapter I. Chapter I also contains an overview of past attempts to measure and quantify poverty incidence in countries of the ESCWA region, as well as the results from a recent model developed by ESCWA. Chapter II presents a brief overview of recent historic economic and social developments in the region with relevance to poverty incidence. Chapter III presents a profile of poverty in two countries of the region—Iraq and Lebanon—and a preliminary assessment of poverty in the occupied territories. Chapter IV reviews particular social issues related to poverty in the region, with emphasis on demographic issues, education and employment. Chapter V presents a set of recommendations made with a view to combating poverty and reducing its adverse effects on the population of Western Asia, both at the general and specific levels.

I. POVERTY AND DEVELOPMENT PARADIGMS

During the 1960s, economic growth was hailed as the cornerstone of development. Economic growth was thought to bring with it as a matter of course a “trickling down” of benefits to the poor, who would then be able to help themselves out of their state of poverty. The 1970s saw the birth of the Basic Needs Approach to development, put forward and developed by the International Labour Organization (ILO). The basic component of this approach is the necessity for Governments to act as providers of basic services such as health care, basic infrastructure and educational services.

While the 1970s had exhibited high rates of improvement in terms of social and economic indicators, with virtually every country in the world boasting an increase in growth, the 1980s has come to be commonly known as the “lost decade” of development, especially for the less developed countries. Macroeconomic difficulties were triggered the world over as the debt crisis and the international recession exposed structural weaknesses in the economies of the countries concerned. As a result, countries have been unable to keep up with their ambitious plans for the provision of basic services to their populations. Economic growth was failing to take place, and international funding and assistance was not forthcoming as had been hoped. Development plans therefore had to be revised accordingly. Since the provision of basic needs to all was seen to be too expensive for struggling economies with high rates of population growth, the necessary resources were never fully committed or available. The full potential of the ILO paradigm of the Basic Needs Approach was never actually realized.

The mid-1980s also brought with it pressure from the international community, especially the Bretton Woods institutions, for the application of economic stabilization and structural adjustment policies (SAPs). This, in effect, meant more cutbacks in public spending. Concentration on macroeconomic growth became the slogan of the times. Benefits to the general population and to the needy in particular were once again assumed to then trickle down to them as a matter of course. The international community was witnessing a return to—and regeneration of—interest in the economic growth/trickle down of benefits paradigm of development. Subsidies for basic goods and services in most cases had to be withdrawn or curtailed. However, “the facts themselves nevertheless give the lie to the trickle-down theory. The world has never been so rich and never have the poor been so numerous and so wretched.”¹

Where drawbacks, in terms of social costs, of the application of structural adjustment policies have been acknowledged at all, they have not been given much

¹ Ignacy Sachs, “Population, development and employment”, *International Social Science Journal*, 141 (September 1994), p. 348.

serious consideration. The overriding assumption was that any social losses were to be viewed as temporary short-term by-products which would be rectified by gains in terms of long-term permanent improvements. This, however, has yet to be actualized. Reviews of countries that have undergone structural adjustment or are in the process of applying new measures show dramatic worsening of conditions for the middle and lower classes and other vulnerable groups. For, in fact, by the World Bank's admission, "when structural adjustment programs were implemented, little attention was initially paid to their effects on the poor."² Slowly, evidence was emerging that while the incomes of some of the rural populations were increasing slightly, the effects of declines in the incomes of other groups and of cutbacks in social services were becoming more evident.

Needless to say, the poorest countries, and the poorest segments of society, were the hardest hit by the application of SAP measures. This led to the creation of increasing poverty and increasing disparities and inequalities. This situation was highlighted and brought to world attention by the United Nations Children's Fund (UNICEF) in 1987³ and subsequently by an increasing number of local and international non-governmental organizations (NGOs). Since then there have been some attempts, albeit limited, to incorporate the "human dimension" into SAPs.

Structural adjustment policies have been recently subjected to a major re-evaluation, with attempts to address the issue of poverty.

"While research has shown that broad-based growth is the most important factor in reducing poverty and hunger, many cost-effective targeted interventions can substantially accelerate the reduction of poverty and hunger and should be implemented along with broad-based growth policies. Country-specific conditions and the special characteristics of the subgroups of the poor determine the most appropriate interventions."⁴

To achieve poverty eradication, it is now advocated that three interdependent components be present: economic growth, social development, including population-related advancements, and the presence of safety nets in place to support the most

² *The World Bank's Strategy for Reducing Poverty and Hunger. a Report to the Development Community* by Hans P. Binswanger and Pierre Landell-Mills, Environmentally Sustainable Development Studies and Monographs Series No. 4 (Washington D.C., The World Bank, 1995), p. 17.

³ UNICEF, *Adjustment with a Human Face: Protecting the Vulnerable and Promoting Growth*, G.A. Cornia, R. Jolly and F. Stewart, eds. (Oxford [United Kingdom], Clarendon Press, 1987); and UNICEF, *State of the World's Children* (New York, Oxford University Press), several issues.

⁴ *The World Bank's Strategy for Reducing Poverty and Hunger*, p. 1

vulnerable segments of the population. The issue of redistribution with growth is being recognized and put forward by the World Bank and the International Monetary Fund (IMF) as the way out of poverty for poor countries, with redistribution being a major component to be incorporated into economic adjustment plans.

The challenge now is perceived as the attempt to avoid the inverted U-curve where inequality increases before it starts to decrease and to avoid the persistence of abject poverty. The way this is seen to be best achieved is by involving the poor directly. Increasingly, the realization that the poor and their perceptions and their potential need to be incorporated in any attempt to alleviate or eradicate poverty are gaining ground. The World Bank in a recent publication appears to have come to the conclusion that effecting reductions in poverty and hunger requires a concerted effort, with the active participation and collaboration of national Governments, international organizations, bilateral agencies, NGOs, community-based organizations (CBOs), and the empowerment of the poor themselves.⁵ All such concerned organizations and individuals are now calling for the necessity of involvement and participation by the poor themselves in defining their problems and in designing the solutions and the implementation process.

A. POVERTY AS A DEVELOPMENT PROBLEM

In 1982, the United Nations Educational, Scientific and Cultural Organization (UNESCO) called for a world conference on cultural policies in Mexico City. The Declaration of the Conference adopted a definition of development as a “complex, comprehensive and multidimensional process which extends beyond mere economic growth to incorporate all dimensions of life and all the energies of a community, all of whose members are called upon to make a contribution and can expect to share in the benefits.” The Declaration also emphasized that “development should be based on the will of each society and should express its fundamental identity.”⁶ The concept of ‘development’ on the international scene began to take on an expanded dimension, incorporating human and social connotations and not merely economic growth.

A new concept has recently appeared on the development scene, that of **sustainable human development** (SHD), formulated by the United Nations Development Programme (UNDP). Sustainable human development is defined as “the enlargement of people’s choices and capabilities through the formation of social capital

⁵ Ibid.

⁶ UNESCO, Mexico City Declaration on Cultural Policies, quoted in *The Cultural Dimension of Development: Towards a Practical Approach* (Paris, UNESCO Publishing, 1995), p. 13.

so as to meet as equitably as possible the needs of current generations without compromising the needs of future ones.”⁷

While world attention is again focused on the issue of poverty and the social and economic problems associated with it, a major distinction begins to appear between the context in which poverty is currently being presented and that which was used in the 1970s. Whereas poverty in the past was presented in the context of “poor nations” or “poor States”, the paradigm now commonly in use is one of “poor individuals”. This distinction becomes increasingly important once it is realized that the former context links poverty to overall economic and social well-being in a society, i.e., “development”. The latter, meanwhile, relegates the problem to more marginalized and isolated cases within society, thus somehow “simplifying” the problem and “reducing” it.⁸

This focus on poor individuals appears to be the result of several changes in economic and developmental thought taking place on the international arena. The fall of the Communist regimes in the world and the collapse and fragmentation of the Soviet Union, with the shift of the newly formed States away from their socialist economic base to liberalism and a free market economy, is one such change. Coinciding with this change is the international economic recession which hit the majority of the countries of the South in the 1980s and 1990s. These two developments, in turn, led to the formulation of strategies initially designed to halt the resulting devastating impact on struggling economies. These strategies were put forward and adopted by the IMF and World Bank, and developed into economic stabilization and structural adjustment policies. The problem of poverty began to be perceived as one of trying to limit the negative impact of all these developments on the weak and vulnerable in society, and hence on individuals or defined groups.

Treatment, or methods of alleviation of poverty, differ with the choice of outlook one chooses to adopt. With the adoption of policies to help poor persons, “development” is essentially being put on the “back burner” and categorized as not “immediate”. This is, in essence, a reinforcement of the idea of the supremacy of economic growth as the ultimate goal, with social improvements perceived as trickle-down by-products. Poor States, however, need solutions that are more holistic and “developmental”. Poor States need solutions that address the basics of development, while poor persons need more immediate and direct action.

⁷ See Tariq Banuri and others, *Sustainable Human Development, From Concept to Operation: A Guide for the Practitioner* (United Nations Development Programme, 1995), p. 7.

⁸ For more detailed analysis, see ESCWA, *الفقر في الوطن العربي* by N. Issa (I/ESCWA/SD/1994/WG.2/5) (Amman, 1994).

B. DEFINITIONS AND MEASUREMENTS OF POVERTY

Measuring poverty in a population is a function of the definition one chooses to use to classify the concept of poverty. Much has been written in recent years attempting to define poverty and subsequently attempting to measure its existence and incidence in a given population. A general definition of poverty that is agreed on is "the inability of an individual or a family to command sufficient resources to satisfy basic needs"⁹ or the existence of poverty "at that level of income or expenditure which is inadequate to meet the needs of basic survival."¹⁰

Poverty is a complex phenomenon, with several facets: economic, social, political, cultural and environmental. It is a state of deprivation which is reflected in lowered consumption of nutrients, lowered health status, lowered educational attainment, poor housing conditions, and the lack of capital assets and savings. All these factors make the individual or family extremely susceptible and vulnerable to outside changes and shocks.

The **poverty line** is the cut-off point under which people are classified as being poor. It should be borne in mind that ultimately any definition of a poverty line is bound to be subjective relying on a set of "pre-assumptions" of what constitutes an acceptable standard of living. Various poverty lines are used in the literature on the subject. **Ultra** or **abject poverty** is defined as the availability of minimum consumption/expenditure required for nutritional intake to maintain a healthy life. **Absolute poverty** is defined as that level of consumption/expenditure necessary to provide an adequate diet as well as other basic necessities of life. A further poverty line is **relative poverty**, which is a comparative measure usually set at a fraction of the national mean income. It is essentially measuring inequality, and is usually used more in respect of more developed countries.¹¹

Poverty, however, is more than what is reflected by a certain level of consumption/expenditure. Social sectors and factors have the capacity to influence greatly people's poverty status. In fact, "in much professional discourse ... the term poverty has been narrowly defined for purposes of measurement and comparison. This

⁹ Gary Fields, "Poverty changes in developing countries", *Poverty Monitoring: An International Concern*, Rolph van der Hoeven and Richard Anker, eds. (New York, St. Martin's Press, 1994), p. 3.

¹⁰ ESCWA, *A Conceptual and Methodological Framework for Poverty Alleviation in the ESCWA Region* (E/ESCWA/SED/1993/19), p. 50.

¹¹ For more details, see ESCWA, *قياس الفقر في دول اللجنة الاقتصادية والاجتماعية لغربي آسيا* [Measurement of Poverty in the Countries of Western Asia] by M. Bakir (E/ESCWA/SD/1995/8/Add.1) (Amman, 1995) with summary in English.

narrow, technical definition has overtaken common usage ... Income matters, but sometimes less than other aspects of life—health, security, self-respect, family and social life, access to goods and services.”¹² Sri Lanka is a prime example of lessening poverty concurrent with lower nutritional availability and lowered incomes. This apparent paradox is explained by the fact that the basic amenities of life are provided to the population (health services, water, sanitation and education in particular), thus lessening the impact of low incomes.

TABLE 1. CONTRASTING TENDENCIES IN REALITIES OF PROFESSIONALS
AND POOR PEOPLE

Professionals ^{a/}	Poor people
simplified	complex
reductionist	holistic
standardized	diverse
physical	experiential
quantified	unquantified
income-poverty	multidimensional deprivation
employment	livelihood
universal	local, specific

Source: Robert Chambers, *Poverty and Livelihoods: Whose Reality Counts?*, Institute of Development Studies, Discussion Paper 347, University of Sussex [United Kingdom], p. 13.

a/ Those working in the academic and implementational international “development” communities.

Chambers (1995) and Streeten (1995), among others, have touched on the issue of the perception of the poor themselves of their situation as a determining factor in both labelling them as poor and in the necessity of taking their own perceptions into account in the planning of alleviation policies. “Any attempt to understand poverty must include the way in which poor people themselves perceive their situation.”¹³ This was elaborated and presented by Chambers in the form of table 1.¹⁴

¹² Robert Chambers, “The professionals and the powerless: whose reality counts?”, *Choices: The Human Development Magazine* (New York, United Nations Development Programme), April 1995, pp. 14-15.

¹³ Paul Streeten, “Poverty concepts and measurement”, in *Poverty Monitoring: an International Concern*, Rolf van der Hoeven and Richard Anker, eds. (New York, St. Martin’s Press, 1995), p. 24.

¹⁴ For a detailed elaboration on the concept of the realities of the poor, see Robert Chambers, *Poverty and Livelihoods: Whose Reality Counts?*, Institute of Development Studies, Discussion Paper 347 (University of Sussex, Brighton [United Kingdom], 1995). The paper highlights the problems inherent in trying to fit what is basically a northern model on the actual realities faced by poor people in the south. Participatory poverty assessments are advocated as one way of dealing with the problem.

There have been attempts at quantifying the social dimension of poverty. The Human Development Index (HDI) developed by UNDP in 1990 is a case in point. The HDI is a composite of life expectancy at birth (LE), years of schooling, and gross national product (GNP) per capita. The International Fund for Agricultural Development (IFAD) has put forward the concept of a food security index (FSI) and an integrated poverty index (IPI). Whereas FSI is a composite based on calculations of food production, consumption, and variability, the IPI comprises the rural population under the poverty line, LE, and the annual growth rate of GNP/capita.¹⁵

Poverty profiles: Poverty profiles are usually undertaken for a specific country since the basic underlying concept is to attempt to characterize poverty among a certain population and within a certain context. Poverty profiles provide data on the extent, nature and causes of poverty, identifying and highlighting the relevant subgroups of the poor by any distinguishing characteristics they may exhibit. Specific characteristics include age, gender, location, occupation, education, asset ownership, ethnic origin, family structures, and dependency ratios. The main function of a poverty profile is to identify poverty trends and assist in guiding policy analysis. It is necessary for defining appropriate programmes for different subgroups of the poor within a given population.¹⁶ This study will present a poverty profile at the regional level.

Jazairy and others (1992)¹⁷ have formulated and presented a set of characteristics to measure or identify poverty at the household level. These characteristics, where appropriate data are available, constitute a step towards the exposition of the socio-economic-cultural living conditions of the poor. According to Jazairy and others, members of poor households suffer from all or some of the following characteristics: deprivation, isolation, dependency, alienation, lack of assets and choices, vulnerability, low participation in decision-making, and instability.

Chambers (1995)¹⁸ has also formulated a set of characteristics of the deprived; he describes them as suffering from poverty, social inferiority, isolation, physical weakness, vulnerability, seasonality of employment, powerlessness, and humiliation.

¹⁵ For further details, see United Nations Development Programme, *Human Development Report*, 1990-1995. See also *The State of World Poverty: an Inquiry into Its Causes and Consequences* by Idriss Jazairy and others (New York University Press, 1992).

¹⁶ *The World Bank's Strategy for Reducing Poverty and Hunger*, p. 15.

¹⁷ See *The State of World Poverty: an Inquiry into Its Causes and Consequences*.

¹⁸ Robert Chambers, *Poverty and Livelihoods: Whose Reality Counts?*, pp. 18-22.

The measurement of the incidence, extent and effect of these factors remains a major problem. As yet, quantification has remained an extremely difficult and questionable task, especially on a large scale. An attempt will be made in another part of this study to expand further on these characteristics whenever the availability of data and information permits. However, it must be acknowledged that these phenomena are "well recognized all over the developing world although detailed data are difficult to come by."¹⁹

On the whole, poverty is seen as a state which unless curbed, tends to regenerate itself. The chances are that a poor child will grow up into a poor adult. Poor health status coupled with low educational levels is likely to result in lower employability. Lower employability in turn results in a lower income and, therefore, the increased likelihood of marrying a poor spouse. In the absence of external intervention or a change in the conditions of a poor person or his/her access to assets, the cycle of poverty will be perpetuated through the next generations.

Breaking the cycle will by necessity require outside input and interjection. At a minimum this would need to be in the form of State provision of basic social services such as water, sanitation services, roads, education, and health services. It is unrealistic to expect that the poor would pay for such services themselves or that the private sector is likely to do so.

In addition, the awareness of the poor should be raised so that they perceive their situation as amenable to change and improvement. For without the active and wholehearted participation of the poor in the process, poverty cannot be overcome. Albert Hirschman coined the expression "tunnel effect", which he drew from an analogy of two lanes of traffic stuck in a tunnel. If one of the lanes never moves on while the people in the other lane pass by, this would create a feeling of despair and frustration in the persons stuck in the stationary lane. However, "the despair and hopelessness bred of poverty are absent if there is hope that though you are stuck for a while, there will soon be a chance to move on."²⁰

As a consequence of the complex and multidimensional nature of poverty, work on poverty alleviation or eradication requires that the approach adopted be multidisciplinary and proceed in discrete stages. Hence, of primary importance is the issue of the identification and characterization of the poor, with special emphasis on assessing the incidence and extent of the prevalence of poverty within a certain society. The poor need to be identified in terms of geographical location, demographic

¹⁹ The *State of World Poverty: an Inquiry into Its Causes and Consequences*, p. 30.

²⁰ Streeten, loc. cit., p. 16. See also Robert Chambers, "The professionals and the powerless: whose reality counts?"

characteristics, economic activities, health and nutritional status, educational levels, and living conditions. Issues such as the feminization of poverty or its higher prevalence among certain geographical or social groups, as well as the poor's own perceptions of their own poverty status, also need to be examined.

C. POVERTY IN THE ESCWA REGION

Measuring the actual extent and prevalence of poverty in the countries of the ESCWA region has not yet been attempted in any fully systematic or consistent manner. This is primarily due to a general lack of attempts at social analysis of economic surveys (especially income-expenditure) rather than to a lack of accurate or reliable data sets. The data with which one can work to reach estimates of poverty lines and the percentages of the population falling under the poverty line are available for a number of countries in the region. Family/household expenditure surveys have been carried out for Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon and Qatar. Statistical data comparisons are, however, complicated by the fact that the available data are usually for different years, different groups, or simply presented as an aggregated figure; some data sets are so out-of-date as to make them unusable for any policy formulation exercise, as in the case of Lebanon. At the time of writing, data sets from the 1993 Income and Expenditure Survey for Iraq have become available, and it is hoped that work can proceed on measuring poverty and assessing its impact on Iraqi society. With regard to the assessment of poverty lines, it is thus evident that the poverty profile of the region relies more on anecdotal-type data.

In addition to the household expenditure data of Egypt and Jordan, additional data and information for both countries have been compiled by the World Bank, especially since both countries are committed to the SAPs of the Bank. Relatively comprehensive overviews of poverty and its disaggregation into geographical, gender, age and employment components can be achieved.

In 1994, ESCWA produced a study on the impact of crisis on social conditions in the region.²¹ This document, although not explicitly dealing with poverty, reviewed several social indicators in the countries of the region with the implications for the prevalence of poverty and the living conditions of the populations. The main conclusion of the document was that social conditions in general are worsening region-wide. Another study was commissioned by ESCWA in 1994, entitled "Women and Poverty", which examined the conditions facing poor women in the region and their particular needs and priorities.²²

²¹ ESCWA, *The Impact of Crisis on the Social Situation in the ESCWA Region* (E/ESCWA/SD/1994/5).

²² ESCWA, *Women and Poverty in the ESCWA Region: Issues and Concerns* (E/ESCWA/SD/1994/WG.3-WOM/6).

In an attempt to begin filling the gaps in knowledge of poverty and the living conditions of the poor in the region, in 1995 the ESCWA secretariat commissioned two in-depth poverty profiles, one on Lebanon (ESCWA, 1995b) and a second on Iraq (ESCWA, forthcoming c). In addition, work is under way on a preliminary assessment of poverty in the occupied territories (under preparation). These studies should constitute a quantitative as well as a qualitative addition to knowledge and understanding of poverty and its dynamics in the region.

In addition, a technical study in Arabic on Measuring Poverty in Western Asia was issued by ESCWA in 1995. It proposes a poverty estimation model for ESCWA based on private consumption, nutritional intake, enrolment in primary education, and the infant mortality rate (IMR) in the countries of the region. The model presents the incidence of poverty in as disaggregated a form as possible.

Based on the above-mentioned model, the percentage of the population in the different ESCWA members was estimated for 1992. With regard to the West Bank and Gaza Strip, it was not possible to make estimates, owing to lack of data. As table 2 below shows, according to the proposed model, the region exhibits a relatively high level of poverty with 27% of the total population estimated to fall under the poverty line. In two countries in the region, Iraq and Yemen, 45% and 47% respectively of the population are poor. The United Arab Emirates stand out as the exception, with only 3% of the population classified as poor while the other countries of the region vary between 11% and 23%.

Table 3 below compares the levels of poverty found in the ESCWA region with those to be found in other regions of the world.

Using any numerical values for the estimation of poverty is, however, always tricky. If the case of Jordan is taken as an example, one finds that in spite of Jordan having the most comprehensive and the most sound database in the region, several discrepancies in the official reports on poverty prevalence within the population emerge. Using government figures and estimates, one finds that the percentage of the poor has decreased as shown in table 4.

Such differences and discrepancies require the user to be very selective and careful, in order to avoid drawing hasty conclusions. The issue has come to the attention of decision makers involved in the fight against poverty. The Director of the National Aid Fund of Jordan, in a recent interview, was quoted as saying that tackling poverty needs to move beyond mere statistics to dealing with the very real daily living problems that are facing Jordanian families.²³

²³ الأسواق, 13 September 1995.

TABLE 2. POVERTY INCIDENCE IN THE ESCWA REGION BY COUNTRY, 1992

Country	Percentage of poor
Bahrain	15 ^{a/}
Egypt	22
Iraq	45
Jordan	23
Kuwait	11 ^{a/}
Lebanon	19
Oman	17 ^{a/}
Qatar	11 ^{a/}
Saudi Arabia	.. ^{a,b/}
Syrian Arab Republic	22
United Arab Emirates	3 ^{a/}
Yemen	47
Western Asia	27

Source: ESCWA, قياس الفقر في دول اللجنة الاقتصادية والاجتماعية لغربي آسيا [Measurement of Poverty in the Countries of Western Asia] by M. Bakir (E/ESCWA/SD/1995/8/Add.1) (Amman, 1995) with summary in English.

^{a/} For Gulf Cooperation Council (GCC) countries, the total population included non-nationals.

^{b/} The application of the model gives a figure of 21%, which is believed to be overinflated and which may be attributed to the low rate of female enrolment in education.

The fact remains, however, that no matter which definition is adopted, poverty will always have a certain comparative dimension to its perception. With the massive advances in international telecommunication, people in poorer societies are increasingly able to observe for themselves the affluence of industrialized Western countries. Cable TV and satellite broadcasting are becoming widespread all over the Arab world. This is likely to result in an unfavourable comparison of their living conditions with those whose images they are subjected to daily. This is bound to create a certain amount of dissatisfaction in people with their lot, in turn leading to a heightened perception of impoverishment. Moreover, this perception is likely to result in increasing numbers of people, especially the young and "better" educated, seeking a better life in those same Western industrialized countries. This becomes tragic when one takes into account that it is those very same migrants who possess the human capital necessary to move their countries away from economic and social stagnation.

TABLE 3. PERCENTAGE OF POVERTY IN SELECTED REGIONS OF THE WORLD
(1980-1990)

Region	Percentage of Poverty
Western Asia	27
Arab countries ^{a/}	25
Sub-Saharan Africa	54
South Asia	43
East Asia	9
South-East Asia	35
Latin America and Caribbean	40
Least developed countries	64
Developing countries	31

Source: ESCWA, قياس الفقر في دول اللجنة الاقتصادية والاجتماعية لغربي آسيا [Measurement of Poverty in the Countries of Western Asia] by M. Bakir (E/ESCWA/SD/1995/8/Add.1) (Amman, 1995) with summary in English. All except Western Asia from the UNDP *Human Development Report*, 1994.

a/ Excluding Djibouti, Mauritania, Somalia and Sudan.

TABLE 4. JORDAN: PERCENTAGE OF POPULATION IN ABSOLUTE POVERTY,
1992-1994 (DIFFERENT ESTIMATES)

Year	Absolute poor
1992	21.3%
1993	18.3%
1994	14.7%

Source: ESCWA secretariat.

II. POVERTY IN THE COUNTRIES OF THE ESCWA REGION: AN OVERVIEW OF HISTORICAL, ECONOMIC AND SOCIAL SITUATION OF THE REGION

In discussions of any social or economic aspect of life in ESCWA member countries, it is important to bear in mind the distinctions and particularities that exist between the different individual countries of the region as well as between what have come to be loosely identified as the oil-rich/labour-receiving countries of the Gulf and the other resources poor/manpower-sending countries (including Jordan, Egypt and Lebanon). Iraq with its oil-producing capacities yet more diversified economic structure lies somewhere in between, while the Republic of Yemen is by far the poorest and most underdeveloped country within the region, with its development indicators trailing way behind those of the other ESCWA member countries. The 1994 World Bank World Development Report, in fact, classified the countries of the region into the following four categories, ranging from low to high income.

TABLE 5. CLASSIFICATION OF ESCWA MEMBER COUNTRIES AND AREAS BY LEVEL OF INCOME

Level of income	Country
Low income	Yemen, Egypt,
Lower-middle income	Iraq, Jordan, Lebanon, Syrian Arab Republic, West Bank and Gaza ^{a/}
Upper-middle income	Bahrain, Oman, Saudi Arabia
High income	Kuwait, Qatar, United Arab Emirates

Source: World Development Report 1994.

^{a/} As classified by the World Bank (1995) in *Social Indicators of Development*, assumed to fall in GNP/capita range of \$696-\$2,785 in 1993.

Although the distinctions among them are important, the countries of the region often share a common political and social history. Many of the political and economic differences used to distinguish the countries of the region are relatively recent, as geo-political borders were not even defined for the majority of the countries until way into the middle of the present century. The region, despite these differences, continues to maintain a certain level of commonality and cooperation, at times stronger than others. In discussions of issues such as "poverty", "social development and change", "population dynamics", and "employment trends", the ESCWA member countries have been commonly considered a unified region. Individual differences and characteristics exist and play important roles and while, in this study, an attempt will be made to highlight significant examples, those example need to be presented in the

prevailing regional context. The region shares a common language, history, cultural habits, religions, and a socio-cultural-political identity.

While the above is the cause of much debate, one label indisputably fits the countries of the region as a group: that of being among the “developing” countries of the world. With the exception of the Gulf Cooperation Council (GCC) members, countries of the region are characterized by low GNP per capita, low share of the manufacturing industry in gross domestic product (GDP), low productivity of the agricultural sector, a high share of primary products in the export balance, and a large foreign debt. These economic indicators are, furthermore, coupled with a high rate of population growth, high levels of illiteracy, medium rates of life expectancy at birth, and medium rates of infant mortality.¹

Generally speaking, poverty levels in the ESCWA region, and for the Arab countries as a whole, are relatively low when compared with those prevalent in other developing countries. In one recent estimate, in fact, poverty in the Arab region was reported to be one third of the poverty level of Latin American countries with similar incomes.² This has been attributed to well-targeted transfers between households. Extensive consumer subsidies, prevailing in almost all Arab countries until recently, also played their role in maintaining standards of living for the populations. These trends, however, are changing, and poverty now may be on the increase in the Arab region.³

Historically, and until the middle of this century, the whole ESCWA region was classified as poor and predominantly rural. The economy of the region was heavily reliant on small-scale agricultural production, some livestock herding, and fishery. In some countries of the region, such as Lebanon, the services sectors played significant roles. A few small, urban-based low-technology manufacturing industries also existed, but on a scale too small to affect significantly the economy. Then in the 1950s oil production was developed in the Gulf region, and by the late 1960s-early 1970s, with oil production outputs increasing and international oil prices increasing, oil revenues became the dominant factor in determining growth policies and rates in most countries of the region.

Significantly, it was the production of oil that created the divide alluded to above between the oil-rich/labour-receiving countries and the resources-poor/labour-

¹ ESCWA, *الفقر في الوطن العربي* by N. Issa (E/ESCWA/SD/1994/WG.2/5) (Amman, 1994).

² World Bank, *Will Arab Workers Prosper or Be Left Out in the Twenty-first Century?* by Ishac Diwan, Regional Perspectives on World Development Report 1995 (Washington, D.C.).

³ Ibid., p. 3.

sending countries. Yet at the same time the benefits from the discovery of oil also reached the poorer countries, albeit indirectly. The oil-rich countries began importing increasing numbers of workers at all levels (unskilled, skilled, professional, services) to satisfy their drive for development. A significant percentage of those workers were nationals of the other poorer Arab countries. The large labour force migration drive contributed to the flow of some of the oil wealth into the poorer countries in the form of workers' remittances. The richer countries, such as Kuwait and Saudi Arabia, also began to contribute directly to the development efforts of their poorer neighbours, through grants and gifts in the form of funding of major infrastructural and services projects. This led to potent and intense linkages between the economies and development of the oil-rich countries and those of the poorer countries.⁴

A. GCC COUNTRIES

The developments made possible by the increased revenue from oil prices were not, unfortunately, accompanied by solid economic planning and diversification or investments in other productive sectors such as agriculture or industry. Rather, the oil economies became increasingly reliant on imports and hence increasingly dependent on fluctuations of the international markets. During the 1970s, significant investment in the oil-producing countries went towards the installation of basic infrastructure and services. Considerable amounts were spent on the building sector. Revenues were further distributed through, for example, a system of high wages, high commission tariffs, and high price tags for the sponsorship of foreign workers.⁵ All the while, the agricultural and manufacturing industry sectors were virtually neglected.

The economic boom was accompanied by an equally fast-paced drive towards urbanization. With the exception of Oman, the countries members of the GCC are predominantly urban.

During this period (until the 1980s) the nationals of the GCC countries enjoyed prosperity in the form of higher incomes, negligible taxation, universal free provision of social services such as health and education, provision at low cost of basic modern services and amenities (including water, sanitation, housing and telecommunications). Poverty was virtually unheard of, and the "welfare State" was taking care to provide all the basic needs of citizens.

⁴ It was estimated that the figure for the total non-national labour force in the GCC countries was 1.12 million in 1975. This figure increased to 4.4 million in 1985 and 7.7 million in 1990. The Arab share among the non-national labour force decreased from 47% in the mid-1980s to around one third in the mid-1990s (ESCWA, *Arab Labour Migration* [E/ESCWA/POP/1993/SAPC/8], pp. 3-7).

⁵ *Will Arab Workers Prosper or Be Left Out in the Twenty-first Century?*.

The decline in international oil prices, however, brought with it a decline in revenues in the 1980s. Significantly, this decline was not immediately translated into a decline in public spending. Rather the problem of lessened incomes was exacerbated by declines in investment spending. Gulf Governments resorted to delving into their reserves in order to be able to maintain the levels of public spending to which their populations had become accustomed.

In addition, financial aid and assistance to the other Arab countries of the region were abruptly downscaled to a considerable extent.

The high spending trend continued into the early 1990s. The end of the Gulf war crisis, however, caused major losses to the region's economies. The economic situation became a problem whose effects were felt by everyone. The Governments of the region began to apply restrictions on spending, including public spending. This decrease has recently been reflected in the deteriorating economic indicators, and is now being felt at the level of the standard of living, with a number of subsidies being reduced or removed from goods and services, and with the population now being asked to contribute to the cost of almost all the services they had been receiving virtually free of charge. This has been felt at the level of the accessibility and affordability of basic goods and services. Recent ESCWA estimates point to unexpectedly high percentages of the population of GCC countries falling under the poverty line. ESCWA estimates⁶ place the proportion of the total population (including non-nationals) in poverty at: 15% in Bahrain, 11% in Kuwait, 17% in Oman, 11% in Qatar, and 3% in the United Arab Emirates. The estimate for Saudi Arabia was unreasonably high at 21%, and is believed to be inflated. The inflation might be attributable to the model applied, which takes into account as one of its measurements the enrolment of females in education, which is relatively low in Saudi Arabia (see chapter I). In fact, the definition of poverty adopted in the study amounts more to an assessment of human development than of poverty in a narrow economic sense. Unfortunately no analytical research has yet been carried out on levels, determinants or characteristics of poverty in Gulf countries.

B. NON-GCC COUNTRIES

For the non-oil producing countries, the 1970s to the mid-1980s constituted an important turning-point in their economies and the development of their social sectors. This came in the form of a significant increase in foreign lending to these countries and through their receipt of a share of oil revenues in several forms. Direct transfers from the oil-rich countries as loans or grants for development projects and

⁶ ESCWA, *قياس الفقر في دول اللجنة الاقتصادية والاجتماعية لغربي آسيا* [Poverty Measurement in the Countries of Western Asia] by M. Bakir (E/ESCWA/SD/1995/8/Add.1/Rev.1) (Arman, 1995) with summary in English.

infrastructure-building started to flow into the poorer Arab countries. Increasing numbers of their nationals were recruited by the oil-producing GCC countries to fill their need for skilled and trained manpower. Those workers were in turn contributing to their home countries' economies and to the welfare of their own families by sending their earnings home.

Workers' remittances became a significant source of foreign currency and acted as the main source of income for a large proportion of families. Direct Arab investments and co-financing agreements for several projects also began. This inflow of resources into the non-oil producers resulted in relatively high rates of growth as evidenced by between 4% and 5% yearly growth in GNP/capita.⁷

This growth, however, was accompanied by imbalances in the economic infrastructure, rendering it more fragile and vulnerable to outside factors and changes. The largest chunk of these resources was spent on consumption and armaments, while investments were increasingly unfavourable to the agricultural and industry sectors. The balance of the resources was directed at building infrastructure and basic services which, however, remained concentrated in the urban areas. It was during this time that significant strides began to be made in terms of social development. Educational services were increased and upgraded and health facilities and manpower were provided. Roads, water delivery networks, and sanitation facilities were built. Housing projects for the poor were initiated in some countries of the region, and telecommunication was improved and made more widely available. The result was a drop in the infant mortality rate, a rise in life expectancy at birth, a rise in literacy levels and school enrolment rates, a rise in the numbers of professionals and university graduates, and an overall improvement in living conditions.

The result of this imbalanced pattern of development was a dramatic shift of the population from the rural to the urban areas. Rural to urban migration grew at an extremely rapid rate, averaging 8.7% per year between 1960-1980.⁸ Urbanization has been so rapid that now, less than three decades later, the majority of the population in 10 of the ESCWA member countries reside in urban areas. This trend does not appear to show any signs of significantly slowing down, and the urban population is expected to continue to grow well into the coming years.

This concentration of the population in the urban areas and centres has direct implications for poverty, especially as it related to the characteristics of the poor. This is not to deny the large numbers of persons living in poverty in the rural areas of the region, notably in Egypt, Oman, the Syrian Arab Republic and Yemen. For even if

⁷ .الفقر في الوطن العربي

⁸ ESCWA, التحضر في العالم العربي by A. Hammoudah (E/ESCWA/HS/1995/WG.1/2) (Amman, 1995).

larger numbers of poor people are to be found in the urban areas, a larger proportion of rural dwellers have been found to be poor, as evidenced from a recent survey in Jordan.

TABLE 6. PERCENTAGE URBAN POPULATION (1990, 1995 AND 2000)

Country/area	1990	1995	2000
Bahrain	83.0	84.2	85.4
Egypt	43.9	44.8	46.4
Iraq	71.8	74.6	77.1
Jordan	68.0	71.5	74.5
Kuwait	97.9	97.2	98.2
Lebanon	83.8	87.2	89.5
Oman	11.8	12.6	13.8
Qatar	86.6	89.0	96.5
Saudi Arabia	72.1	76.4	79.4
Syrian Arab Republic	50.2	52.4	54.9
United Arab Emirates	81.0	84.0	86.2
West Bank and Gaza	82.1	86.3	90.2
Yemen (North)	28.9	32.6	38.4

Source: ESCWA, التحضر في العالم العربي by A. Hammoudah (E/ESCWA/HS/1995/WG.1/2) (Amman, 1995).

TABLE 7. DISTRIBUTION OF TOTAL AND POOR POPULATION BY RURAL-URBAN RESIDENCE (1994)
(Percentage)

Residence	Total population	Poor population
Rural	21.0	27.4
Urban	79.0	72.6

Source: ESCWA secretariat.

A recent ESCWA study described the reality of life in the larger Arab cities where, according to the study, there is a general deterioration of living conditions, a spread of extreme poverty, a lowered per capita income, and soaring unemployment.

Moreover, the actual physical living space often lacks basic services such as water, sanitation, electricity, and roads, which results in a deteriorating urban environment.⁹

Until the 1980s, the excess population seeking employment in the urban areas were absorbed into either the informal sector or as migrants to the oil-rich Arab States, Africa and Europe.

The changing international climate of the 1980s affected all the countries of the region. The non-oil producers were badly hit. With little reserve savings, and minimally developed local agricultural or manufacturing industries to fall back on, they now faced increasing economic pressure. External debts soared, closely followed by high interest rates. Solutions put forward and adopted were short-sighted; countries borrowed more and deficits increased (table 8). The rates that countries of the region were paying in interest on their loans were very high compared with expenditure on the educational and health sectors. Interest payments were in some cases surpassing expenditure on the health sector (table 9).

TABLE 8. EXTERNAL DEBT FOR SELECTED ESCWA MEMBER COUNTRIES,
1980-1993
(Millions of US dollars)

Country	1980	1990	1993
Egypt	20 976	40 104	40 626
Jordan	1 977	8 328	6 972
Lebanon	491	1 965	1 356
Oman	599	2 734	2 661
Syrian Arab Republic	3 549	16 446	19 975
Yemen	1 684	6 322	5 923

Source: ESCWA. التمويل التنموية البشرية في الأقطار العربية by B. al-Bustani (forthcoming) and *The Impact of Crisis on the Social Situation in the ESCWA Region* (E/ESCWA/SD/1994/5).

This situation was soon reflected in a deterioration in social services, social conditions and social development indicators. Poverty, ill health and lower levels of education have since been on the increase.

⁹ ESCWA, واقع التحضر العربي واتجاهاته المستقبلية وامتداداته المكانية وآثاره على المستوطنات البشرية by A. Faour (E/ESCWA/HS/1995/WG.1/3) (Amman, 1995), p. 68.

The non-oil producers found themselves trapped in a problematic economic situation. Gradually, by the late 1980s, they began adopting and implementing, in varying degrees, the stabilization and structural adjustment policies advocated and promoted by the World Bank and the IMF.

TABLE 9. RATES OF EXPENDITURE ON INTEREST PAYMENTS ON LOANS, EDUCATION AND HEALTH IN SELECTED ESCWA MEMBER COUNTRIES, 1987-1989

(Percentage)

Country	Interest	Education	Health
Bahrain	2.5	13.5	7.7
Egypt	10.0	12.4	2.6
Jordan	12.1	14.2	5.1
Kuwait	---	14.1	7.6
Oman	6.0	10.8	4.9
Syrian Arab Republic	---	9.3	1.4
United Arab Emirates	---	14.2	6.9
Yemen	1.9	18.7	3.7

Source: ESCWA, تمويل التنمية البشرية في الأقطار العربية by B. al-Busani (forthcoming).

The situation of ESCWA member countries in the mid-1990s is, in varying intensities, one of increased economic strain, deteriorating social sectors and soaring unemployment.

C. POVERTY, ARMED CONFLICTS AND POLITICAL UPHEAVALS IN THE REGION

Since the middle of the present century, the countries of the ESCWA region have been subjected to an unending series of upheavals and wars. The end of the Second World War saw the creation of the State of Israel and the first Arab-Israeli war of 1948. Hundreds of thousands of Palestinians were displaced and made homeless overnight; they had to be accommodated by other struggling countries and economies in the region. This put considerable pressure on the host countries. Three more Arab-Israeli wars followed in 1956, 1967 and 1973, adding to the economic and manpower losses of the Arab countries.

One major consequence of these wars, in addition to the material, morale, and human life losses, has been the eventual settlement of the displaced Palestinians in refugee camps in neighbouring Arab countries, mainly Jordan, Lebanon and the Syrian Arab Republic. While not all Palestinians who fled Palestine were poor, the majority did fall under this classification. They were housed in "temporary" camps, run and

supervised by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) within each host country. Like other refugee communities in the world, the Palestinians suffered deprivations and hardship.

In a sense, the Palestinian refugees have constituted a rather large "marginalized" group. Initially their basic nutritional, health, and educational needs were planned for and met within a charitable, "hand-out" context. Over the past 47 years, their situation has changed slowly but steadily, with many now moving out of poverty (and physically out of the camps) through employment, small businesses or investments in educating professional offspring.

Although the Palestinian refugees still constitute a group apart in all the host countries of the region, this paper will deal with them separately only in terms of issues particular to them. Otherwise, they will be treated as part of the general poor population of any given country.

The Lebanese civil war started in 1975, and continued unabated for over 17 years. During this time, the infrastructure of the country was almost completely destroyed, and the economy almost totally devastated. Repeated Israeli invasions, culminating in the military occupation of southern Lebanon in 1978 and the subsequent invasion of Lebanon of 1982, caused added losses in terms of human life, human capital, land and natural resources.

Lebanon further lost a large proportion of its human capital through loss of life and out-migration as a direct result of the war. Estimates place the number of Lebanese who emigrated during the period 1975-1990 at around 875,000.¹⁰ Sources of livelihood were cut for many Lebanese. Often lack of access to assets or place of employment resulted in the loss of jobs and badly needed wages. Internal displacement created thousands of refugees who crowded into the main cities, especially Beirut, creating large shanty towns of poor people.

Iraq entered into an eight-year-long war with Iran in 1980, which acted as a massive drain on its financial, infrastructural, capacity-building and human assets. In 1990 Iraq invaded Kuwait, causing a major war in the area which also involved Europe and the United States in what has come to be known as the Gulf war crisis. The direct costs of the war were huge, with massive physical damage to major infrastructural facilities and enormous losses to the economy. Iraq was, furthermore, subjected to an international embargo and freezing of foreign assets. This continues today. The

¹⁰ ESCWA, *The Impact of Crisis on the Social Situation in the ESCWA Region* (E/ESCWA/SD/1994/5), p. 7; and K. Hamdan, "Lebanon: emigration policies, trends and mechanisms", a paper presented at the Seminar on Migration Policies on Migration Policies in Arab Labour-Sending Countries, held in Cairo from 2 to 4 May 1992.

negative ramifications of this war on the economy and standard of living of Iraqis are still increasing at the time of the writing of this paper.¹¹

Needless to say, Kuwait suffered massive losses as a result of the invasion. Costs were both human and material. Kuwaitis fled the country in the thousands and with them went almost all the foreign workers. Infrastructure and facilities, including oil wells, and public and private buildings were destroyed in the fighting and as a result of looting. The bill at the end of the war was huge, costing Kuwait billions to rebuild the infrastructure and to replace the manpower that fled or had been expelled from the country.

Saudi Arabia also suffered from its involvement in the Gulf war crisis. The Saudi Arabians paid the largest share of the cost of the war, which led them to tap their reserves. Saudi Arabia's combined costs in payments, foregone revenues, and donated supplies were US\$ 55 billion.¹² Saudi Arabia's economy is still under pressure from these debts.

Jordan was another major sufferer from the Gulf war crisis. The war resulted in an estimated 1 million persons fleeing the war into Jordan.¹³ Although Jordan received assistance from international agencies at the time, the cost borne by the Government and the population was extremely high.

Almost overnight, Jordan found itself, with its limited resources, and very little in the way of outside assistance, faced with thousands of transitory refugees who had fled Kuwait and Iraq. They needed massive supplies of temporary shelter, food, transport, health care, water and sanitation services, not to mention logistic and civil defence support. This created a heavy drain on already strained resources.

Furthermore, approximately 250,000-300,000 of those displaced into Jordan were themselves Jordanians or Palestinians. They had to be resettled in the country, competing for resources already stretched thin in terms of housing, services, health care, educational facilities and employment. Until recently, before the start of the Jordanian-Israeli peace talks, Jordan was further marginalized and punished by the international community and major donors for the Government position on the Gulf war crisis. Jordan's economy, furthermore, had been heavily reliant on remittances from migrant workers in the Gulf. The Gulf war crisis caused a large part of these

¹¹ According to the *Jordan Times* (15/6/1995), up to 4 million people are in need of food assistance and hunger threatens the lives of at least 1 million among them.

¹² "Country Fact Sheet: Saudi Arabia", United States *Department of State Dispatch*, 22 August 1995.

¹³ *The Impact of Crisis on the Social Situation in the ESCWA Region*, p. 6.

remittances to be curtailed. The economic strain on the country has been felt in several spheres: income, trade, services sectors, and infrastructure.

Egypt also suffered in the short term from the Gulf war crisis, with the return of large numbers of Egyptian workers from the Gulf. Also heavily reliant on worker remittances, Egypt saw a decline in its economic situation with an influx of workers needing resettlement and employment, on top of the decline in revenue. Many Egyptian workers have been subsequently reabsorbed into the work forces in GCC countries. However, Egypt had substantial parts of its foreign debt written off, creating a considerable improvement in its economic sphere.

In 1990 the two Yemens united to form the Republic of Yemen. Unification came at a high financial cost. Effectively what the Yemenis chose to do for an initial period of two years was to merge the two former Governments in the north (Yemen Arab Republic) and the south (Democratic Yemen). This in effect, meant that no civil servants lost their jobs, and the burden of wages and administrative costs was extremely high.

The union, however, did not have time to mature before approximately 1 million Yemenis were forced to leave Saudi Arabia and other Gulf countries at the outbreak of the Gulf war crisis. In the course of a few weeks, Yemen faced a population increase of approximately 10%, all of the returnees requiring infrastructural services and employment already in short supply. Just as Yemen was beginning to recover from that first shock and to design plans for the exploitation of recently found oil, came the armed conflict/civil war between the authorities of what had been south Yemen and the authorities in Sana'a. In addition to losses in human life, the war placed an enormous economic burden on the Government. As a result, the Government had to delay or slow down many new economic measures it was planning to adopt and to cut back significantly on spending.¹⁴

In 1987 the Palestinian *intifadah* began. The *intifadah* placed increasing pressure on the population of the West Bank and Gaza Strip, already under extreme economic and social pressure from the occupying Israeli forces and authority. Living conditions in the West Bank and Gaza Strip worsened steadily as a result of increased restrictions imposed by the Israelis in response to the *intifadah*. Access to services such as education and health was made difficult by the Israeli authorities. More significantly, thousands of Palestinian workers lost their livelihoods because of the Israeli decisions to ban them from working within Israel. The economic situation of hundreds of families worsened as a direct result of such measures. The *intifadah*, on the other hand, offered the right background for the growth of CBOs and NGOs, which

¹⁴ For details see ESCWA, *Impact of Selected Macroeconomic and Social Policies on Poverty: the Case of Egypt, Jordan and the Republic of Yemen* (E/ESCWA/ED/1995/6).

have been extremely active in mobilizing the population and local resources to help the poor and underserved in the community.

D. WAR AND FORCED DISPLACEMENT

As noted above, wars and armed conflicts have, unfortunately, been an integral part of the history of the ESCWA region and its individual member States. War and conflict have resulted in the creation of poverty and in the exacerbation of existing poverty in the ESCWA member countries. This took several forms, some explicit and some implicit.

War and conflict led to impoverishment through the destruction of resources, the diversion of scarce resources away from basic services to armaments and army-building, the creation of thousands of displaced persons and refugees, and the impoverishment of a new group, the middle class.

TABLE 10. MILITARY AND DEFENCE EXPENDITURE AS COMPARED
WITH SOCIAL SERVICE EXPENDITURE
(Percentage)

ESCWA member	Defence expenditure As (% GDP/GNP)		Military expenditure as % of combined expenditure on education and health
	1985	1992	1990-1991
Bahrain	3.5	5.6	466
Egypt	8.5	6.0	52
Iraq	25.9	21.1	271
Jordan	15.9	11.2	138
Kuwait	9.1	62.4	88
Lebanon	...	5.0	...
Oman	20.8	17.5	293
Palestine	...	...	...
Qatar	1.6	2.4	57
Saudi Arabia	19.6	11.8	151
Syrian Arab Republic	16.4	16.6	373
United Arab Emirates	7.6	14.6	44
Yemen	8.9	9.3	197

Source: UNDP, *Human Development Report*, 1995.

Expenditure on armaments and the military far exceeds expenditure on social and infrastructural services. This is bound to be reflected in lower human capital and the higher prevalence of poverty in the countries of the region.

Over the years, thousands have been displaced throughout the region. The Palestinians are one such group, but in Lebanon alone, more than 800,000 persons are estimated to have been displaced as a result of the civil war. A recent ESCWA study on poverty in Lebanon¹⁵ found that the displacement of the population was accompanied by the presence of one or more of the following factors, which would appear to apply to all those displaced by war in the region:

- (a) Total or partial destruction of homes;
- (b) Destruction or extensive damage to productive structures;
- (c) Loss of employment;
- (d) Loss of agricultural revenue;
- (e) Residence in unsuitable accommodation (such as schools, factories or convents);
- (f) Family disintegration: death or migration of family member(s), separation of family members;
- (g) Deterioration in educational level and in vocational skills;
- (h) Deteriorating health conditions and medical care, preventive and curative.

A sample survey of Lebanese displaced by war indicated that the majority of the displaced had become poor as a direct consequence of the process of displacement itself.

In the region, displacement is implicated as a direct cause of poverty for the Palestinians, for the Lebanese, and more recently for those affected by the Gulf war crisis.

Furthermore, currently three parts of the region suffer from having large sections of their land occupied by Israel: the West Bank and Gaza Strip, Lebanon and

¹⁵ See ESCWA, الفقر في لبنان [Poverty in Lebanon] by A. Haddad (E/ESCWA/SD/1995/8/Add.2) (Amman, 1995) with English summary.

the Syrian Arab Republic. Although data are scarce, it appears that occupation plays a major role in impoverishing the communities under occupation.

The direct damage of occupation results from the loss of life, the bombing of property, and the destruction of houses and land. Damage also results from population displacement due to military aggression resulting in loss of land, housing and property, as well as in sources of livelihood. Military aggression leading to loss of life of heads of households or primary breadwinners, or leading to disabilities, causes loss of employment and therefore loss of wages. It also often leads to the added expense of supporting a disabled family member and caring for him or her.

Indirect damage results from restricting the access of the population to resources and sources of income and livelihood. Israel recently prevented fishermen from the south of Lebanon from going out to sea to fish. This is common Israeli practice for the populations of the West Bank and Gaza Strip, who often face the closure of borders between them and Israel, thereby restricting the access of day labourers to their places of employment. Another common practice is the enforcement of the curfew regulations, which also in effect restrict access to work sites and market-places.

E. IMPOVERISHMENT OF THE MIDDLE CLASSES

Another result of war and armed conflict in the region has been the emergence of a new breed of poor persons, the impoverished middle classes.

Two recent ESCWA studies on Lebanon (ESCWA, 1995b and ESCWA, forthcoming a) have pointed out this phenomenon. One study (ESCWA, forthcoming a) put forward the premise that the primary victims of the Lebanese civil war have been the middle class. It is this group of people who are facing, in relative terms, the gravest worsening of their economic conditions and standards of living. They attribute this to a number of factors resulting from the extended civil war that they believe are being reinforced by the post-war reconstruction policies of the Government. The impoverishment factors include a decrease in real wages and the restructuring of the real estate and rental legislation, the educational system and the structure of the other services sectors, particularly the health sector.

A sharp decrease in income for middle-class families across the different traditional sources of income for this group has, in fact, been taking place. Real wages have been on the decrease. The wages of the lowest economic group suffered a 65% decrease over the period 1974-1990, while those of the middle group decreased by 75%, a relatively worse scenario.

In terms of real estate, the middle class have been the traditional owners and landlords of small holdings that they rented out as a source of income. The original

rental legislation prohibited landlords from raising the rent or evicting a tenant. Coupled with the souring inflation of the Lebanese pound, this law created a rapid decrease in the real income generated by rented property.

Iraq is another country witnessing a steady process of impoverishment of its middle class. With job losses from the industrial and tertiary sectors (lack of raw materials and spare parts) and with the drastic drops in the real value of wages, owing to inflation accompanied by a drop in the value of the Iraqi dinar, many Iraqi families resorted to their savings and to the selling-off of assets (land, real estate, jewelry and art objects) in an attempt to earn income to meet their basic needs. Most family income has been diverted to the purchase of food. "Many households now spend virtually all their income on food, and even then they cannot afford diets comparable to those they enjoyed before August 1990."¹⁶

This process of impoverishment of the middle class is creating a new set of poor, adding to the complexity of defining the poor and poverty in the context of the region. The problems generated by this new category of poor will require particular policies and measures to deal with them; in certain respects the people in this new category are very different from the other "traditional poor". They tend to be better educated, in better general health, have smaller families, and are possibly more employable with properly guided retraining.

In conclusion, the ESCWA region has had the misfortune of experiencing a succession of unstable—and in some cases explosive—political situations and military threats with an already deteriorating economic situation. All this has been to the detriment of the poor and vulnerable sectors of the region's population, causing increasing poverty and added hardships. Continued conflicts have

"drained economic resources, which have been directed to security and armaments instead of development... They have also influenced population distribution, contributing towards urbanization and the primacy of major cities. Perhaps most seriously, they have contributed to increasing unemployment and poverty [emphasis added], and have negatively influenced the quality and availability of social services, resulting in deteriorating living standards and a poorer quality of life."¹⁷

¹⁶ J. Drèze and H. Gazdar, "Hunger and poverty in Iraq, 1991", *World Development*, vol. 20, No. 7, July 1992, p. 935.

¹⁷ *The Impact of Crisis on the Social Situation in the ESCWA Region*, p. 2.

III. COUNTRY/AREA PROFILES

Ideally each country of the region should be studied in depth in terms of the incidence and prevalence of poverty among its population, in terms of the macro-economic and social policies that affect poverty, and in terms of the characteristics and conditions of the poor in that country. Limited data and limited accessibility make this difficult at the present time. Hence this study will concentrate on those countries and areas on which recent information is available. Iraq, Lebanon and the West Bank and Gaza Strip are the focus of this section of the study. Those three were chosen because the ESCWA secretariat commissioned in-depth profiles on them. The case of poverty in those three is, furthermore, interesting because of the complex interrelation and interplay of various socio-political and economic factors in determining poverty and in maintaining, exacerbating, or diminishing the levels of poverty.

Iraq, Lebanon, and the West Bank and Gaza Strip also serve as interesting examples because of the lack of accurate, reliable (or, in the case of Iraq, up-to-date) data and information specifically measuring and assessing poverty. Yet the prevalence of poverty is known to be relatively high in all three. In this chapter, a portrayal of poverty will be drawn by highlighting the main results of previous research carried out on various other social sectors in Iraq, Lebanon, and the West Bank and Gaza Strip.

Poverty in three other countries of the region, Egypt, Jordan and Yemen, has been studied in another ESCWA research paper.¹ Evidence from those countries is cited throughout this study.

More details on individual countries are found in the individual country studies.

A. IRAQ

A forthcoming study to be issued by ESCWA (ESCWA, forthcoming c) attempts to measure and describe poverty in Iraq. This effort was constrained by the lack of up-to-date data and information. Although the results of the 1993 Income and Expenditure Survey were recently released, at the time of this writing, the most recent Household Expenditure Survey that was available for analysis was the one undertaken in Iraq in 1988. In addition to being quite a few years old, this data set precedes the Gulf war and therefore does not take into account the economic and social impact of this war.

¹ ESCWA, *Impact of Selected Macroeconomic and Social Policies on Poverty: the Case of Egypt, Jordan and the Republic of Yemen* (E/ESCWA/ED/1995/6).

The Gulf war and the subsequent international embargo, still in effect to this date, played a major role in impoverishing large segments of the population, in addition to exacerbating the poverty of those who were already poor.

In the absence of accurate statistics and data, the above-mentioned forthcoming ESCWA study on Iraq attempted the use of some proxy measures and indicators. The study is an account which attempts to describe the daily struggle of the average Iraqi person to meet the basic minimum requirements of life: food, shelter, education and health care.

The year 1980 witnessed the beginning of the eight-year war between Iraq and the Islamic Republic of Iran. During this period, and despite the stresses of war on the economy and on infrastructure, social indicators in Iraq exhibited a trend of steady improvement. Per capita daily caloric intake increased between 1979 and 1988 from 2,671 to 3,581 calories. General per capita monthly expenditure also rose from 19.317 to 19.526 Iraqi dinars (ID), at fixed prices, during the same period. Per capita consumption of potable water also rose to double its initial rate, from 35 m³ to 70 m³ per year.

Health services also expanded and grew as evidenced from the increase in the numbers of physicians and pharmacists, which rose from 31 to 49 per 1,000 population. The numbers of hospitals and hospital beds also rose from 198 and 24,800 to 256 and 28,900 respectively during the period 1979-1988.

Surprisingly the educational sector went through a set-back, with total primary and secondary enrolment rates dropping from 81% to 75% of the age group, in spite of an actual rise in primary school enrolment. It is worth noting that during this period primary schooling was made mandatory in Iraq.

Repercussions of the recent Gulf war

The Gulf war had very serious negative effects on the economic and social situation inside Iraq. There are not a lot of concrete data on the extent of poverty in Iraq in the aftermath of the Gulf war, but a few dispersed studies have been made.

One study (Drèze and Gazdar, 1992) attempted to assess and determine poverty during the war. They found that during the period of the war, with the restrictions on the import of food, the generally deteriorating security situation, the destruction of infrastructure, as well as the disruption of the Government rationing system, existing channels for food acquisition were disrupted to a large extent. This resulted in large numbers of Iraqis going hungry. Deprived of their usual sources of income, Iraqi families had to rely on their savings, or on the selling off of assets, in order to have the cash to enable them to afford increasingly exorbitant food prices. The study concluded that it was "not an exaggeration to say that famine conditions prevailed

during the war...millions experienced the quiet pangs of hunger inside their homes, and food deprivation contributed to the sharp increase of mortality.”²

The economic embargo imposed on Iraq following the end of the war led to an even greater deterioration in the food supply situation. Before the war Iraq depended on imports to meet two thirds of its food requirements, importing around 5.4 million tons every year, and spending in the order of US\$ 2 billion on food imports per year. In some years, this amount rose to US\$ 3 billion. To finance this expenditure, Iraq relied on the sale of its crude oil to generate hard currency, and on its reserves placed in European and American banks. The embargo has essentially meant that Iraq is unable to supply the necessary foodstuffs for its population. This has forced Iraq to rely completely on local production of food to meet the demand. A recent study estimates that the limited production capacity of the Iraqi agricultural sector will lead to individuals consuming on average 10% fewer calories than they did in the period 1987-1988.³

In order to alleviate the food shortage, the Government adopted a strategy of subsidizing food, and, in some cases, of the distribution of essential foodstuffs at nominal prices.

At the forefront of the war-related changes is the inflation which resulted from the war and the ensuing trade embargo and economic blockade. The destruction of productive infrastructure, coupled with the freezing of Iraqi international assets and the embargo, led to a decrease in available produce on the Iraqi market. In addition, there was a decrease in foreign currency from the embargo on oil exports which led to the issuing of new currency in order to pay for war-damage repairs to infrastructure and for social and nutritional subsidies. On top of this came the devaluation of the Iraqi dinar, carried out unsuccessfully in an effort to control inflation. All these factors combined resulted in a dramatic escalation in prices and in soaring inflation.

Government policy prior to the Gulf war emphasized decreasing income disparities through a number of strategies: incremental taxation, cash bonuses to wage-earning employees, consumer subsidies, adherence to a strict pricing policy, and the provision of basic social, educational and health services free of charge. These strategies were meant to decrease the differences between the poor and the rich in Iraqi society.

² J. Drèze and H. Gazdar, “Hunger and Poverty in Iraq, 1991”, *World Development*, vol. 20, No.7, July 1992, p. 934.

³ ESCWA, دراسة عن الفقر في العراق by M. Muhager (Amman, forthcoming).

TABLE 11. CONSUMER PRICES AND PERCENTAGE CHANGE FOR
1992 AND 1993 (1988=100)

Item	1992 average (ID)	1993 average (ID)	Change 1992- 1993 (%)
Foodstuffs	1,104.7	3,483.1	+ 215.3
Tobacco, alcohol	1,334.9	1,884.5	+ 265.9
Clothing	934.9	3,247.4	+ 247.4
Household commodities	1,192.3	3,532.5	+ 196.3
Rent	134.4	165.8	+ 30.8
Fuel, energy	159.2	249.7	+ 56.8
Transport,	1,023.0	2,944.7	+ 187.8
communications	358.8	829.0	+ 131.0
Medical and health care	878.2	2,334.7	+ 165.9
Miscellaneous			

Source: Adapted from ESCWA, دراسة عن الفقر في العراق by M. Muhager (Amman, forthcoming).

However, there has been a deterioration in—and even a virtual breakdown of—these services and strategies in the aftermath of the war. This has resulted in poor families and individuals having to fend for themselves, which in turn has led to the rich getting richer while the poor are getting poorer.

Another determining factor which is playing a significant role in impoverishment in post-war Iraq is demographic in nature. The above-mentioned forthcoming ESCWA study on Iraq postulates that the extremely high rate of inflation has resulted in a heavy dependency load for wage-earners. A large family does not constitute a burden in terms of finding enough jobs for family members; rather the problem is one of earned wages being enough to support a large number of dependents. Iraq's population is youthful, with the mean age for 1993 at 18.2 years and the population under 14 years old constituting 42.5% of the total population; those over 65 years constituted 3.3%. In addition, the dependency ratio for working adults for 1993 was estimated at 3.5, while the average family size was found to be 7.7 persons.

The deteriorating economic conditions have had their adverse effects on the standard of living and the nutritional status of the population. Drèze and Gazdar (1992), reporting on the situation of poverty in Iraq during the third quarter of 1991, found that employment in the private services and industrial sectors suffered a sharp decline owing to the lack of raw materials, spare parts and power supply. This led to an expansion of involvement in the "informal" economy in an effort by most

individuals and families to compensate for lost incomes. "Indeed, remaining idle is now a luxury that few can afford."⁴ Furthermore, Drèze and Gazdar found that, in terms of purchasing power for food, incomes declined to 4% to 7% of their original value in the first year following the invasion of Kuwait.

The clearest indicator of the worsening economic conditions after the Gulf war are the dramatic drop in GNP, from ID 16,982.9 million in 1988 to ID 6,124 million in 1992 in fixed 1988 prices. During the same period, the GNP per capita dropped from ID 1,006 to ID 332.4.

B. LEBANON

ESCWA in 1995 commissioned a comprehensive poverty country profile of Lebanon.⁵ This present review draws mainly on the reported situation of poverty as it appears in the country profile.

A distinguishing feature of any studies on Lebanon is the lack of official statistics on which to base findings. The last census was carried out in 1932. There have since been several attempts to compile an accurate and updated statistical base, but those have either failed or resulted in fragmented efforts. The 17-year-long civil war caused, in addition to the massive human and structural damage, much administrative and institutional damage and breakdown. The southern part of the country was occupied by Israel in 1978 and the occupied area was expanded in the aftermath of the 1982 invasion of Lebanon. The south of Lebanon has since been under Israeli military rule and authority. Information on the situation inside the Israeli occupied zone is scarce and difficult to obtain.

Working within those constraints, the above-mentioned study attempted an estimate of the level of poverty and of the poverty line in Lebanon. Three previous attempts to define the poverty lines in Lebanon were reviewed.⁶ According to projections made from the results, the abject poverty line for the end of 1993 fell between US\$ 306 and US\$ 372 per month for a family of five members. Estimates by the High Relief Committee for 1995 placed the income for a family of five

⁴ Drèze and Gazdar, loc. cit., p. 926.

⁵ ESCWA, *الفقر في لبنان* [Poverty in Lebanon] by A. Haddad (E/ESCWA/SD/1995/8/Add.2) (Amman, 1995) with English summary.

⁶ Consultation and Research Institute, *تطور الأسعار والأجور في لبنان: 1984-1992* (Beirut, 1993); B. Hanna, *التقدم أو الأجر* (Beirut, Ecoshefer, 1993); and G. Milenkovic, "Estimating Poverty Lines for West Beirut", unpublished M.A. thesis, American University of Beirut, 1987.

members in absolute poverty at US\$ 374 per month, which appears to corroborate the estimates of the ESCWA study. The absolute poverty line varied between US\$ 618 and US\$ 1,027 for a family of five members. A minimum of US\$ 600 was accepted as the cut-off point for absolute poverty.

The last large-scale family income and expenditure survey to be carried out on Lebanon was undertaken in 1960-1961 by the IRFED mission.⁷ Another sample survey of 1,000 households in the Beirut area was undertaken in 1994.⁸ Using the results of the two, the study concluded that more than 40% of agricultural families were surviving under the abject poverty line. Among public sector employees, 5% of families were under the abject poverty line, and among those employed by the industrial sector 3%, while the rate dropped to 1% for families which supported themselves through employment in the trade and services sector. As to absolute poverty, it was found that 75% of families that relied on agriculture were surviving under the absolute poverty line. This proportion decreases to 31% of public sector employees, 26% of industrial workers, 16% of services sector workers, and to 13% of commerce sector employees.

The ESCWA study went on to conclude that 7.25% of Lebanese families lived under the abject poverty line, while 28% lived under the absolute poverty line. Assuming the total population to be 3.5 million, this puts the total number of poor persons at around 1 million, among whom 250,000 are facing abject poverty; two thirds of those (180,000) live in the rural areas, where they represent more than one fourth the population. Absolute poverty was found to be more concentrated in the urban areas, with principal breadwinners working in the industrial, public and service sectors.

Another recent ESCWA study, however, has found lower estimates of the prevalence of poverty in Lebanon, showing 19% of the population of Lebanon living under the absolute poverty line in 1992.⁹

Characteristics of the poor

A small "survey" of 20 poor families living in 13 of the poorest areas of Beirut was conducted in an effort to form a preliminary picture of the characteristics of the

⁷ IRFED, "Besoins et Possibilités de Développement du Liban", Beirut, 1961.

⁸ S. Semerjian, "Enquête exclusive sur le revenu des libanais", *Commerce du Levant*, Beirut, 1994.

⁹ ESCWA, قياس الفقر في دول اللجنة الاقتصادية والاجتماعية لغربي آسيا [Measurement of Poverty in the Countries of Western Asia] by M. Bakir (E/ESCWA/SD/1995/8/Add.1/Rev.1) (Amman, 1995) with summary in English.

poor and their living conditions. The "survey" was able to identify the following general characteristics.

(a) Population

Poor families in Lebanon are on the average larger than better off families. Poor families have an average family size of 6.7 persons compared with the national average of 5 persons. The average dependency ratio was also found to be higher than the national average: 3.8 compared with 3.3. In terms of family size, the researchers also found that families in urban areas that had recently migrated from rural areas were larger than earlier migrant families, which in turn were larger than poor families of urban origin.

Among the 20 families studied, three were found to be headed by a female. Those were found to have an average family income lower than that of families headed by a male. The women in question were also found to suffer from an overload of work and responsibilities, including employment and housework. Housework tends to be more laborious in poorer families because of the lack of labour-saving devices such as washing machines or even hot tap water.

(b) Health status

The main characteristic of the health status of poor families is the deterioration suffered in comparison with other groups. The main attributing factor is the effective exclusion of the poor from health care owing to its high costs. The incidence of chronic and recurrent ailments among poor families is high. The one positive finding in regard to health status was that all children under the age of 12 were found to be fully immunized against polio and DPT (diphtheria-pertussis-tetanus). This is probably due to the huge efforts that the Ministry of Public Health and Relief and UNICEF are putting into an aggressive EPT (expanded programme on immunization) with the cooperation of local and foreign NGOs.

Some incidences were observed of discrimination against female children seeking health care. Mothers who were interviewed stated that nutritional preference in families was given to working males, followed by non-working males, females of the family, and lastly the mothers themselves.

The Lebanese civil war was instrumental in destroying the country's health-care system, resulting in increasingly limited availability and access to services for the population. This is especially true in terms of the availability and accessibility of the public services system on which the poor usually rely. According to 1992 estimates by the Central Bank, Lebanon had 129 hospitals of which 81% were in the private sector; of 7,690 hospital beds (down from 9,504 in 1982), 67% were run by the private sector. The country was also served by a network of some 675 health-care centres, of

which 71% were owned and run by NGOs. Furthermore, only 19% of government hospital beds and 7% of government health centres were found to be functioning.

This in effect means that health care is difficult for the poor in terms of both accessibility and affordability. Hence, poor families are finding themselves under pressure to spend from their meagre incomes on health care which they used to be able to obtain free of charge or at minimum cost.

Moreover, the cost of private medicine and health care in Lebanon has been increasing at an alarming rate. It is estimated that the cost of health care (including hospitalization) increased 490-fold between 1984 and 1992.¹⁰

The implied extra expenditure on health care is leading, on the one hand, to the impoverishment of the middle classes through tying up more of their resources on providing basic services and on the other hand to deterioration in the quality of life of this group.

(c) Education

The drop-out rate from educational institutions was found to be slightly higher for male than for female children, and that was attributed to the value accorded to male children's work to supplement the family income. Nearly 43% of those enrolled in schools were found to have dropped out.

No noticeable differences were found in the levels of literacy between poor families and the national average. Differences did, however, begin to appear at the higher levels of educational attainment. None of the male heads of households had a secondary, university, or vocational training degree. Among women, the results were more varied, with 2 out of 20 women holding university degrees.

The Lebanese civil war also led to a steady deterioration in the standards and quality of education in Lebanon. The educational sector gradually lost its vital link with the productive and employment sectors, and education began to lose its benefits in terms of guaranteeing future employment.

(d) Living conditions and housing

Overcrowding was found to be the main feature of the living and housing conditions of poor families in Lebanon; the average living space per person was 9.5 m², compared with a world minimum standard of 14m² per person. A significant

¹⁰ ESCWA, إشكاليات الانتماء الاجتماعي في لبنان بعد الحرب وفي ظل سياسة التكيف by F. SharafEddine and A. Nemah (Amman, forthcoming).

proportion of the families (25%) were found to be occupying their residences illegally, a common practice in Lebanon during the civil war.

Only two residences were found to be in good general condition. The majority of residences were either partially destroyed or in a state of disrepair.

As a consequence of the war, water and sanitation services were lacking owing to unavailability or as a result of poor service from the municipality. Although the majority of houses were connected to the electricity supply, the actual service was interrupted and somewhat erratic.

General environmental conditions were found to be extremely poor and unhygienic, with household garbage piled on street corners—sometimes for days—and broken water and sewage pipes leaking into the streets and between the houses.

C. OCCUPIED TERRITORIES

For obvious reasons, data and information on socio-economic issues in the West Bank and Gaza Strip are scarce. Information available is usually not on a national scale. Specific poverty studies are non-existent. The ESCWA study commissioned on the subject had to be postponed because of data collection delays due to the general political situation. In developing a poverty profile of the West Bank and Gaza Strip, several anecdotal sources were used.

The main cause of poverty for Palestinians is Israeli policy and the Israeli military occupation of the West Bank and Gaza Strip. According to a recent Oxfam report (1995),¹¹ the conflict in the occupied territories, in addition to its physical manifestations of violence, has more damaging though less visible effects. The report maintains that Israeli policy had led to a systematic undermining of Palestinian livelihoods, which is a form of structural violence and aggression no less real than physical violence. "The Palestinian people have suffered deprivation and insecurity as a result of Israeli occupation."¹²

Land, together with the confiscation of Palestinian lands by Israel, is at the heart of the impoverishment and deprivation of Palestinian families. It is estimated that since 1967, Israeli authorities and Israeli settlers have confiscated over two thirds of the lands of the West Bank and over 40% of the lands of the Gaza Strip. For a rural community reliant on agricultural production, the loss is doubly devastating.

¹¹ Kevin Watkins, *The Oxfam Poverty Report* (Oxfam, United Kingdom and Ireland, 1995).

¹² Ibid., p. 49.

This is compounded by the loss of control of water, another major natural resource fundamental to agricultural production and the sustainability of an agricultural livelihood. In addition to agricultural losses, the confiscation of water is reflected in the quality of life through the provision of water for daily activities. Villagers find themselves reliant on rain-fed springs, which makes them increasingly vulnerable to fluctuations in supply and shortages. It has been estimated that over half the Palestinian villages have no piped in water supply, while per capita water consumption levels in Israeli settlements in the West Bank are eight times those of the Palestinians.

Israeli authorities, furthermore, have been exercising absolute control over markets in two ways: (a) exports of Palestinian produce to European markets (primarily fruits and vegetables) are subject to very tight controls and (b) exports to Israel are also restricted. However, Israeli exports to the West Bank and Gaza Strip are not subject to any controls. A recent study estimated the total exports from Israel into the West Bank and Gaza Strip at approximately US\$ 1 billion per year, while the flow in the other direction amounts to approximately US\$ 200 million per year.¹³ Such measures have had a destructive effect on Palestinian rural families' livelihoods. "Inevitably, these policies have resulted in a decline in agricultural output and employment, and a loss of autonomy for communities."¹⁴

With the resultant declines in agricultural production, Palestinians have become increasingly reliant on employment in Israel. It is estimated that around 120,000 Palestinians crossed from the Gaza Strip daily to work in Israel in the mid-1980s. This employment usually takes the shape of daily labour in Israeli factories, farms, construction projects and the services sector. Palestinian workers need special work permits to enter Israel. They are denied the right of membership in organized workers' unions, and they are required to leave Israel every night to return the next morning.

The outbreak of the *intifadah* led Israel to take even harsher measures against the Palestinian population. One set of policies, the issuing of work permits, further restricted the access of Palestinian workers to the Israeli market. In 1994, it was estimated that less than 20,000 work permits were issued to Gazans. "The results have been devastating. Unemployment in the Gaza Strip exceeds 60%, factories and workshops have closed due to the loss of purchasing power, families have been forced to sell off their assets to survive, and social welfare indicators among children have worsened."¹⁵

¹³ Zeeshan Zaidi, "The price of peace", *Harvard International Review*, 1994, 16 (4).

¹⁴ Watkins, op. cit, p. 49.

¹⁵ Ibid., p. 49.

Estimating the poverty line at a monthly income (from all sources) of 200 Jordanian dinars (JD) per family, Saleh and others (1992), found that 55.7% of rural Palestinian families on the West Bank fell below the poverty line, while 90.9% were classified as being generally poor (with incomes of less than JD 400).

A study of conditions in Nablus showed that whereas 75.7% of workers used to earn less than JD 200 per month before the *intifadah*, the rate increased to more than 91% as a result of the restrictions imposed by the Israeli authorities during the *intifadah*.¹⁶ A recent study by the United Nations Conference on Trade and Development (UNCTAD) estimated the average monthly wage for workers on the West Bank in 1985 at JD 73, while the average for workers in the Gaza Strip was JD 54.5.

Health indicators are a reflection of the state of overall poverty and development of a population. Israeli authorities have consistently failed to invest the necessary resources in the provision of social services for the Palestinians, including health care. For example, per capita expenditure on health services for the Israeli citizen in 1995 was US\$ 350; the figure for Palestinians was US\$ 35. The combination of low service provision, poverty, lack of clear water and sanitation have led to around one third of Palestinian children exhibiting symptoms of malnutrition. Furthermore, preventable diseases such as gastroenteritis, respiratory infections and diarrhoea are the most commonly cited causes of death for Palestinian children. In fact the infant mortality rate is five times higher among the Palestinian population than in Israel.¹⁷

A study undertaken in the city of Nablus in 1988 showed that 42% of families interviewed failed to immunize their children. The reason cited by 31.2% of the families for this failure was the Israeli-imposed curfew.¹⁸

The same study noted that household consumption of virtually all items declined as a result of lowered incomes and curfew restrictions during 1988-1989. For example, 16.8% of families interviewed said that the availability of foodstuffs in their homes declined as a result of lowered income. Table 12 below outlines the change in consumption of selected food items.

¹⁶ N. Takriti and others, الأسرة والانتفاضة, Women's Research Committee, Culture and Sports Club, Nablus, West Bank, 1990.

¹⁷ Watkins, op. cit., p. 49.

¹⁸ Takriti and others, op. cit.

While the Palestinian population has often been hailed as the most educated Arab population, "with the highest proportion of college graduates of any nation in the Arab Middle East,"¹⁹ the educational system (and therefore educational status) has been suffering from harsh Israeli measures. Educational facilities are in a state of disrepair. Educational institutions are underfunded and physical facilities are in need of repair and upgrading. Furthermore, "the state of Palestinian education has worsened since the start of the *intifadah* in 1987, as frequent school closings have caused drop-out rates to surge."²⁰

TABLE 12. DISTRIBUTION OF FAMILIES BY CHANGE IN FOOD CONSUMPTION PATTERNS (1988-1989)

Item	Decrease	Increase	No change	Not consumed
Beef	30.5	7.8	28.6	32.2
Mutton	37.7	7.8	39.6	13.0
Chicken	27.9	25.3	43.5	2.6
Milk and milk products	24.0	13.0	51.3	9.0
Fruits	45.5	10.4	37.7	5.1
Vegetables	30.5	12.3	52.6	---
Pulses	21.4	26.6	50.6	0.6
Bread	12.3	42.2	0.6	42.8

Source: N. Takriti and others, الأسرة والانتفاضة, Women's Research Committee, Culture and Sports Club, Nablus, West Bank, 1990.

As a proxy measure, indicators of living conditions can be used as a reflection of a general state of poverty. Zaidi (1994) states that the "quality and levels of infrastructure and public services in the West Bank and Gaza Strip are dismal."²¹ He estimates that, for example, the per capita water supply for Palestinians is 60 litres per day, much of which is lost owing to inefficiencies in the delivery system. Most municipalities record losses of between 40% and 60%. Electricity is also in short

¹⁹ Zaidi, op. cit.

²⁰ Ibid.

²¹ Ibid.

supply, with many Palestinian villages suffering frequent power cuts, and as many as 138 villages having no electricity supply.²²

Saleh and others (1992) classified families according to the type of fuel used as a source of heating. A total of 92% of families depended on wood fuel, while 50% used oil products, and 38% used electricity. Ownership of private cars was found to be very low, with only 11.7% of families owning a car.²³

²² Ibid.

²³ S. Saleh and others, الاقتصاد المنزلي في الريف الفلسطيني (Amman, Karmel Publishing, 1992).

IV. SOCIAL ISSUES RELATED TO POVERTY IN WESTERN ASIA*

A. POPULATION DYNAMICS

1. *Population growth*

The size of the population of the region of Western Asia is relatively large, estimated at 147.7 million (1995), comprising around 2.6% of the total world population. Perhaps more significantly, the rate at which the population is increasing is quite high, in comparison with other regions of the world.¹ It is estimated that between 1990 and 1995 the population of the ESCWA region grew at an annual rate of 2.7%. Although annual growth rates are expected to begin to decline to 2.1% per year by 2010-2015, this is still a relatively high rate by world standards. The size of the population is projected to reach approximately 350 million by the year 2050.

Annual population growth rates vary significantly between the different ESCWA member countries. Between 1990 and 1995, for example, the rate of growth varied between a high of 5% for Yemen and Jordan and a low of -6.5% for Kuwait.² This high variability, however, is exceptional and is essentially due to the effect of the Gulf war crisis, when Jordan and Yemen had to reabsorb returned migrants, while Kuwait witnessed an outflow due to the war situation.

The total fertility rate of the region is also high; it was estimated at 6.2 births per woman in mid-1992, as compared with a world average of 3.3. The high rate of natural population growth implies that the age structure of the population is very young. The population of the ESCWA region is, in fact, among the youngest in the world. In 1995, it was estimated that 41% were under 15 years of age, while only 3% were older than 65.

The young age distribution of the population and the high prevailing fertility rates have several implications for poverty. First, the dependency ratios are very high;

* The rise in poverty in the region has been linked to increases in crime rates, increases in social and family disintegration, increases in drug use, and an increase in the marginalization and alienation of women and in their workload. However, given the lack of data and information on these issues, they will not be dealt with here. It should be noted that the region has been witnessing a distinct increase and proliferation of NGOs and CBOs alongside a widening of these organizations' scope of activity. The region is in the process of becoming more progressive and community-participation oriented. This process will need in-depth investigation and analysis, especially in terms of its impact on the developmental process and on poverty reduction.

¹ See for example various issues of the *World Development Report*.

² ESCWA database.

second, the numbers of first-time entrants into the job market are very high. These two factors tend to place increasing stress on the provision of basic social services, especially health and education (both with their own implications for productivity and hence, employability) and on the provision of employment opportunities, already stretched to the limit for older job-seekers.

TABLE 13. ESTIMATES AND PROJECTIONS FOR TOTAL AVERAGE FERTILITY RATES IN ESCWA MEMBER COUNTRIES AND AREAS

Country/area	1990-1995	1995-2000
Bahrain	3.8	3.4
Egypt	4.1	3.7
Iraq	5.7	5.3
Jordan	5.9	5.5
Kuwait	3.7	3.4
Lebanon	3.1	2.8
Oman	6.7	6.3
Qatar	4.3	4.0
Saudi Arabia	6.4	5.9
Syrian Arab Republic	6.2	5.5
United Arab Emirates	4.5	4.2
West Bank	5.9	5.5
Gaza Strip	6.6	6.1
Yemen	7.2	6.7

Source: ESCWA, *Arab Women in ESCWA member States* (E/ESCWA/STAT/1994/17).

2. Poverty and household size

The 1994 report on *The State of the World's Children*, published by UNICEF, formulated the relation between poverty and population growth as a mutually reinforcing one. According to the report, the worst aspects of poverty act to provide the impetus for population growth while population growth itself often provides new impetus to poverty.³

In this study, while the view taken agrees with the interlinkage between the rise in poverty incidence and population growth, the position is taken that population

³ UNICEF, *The State of the World's Children 1994* (Oxford and New York, Oxford University Press, 1994).

growth does not itself cause impoverishment. Poverty and marginalization are problems of “development” inherently linked to a country’s overall development in the international context, and to the equity of distribution of resources within a country.

However, concurrently, there appears to be an international consensus that, in developing countries, household size is strongly negatively correlated with consumption and income per person. Although this view has yet to be definitely substantiated, it is usually assumed that persons living within a larger household (very often also a younger household) are poorer. In the case of poor families, large family size and, therefore, large households, result in overcrowding and unhealthy living conditions and a deterioration in the quality of life with the “attendant evils of disease, hopelessness, loss of self-respect, breakdown of family ties, alcohol and drug abuse, increasing violence, and the abandonment of women and children.”⁴

With the high fertility rates, family size in the ESCWA region does tend to be large. To what extent the above “evils” will by necessity ensue is, however, debatable. That a large family size is related to poverty, however, certainly appears to be the case in Jordan, where poor families were found to be on average 2.3 persons larger than non-poor families, and 1.9 persons larger than the national average family size.

TABLE 14. DIFFERENCE IN FAMILY SIZE: NATIONAL AVERAGE, NON-POOR AND POOR, JORDAN (1994)

National average	Non-poor family	Poor family
6.4	6.0	8.3

Source: ESCWA secretariat.

This is further corroborated by the relative youthfulness of the poor and of poor families compared with non-poor families in Jordan.

TABLE 15. DISTRIBUTION OF THE POPULATION ACCORDING TO POVERTY AND AGE GROUPS, JORDAN (1994)

Age group	Poor	Non-poor	Total population
Below 15 yrs	53.1	40.4	42.9
15-59 yrs	43.4	54.7	52.5
60+ yrs	3.5	4.9	4.6

Source: ESCWA secretariat.

⁴ Ibid., p. 27.

TABLE 16. DISTRIBUTION OF FAMILIES BY HOUSEHOLD SIZE
AND POVERTY, JORDAN (1994)

Family size	Poor	Non-poor	Total population
1	1.1	2.7	2.5
2	2.7	8.4	7.5
3	2.7	9.3	8.3
4	4.1	13.3	11.9
5	6.5	14.0	12.9
6	8.2	13.3	12.5
7	13.4	10.8	11.2
8	12.4	8.9	9.5
9	14.0	6.7	7.7
10	11.8	4.9	5.9
11	10.6	3.3	4.4
12	6.1	2.2	2.8
13+	6.5	2.3	2.9

Source: ESCWA secretariat.

Debate has raged over determining the cause/effect relation between these variables. This debate is especially significant, as the position one takes on it could have implications for policy, including the role of population policy in development, and the scope for fighting poverty using demographically-contingent transfers.⁵ This “stylized fact” has certainly been influential in shaping attitudes and international development policies.

Lanjouw and Ravallion (1994), however, argue that large families can economize on household consumption, and caution against being too quick to conclude that larger families will be poorer. Certain items of expenditure, such as household fixtures, cooking utensils, clothing and housing, lend themselves to sharing in such a

⁵ Peter Lanjouw and Martin Ravallion, *Poverty and Household Size* Policy Research Working Paper 1332 (Washington, D.C., The World Bank), August 1994.

way that the cost per person with a given standard of living is lower when individuals live together than apart. However, it is often assumed that the cost of such items tends to pale in relative terms when compared with the larger expenditure on daily items such as food, which claims the largest share of expenditure in poorer nations and among the poor.

Although it is often argued that economies of size are significant only in rich countries, Lanjouw and Ravallion argue that they are also influential in the case of poor households in poor countries. In essence they question the validity of the negative correlation between household size and poverty and leave the issue open for further unbiased research.

TABLE 17. AVERAGE HOUSEHOLD SIZE IN ESCWA MEMBER COUNTRIES AND AREAS, SELECTED YEARS

Country/area	Average household size		
	Total	Urban	Rural
Bahrain (1991)	5.58	....	....
Egypt (1992)	5.49	4.81	6.24
Iraq (1987)	7.14	6.94	7.65
Jordan (1992)	6.85	6.68	7.49
Kuwait (1988)	6.63	6.29	7.48
Lebanon (1987)	4.95	4.79	5.19
Oman (1993)	7.35	....	....
Qatar (1988)	6.68	....	....
Saudi Arabia (1987)	7.36	....	....
Syrian Arab Republic (1991)	6.02	5.68	6.53
United Arab Emirates (1980)	4.78	4.72	5.15
West Bank (1988)	6.40	....	....
Gaza Strip (1988)	6.40	....	....
Yemen (Arab Republic) (1986)	5.82	6.24	5.74
Yemen (Democratic) (1988)	3.86	....	....

Source: ESCWA, *Arab Women in ESCWA Member States* (E/ESCWA/STAT/1994/17); and UNCTAD, *Population and Demographic Developments in the West Bank and Gaza Strip until 1990* (UNCTAD/ECDC/SEU/1).

The poor realize that the more mouths they have to feed, the poorer they are likely to end up being. The decision to have large families, however, is not a straightforward cold calculation. Many other factors and considerations come into the picture

and influence the parents' decisions. In most developing societies, Muslim societies being no exception, children are valued as economic assets "Children constitute an in-built social security system for parents in old age, in crippling sickness and in the case of unemployment."⁶ In addition, children in impoverished societies are often "one of the few sources of joy and pride, of change and hope, in lives that are often monotonous, hard, and resigned."⁷

3. Health indicators

The two commonly used health status indicators, life expectancy at birth and infant mortality rates, have been estimated at 65.5 and 56,000 respectively for the period 1990-1995. Both these indicators can be used as they reflect the status of poverty of a population. Both measures are sensitive to "development" processes and living standards and conditions. Table 18 below presents recent estimates for health indicators for the different countries of the region. Poor hygiene, sanitation, water supply, shelter, and basic services are very soon translated into high infant mortality rates and lowered life expectancy at birth.

In the ESCWA region, the period of economic growth and prosperity (from the 1970s to the mid-1980s) was accompanied by improvements in basic services provision. Health care, water, sanitation, roads, and other infrastructural services improved considerably, with resultant improvements in health status and overall well-being. In fact, Arab States dominate the list of nations that have made the most progress over the past decade in reducing deaths among children under 5 years of age.⁸ These, however, have started to deteriorate with resultant deterioration in well-being.

A worrying trend which may not show up in national statistics is the fact that the poor often feel that they cannot afford to let their illness prevent them from earning a living and thus illness is often under-reported. A study in Ghana found that the mean numbers of inactive days because of illness was less for the poor than the non-poor. "This is to be expected—the poor cannot afford to lose working days through

⁶ Abdel Rahim Omran, *Family Planning in the Legacy of Islam* (London and New York, Routledge, 1992), p. 31.

⁷ *The State of the World's Children 1994*, p. 27.

⁸ UNICEF, *Situation and Needs of Arab Girls and Women* (1994).

illness.”⁹ Even more alarming, though, it was found that more than two thirds of the very poor who were ill did not seek any medical attention.

TABLE 18. BASIC HEALTH INDICATORS FOR ESCWA MEMBER COUNTRIES AND AREAS

Country/area	Life expectancy (years) 1990-1995	Infant mortality (per thousand) 1990-1995	Maternal mortality (per thousand) (selected years)
Bahrain	71.2	12	188 (1977)
Egypt	61.6	57	177 (1979)
Iraq	66.0	58	117 (1977-89)
Jordan	66.7	34	48 (1979)
Kuwait	74.7	14	21 (1969-80)
Lebanon	68.5	34	128 (1971-82)
Oman	69.6	30	7 (1987)
Qatar	70.5	20	19 (1977-85)
Saudi Arabia	69.2	31	29 (1984-86)
Syrian Arab Republic	67.1	39	143 (1990)
United Arab Emirates	71.2	22	13 (1985)
West Bank	66.3	36	...
Gaza Strip	66.7	42	...
Yemen	52.7	106	330 (1985)

Source: ESCWA, Arab Women in ESCWA Member States (E/ESCWA/STAT/1994/2).

Chambers (1983) described ill-health and sickness for the poor as a kind of contingency which can lead to a process of impoverishment that is difficult to reverse. Sickness not only results in extra cost to the poor family through payment for treatment. Extra strain is placed on a family's resources in terms of lost income if the sick member is an income-earner, if the sick person needs to be cared for by another member who is an income-earner, or if the centre for medical care is far and not easily accessible even if the treatment itself is free.

Any review of nutritional needs and requirements needs to look beyond the availability and nutritional value of foodstuffs. Other factors with a direct impact on

⁹ The World bank, *Understanding the Social Effects of Policy Reform*, Lionel Demery and others, eds. (Washington, D.C., 1993), p. 74.

nutritional status include health care, clean water, immunization and a clean environment. The ultimate nutritional status of an individual is not determined merely by food, but by these complementary inputs that enable a person to process food intake into physical well-being. For example, even if food intake is adequate, contaminated water would lead to diarrhoea which would make a person vulnerable to undernutrition, despite his or her actual caloric intake.

Evidence from the countries of the region shows a definite trend towards worsening of infrastructural services and of services delivery. It is the deficiencies in such sectors as health-care services, transport and housing that cause the deaths of Arab children and the ill-health of adults, even when food is available. This is evidenced in, for example, a high rate of low birth weight even when it is coupled with sufficient daily caloric intake rates (see table 19 below).

TABLE 19. NUTRITIONAL INDICATORS FOR ESCWA MEMBER COUNTRIES

Country	Low-birth-weight infants % of total 1990 ^{a/}	Daily per capita calorie supply as % of requirements 1988-1990 ^{b/}
Bahrain	4 ^{b/}	..
Egypt	10	133
Iraq	15	133
Jordan	7	111
Kuwait	7	130
Lebanon	10	129
Oman	10	..
Qatar	6 ^{b/}	..
Saudi Arabia	7	120
Syrian Arab Republic	11	126
United Arab Emirates	6	151
Yemen	19	93
MENA*	10	124
Developing	19	107
Industrialized	6	134

Source: ^{a/} UNICEF, *The State of the World's Children, 1994*; and ^{b/} UNDP, *Human Development Report*.

* Middle East and North Africa.

“Other things being equal, women with higher income have larger babies.”¹⁰ Income was found by Cramer to be strongly associated with birth weight, mainly as a function of its linkages with other proximate determinants such as nutrition and the use of prenatal care. Income is furthermore associated with housing. Living in a low-income neighbourhood has consequences quite apart from those of having low income *per se*. Low-income neighbourhoods very often lack adequate health service and facilities, as well as other service facilities: educational facilities, safe water, safe sanitation, and adequate transport to health services.

The effect of income on diet and dietary composition has been well recognized and documented. “Among the poorest people, be they individuals or nations, diets tend to be composed principally of starch: wheat, rice, potatoes, cassava and the like.”¹¹ This is mainly attributed to the relative cheapness and affordability of these starchy staples. As income increases, however, the share of these starchy staples in the diet decreases, and animal products begin to feature in the diet. The share of animal products in the diet increases in such a way that in the rich Western industrial countries they now make up between 33% and 40% of total caloric intake.

The countries of Western Asia and North Africa seem to follow the Western model of dietary composition, with a significant part of the diet being made up of animal products. With the deterioration of the economies of the region, consumption of animal products is probably going to decrease, especially as it becomes increasingly difficult to cater to a “Western” diet on a diminishing budget.

Available statistics from income-expenditure surveys indicate that the cost per calorie for the non-poor population was higher than for the poor population in both urban and rural areas; the percentage (“cost of calorie” non-poor/poor) varied from a minimum of 126% in Egypt (1990/91) in the urban areas to 131% in Iraq (1988) to 144% in Jordan (1992). The corresponding figures for the rural areas were respectively 126%, 136% and 137%. Similarly, the calorie intake per capita per day was always higher for the non-poor population. The percentage (calorie intake per capita per day non-poor/poor) varied in the urban areas of the three countries from a minimum of 125% to 135% and 142%, while in rural areas it reached 157%, 120% and 132% respectively.

It is interesting to note that the average calorie intake per capita per day of a poor person who was a national of Bahrain in 1983/84 was 2,061 calories, compared with 2,338 calories for a poor non-national. The same observation can be made in

¹⁰ James Cramer, “Racial and ethnic differences in birthweight: the role of income and financial assistance”, *Demography*, vol. 32, No. 2, May 1995 (Washington, D.C.), p. 242.

¹¹ “Income and dietary change”, *Food Policy*, vol. 20, No. 2, April 1995, p. 149.

Kuwait (1986/87), where the calorie intake of poor Kuwaiti nationals (2,012 calories) was lower than the calorie intake of poor non-nationals (2,083 calories).¹² This is explained by the difference in the age and sex structure, since the non-national population in the Gulf countries is composed mainly of adult males, with a low percentage of women and children.

4. The elderly

The population of the ESCWA region is ageing, as evidenced by the rise in the rates of life expectancy at birth. This has come about as a result of overall improvements in living conditions and the decrease in the incidence and severity of illnesses.

TABLE 20. LIFE EXPECTANCY IN ESCWA MEMBER COUNTRIES AND AREAS,
1980-2000
(Years)

Country/area	1980-1985	1985-1990	1990-1995	1995-2000
Bahrain	68.8	70.4	71.2	72.4
Egypt	56.6	59.1	61.6	64.0
Iraq	62.4	64.9	66.0	68.0
Jordan	60.1	66.9	66.7	68.9
Kuwait	71.6	74.5	74.7	76.2
Lebanon	65.0	67.0	68.5	69.9
Oman	63.0	67.9	69.6	70.9
Palestine				
West Bank	60.9	63.7	66.3	68.7
Gaza Strip	60.5	63.8	66.7	69.3
Qatar	67.6	69.4	70.5	71.7
Saudi Arabia	62.7	67.6	69.2	70.5
Syrian Arab Republic	62.5	64.9	67.1	68.8
United Arab Emirates	68.5	69.9	71.2	72.3
Yemen	47.7	50.0	55.2	55.2

Source: ESCWA, *Arab Women in ESCWA Member States* (E/ESCWA/STAT/1994/2).

¹² Figures are derived from ESCWA, *قياس الفقر في دول المنطقة الاقتصادية والاجتماعية لغربي آسيا* [Measurement of Poverty in the Countries of Western Asia] by M. Bakir (E/ESCWA/SD/ 995/8/Add.1/Rev.1) (Amman, 1995) with summary in English.

This demographic transition and the ageing of the population is, however, concurrent with deteriorating economic conditions as well as the diminishing of the role of the extended family and an increase in nuclear family households. This has led to increasing numbers of elderly people being left to fend for themselves in increasingly harsh surroundings.

Living in a society in social and economic transition, the Arab family faces several aspects of change. One feature of this change is the change in the role of the family as the support system for the elderly. Recently, there have begun to emerge "the beginning of a trend towards setting up homes for the aged and a call to provide places where they can find care outside the sphere of the family."¹³

A recent survey of the conditions of the elderly in Egypt has found that social changes in Egyptian society are contributing to the isolation and increased vulnerability of the elderly.¹⁴ Egyptian family structure is changing, owing to a strong trend towards the independence of children after they marry, coupled with an increase in the trend of migration away from rural areas to urban areas and to other Arab countries in search of work. Azer and Afifi (1992) found that while the majority of the elderly in the sample lived in the same household with one or more of their children, a significant proportion (9.1%) lived on their own. The majority of the elderly were found to depend economically on their State pension (58.8%), while 44.6% depended on support from children.

5. *Women's status*

All over the Arab world there is an emerging shift toward the nuclear family as the main unit of social organization. Nawar and others (1994) found, in fact, that the nuclear family is now the unit of 84% of Egyptian families.¹⁵ This suggests the degree of the added strain on women within poor families who are having to deal with daily hardships and poverty, more often than not on their own and without the support of relatives. They are also being faced with the problem of feeding and caring for their families in a hostile and increasingly expensive environment.¹⁶ In this context,

¹³ ESCWA, *Impact of Social and Economic Changes on the Arab Family: an Exploratory Study* (E/ESCWA/SD/1992/4), p. 69.

¹⁴ Adel Azer and Elham Afifi, *Social Support Systems for the Aged in Egypt* (Tokyo, United Nations University Press, 1992).

¹⁵ L. Nawar, C. Lloyd and B. Ibrahim, "Gender, population, environment: autonomy and gender in Egyptian families", *Middle East Report*, September-October 1994.

¹⁶ See *Impact of Social and Economic Changes on the Arab Family: an Exploratory Study*.

rapid urbanization, especially through rural to urban migration, is a major contributing factor to the impoverishment and isolation of women.

Several studies, including an ESCWA document on Women and Poverty, have highlighted the issue of female poverty. Among the poor, females tend to be more marginalized and impoverished than other sectors of society. The employment opportunities available to poor women constitute a case in point. Although unemployment rates among the poor are usually much higher than those among the non-poor, the situation is even worse if female unemployment rates are compared. Evidence from Jordan has found the following differences in rates of female unemployment.

TABLE 21. FEMALE NATIONAL, NON-POOR, ABSOLUTE POOR AND ABJECT POOR UNEMPLOYMENT RATES, JORDAN (1994)

National rate	Non-poor	Absolute poor	Abject poor
29.5%	27.1%	64.5%	81.0%

Source: ESCWA secretariat.

Such figures are very significant in terms of highlighting the issue of the feminization of poverty. This is especially true when the female is the effective head of household, and she faces the type of discrimination highlighted in these unemployment figures. Evidence from Jordan showed that in 1994 while 5.2% of families headed by a female fell under the abject poverty line, only 4.4% of male-headed families were in the same category. The bias against female-headed families disappears, however, when the absolute poverty line is considered. In Jordan 13.1% of families headed by a female were in absolute poverty compared with 14.9% of those headed by a male.¹⁷

Equally significant are the differentials in incomes earned between poor females and other segments of the labour force. Again the evidence from Jordan served to illustrate this phenomenon.

¹⁷ ESCWA secretariat.

TABLE 22. AVERAGE MONTHLY EARNINGS, JORDAN (1994)
(Jordanian dinars)

National	Non-poor	Poor	Non-poor female	Poor female
145.2	151.0	84.4	132.1	58.5

Source: ESCWA secretariat.

6. Rural-urban migration

Rural to urban migration continues in the region at extremely high rates (see chapter II). This compounds the problems of poverty in both the rural and urban areas. Migration, both internal and international, is a significant feature and characteristic of the countries and populations of the region. United Nations estimates for mid-1990 placed the urban population of the region at 55% of the total population. Urbanization is projected to rise to 59% and 66% by the years 2000 and 2015 respectively. Variations in the rate of urbanization, however, do exist among the ESCWA member countries: some of the GCC countries are over 90% urbanized, Oman and Yemen are less than 35% urbanized, and the rest fall between 44% and 88%.

High rates of urbanization are usually attributed to a move by the poor away from rural areas in search of better opportunities and a better standard of living. It is commonly accepted, however, that rural-urban migration essentially converts the rural poor to urban poor. Often scarce resources are unable to cope with the extra load of people requiring jobs, land, housing, education, health care, water and sanitation. This results in the rise of "poor sectors" or shanty towns (as in Amman, Beirut and Cairo) where overcrowding and competition for resources is the norm.

The rapid urbanization in the ESCWA member countries has, however, led to the development and expansion of the informal sector. To what extent this development in the informal sector is likely to affect the incidence of poverty or to effect reductions in poverty (as the World Bank has been proposing) are worth investigating further.

Jazairy and others (1992) claim that it is not urbanization *per se* which is the cause of poverty. The growth of urban and peri-urban centres could in fact lead to the creation of better markets for agricultural products and could make urban services more accessible to the rural poor.

Nonetheless, rural areas in ESCWA member countries are being abandoned by persons with the skills, training, and inclination to effect improvement and change. Those left behind are in most cases too old, weak or helpless to change their own situation. Meanwhile, the urban areas are coming under daily pressure to support the thousands flooding into them. Environmental conditions are worsening, employment

conditions are worsening, and the often already weak infrastructure of developing countries is unable to cope with the strain.

B. POVERTY AND HOUSING

The poor in Arab countries face the same types of housing problems as those faced by the poor anywhere in the world. For instance, infrastructural public services tend to be concentrated more in the middle and upper income housing areas, consequently discriminating against the poor. A recent ESCWA survey concluded that poverty in the countries of the region is concentrated in rural areas and in squatter areas in and around larger cities. The poor of the region generally suffer from lowered housing standards. Their accommodations tend to be built with lower-grade materials and concentrated in areas with little or no public services.¹³

In some cases, where the poor are squatters on public land or where unplanned shanty towns spring up (Beirut's southern suburbs or Hodeida's returnee shanty towns) public services are completely absent, and the poor have to rely on their own already meagre resources to provide for the necessities of life. In such cases, water has to be bought from tankers, the electricity supply has to be bought from private sources, or done without, and even garbage collection has to be provided through the private or informal sector.

TABLE 23. POPULATION IN ABSOLUTE POVERTY AND HOUSING CONDITIONS
IN SELECTED ESCWA MEMBER COUNTRIES

Country	% Poor (1980-1990)			Housing density (persons/room)	% families in sub-standard housing
	Urban	Rural	Total		
Bahrain	...	...	...	1.31	4.8
Egypt	21	25	23	1.47	60.6
Iraq	...	30	...	1.96	12.3
Jordan	14	17	16	2.00	0.4
Kuwait	...	...	...	1.45	2.4
Oman	...	6	...	...	9.3
Yemen	...	30	...	2.86	17.2

Source: ESCWA, وضع المأوى العربي بين الترفر والكلفة الملائمة, by M. Bakir (E/ESCWA/HS/1995/WG.1/4) (Amman, 1995).

¹⁸ ESCWA, الفقر والمأوى في منطقة غربي آسيا, by M. Bakir (Amman, forthcoming).

A comparison between different ESCWA member countries¹⁹ has shown that the better-off countries in the region tend to have a higher proportion of high-quality housing units, high coverage of electricity, telephones, safe water and sanitation services, better systems of garbage collection and waste disposal, and a higher percentage of ownership of capital household items, than do the poorer countries. The poorer countries tend to have a higher proportion of low-grade housing units and marked deficiencies in basic services and infrastructure, as well as in the ownership of capital household items.

A recent ESCWA study²⁰ estimates that poor and unplanned housing makes up more than one third of new housing units in most Arab cities, reaching over 50% in a number of cities such as Cairo, Damascus, Tunis and Casablanca.

This fast-paced rise in the number of shanties and unplanned housing in Arab countries has been attributed by al-Hammad (1995) to a number of interrelated factors: rapid population growth and the rapid growth of urban centres, continued rural to urban migration, the lack of resources to provide proper housing and facilities, and the inappropriateness of housing policies adopted by Arab Governments.²¹ Al-Hammad also linked the rise in shanty towns and squatter areas with lowered incomes and increased deprivation and poverty characterized by unemployment or seasonal employment, unskilled labour and vulnerability to disasters.

A significant segment of the resident population in a number of ESCWA member countries/areas (especially Jordan, Lebanon and the Syrian Arab Republic and, of course, the West Bank and Gaza Strip) are the Palestinian refugees who reside in refugee camps. The refugee camps, which were originally designed as temporary shelters, are now often more than 45 years old. Those camps are administered by UNRWA, which provides the basic infrastructure and public services: housing, roads, water, sanitation and electricity), and conditions within the camps vary considerably. In some cases, roads between dwellings are not paved, and sewage flows in the streets; sometimes the water supply is not reliable or adequate. Zaidi (1994) estimated that half of all inhabitants of the Gaza Strip live in one of eight major refugee camps in

¹⁹ For more details, see *الفقر والمأوى في منطقة غربي آسيا*.

²⁰ ESCWA, *البشرية واقع التحضر العربي واتجاهاته المستقبلية وامتداداته المكانية وآثاره على المستوطنات*, by A. Faour (E/ESCWA/HS/1995/WG.1/3).

²¹ M. al-Hammad, *المستوطنات العشوائية في البلدان العربية*, CEDARE (Centre for Environment and Development for the Arab Region and Europe [Cairo]).

miserable conditions.²² This is reflected in the quality of life of the different camp dwellers.

Although the general assumption is that poor families cannot usually afford to own their own dwellings, the situation in Arab countries and areas is somewhat different. A recent ESCWA study²³ has found that in Egypt, Iraq, Jordan, Oman, Morocco, Sudan, Tunisia, Yemen, and the West Bank and Gaza Strip, more than two thirds of families own their dwellings. Also worth noting is the fact that home ownership is on the whole higher in the rural than the urban areas, probably due to land availability and the lower cost of construction and construction materials.

The case of Jordan serves as an example which supports this common view. In Jordan, it has been found that poor families do not differ greatly from the non-poor (or from the national trend) in terms of home ownership patterns. In 1994, it was found that nationally, 63.6% of families owned their dwelling. The rate was 62.3% for the poor, and 63.8% for the non-poor and rose to 87% and 84.9% respectively for the rural poor and rural non-poor families.²⁴ As house ownership appears to be highly valued in Jordan, the pattern is probably simply being repeated among the poor. No clear explanation for this phenomenon was found.

Furthermore, in terms of expenditure on housing and housing-related items, it has been found that the poor in the ESCWA region spend more than half their overall non-food expenditure on these items.²⁵ That is, after food, the poor spend more on housing than on clothing, shoes, transportation, health care, education, and leisure combined. This has implications for policies to alleviate poverty, in that programmes aimed at reducing the cost of housing and related items may result in improving the economic status of poor families.

C. EDUCATION

Education in the region, despite significant strides, has continued to lag behind other social developments. Female education and literacy in particular have been slow to improve. Drop-out rates for both sexes are high. This has implications for skills and employment.

²² Zeeshan Zaidi, "The Price of Peace", *Harvard International Review*, 1994, 16 (4).

²³ ESCWA, وضع المأوى العربي بين التوفر والكلفة الملائمة by M. Baki (E/ESCWA/HS/1995/WG.1/4) (Amman, 1995).

²⁴ ESCWA secretariat.

²⁵ See الفقر والمأوى في منطقة غربي آسيا.

Lower educational attainment is essentially a function of lack of access to and lack of time for education. The limited time of children, especially in rural areas and to some extent in deprived urban areas, appears to be perceived as too precious in terms of its income-earning potential to be wasted in school.

In terms of adult educational attainments, the region as a whole lags far behind the average for middle-income countries. Rates of illiteracy are more than double those for other middle-income countries, while they are even higher than those of low-income countries. Adult female illiteracy is especially high in the region.

TABLE 24. ADULT ILLITERACY, 1993
(Percentage)

Income level	Female	Total
MENA ^{a/}	60	47
Low income	52	40
Middle income	27	22
Lower	32	25
Upper	19	16

Source: Massoud Karshenas, *Structural Adjustment and Employment in the Middle East and North Africa*, working paper 9420, Economic Research Forum for the Arab Countries, Iran and Turkey, November 1994.

^{a/} Middle East and North Africa.

The fact that these low rates of literacy are still prevalent in the 1990s, when massive investment in the educational sector had taken place in the two preceding decades, is especially worrying.

Rates of schooling and of educational enrolment are also low for the population in the region.

The literature always links poverty with lower educational status. Low levels of educational attainment and high levels of illiteracy, while they are a cause of low incomes, are at the same time themselves manifestations of poverty and "under" development. The UNDP Human Development Index and the poverty measurement developed by ESCWA (1995c) rely heavily on educational attainment as an indicator.

Evidence from Jordan appears to support this statement, with poorer persons having illiteracy or read and write only rates almost double those who are not poor.

Educational status appears to also influence poverty in indirect ways. In Jordan, for example, it was found that among the poor population 66.8% had illiterate mothers or mothers who could barely read and write; the rate dropped to 59.9% among the non-poor. The poor were also found to have illiterate fathers or fathers who could barely read and write in 54.5% of cases while the rate dropped to 48.1% among the non-poor. All this would seem to suggest that education has far-reaching consequences, affecting not only the status and income potential of the concerned individual, and is likely to affect future generations as well. Poverty has a tendency to replicate through lowering the potential for improving living standards.

TABLE 25. COMBINED PRIMARY, SECONDARY AND TERTIARY GROSS ENROLMENT PERCENTAGE IN 1992 FOR ESCWA MEMBER COUNTRIES

Country	Female	Male	Total
Bahrain	85.8	81.3	84
Egypt	60.5	73.9	67
Iraq	47.9	61.8	55
Jordan	...	...	66
Kuwait	47.6	47.0	47
Lebanon	71.2	73.9	73
Oman	...	...	59
Qatar	77.9	71.5	75
Saudi Arabia	49.3	55.0	52
Syrian Arab Republic	61.5	71.4	67
United Arab Emirates	83.9	76.3	80
Yemen	22.5	64.6	44
Arab States (1990)	...	...	54
Developing (1990)	...	...	50

Source: UNDP, *Human Development Report*, 1995.

TABLE 26. EDUCATIONAL STATUS BY LEVEL OF POVERTY IN JORDAN (1994)
(Percentage)

Education	Abject poor	Absolute poor	Non-poor
Illiterate/read and write only	43.8	40.2	24.8
Below secondary	39.9	44.5	42.4
Secondary	8.9	9.1	13.7
Community college	4.3	4.3	11.1
Bachelor's +	3.1	1.9	8.1
Total	100	100	100

Source: ESCWA secretariat.

The quality of education and therefore the potential benefits to be gained from it are perceived to be low in poor and underprivileged areas. For example, in Egypt, field studies have revealed the low standard of teaching in underprivileged areas and that teachers' attitudes towards the education of poor children were negative.²⁶ This is also corroborated by evidence from Lebanon, where a high drop-out rate was attributed to three factors:

1. Low quality of education;
2. Low returns on educational investment in terms of employment and skills;
3. Economic pressure of schooling fees on the family's income.

Another survey, undertaken in Jordan, of university students' achievements and their parents' socio-economic status found a significant negative relation between students' grades and their parents' income. The influence of parents on students' educational aspirations was found to be strong and was attributed to the parents' desire for their offspring to earn a better living than the parents.²⁷

Poorer families tend to rely more on educational services provided by the public/government sector or by non-profit charitable organizations. Better-off families, however, tend to use the private education sector more frequently. Figures from Jordan support this argument, where it was found that 96.5% of poor students were enrolled in public sector educational institutions as compared with 90.2% of students from the better-off backgrounds. At the same time it was found that only 1.9% of poor students were enrolled in private sector educational institutions as compared with 7.4% of the non-poor.

The case of Lebanon is, however, somewhat different from this trend. A surprising finding was that children from poor families tended to be enrolled in private schools more than in public schools. This appears to be due to the lack of public services (including schools) in the areas of residence of these families. At the same time, and as a consequence of the civil war, many non-profit charitable NGOs stepped in to supplement government services in deprived areas. Those services are classified

²⁶ Adel Azer, "Obstacles to development for the underprivileged, with particular reference to Egypt", *Poverty, Progress and Development*, Paul-Marc Henry, ed. (London, Kegan Paul International-UNESCO, 1991) (hereinafter referred to as *Poverty, Progress and Development*).

²⁷ I. Qudah, "Relationship between family socioeconomic status and the academic achievement of students in Jordan State universities", University of North Texas (unpublished dissertation).

as belonging to the private sector even though they may be offered free or at nominal charges.

D. EMPLOYMENT SITUATION

One of the main tenets of the 1995 World Summit for Social Development was the expansion of productive employment and the reduction of unemployment. In fact the Summit revolved around the themes of creating employment, social integration and poverty eradication. "The connection between these three themes is obvious. Unless work is found for those at present unemployed and excluded from the mainstream of society, the vicious circle of faulty development will not be broken and the drift towards social apartheid will continue."²⁸

Furthermore, in his foreword to the World Development Report 1995, the president of the World Bank emphasized and highlighted the importance of work and employment. "Work—safe, productive, and environmentally sound—is the key to economic and social progress everywhere...the World Bank has long recognized the critical value of work. This is more than an economic issue it is at the heart of human development."²⁹

Unemployment in the region is high (table 27 below). This has grave implications for the level of poverty in the region. Given the young age structure of the population, the problems of unemployment promise to become more severe before they improve, if no direct intervention is implemented.

A recent World Bank report (1995) has stated that labour market conditions have deteriorated dramatically in the past decade with rising unemployment, falling wages, and increasing poverty in the Arab region. According to the same report, unemployment is more widespread in the Arab region than in any other region of the world. Unemployment rates in Algeria, Jordan, Lebanon and Tunisia are estimated to have recently approached 20%, while in Egypt and Morocco they are estimated at around 15%. Unemployment in the Gaza Strip has been estimated at nearly 60%.³⁰ This figure for Gaza is almost fivefold that appearing in table 27 below. Political or security developments in the region over this period may account for this discrepancy.

²⁸ Ignacy Sachs, "Population, development and employment", *International Social Science Journal*, 141 (September 1994), p. 357.

²⁹ The World Bank, *World Development Report 1995: Workers in an Integrating World* (Oxford University Press, 1995), p. iii.

³⁰ Kevin Watkins, *The Oxfam Poverty Report* (Oxfam, United Kingdom and Ireland, 1995).

Evidence from the 1994 Jordan Survey of Employment and Unemployment found that unemployment rates were extremely high amongst the poor as compared to the non-poor. The rates were found to dramatically increase among those classified as being in abject poverty:

TABLE 27. UNEMPLOYMENT IN THE ESCWA MEMBER COUNTRIES AND AREAS, SELECTED YEARS

Country/area	Percentage unemployment	Unemployed (thousands)
Egypt (1992)	17.5	3,150
Iraq (1987)	28.8	712
(1990)	33.0	1,190
Jordan (1991)	17.1	162
Kuwait (1985)	1.5	10
Lebanon (1988-91)	10-12	100-200
(1990)	20-30	200-300
Qatar (1986)	1.0	2
Syrian Arab Republic (1991)	5.7	200
United Arab Emirates (1985)	1.1	9
West Bank and Gaza Strip (1992)	4.2	14
(1994)	47.9	160
Yemen (1992)	12.2	312

Source: ESCWA, "التشغيل في الوطن العربي" by N. Fergany (E/ESCWA/SD/1994/WG.2/3), paper submitted at the Export Group Meeting for the Preparation of the Arab Declaration on Social Development.

TABLE 28. NATIONAL, NON-POOR, ABSOLUTE POOR AND ABJECT POOR UNEMPLOYMENT RATES, JORDAN (1994)

National rate	Non-poor	Absolute poor	Abject poor
15.8%	13.2%	36.1%	54.0%

Source: ESCWA secretariat.

TABLE 29. UNEMPLOYMENT AND YOUTH UNEMPLOYMENT IN SELECTED ESCWA MEMBER COUNTRIES, DIFFERENT YEARS

Country/group	Year	Total unemployment (%)	Share of specific groups in unemployment (%)	
			First-time job seekers	Young entrants (below 25)
Egypt	1991	14.0	76.6	78.4
Jordan	1991	18.8	37.2	58.0
Lebanon	1993	15-17	n/a	n/a
Syrian Arab Republic	1991	5.7 ^{a/}	78.0	68.0
Yemen	1992	12.3	32.0	n/a
GCC	1991	14.8	n/a	n/a

Source: ESCWA, *Selected Social Trends in Western Asia*, (forthcoming).

a/ Unemployment in the Syrian Arab Republic is thought to be much higher. The low reported rate is probably due to a deficiency in the statistical methodology followed.

There appears to be a certain degree of agreement among researchers in the field that the rapid trend of increase in unemployment in Arab countries is related to the high rate of population growth in these countries, which results in a large population size and a young population age structure. Thus more and more young persons are expected to attempt an entry into the job market as first-time job seekers every year.

This situation, coupled with the state of economic stagnation that the Arab region has been passing through and the apparent inability of the various ESCWA economies to generate demand and create employment opportunities, will, unless somehow halted, result in ever-increasing rates of unemployment. In effect, the region's large human potential may be wasted in the absence of policies directed at correcting and redressing the balance. However, redressing this problem of oversupply is often overlooked in the urgency of dealing with its manifestations, since any demographic policies will take at least 15 years before they can effect a reduction in the number of job-seekers. Population policies, however, need to be incorporated into labour policies at the outset; "this is especially urgent for...North Africa and the Middle East."³¹ The region has been singled out as having the highest rate of growth of the

³¹ Azizur-Rahman Khan, *Overcoming Employment* (International Labour Office Geneva-United Nations Development Programme, 1994), p. 86.

labour force among the developing countries (see table 30 below). Karshenas (1994) has attributed this in large part to the high rate of population growth, as well as to the increasing labour force participation rates by women.³²

While it is acknowledged that some of the unemployed are poor, most of the poor cannot actually afford to remain unemployed, and they end up taking jobs, even if temporary or casual, in the informal economy.³³ In Jordan, for instance, it was found that the poor unemployed were unemployed for shorter periods than the non-poor unemployed: 21.1 months compared with 22.4 months. Furthermore, the poor unemployed were found to be more willing to accept employment which was for one reason or another not suitable, as compared with the non-poor unemployed. Again, this is probably due to the fact that the poor cannot afford the luxury of being very "choosy", when in most cases subsistence and survival are at issue.

TABLE 30. GROWTH OF LABOUR FORCE

Country/region	Annual rate of growth of labour force		
	1965-1980	1980-1985	1985-2000
Egypt	2.2	2.6	2.7
Iraq	3.6	3.7	4.0
Jordan	1.7	4.4	4.2
Syrian Arab Republic	3.3	3.5	4.0
Mena ^{a/} region	2.4	2.9	2.8
Low- and middle-income countries	2.4	2.6	2.5
Low-income countries	2.1	2.3	1.9
Middle-income countries	2.6	2.3	2.3
Industrial market economies	1.3	1.0	0.5
Sub-Saharan Africa	2.5	2.4	2.7

Source: Massoud Karshenas, *Structural Adjustment and Employment in the Middle East and North Africa*, working paper 9420, Economic Research Forum for the Arab Countries, Iran and Turkey, November 1994.

^{a/} Middle East and North Africa.

³² Massoud Karshenas, *Structural Adjustment and Employment in the Middle East and North Africa*, working paper 9420, Economic Research Forum for the Arab Countries, Iran and Turkey, November 1994.

³³ The World Bank, *Will Arab Workers Prosper or Be Left Out in the Twenty-first Century?* by Ishac Diwan, Regional Perspectives on World Development Report 1995 (Washington, D.C.), p. 3.

TABLE 31. PERCENTAGE OF POOR AND NON-POOR UNEMPLOYED WILLING TO ACCEPT DIFFERENT TYPES OF WORK IN JORDAN (1994)

Nature of work	Poor (%)	Non-poor (%)
Not suited to qualifications	86.8	75.6
Low pay	76.2	70.5
Far from residence	76.0	69.9
Not suited to social position	52.2	41.5
Long hours	81.4	72.4
Temporary	89.2	82.1
Timing unsuitable	78.2	64.5
Difficult circumstances	62.6	54.9

Source: ESCWA secretariat.

The deteriorating economic conditions, and the poverty that faces thousands of families and threatens thousands more, are creating more pressure on the job market, with increasing numbers of females seeking salaried employment outside the home.

TABLE 32. FEMALE LABOUR FORCE PARTICIPATION RATE
(Percentage)

Country/region	Labour force participation rate		
	1970	1980	1990
Egypt	4.0	4.8	5.7
Iraq	3.4	10.0	12.0
Jordan	3.3	3.6	4.9
Syrian Arab Republic	6.0	7.4	8.6
MENA region	12.0	12.2	13.1

Source: Massoud Karshenas, *Structural Adjustment and Employment in the Middle East and North Africa*, working paper 9420, Economic Research Forum for the Arab Countries, Iran and Turkey, November 1994.

Women workers, in developing countries—and the Arab countries are no exception—tend to be concentrated in the informal sector, while men tend to work in the formal sectors. In Egypt in 1989, for example, it was found that 74% of female workers, as compared with 42% of males, relied on income earned in the informal

sector. In Tunisia in the same year, 51% of females and 36% of males worked in the informal sector.³⁴

Increasing numbers of Arab females seeking employment will in the short term tend to exacerbate the problems of rising unemployment. The increases in the number of persons postponing their retirement and in the number of persons undertaking more than one job, and the disappointing rise in the number of children seeking work, constitute added pressure on the system.

The adoption of structural adjustment policies and measures by some Governments in the region (such as Egypt, Jordan, and Yemen, which is currently conducting negotiations) has increased the strain on their economies and their job-creation capacities. It has in fact led to escalating unemployment rates. This phenomenon is by no means unique to the Arab region, but has been a major drawback of structural adjustment programmes the world over. A recent World Bank document acknowledges that while structural adjustment policies will ultimately bring about economic growth and eventual social well-being, "in the meantime economies can suffer higher unemployment or underemployment and labor incomes may decline."³⁵

Unemployment among university and tertiary education graduates is also compounding the problem. An ESCWA study on Lebanon (ESCWA, forthcoming a) found that in the 1970s and the 1980s there was a rush towards university education, which created an over-supply of skilled and trained manpower, especially in the professional and technical workers category. With the gradual closure of the Gulf market to graduates, the local market became oversaturated. This led to intense competition and created a mechanism for keeping wages low. It also led to a relatively high rate of unemployment among university graduates, who for the most part preferred to wait for the "right" job rather than to take a job they perceive to be of lower status.

Also contributing to the increase in unemployment is the narrowing of migration possibilities, both to the Western industrialized nations and to the GCC countries. Although the 1980s were hailed as a period of globalization, according to the World Bank (1990) 20 of the 24 countries members of the Organisation for Economic Cooperation for Development (OECD) have become increasingly protectionist. While these countries have eased border restrictions among themselves,

³⁴ *World Development Report 1995.*

³⁵ *The World Bank's Strategy for Reducing Poverty and Hunger: a Report to the Development Community* by Hans P. Binswanger and Pierre Landell-Mills, Environmentally Sustainable Development Studies and Monographs Series No. 4 (Washington, D.C., The World Bank, 1995), p. 18.

they have targeted their protectionism at products in which the developing countries have a comparative advantage. Recent years have witnessed a rise in obstacles to international labour movements. While such restrictions help to protect employees and workers' incomes in the industrialized countries applying restrictions, they make it increasingly difficult for the poor developing countries to expand their productive employment sectors.³⁶ With the increased restrictions on migration for work, the remittances flowing into the region have also witnessed dramatic drops. Some of the economies, as well as numerous families, in the region were heavily dependent on these remittances. The drop in this source of income is sure to affect purchasing power and thus the standard of living in these countries and will probably lead to increases in poverty levels.

Migration for work is a highly charged political issue in both home and host countries. International labour flows in the form of temporary, seasonal or long-term migration present a significant potential for benefit for the sending and the host countries. Migrants are usually more productive, which reduces labour costs in the host country, and they send remittances to family and relatives back home, which boosts incomes in the home country.

International migration also appears to have developed into an entrenched feature of the region. Workers migrate from the poorer countries to the GCC countries in search of employment; the ensuing remittances play an important role in raising incomes and pulling many families out of poverty. From the mid-1970s to the mid-1980s, remittances from migrant workers constituted an extremely important share of national GDP in most of the sending countries (see table 13). The downside of this phenomenon is that since the mid-1980s many migrant workers have had to return to their countries of origin, often failing to find employment and joining the impoverished.

Labour remittances are an important source of foreign exchange for many countries. In several, including Egypt, Jordan and Yemen, they are more significant than earnings from any individual commodity export.³⁷

Ibrahim and AbdulFadeel (1983) described the workers' remittances and transfers in the ESCWA region as a winning lottery ticket which allowed poor migrant workers to step out of their poverty and economic and social deprivation. For skilled workers, the remittances represented a golden opportunity to enjoy improved social and

³⁶ *Overcoming Employment.*

³⁷ *Report on the World Social Situation 1993* (United Nations publication, Sales No. E.93.IV.2).

economic status.³⁸ The 1995 World Development Report estimates that in Jordan, Yemen, and the West Bank and Gaza Strip, remittances represent between 10% and 50% of GNP.

TABLE 33. MIGRANT WORKERS' REMITTANCES AS A PERCENTAGE OF GDP IN
SELECTED ESCWA MEMBER COUNTRIES (1975-1987)

Year	Egypt	Jordan	Syrian Arab Republic	(former) Yemen Arab Republic	(former) Democratic Yemen
1975	2.73	17.01	0.94	28.64	23.69
1976	4.41	32.35	0.83	55.92	38.77
1977	4.42	30.09	1.34	66.24	47.50
1978	7.09	25.13	7.71	54.84	55.59
1979	12.29	23.95	9.08	45.06	58.86
1980	12.14	24.06	5.92	43.66	52.77
1981	8.90	29.28	2.60	26.45	53.95
1982	8.18	28.91	2.34	25.58	51.17
1983	10.33	28.32	2.07	24.31	48.31
1984	9.70	31.67	1.68	21.89	46.70
1985	6.57	25.07	1.48	18.82	41.12
1986	4.59	25.29	0.98	14.25	32.71
1987	--	18.83	--	16.95	--

Source: ESCWA, انتقال العمالة العربية بين الواقع والمترجى by G. Kossaifi. In Proceeding of the Expert Group Meeting on Demographic and Socio-Economic Implications of International Migration in the Arab World with Special Reference to Return Migration, Amman, 4-9 December 1989 (E/ESCWA/POP/1992/2).

In Lebanon, the war led large numbers of people to emigrate in search of employment. The outflow of skilled labour allowed those left behind to survive. In 1980, remittances amounted to an estimated 50% of national income.

In addition, workers from some countries in the region have been migrating to fill unskilled manual jobs that native workers avoid. This is true of the Palestinians working as cheap labour in Israel; of the Egyptians working in Jordan; and of the Syrians working in Lebanon.

³⁸ S. Ibrahim and M. AbdulFateel, انتقال العمالة العربية (Beirut, Center for Arab Unity Studies, 1983).

TABLE 34. LEVELS OF WORKERS' REMITTANCES RECEIVED IN 1970-1990
(Thousands of US dollars)

Country	1970	1975	1980	1985	1989	1990
Egypt	20	366	2 696	496	3 532	3 743
Jordan	0	167	715	021	623	500
Syrian Arab Republic	7	52	773	350	395	375
Yemen	-	-	-	-	410	1 366

Source: Massoud Karshenas, *Structural Adjustment and Employment in the Middle East and North Africa*, working paper 9420, Economic Research Forum for the Arab Countries, Iran and Turkey, November 1994.

TABLE 35. REMITTANCES AS A PERCENTAGE OF TOTAL FOREIGN EXCHANGE EARNINGS

Country	1981	1985	1990
Egypt	23.9	30.5	28.5
Jordan	33.0	33.2	20.8*
Syrian Arab Republic	13.7	12.1	6.9
Yemen, Arab Republic	71.8	79.3	23.6*
Yemen, Democratic	68.2	73.0	39.8*

Source: Report on the World Social Situation (United Nations publication, Sales No. E.93.IV.27.

* 1989.

In terms of the Arab world, the demand for temporary migrant workers in the GCC countries, at all levels of skills, rose sharply during the 1970s and early 1980s before gradually tapering off by the mid-1980s with the decline in oil prices. With the Gulf war in 1991, there was a further decline in the numbers of Arab migrant workers in GCC countries with the mass return of Egyptian, Jordanian, Palestinian, and Yemeni workers from Iraq and Kuwait. While some of those workers have now returned to their old jobs, the majority have remained in their home countries trying to find alternative employment. A large segment of the returnees, especially the unskilled or low-skilled labourers, have fallen into poverty and are causing additional stress and strain to their home countries' already overburdened economies.

Gulf countries have striven, and to a large extent succeeded, in implementing policies to keep migrant workers on temporary status. A minimum income is required

to enable workers to bring along dependants. Employers are encouraged to rotate the hiring of migrant workers; Saudi Arabia, for example, applies a strategy of increasing sharply the price of a work permit every time it is renewed.³⁹

The falling oil prices and the oil crises that ensued led to a shrinking job market in the oil-producing countries. The advent of the Gulf war led to a further shrinking in the job markets of the oil producers as well as the return migration of large numbers of Arab migrant workers to their home countries. As a result, the number of Asian migrant workers in the Gulf States has increased.

In most of the Arab region, not only have employment opportunities been diminishing, but real wages also declined sharply during the periods of stabilization of the mid-to-late 1980s and have stagnated since. It is estimated that wages in the Arab world fell by about 30% in the 1980s, constituting the sharpest decline in wages in any of the world regions.⁴⁰

TABLE 36. INDEX OF MANUFACTURING WAGES IN THE MIDDLE EAST AND NORTH AFRICA

Year	Egypt	Jordan	Syrian Arab Republic	Algeria	Tunisia	Morocco
1965	98	..	76	..	..	..
1970	100	100	100	100	..	100
1975	116	96	78	87	..	..
1980	155	157	136	89	..	113
1985	181	157	123	80	100	93
1990	127	125	95	76	91	86
1991	124	115	92	..	94	88
1992	114	111	..	..	100	90
1993	..	..	..	..	101	93

Source: The World Bank, *Will Arab Workers Prosper or Be Left Out in the Twenty-first Century?* by I. Diwan, Regional Perspectives on World Development Report 1995 (Washington, D.C.).

.. Not available.

³⁹ See *World Development Report 1995*.

⁴⁰ See The World Bank, *Will Arab Workers Prosper or Be Left Out in the Twenty-first Century?* by Ishac Diwan, regional perspectives on World Development report 1995 (Washington, D.C.).

E. HUMAN CAPITAL

The quality of the labour force (or human capital) has direct implications for employment in terms of the status and types of jobs that can be had, and ultimately on wages and incomes, and hence on the incidence of poverty.

The World Bank World Development Report 1995 defines human capital as more than education and skills. The formation of solid and strong human capital entails expenditure and investments in health and nutrition in addition to education and training. Research in India and the Philippines has shown that height and weight-for-height indicators are closely associated with greater output per adult worker. Education is associated with an increased ability to perform tasks, to process and use information, and to adapt to new technologies and production practices. "Such investments create the human capital necessary for raising the productivity of labor and the economic well-being of workers and their families."⁴¹

According to World Bank estimates, labour productivity in the region of Arab countries has been dropping steadily. "Since the second part of the 1980s ... growth performance has been dismal. Labour productivity has stagnated in the non-oil producing countries and had fallen by more than 4% a year in the oil-producing countries."⁴² The rapid rates of growth of the economies of the region during the oil boom brought with them a rapid expansion in the job market and with it rapid entry into the labour force without this necessarily being accompanied by the needed upgrading of skills. This phenomenon has been described by several researchers, and has been corroborated by evidence from the low rates of educational attainment relative to the high incomes. Karshenas (1994) has suggested that "the quality of the labour force in terms of skills, training, and education is well below that implied by the level of income"⁴³ in the Arab region.

Berryman (1995) further argues that the public sector, investment-dominated strategies adopted by the countries in the region are almost exclusively responsible for the inhibition of private sector growth and the placement of constraints on job creation, thus limiting the need for developed human capital.⁴⁴

⁴¹ World Development Report 1995, p. 36.

⁴² See *Will Arab Workers Prosper or Be Left Out in the Twenty-first Century*, p. 2.

⁴³ *Structural Adjustment and Employment in the Middle East and North Africa*, p. 19.

⁴⁴ Sue Berryman, "A human capital strategy for integrating into world markets", Workshop on Strategic Visions for the Middle East and North Africa, Gammarth, Tunisia, 9-11 June 1995, co-sponsored by the Economic Research Forum for the Arab Countries, Iran and Turkey and MENA Region Division, World Bank.

With most employment at the regional level in traditional agricultural production, and with the majority of the non-agricultural labour force being recent migrants from the rural sector, many of these workers have not had the opportunity to obtain necessary training and skills. Furthermore, "with the collapse of the investment process in the region during the 1980s and the trend towards growth of non-regular employment in some countries, it is likely that the stock of skills relative to the size of the labour force has been decreasing considerably in recent years."⁴⁵

Educational curricula and strategies have very often incorrectly matched the output of formal educational systems to the education, training and skills required by the economies in the region. Sanyal (1987) found that in Egypt, for example, 60% of employers interviewed indicated that they thought that university graduates lacked the training needed for the jobs they had been recruited to perform, while more than 15% of graduates felt that the education they had received was neither necessary nor useful for their jobs.⁴⁶

In the past, the high demand for educated workers was maintained through the adoption of policies that protected and promoted the modern economic sector. However, in the face of declining public sector revenues, a fast-growing labour supply, rapid urbanization and large gains in education, the region finds itself having to deal with increasing unemployment among the educated.

The Arab world finds itself in the trap of low productivity. Workers have been at the receiving end of this deteriorating situation with falling real wages and increasing unemployment. It has been found that the best way to improve workers' welfare, to increase labour productivity, and to reduce poverty is through the adoption of policies that rely heavily on markets, that emphasize educational investments in all people, and that support a family-farm-based agricultural sector.

On a much smaller and more limited scale, in most countries in the region, various operational agencies (governmental and NGOs) offer adult education classes mainly to the poorer segments of the population. This is done with a view to upgrading skills and increasing income-earning potential. These programmes have yet to show concrete results. In Lebanon, for example, among poor families, some women had taken short training courses in sewing and knitting; however, they said that the training they received did not result in the acquisition of a marketable skill.

⁴⁵ *Structural Adjustment and Employment in the Middle East and North Africa*, p. 20.

⁴⁶ B. Sanyal, *Higher Education and Employment* (London, The Falmer Press, 1987). For a full review, see B. Sanyal and others, *University Education and the Labour Market in the Arab Republic of Egypt* (Oxford, Pergamon Press, 1982).

ESCWA member countries have historically been extremely dependent on public sector employment. However, the new global trend is that big government is out of fashion. This is likely to become a point of contention, with those who support the trend probably winning the argument. This would mean fewer government employees and increased loss of jobs.

F. CHILD LABOUR

Child labour is linked with conditions of poverty and with a lack of education and poor educational quality and standards. Children in poor families are sent out to work in order to earn wages to supplement the family income. Only as parents' incomes rise are they able to afford to send their children to school and to forego the extra income from their children's labour.

Unfortunately, although it is believed that the phenomenon of child labour is common throughout the Arab world, there is a dearth of published material on the subject, except for Egypt. A 1993 study,⁴⁷ working on the basis of Egyptian data, estimated that for 1988 the number of children (6-14 years old) participating in the paid labour force in Egypt amounted to 1.4 million, constituting over 12% of the age group, and over 7% of the total labour force. Since child labour is seasonal in nature, the percentage of children usually in the economically active population was then estimated at 2.2 million, constituting over 19% of the age group and over 11% of the total labour force. Given the age structure of the Egyptian population, the study went on to estimate the number of children participating in the paid labour force in Egypt between the ages of 6 and 11 years old at 1 million.

Extrapolating, on the basis of Egyptian data, approximate rates for child labour force participation for the Arab region, the above study estimated that if both paid and unpaid economic activities were considered, the number of Arab children between the ages of 6 and 14 involved in the labour force rose to between 9 million and 10 million at the beginning of the 1990s. Of those, 6 million were boys and 4 million were girls.

The ILO in 1991 estimated the number of Egyptian child workers under the age of 15 at 0.4 million, while an official government survey undertaken in 1988 placed the number of child workers between the ages of 6 and 14 years at 1.4 million. This may be explained by the signing by Egypt in 1990 of the Convention on Child Rights.

Research in Egypt showed that 69% of poor families (receiving government social aid) depended for their daily subsistence on their offspring and relatives as the

⁴⁷ See N. Fergany, "آمال الأطفال في البلدان العربية", unpublished report, 1993.

main source of income. It was also found that in 31% of cases the reason given for children dropping out of primary school was their desire to work to increase family income. Another study of child labour in leather-tanning factories in Egypt found that in 90% of cases families resorted to sending their children out to work out of need for the income that the children would generate. In addition, 48% of the parents surveyed in the study stated explicitly that even when schooling was free, they were unable to meet the other "extra" costs, such as a school uniform.⁴⁸

Other research by Levy (1985) in Egypt found that a 10% increase in mothers' wages corresponded with a 15% decline in labour among children between the ages of 12 and 14, and a decline of 27% among children between the ages of 6 and 11.⁴⁹ This supports the idea that families send their offspring out to work only when they are in dire need.

In Jordan (1994), 10.2% of poor persons between the ages of 6 and 19 who had dropped out of school attributed their decision to their family's poverty, as opposed to 3.2% of those from non-poor families. It is interesting to note that only 4.8% of the poor gave their reason for dropping out of school as "employment", while 12.4% of the non-poor reported it as their main reason for their dropping out.⁵⁰

A series of reports by the United States Department of State (1994) on Egypt, Lebanon and Yemen⁵¹ found that in Egypt child labour was widespread, despite the Government's commitment to eradicate it, yet another reflection of the need that poor families feel to send their children out to earn a living to contribute to the family income. Meanwhile, the report on Lebanon found that, although the exact numbers are unknown, many children are neglected, abused, exploited and even sold to adoption agents with hundreds of children abandoned in the streets, begging and cleaning car windows and others hired illegally at low wages. The report on Yemen found child labour to be common, especially in the rural areas, but even in urban areas, where children were observed working in workshops, stores, and begging in the streets.

⁴⁸ *Poverty, Progress and Development*, For more details, see Adel Azer, "Social security in Egypt" (in Arabic); National Specialized Council (Egypt), "Reforming primary education" (in Arabic); and A. Abdalla, "Child labour in the leather tanning industry in Cairo", in Report of Symposium on Child Labour, UNICEF, 1986.

⁴⁹ V. Levy, "Cropping pattern, mechanization, child labor, and fertility behavior in a farming economy: rural Egypt", *Economic Development and Cultural Change*, 1985, 33, 777-91.

⁵⁰ ESCWA secretariat estimates.

⁵¹ United States Department of State, *Egypt: Respect for Human Rights* (1994), section 5, "Discrimination based on race, sex, religion, disability, language, or social status: children". See also other reports for Lebanon and Yemen.

Among the Arab countries, none, except Iraq, have actually signed and ratified ILO Convention No. 138 regulating the minimum age for employment. This would appear to suggest that, in the absence of the adoption of such regulatory measures and in the face of the deteriorating economic conditions facing families in the Arab world, increasing numbers of children are likely to be pulled out of the educational system and pushed into the labour market at earlier ages.

V. POLICY RECOMMENDATIONS FOR POVERTY ALLEVIATION

Before policy or strategy recommendations can be attempted, certain guidelines, adopted as basic principles in this paper, need to be reiterated:

1. Poverty is a "development" problem; it is basically a problem of inequality, of injustice, and of imbalanced distribution. It is not a problem that only marginalized groups face. As such, its roots lie in political, economic and social factors at the macro level, both nationally and internationally.
2. Solutions for the eradication of poverty must come through policies at the macro level. Policy changes must be formulated even if this is a highly sensitive and very long and drawn-out process.
3. Certain alleviative measures at the micro level must nevertheless be implemented in the short and medium term, as the poor cannot wait for changes at the macro level. To be effective, those measures need to be well targeted and focused. More important, the process should involve the poor themselves; such involvement is part of a growing policy trend. The process should include both developmental measures and the more traditional welfare approach.
4. Work needs to proceed at the macro and micro levels concurrently. This is a principle on which all development organizations and international agencies are in agreement.
5. Assistance to the poor should not be seen as diverting resources from growth, but rather as enhancing the production potential of the poor.
6. Regional and international developmental organizations are in a position to play a role at both the macro and the micro levels. At the macro level, they can advise the Governments of member States in the formulation of policies aimed at strengthening economic growth and at achieving a more equitable distribution of resources among their populations. At the micro level, operational development programmes can make an immediate contribution to alleviating poverty in the region.

This paper will not be suggesting mechanisms to affect macroeconomic growth. Recommendations will, however, be made with the aim of lobbying for better and more equitable patterns of growth and redistribution, as well as for the insurance that safety nets for the marginalized and vulnerable are established and supported in the design of future macroeconomic policies in the region. In addition, the recommendations will stress the importance of field assessment of development projects at the beneficiary level.

A. THE CHARACTERISTICS OF THE POOR

The study has identified some of the main characteristics of the poor in the ESCWA region as follows:

1. **Incidence of poverty:** Poverty affects more than one fourth of the population of the region. Its incidence is higher in areas affected by war and conflict.
2. **Demographic characteristics:** Poverty shows a correlation with large family size and a high dependency ratio. The poor exhibit above-average fertility and mortality rates.
3. **Education:** The educational standard of the poor is comparatively low, and characterized by high levels of illiteracy, low rates of school enrolment and low educational levels. The educational systems of countries with high poverty rates display little relation to potential markets or national development needs.
4. **Health:** The nutritional status of the poor is below average. An increase has been registered in the levels and incidence of disability among the poor. The health services available to the poor are decreasing in quantity and deteriorating in quality.
5. **Housing:** The poor spend a high percentage of their income on housing and related items, and the rate of home ownership among them is relatively high. At the same time, their access to safe water and sanitation is low and environmental health conditions are generally poor.
6. **Economic characteristics:** High levels of unemployment and under-employment are common among the poor, who in general have limited resources and skills.
7. **Geographic characteristics:** A higher concentration of the poor is found in rural areas. However, as a result of the unabated flow of rural-to-urban migration, poverty is increasingly prevalent in urban settlements.

A causal relation between the above factors, however, remains extremely difficult to establish.

B. GENERAL RECOMMENDATIONS

1. Further poverty assessments and analyses should proceed at the country-specific level. To be meaningful, policies for poverty alleviation and the reduction of inequality will need to be focused and formulated in response to a specific

context. The type and level of detail of information needed can only be gleaned through in-depth analyses of particular cases, not from regional comparisons alone.

2. Government policies of transfer in the ESCWA member countries have in the past taken the form of free distribution or heavy subsidization of basic commodities and services, reflecting the "welfare" approach. However, this practice is not necessarily to be commended when applied in a blanket fashion to the entire population. Governments of the region have in one way or another been subsidizing food items, health and educational services, water and electricity and other utilities, as well as direct distribution of funds.

3. For a long-term solution geared to the eradication of poverty and enabling people to look after their own welfare, what is needed are development policies that better address and attack the roots of the problems. The real challenge lies in trying to break the cycle of poverty and marginalization through enlarging social mobility and social integration, providing basic health services and managing gainful employment.

4. Distribution and subsidization mechanisms, however, still need to be maintained and strengthened in order to reach the "poorest of the poor", those physically or societally unable to help themselves. Safety nets and direct aid are poverty alleviation measures currently being "marketed" by the World Bank and IMF as good short-term stopgaps particularly useful in counterbalancing the effects of macroeconomic adjustment policies.

5. At present, there is a decided lack of comprehensive development policies specifically geared towards poverty alleviation in the ESCWA member countries. The implicit policies that do exist form part of the structural adjustment policies which some countries of the region have adopted and have been implementing recently. However, although these policies tackle the problem of poverty, they tend to be concerned solely with the adverse social by-products of the implementation of the SAPs, rather than with poverty as a distinct phenomenon. Therefore, more specific and specially designed poverty alleviation policies need to be formulated and implemented across the region. Those will, of necessity, have to be country-specific.

6. Governments will have to continue to adopt a leading role in supplying basic social services such as education and health services and balancing labour markets. It is unrealistic to expect that either could be done on a large enough scale either by local communities or the private sector.

7. Participation of the poor themselves (the "beneficiaries") in the decision-making and implementation phases is a prerequisite to the proper effective implementation and sustainability of any poverty-reducing measures and policies. This is in order for the poor to be empowered and to ensure a higher degree of continuity

of programmes. By involving the poor, programmes are a safeguard against misguided priorities and faulty assumptions about needs and capacities.

8. At the institutional level, government agencies, international organizations and NGOs working in the development field will need to rethink their focus of work, which will be reflected in the professional composition of staff. At the present time, decisions, especially in international organizations, tend to be concentrated with staff who are predominantly middle-aged economists, often Northern (or Northern-educated) and male. For a wider perspective, which takes into account the complex realities of the poor, more social scientists, social anthropologists and social development advisers must be taken on board as policy advisers and designers. Estimates of the staff composition of the World Bank place the ratio of social scientists to economists at between 1:20 and 1:50.

9. Due attention will need to be paid to the natural environment in the formulation of income-growth policies. Agenda 21 is clear in recognizing that

“an environmental policy that focuses mainly on the conservation and protection of resources must take due account of those who depend on the resources for their livelihoods... . Equally, a development policy that focuses mainly on increasing the production of goods without addressing the sustainability of the resources on which production is based will sooner or later run into declining productivity, which could also have an adverse impact on poverty.”⁵²

C. SPECIFIC RECOMMENDATIONS

In order to acquire in-depth knowledge of the situation, the following measures should be taken:

1. Comprehensive base-line surveys of the poverty situation in the ESCWA region need to be undertaken. Special effort needs to go into the incorporation of the social dimension and social indicators, such as the size of poor families, the educational profile of poor families, their employment status, living conditions and health conditions.

2. Country-specific poverty profiles need to be prepared for all ESCWA member countries, in order to identify the poor and their characteristics as well as their particular problems in each country. In addition, critical sectoral reviews need to be

⁵² *Earth Summit, Agenda 21: the United Nations Programme of Action from Rio* (United Nations publication, Sales No. E.93.I.II), sect. 1, para. 3.2.

conducted of country-specific policies with direct implications for poverty and the welfare of the poor, with particular emphasis on education, health and employment.

3. A critical assessment, including field assessment at the beneficiary level, should be made of action already being undertaken in terms of poverty alleviation, including government and private sector efforts as well as the work of NGOs. This should be done in order to identify gaps in poverty alleviation measures and to aid decision makers and funders to prioritize tasks. Successful national experiences need to be assessed and evaluated objectively in order to draw lessons from which other Arab countries can benefit.

4. NGOs, CBOs and charitable associations operating in the countries of the region need to be studied in depth in terms of the sustainability and appropriateness of their programmes. Special reference needs to be made to their impact, or potential for impact, on aiding the development process and in reducing poverty. In that regard, cost-effectiveness assessments and evaluations need to be undertaken for the various "developmental" or income-generating activities that such organizations have been running for years.

5. Special care needs to be accorded to the problem of the impoverishment of the middle classes, because of their particular characteristics, including better education and health status and smaller family size. This group is possibly more retrainable, but, very important, is probably missing the coping skills of those who have been poor all their lives.

6. Topics of direct concern to the poor themselves need to be given special attention. To achieve a portrayal of the poor's perceptions of the problems that they face, their causes, and priorities, Participatory Poverty Assessments (PPAs) have recently been put forward as a user-friendly tool, versatile enough to offer an insight into these issues.⁵³

D. ACTION-ORIENTED RECOMMENDATIONS

1. Direct transfers, from the better-off to the poor, are not "developmentally sound"; the practice stems almost directly from charity. However, in the fight against poverty, especially in the short term, transfers have a significant role to play. Transfers can be in cash or in kind, and they can be distributed privately or through the State. Countries in the ESCWA region have a long history of transfers. The origins of this have been traced by some researchers to Arab and Muslim

⁵³ Richard Bilsborrow, "Towards a rapid assessment of poverty" in *Poverty Monitoring: an International Concern*, Rolph van der Hoeven and Richard Anker, eds. (New York, St. Martin's Press, 1994).

traditions and culture, when survival at times of hardship depended on transfers of food and resources within the tribal unit. Islam came to institutionalize this practice through the promotion of *zakat*.⁵⁴ Therefore, practical ways and means should be found to operationalize the *zakat* institution to meet both the welfare and development needs of the poor.

2. The quality of education must be improved, in order to increase social mobility and social integration. Education and retraining programmes must also address the special requirements of the newly impoverished middle classes. More resources need to be directed towards the education of children.

3. Efforts should be directed towards retraining and the upgrading of skills, enabling the poor to better compete in the job market. This needs to be done in the context of National Human Resources Plans, in order that employment and employability are assured at the end of the training. For that to happen, better cooperation needs to be achieved between Governments, the private sector and funders of training programmes.

4. Since, in the ESCWA region, poverty appears to be linked with large family size, the propagation of reproductive health programmes might go some way towards relieving the pressure on poor families. Reproductive health programmes could be aimed at the poorer segments of society, especially young couples.

5. Since the poor have been found to spend a large proportion of their total expenditure on housing and housing-related items (fuel, water and sanitation), social safety nets should take this fact into consideration.

6. Equal opportunities and equal treatment for women must be guaranteed in education, health services and employment.

7. With the declining role of agriculture and the increasing modernization and mechanization of the agricultural production system, explicit policies are needed to encourage rapid growth of employment in the rural non-agricultural sector. Investment must be directed towards rural areas, in order to improve levels of income and the provision of social services such as health care and education. This will delay or even discourage migration from the rural to the urban centres, which are increasingly unable to absorb the high and fast rate of newcomers.

8. Concurrently, special attention should be focused on the poor urban areas, which promise to become the main areas of poverty and poverty-related

⁵⁴ It is the duty of every Muslim to put aside the equivalent of 2.5% of his/her assets or wealth for distribution among the less fortunate. This should be done on a yearly basis.

problems in the region, if the rural to urban migratory movement continues at the same rate.

9. There is an urgent need for the design and implementation of additional development programmes targeting the extremely poor or vulnerable, in order to ensure that the needs of these special groups do not continue to be neglected.

Countries in crisis situations

1. In the case of Lebanon, support is needed for social reconstruction. Those displaced by the war need to be returned or settled. The occupation of southern Lebanon must end.

2. In the case of Iraq, poverty is essentially linked to the present economic and trade embargo. More efforts need to be made to allow humanitarian aid into the country. More food supplies, agricultural equipment, medicines, paramedical equipment and educational material must all be exempt from the embargo. The lifting of the embargo will contribute significantly to the alleviation of poverty.

3. The situation in the occupied territories is in a state of flux. Severe poverty certainly exists in the refugee camps of the West Bank and the Gaza Strip. In the immediate future, the work of UNRWA and national and international NGOs must be supported.

4. Yemen needs to be careful in designing the structural adjustment package it is preparing to sign with the IMF, in order to ensure that the negative effects on the poor are minimized.

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