

CHAPTER 4

KEY ISSUES

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In this chapter a number of important policy issues are discussed, some of which emerged during the implementation of the Third Plan, while others have taken shape in the course of the Fourth Plan's preparation. Their solution, along the lines of the policy options discussed, form an important condition for the successful implementation of the Fourth Plan.

Although many of the issues raised require, wholly or partly, institutional solutions, they remain intricately linked to the market economy and its reactions. At this juncture it is important to underline the significance of the developments now taking place in the economy which are levelling down prices, wages and rental incomes. Prompted by the slower pace of the economy, these changes represent a timely corrective to the earlier higher level of prices and incomes. Substantial scope for downward flexibility is being revealed which can only have beneficial effects on the economy's overall future competitiveness. Prices and incomes are being brought closer to costs and effort, and as a result, they become more reliable indicators of efficiency than at any time in the past. In these circumstances, the institutional solutions recommended for particular policy issues, to promote greater efficiency and better use of resources, can be expected to encounter the appropriate response from the market economy.

4.1 SUBSIDIES ISSUES

The Kingdom's subsidy system serves the private consumer in the first place. In the second place it is mostly for the benefit of farmers. They receive subsidies not only to encourage the use of particular inputs, such as their purchases of machinery and fertilizers, but also for producing specific items, such as wheat or dates.

4.1.1 THE NEEDS FOR REVIEW

There are many reasons for reviewing the Kingdom's subsidy system and reducing the level of payments, as stated in the Fourth Plan Strategy. Among them is the realization that with inflation firmly under control, the protective role of certain subsidies is no longer necessary. It is the financial efficiency of public service providers, especially the utilities, which is now in the center of public interest.

Accentuating the problem is the fact that, as in other countries, certain subsidies are rising both in absolute and relative terms. This is partly because subsidies were introduced in non-selective ways, so that after a certain point they can easily lead to wasteful consumption of supplies, or to excessive capital outlays. For example, subsidies paid on unlimited quantities of imported agricultural machinery and equipment encourage their excessive use and act as a disincentive to local repair and maintenance activities. Thus, the subsidy system's review is more than a problem of overall budgetary balance; it is also a question of general economic efficiency in asset acquisition and utilization at all levels.

At the other end of the spectrum are people whose limited income, need of protection and welfare interests have always been the prime justification for subsidies.

A sudden and complete elimination of subsidies in the Kingdom would have several effects. On the one hand, it would hit the consumer and the farmer; on the other, it would improve financial returns of utilities and generally reduce the expenditure side of the budget. Whereas the consumer may not be able to respond, those with market power over their prices would try to pass on the higher costs (utilities etc.). The inflationary consequences of reducing subsidies will depend both on the rate of downscaling and on the length of time involved for the support payments to reach their new, lower level.

4.1.2 POLICY OPTIONS

The policies to be worked out in the Fourth Plan period should ensure the reconciliation of these diverse considerations. It is most likely that they will include both selective cuts and revenue raising arrangements. The intricacies of the issues involved cannot be resolved by variations on the expenditure/payments side alone. A comprehensive approach is most likely to be required, including measures such as:

- absolute limits in terms of fixed amounts;
- relative limits in terms of fixed or moving percentages of the annual expenditure budgets;
- socially balanced progressive tariffs (for utilities as well as for telecommunications services) and, generally, raising revenues for the public sector services provided (according to the Third Basic Principle of the Fourth Plan Strategy).

4.2 MANPOWER AND EMPLOYMENT POLICY ISSUES

The Fourth Plan offers excellent opportunities to change the pattern of employment in the Kingdom and to strengthen the position of Saudis in it. For the first time since the First Plan, when rapid economic development began, not only the share, but also the absolute number of non-Saudi workers in the Kingdom will decline, while the economy will absorb substantial numbers of new Saudi entrants. To ensure the realization of this goal however, productivity gains must be made; Saudi workers' motivation must be high; the education and training systems must respond to labor market needs, and the theme of 'Saudiization' must be given practical meaning at all levels of the labor market.

4.2.1 SAUDIIZATION TARGETS IN THE FOURTH PLAN

The economic projections indicate that the growth objectives of the Fourth Plan for the non-oil sectors can be met with a reduction of 22.6 percent in the number of non-Saudi workers, from

2.66 to 2.06 million. This reduction is one of the most important targets of the Plan. For its attainment the two necessary conditions are a reversal in the decline of productivity rates back to their 1399/1400 levels and the private sector replacing 374,000 expatriates by an equivalent number of Saudis. Achievement of this target, however, is further contingent upon:

- the skill profile of the Saudi work force entrants matching the skill requirements of the economy;
- a mutual consistency between the needs of employers and the expectations of Saudi new entrants, in terms of financial remuneration and career prospects;
- the labor market for non-Saudi workers operating with increasing efficiency.

Meeting the Saudiization targets will require improvements in the Government's administrative system for monitoring the non-Saudi work force, and steps to seek the cooperation of the private sector in providing employment opportunities to Saudi workers and to ensure the prompt release of surplus non-Saudi workers.

4.2.2 NEED TO MATCH EDUCATION WITH SKILL REQUIREMENTS OF PRIVATE SECTOR

The projections for the Fourth Plan indicate that the planned structural changes in the economy will increase the demand for professional and skilled labor, while the proportion of unskilled jobs will decline. At the same time, a growing number of Saudis are expected to enter the labor market looking for lower-skill jobs. The quality gap between skills required and skills offered is likely to become wider in future, and is the most important potential obstacle to increasing Saudi employment in all occupational categories.

This being the central issue of Saudiization, it will be necessary for the whole educational system to become more explicitly oriented towards the labor market in all its relevant activities. To achieve a better balance between supply and demand it is essential that:

- the quality and quantity of those graduating from the education and training establishments match the requirements of the private economy;
- special technical and vocational training programs for adults (both currently in the work force and potential workers) be expanded and based on private sector needs.

4.2.3 EMPLOYMENT OPPORTUNITIES FOR WOMEN

The rapid expansion of education facilities for girls, and the response in educational achievement, have been a remarkable success both quantitatively and qualitatively. The challenge, first manifesting itself in the Fourth Plan, lies in finding ways to utilize effectively the knowledge and skills of this segment of the population in accordance with the Sharia. The growth in the number of educated

and otherwise skilled Saudi females coincides with the need for increased Saudiization at all skill levels. The projections for the total Saudi labor supply include some fifty thousand women who are expected to enter the work force during the Fourth Plan period (see Table 5-11).

Recent developments in computer applications in other countries have increased the possibilities for women's participation without their leaving home. As the level of computerization in the Kingdom increases, more such job opportunities will become available. Policy measures in support of these trends might enable Saudi women to contribute more directly to the development process of the Kingdom, in addition to increasing the Saudiization of the work force. There are growing job opportunities in other areas also, such as process control and laboratory activities, where women can be employed in accordance with the Sharia. Further employment prospects for Saudi women can be generated during the Fourth Plan by rigorously following the Saudiization of the teaching profession.

4.2.4 POLICY OPTIONS

In order to maximize the immediate and longer-term employment prospects of Saudis the Government will study the effectiveness of the following measures:

- influencing formal education and training curricula to adapt to the needs of a competitive economy relying on advanced technology and related systems of economic organization and management;
- providing financial incentives to private sector employers to promote the employment and specialized training of Saudi workers;
- collecting and disseminating information on current labor market conditions and future requirements to all citizens, as well as information on the social, moral, and religious value of work, to influence their attitudes and expectations.

4.3 EDUCATION ISSUES

The spectacular growth in educational enrollment in response to the expansion of facilities, teachers and other resources, is one of the most prominent features of development in Saudi Arabia.

Quantitative growth in both general and higher education has been so rapid that it is not surprising that problems have also emerged. Issues in general education are not identical to those in higher education, but some common features are shared by both:

- low operational efficiency, following from high rates of both repetition and dropout;
- questionable effectiveness, as evidenced by output that is not in full harmony with national manpower needs;
- staffing patterns that are generous and continue to be heavily dependent on non-Saudi personnel.

More specific issues and strategies for dealing with them are discussed below.

4.3.1 GENERAL EDUCATION ISSUES

4.3.1.1 Dropout And Repetition

Educational efficiency may be measured by the ratio of output to input; for example, by the number of pupils who complete a level or stage relative to the number of student-years expended to produce that output. 'Waste', or the difference between a minimum one-to-one ratio and the actual ratio of output to input, may result from (1) dropout before a stage is completed and (2) repetition made necessary by inadequate performance at a step within the stage. Both dropout before completion and repetition of a grade increase the number of student-years expended per student completing that stage.

The most critical problem in general education is dropout. Students begin to drop out of school during their first year. While the dropout rates vary somewhat from grade to grade, the overall pattern is more one of uniformity than variability. Among males, a number equal to about 25 percent of those enrolled in the first grade drop out of school by the sixth grade. By the highest grade in secondary school, the cumulative number of students who have terminated their schooling is about 50 percent as large as the initial elementary grade I enrollment. Dropout or early termination among females is not quite as great as for males during the early years of school, but is essentially equal to that for males by the end of secondary school.

Student dropout before completion of at least six years of school means that attendance may end before functional literacy has been achieved. This issue has negative implications for Saudi society over the long term, as functional literacy is essential for responsible citizenship and for obtaining quality in the future work force. Adult illiteracy cannot be eliminated unless the rate of dropout from the lower school grades is sharply reduced.

Grade repetition creates inefficiency and also raises questions about instructional effectiveness. Some repetition is inevitable if performance standards are to be maintained. However, the level of repetition is high and multiple repetition must be suspected as one cause of eventual dropout.

When the effects of dropout and repetition are combined, it leads to the undesirable finding that some 16 to 18 student-years are required to produce a graduate who has completed the full 12 grades of general education. This is not to say that the average graduate spends 18 years in school; the actual average for those who complete secondary school is between 12 and 13 years. But the cumulative dropout losses, amplified by high repetition, represents 'waste' — that is, effort expended and resources consumed without achieving graduation.

4.3.1.2 Monitoring Losses and Inefficiency

The Ministry of Education and the General Presidency for Girls Education, along with other agencies and higher education institutions, have been monitoring the dropout problem for some time. During the Fourth Plan, a comprehensive study of dropout causes and analyses of possible solutions to the problem will be completed. These analyses will be intensive and directed towards identifying possible changes in policies and practices that will reduce both the genuine loss through dropout and the inefficiency resulting from high repetition. The Ministry of Education and the General Presidency for Girls Education will be joined by Colleges of Education in the Kingdom in analyses and evaluations of alternative policies and practices. Among the possibilities are the following:

- reconsideration of promotion policies and practices, especially in the early grades, to increase retention through a level sufficient for basic literacy;
- improved methods for diagnosing learning difficulties so that specific remediation may begin to replace generalized grade repetition; (The Educational Development Center will play a major role in developing diagnostic measures of progress.)
- intensified guidance and counselling directed towards both students and parents.

4.3.1.3 Educational Leadership

The importance of educational leadership will also be given increased emphasis during the Fourth Plan, because dedicated and informed leadership is recognized as essential to effecting changes in practices. This implies better pre-service and in-service training, as well as more rigorous evaluation of job performance. Perhaps even more importantly, improved educational leadership implies the attracting of strongly motivated Saudis to teaching and educational administration, so that dependence on non-Saudi teachers and administrators can be reduced.

4.3.2 HIGHER EDUCATION ISSUES

The expansion and present diversity in higher education has been realized due to the determined efforts of individual institutions and generous government support. The higher educational institutes accepted the quality risk inherent in the steadily rising number of students, since without them, no broadly based educational infrastructure could have been brought into existence. An elitist system dealing with a selected, and therefore more promising student population, could not have been justified within the prevailing socioeconomic system. The present generation of students had to be pioneers in the evolving educational system, just as the Government, for its part, had no alternative to expanding the system at high speed.

A number of deficiencies, both quantitative and qualitative, have now emerged in the higher education system, however, which are partly attributable to this transitional state of Saudi society in its

adjustment to expanded educational opportunities. The weaknesses are most clearly manifested in such features as: the high rates of dropout; the protracted number of years required for the average student to graduate; the low proportion of graduates relative to intake; and the disproportionality between the number of students in the various fields and the requirements of the labor market.

4.3.2.1 Inefficiencies

The continued rapid growth points also to problems of inefficiency within the overall higher education system. In this regard, the following issues and needs must be addressed during the Fourth Plan period:

- quality standards vary across institutions;
- staffing levels, while very generous, are not well balanced across institutions;
- regional needs must be brought into sharper focus;
- the merits of study abroad need critical appraisal;
- responsibility for specializations must be identified, both to reduce duplication and to eliminate gaps.

4.3.2.2 Period of Consolidation in the Fourth Plan

Saudi society cannot allow its young citizens to fill the ranks of the unskilled and the poorly educated. With life becoming increasingly knowledge-based, this would endanger the functional advance of Saudis in their own economy, which is the very objective of all educational and human resources policies. Therefore, the Fourth Plan period should be used for a comprehensive upgrading of quality at all levels, while maximizing opportunities of learning for promising students.

Further expansion along present lines and under existing conditions would merely extend and multiply the educational system's current weaknesses. Since this conclusion comes at a time when funding presents its own problems, the immediate requirement is for a comprehensive review of the whole higher education system.

4.3.2.3 Master Plan for Higher Education

To achieve coordinated development of higher education over the long term, a comprehensive policy framework will be developed during the first three years of the Fourth Plan period. This policy framework, or 'Master Plan' for higher education development, will be formulated through joint planning by representatives of all the Universities, the Girls Colleges, and the Ministry of Higher Education. The Ministry of Planning will manage the planning process as a national effort. The main base for the Master Plan will be seven major long-term policy measures, all of which are related to the strategic principles of the Fourth Development Plan. Their main aim will be to make the education

system more responsive to the requirements of development and the needs of the labor market in quality, quantity and speed of response by:

- defining spheres of responsibility among the universities and other agencies with post-secondary teaching or research responsibilities;
- specifying criteria for the expansion or contraction of both facilities and programs of instruction and research;
- establishing criteria and procedures for periodic accreditation of degree-granting programs;
- rationalizing admission policies and practices;
- specifying standards for maintaining status as a student;
- rationalizing the system of student subsidies for university study both within the Kingdom and elsewhere;
- determining the form and structure for executive control of higher education development.

4.4 HOUSING ISSUES

The substantial housing construction programs undertaken during previous planning periods have resulted in a reasonable balance between overall demand and supply of housing of acceptable standards. The present situation is characterized by shortages of high-quality housing in some rural areas, and by over-supply in the main urban centers. These developments require that government lending policies be reviewed, as well as the available public housing stock.

4.4.1 THE NEED TO REVIEW GOVERNMENT LENDING POLICIES

The purchase of newly constructed houses is encouraged by government-subsidized loans, which are not available for existing houses. This encourages the construction of new housing, rather than the maintenance and renovation of existing housing.

4.4.2 POLICY OPTIONS

The following policy measures will be considered by the Government:

- extending subsidized loans to include the purchase of existing houses;
- making loans available for housing renovation;
- adjusting the scale of loan subsidies in areas with excess housing supply, by eliminating or reducing loans for new housing, relative to those for existing houses;
- extending loans for the purchase of apartments.

4.5 TECHNOLOGY ISSUES

In very few countries has technology played such a pivotal development role as in the Kingdom. Technology affects all activities where the Kingdom's resource endowment characteristics, along with a shortage of human skills, all assert themselves and propagate the need for capital-intensive industrial processes.

The postwar experience of many industrial countries has shown that few societies can afford the simultaneous modernization of their production facilities and their physical infrastructure. Although civilian life's technical foundations need not be replaced with every new product or process, the imperatives of technical innovation are more pressing on the producers of goods and services. It is in the domain of the Kingdom's widening range of producing activities (including what is called 'producer services' — high quality capital-intensive repair and maintenance of the latest equipment, processes, and techniques) that technological issues are becoming decisively important for the future.

4.5.1 TECHNOLOGY USE IN THE KINGDOM

In its use of technology Saudi Arabia has achieved unique advances relative to the rest of the developing world. Conditions did not compel the Kingdom to choose the second best in order to protect employment, preserve foreign exchange or adjust to the skill level of domestic labor. For this reason alone the Kingdom's commitment to advanced technology is complete and irreversible. This, in turn, imposes the obligation to raise society's technical understanding so as to improve people's general efficiency in the new technological environment.

4.5.2 TECHNOLOGY TRANSFER IN INDUSTRY

There are negative elements as well, however, in terms of the risks associated with the free flow of technology transfer. The risk lies in the duality of dependency and obsolescence. Saudi society cannot as yet be expected to counter it in the Japanese way, that is, by further developing the imported technologies on home ground and through domestic research. The main option available to the Kingdom is to achieve maximum efficiency in the use of technology and prolong the period of utilization of imported technology.

It is the task of policy makers to face up to the difficulties and risks in obtaining and utilizing the results of foreign research. The risks of dependence will be great and not even oil can remain exempt from the influences of new developments. Thus, the comparative cost advantage (such as that held by the Kingdom for oil) is not automatically and fully transferable to the subsequent stages. Nor can it provide protection against the results of research in new materials and new processes. Direct or indirect dependence on the research and production capabilities of the leading industrial countries is a fact which cannot be overlooked. It can only be overcome if in vital areas competition is replaced by cooperation.

4.5.3 TECHNOLOGY AND NATURAL RESOURCES

In the area of natural resources the issue is not so much competition as the fact that there are, as yet, no technologically fully satisfactory, let alone cost-effective, solutions available to the Kingdom's underlying problems of resource availability and utilization.

The longer-term expectations of the Kingdom should be that science and technology will help lift the inherited constraints on natural resources, restore and improve ecological balance, assist in the development of both higher-value products and the introduction of new production methods and machinery.

4.5.4 POLICY OPTIONS

In terms of technology use in industry the main policy options for consideration will be:

- to acquire maximum efficiency in the use of technology;
- to learn to prolong the useful life of imported technology.

With respect to the acquisition and utilization of new technology in natural resource development, the Kingdom has only two policy options:

- (i) waiting for the required technologies to arrive in their own time;
- or (ii) organizing and commissioning the necessary research directly.

Preference for the second option is based on the urgent need for technological solutions to the problems of resource development in the Kingdom.

4.6 AGRICULTURAL SUPPORT POLICY ISSUES

4.6.1 CAUSES OF SUCCESS

Agriculture's performance in the Third Plan stands out as one of the most impressive of all the efforts to develop the Kingdom's productive potential. There are hardly any parallels in the developing countries to such confluence of financial, organizational and technical resources, both private and public, into agriculture. Especially significant have been four factors:

- the utilization of previously uncultivated land extending the total area under cultivation;
- the use of huge amounts of water from finite non-replaceable sources;
- the range of financial support by government in respect of important inputs in private farming activity, including the purchase of most of the necessary machinery, equipment and fertilizer materials;

- the direct marketing incentives (subsidized purchase price, guaranteed outlets) granted to wheat and other producers.

4.6.2 REASONS FOR CONTINUED SUPPORT FOR AGRICULTURE

The Kingdom's interest in further expanding agricultural output is motivated by four factors:

- advantage for the economy and society of higher rural incomes;
- the possibilities which agriculture can offer to the rest of the economy in terms of processing activities and other forward production linkages;
- the preservation of Saudi agriculture, both as a sector of production and as the economic support of established communities, must also be seen in terms of its role in combatting desertification, which could ensue without the support measures;
- the benefits from preserving agricultural communities is of particular significance in view of the settlement process of nomadic groups.

4.6.3 REASONS FOR QUALIFYING THE CONDITIONS OF SUPPORT

A priority issue in agricultural development arises in localities with limited or no potential for rain-fed or otherwise recyclable water.

In those conditions extended acreage, especially for water-intensive cultivation, will invariably reduce the life of the finite water resources. It is in the long-term interest of the Kingdom to institute policies which regulate both the depletion rate of water resources, and the use of land for cultivation according to the water demands of individual crops.

Although such qualifications concern primarily wheat production at present, the issue of priorities is a general one. The policies needed will affect the scale of financial support and the problems of water use, including the private/social cost aspects of accessing water resources.

4.7 WATER DEVELOPMENT ISSUES

During the Third Plan period two developments affected the position of the Kingdom's water resources:

- the continued expansion of water supply coming from desalination, aquifers and recycled waste water;
- the rapid expansion of water-intensive agricultural production.

The result has been:

- agriculture advancing as the main water user;
- non-replenishable aquifers becoming the main source of supply.

The agricultural situation underlines the imbalance in its extreme form between the growth in water demand and supply. The strategy's call for economic utilization of water is, therefore, one of the Fourth Plan's main policy objectives.

4.7.1 NEED TO REVIEW CURRENT POLICIES

The priority issue relates to agricultural development in locations with limited potential for rain-fed or recyclable water. There is a need for closer coordination between agriculture and water policies both in the medium and in the long term.

Throughout the Third Plan period water has been supplied free of charge to industrial and agricultural users, while domestic consumers have been heavily subsidized. The high cost of desalinated seawater is a measure of the relative value to the Kingdom of water now being consumed from non-replenishable sources. The need arises, therefore, to review current policies relating to the provision of water at little or no cost to the various end-user groups. It is especially important to introduce policies which discourage waste of water resources.

Some areas of the Kingdom could face critical water shortages in the near future unless conservation measures are introduced to control the over-exploitation of finite reserves. In this regard, there is now a need for greater coordination and control of water development activities by the relevant authorities.

4.7.2 POLICY OPTIONS

The framework for appropriate policy measures is the National Water Plan, which will provide for greater control, coordination and regulation of water use in the Kingdom. These policy measures, which are discussed in more detail in Chapter 8, will include:

- the introduction of water conservation measures, including a progressive tariff system for all users; (A system has been introduced recently.)
- greater coordination between agriculture and water policies;
- intensive development of water resources which are currently used inefficiently, such as reclaimed waste water and some surface water;
- establishment of institutional measures for more coordinated water supply and distribution.

4.8 HEALTH ISSUES

4.8.1 MAIN ISSUES

Important issues emerging during the Third Plan period which merit special attention in the coming plan period are:

First, it is essential that medical manpower of high quality be provided to operate new health facilities and to support existing ones. Ministry of Health facilities require an additional 45,497 employees (a 25 percent increase) for operating 45 new hospitals with 9,264 beds, 98 diagnostic/maternity centers and 1,103 additional primary health centers. These manpower increases are difficult to accomplish since:

- effective medical manpower remains in short supply internationally, especially in certain specializations;
- existing health services facilities, particularly those of the Ministry of Health, are currently understaffed;
- the Saudi proportion of health service employees remains below the desired standard, so that an extensive effort will be required to increase the output of medical schools, allied health programs and Ministry of Health institutes; for this reason, additional training and scholarship programs will be needed throughout the health service.

Second, the aim of providing integrated health facilities and fully staffed hospital referral services calls for the establishment of primary health centers as the fundamental health service unit for the population. As a result, there must be a greater effort to improve and expand primary health center services, including programs for bringing health care to the household. In order to expand the benefits of developing health services to the population of the Kingdom, primary health care must be brought to the level of the individual locality.

Third, the dissemination of health education information and the newly-provided health services of the Kingdom have increased the demand for infant and child health services. Special attention must be given to this aspect of the health services to ensure that health care is available and accessible for mothers and children in the critical periods of infancy and childhood. In this regard, the degree of coordination between the Ministry of Health and social agencies of the Kingdom must be increased.

4.8.2 POLICY CONSIDERATIONS

The main objective of the health sector remains the provision of high quality health services and facilities in all regions of the Kingdom, so that the population can have access to the required

health care services. To attain this goal, while addressing the major issues of the health services, calls for the adoption of the following policies:

1. Dependence on hospital services must be reduced while increasing the number of primary health centers in all health regions and further improving the health care provided to the population. Primary health services should represent the first level of health care and diagnosis, while the preventive and health education services of primary health centers should be extended into community households.
2. Maternal and diagnostic services must be expanded to cover fully both urban and rural areas. Through this policy, maternal and diagnostic centers will become the fundamental link between primary health centers and hospitals. Five or six primary health centers will be linked with one maternal and diagnostic center in order to up-grade referral procedures.
3. The full and effective use of existing health facilities and manpower should be ensured by a rapid expansion of training programs at all levels; through increasing medical education activities; by greater numbers of scholarships; and by review of expatriate manpower requirements.
4. There is a need to coordinate on a contractual basis the requirements of the Government's health service with the professional capacities available in the private health sector, utilizing the complementarities in staff and equipment.
5. The efficient operation of health services should be advanced by improved work procedures and up-graded maintenance programs, as well as by training aimed at further improvement of administrative skills.
6. An effective, comprehensive health information system must be provided for planning, operation and maintenance of efficient health facilities; in addition, health service costs must be controlled to assure high levels of efficiency.
7. Greater emphasis must be placed on the provision of infant and childhood health care through close cooperation between the Ministry of Health and the community development centers of the Ministry of Social Affairs.

4.9 SOCIAL ISSUES

4.9.1 FEATURES OF SAUDI ARABIAN SOCIETY AT THE END OF THE THIRD PLAN PERIOD

Contemporary Saudi society has experienced major changes during the last two decades, to

the extent that the social structure has been transformed. However, in the midst of change and the contrasts with other cultures, Saudi Arabian culture, founded in Islam, has maintained and indeed strengthened its particular character.

These changes had been accelerating during the Second Plan and early part of the Third Plan, while there is evidence that the pace of change had slowed by the end of the Third Plan period. Nevertheless, the cumulative impacts of so many changes in so many fields of society are far-reaching. It is a testimony to the strength of Saudi culture and of the fundamental institutions of society, in particular the family structure, that these changes have been accommodated so well.

Some of the demographic and social changes are fundamental. The population is now largely distributed in metropolitan centers and regional towns, and most of the nomads are now settled. The Saudi population is host to large numbers of foreign workers from non-Arab cultures, while the prevalence of mass media and foreign travel mean that most Saudis are directly or indirectly acquainted with many foreign cultures. Material living standards have improved dramatically as a result of planned development, and the majority of the urban population are affluent by international standards. Education is now almost universal among the young. New occupational structures have emerged, requiring particular skills and frequently introducing different types of relationships and authority from those which prevailed in the past. Technology, much of it very advanced, has been imported and widely applied, not only in such areas as industry, but also in households. There are new patterns of leisure activities, especially among young men in the cities. The childhood neighborhoods of people of less than twenty years of age have frequently been transformed beyond recognition, and the landscapes of cities and villages are modified regularly.

4.9.2 THE FUTURE CHALLENGES OF SOCIAL AND CULTURAL CHANGE

While the initial novelty of technological innovations may have worn off by the end of the Third Plan, the impacts of social changes continue to be felt. Furthermore, the introduction of yet newer technology, especially the wider application of fully automated production and service systems, will generate still more challenges. In particular, it will be important for Saudis to use advanced computer-based technology creatively to expand the scope of activities, rather than simply replace human labor by machines. Such creative use of technology will require the incorporation of new technology into culture, so that computer-aided systems are regarded and used as an extension of the human intellect, not simply as utilitarian tools. This will be a prime challenge for the educational system.

Allied to the creative use of machines is the need to foster an appropriate attitude to work in general, and to manual and technical work in particular. Work has various dimensions: it provides a livelihood, is a contribution to society, and also provides personal fulfillment. In an affluent society

with no unemployment it is easy for people to regard work merely as a means of livelihood, and for employers to regard workers simply as functionaries. Thus, the challenge will be twofold: for all generations to recognize the significance of — and fulfillment to be gained from — work; and for the Government and employers to strive to provide stimulating and congenial working conditions, which are all the more possible with the use of advanced technology. This challenge is fundamentally cultural, since it is concerned with the values and attitudes towards work which are instilled in the minds of Saudi society.

Work, however, cannot be considered in isolation, but in juxtaposition to leisure. As work changes from being a grinding necessity to support life into an activity which contributes to the growth of the economy and the achievements of the individual, so too leisure changes from being solely relaxation from toil into a time of opportunity for personal, cultural and intellectual enrichment. Here again there is a dual challenge, for the Saudi population to seize the new possibilities for the creative use of leisure time, for the Government and the private sectors to provide the facilities for cultural appreciation and wholesome recreation, and to sponsor cultural and artistic activities. There is a special challenge for all those who form the heart of cultural and intellectual activities, to take the lead and actively seek a cultural revival to enrich the intellectual and artistic life of the country, as much as economic development enriches the material life.

Linked to these cultural challenges are the continuing social challenges of development. 'Culture' and 'social structure' cannot be divorced, and just as there is a need to foster and stimulate Saudi culture in order to strengthen society, so too there is a need to maintain stability in the social structure. In the past, the most pressing social issues were those concerned with poverty, deprivation and disability. In the Fourth Plan period, most of these issues are well looked after, though there will still be a high priority on programs which improve the capabilities of all individuals to increase their incomes, and thereby remove social imbalances resulting from differential levels of participation among certain sections of the community in the development process. In the future, it is likely that the major social issues will be the consequences of the disruption of traditional communities, absence of purpose among the younger generation and the changing functions of traditional institutions. The challenges will be to minimize disruptions through careful planning and to withstand any harmful side-effects of economic growth, through strengthening the cultural integrity of society and individuals.

All these cultural and social issues will require the development of distinctively Saudi Arabian answers, since imported 'solutions' are always inappropriate in dealing with the problems of another culture. The very process of searching for answers to these challenges will add to the dynamism and creativity of Saudi culture, which has already demonstrated its flexibility and responsiveness to external challenges.

4.9.3 POLICY OPTIONS

Many of these pressing cultural and social issues cannot be resolved simply by administrative or fiscal mechanisms. Instead, they require careful diagnosis, planning, full awareness among government agencies of the impacts and side-effects of their activities, and good coordination.

Thus, the main policy measures which will be strengthened are :

- all government agencies will be required to assess the social consequences of their programs and projects, together with the long-term social implications of their policies;
- the mass media will be encouraged to stimulate the discussion and creation of cultural matters, and to give prominence to the achievements of Saudi artists, writers and poets;
- the private sector will be encouraged to sponsor cultural activities and publications, and to invest in wholesome recreational and leisure facilities;
- the Ministry of Planning will give increased attention to the social aspects of development planning and follow-up;
- the government agencies concerned will increase the provision of cultural facilities and activities;
- the education and training agencies will give special attention to the understanding of advanced technology by the population.

