

# POPULATION AND STANDARD OF LIVING

## 11.1 INTRODUCTION

The young dominate the age structure of the Saudi population. This represents an asset to the Kingdom in case of maximum utilization of the present and future capacities of this group. However, it imposes some challenges related to satisfying the needs of the youth, such as health care, education and training, social services and recreational services.

The Eighth Development Plan paid due attention to the different dimensions of the population issue by rationalizing and directing the population trends in a manner that serves development objectives, programs and projects, and contributes to raising the standard of living of the population and improving their quality of life.

The Ninth Development Plan aims at continuing the efforts initiated by the Eighth Plan. This will be implemented through the adoption of effective population policies which deal efficiently with population growth and geographical distribution on the one hand, and attempting to raise the standard of living and improve the quality of life, on the other. The latter objective will be reached through the provision of more jobs to citizens, the provision of high-quality public services, and continuing to pay due attention to low-income groups.

This chapter discusses the current condition of the population and the standard of living and presents the developments which took place during the period of the Eighth Plan. It also highlights the key issues and challenges that should be addressed during the Ninth Plan, as well as the future vision for improving the standard of living and the quality of life. Moreover, it presents the objectives, policies and targets of the Ninth Development Plan related to the issues of population and standard of living.

## 11.2 CURRENT CONDITIONS

### 11.2.1 Demographic Characteristics

#### □ *Population Size*

The total population of the Kingdom increased from about 7 million in 1974 to 16.9 million people in 1992 and to almost 22.67 million people in 2004. According to the population projections of the Central Department of Statistics and Information, the total population of the Kingdom is estimated at about 25.37 million in 2009.

Regarding the Saudi population, their number increased from about 6.2 million in 1974 to 12.3 million in 1992, 16.53 million in 2004 and to almost 18.50 million in 2009. With respect to non-Saudis, their number increased from about 0.8 million in 1974 to 4.6 million in 1992, 6.14 million in 2004 and to almost 6.83 million in 2009.

Page  
190

#### □ *Population Growth*

According to the results of the population and housing censuses, the average growth rate of population was estimated at 4.9% per year during the period 1974-1992. This rate of growth declined to 2.4% during the period 1992-2004. With respect to the Saudi population, the average annual growth rate declined from 3.9% during the period 1974-1992 to 2.5% during the period 1992-2004, while the average annual growth rate of non-Saudis declined from 9.8% to 2.3% over the same periods.

#### □ *Fertility*

The Kingdom is considered as a country with an intermediate level of fertility. Data from surveys indicate a steady decline in total fertility rate from over seven live births per woman in childbearing age to 3.3 live births, during the period 1979-2007. This decline is attributed to the decline of fertility of women of all age groups, particularly those

below age 30 years, due to the increase in age at marriage and the increased level of education and culture.

#### ❑ *Mortality*

The Kingdom has witnessed substantial improvement in mortality indicators. The crude mortality rate of the Saudi population declined from 15 per thousand to 12.5 per thousand during the period 1975-1980, and to 3.8 per thousand in 2008. This impressive decline in crude mortality rate is attributed to the increase in standard of living, the spread of education, the expansion in preventive and curative health services, the improved environmental conditions, as well as the youth-dominated population age structure.

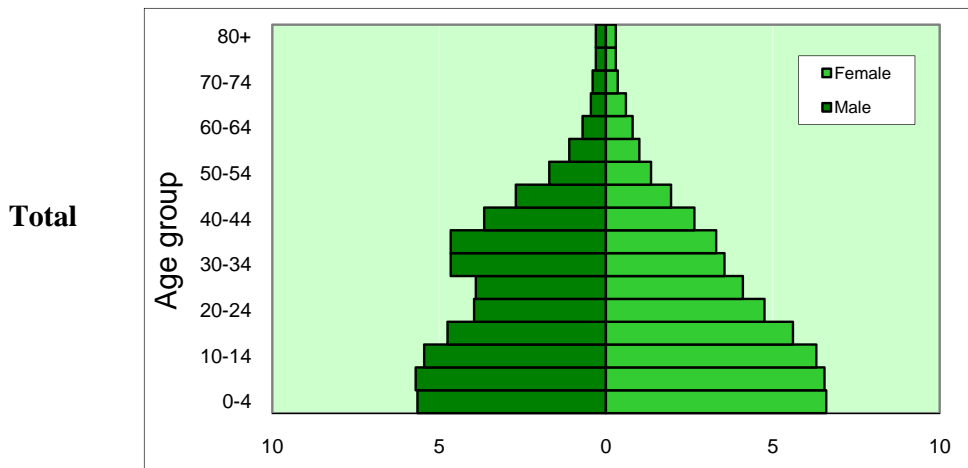
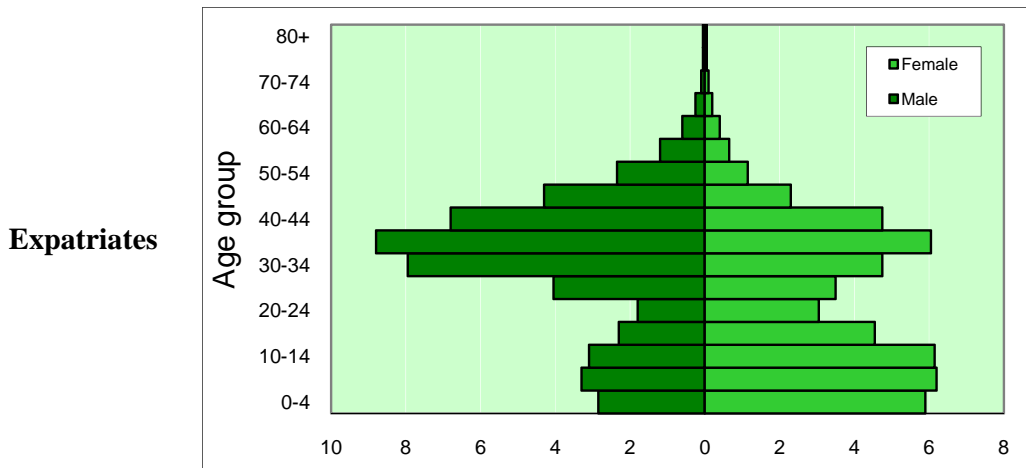
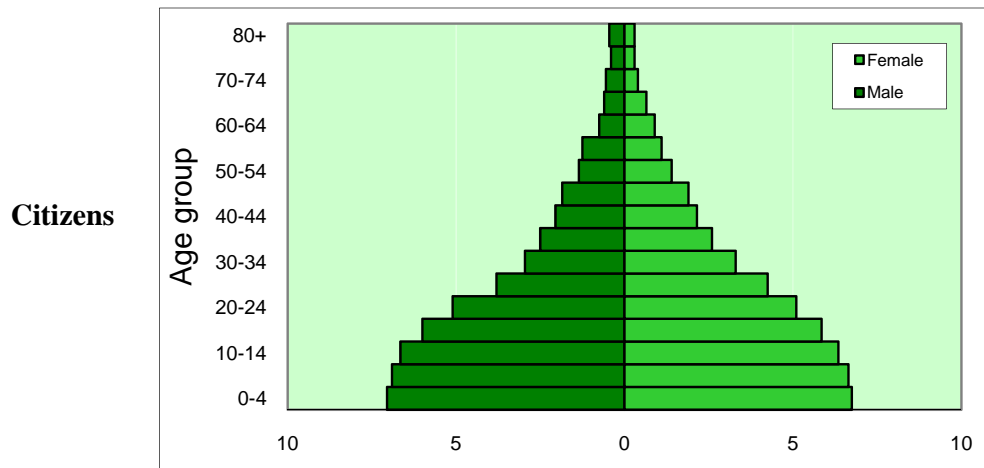
Infant mortality rate (the number of deaths of infants under one year old) declined from 118 deaths per 1000 live births in the early 1970s to 17.4 per 1000 in 2008. Because of this remarkable decline in infant mortality rate, life expectancy at birth increased from 53 years in the early 1970s to 73.7 years in 2008.

Maternal mortality rate (death of women due to complications of pregnancy, childbirth, and the puerperium), it declined from 42 in 1989 to 14.6 deaths per 100,000 live births in 2008.

#### ❑ *Age Structure of the Population*

Age and sex structure of populations is closely related to fertility, mortality and migration rates. With respect to the Kingdom, which hosts a large expatriate population, the age and sex structure of the expatriates affect the age and sex structure of the total population. The population pyramid (Figure 11.1) shows age and sex structure of the total population, Saudi population and non-Saudi population based on the results of the 2004 Population and Housing Census.

**Figure 11.1**  
**Population Pyramids of Saudis and Expatriates**  
**According to 2004 General Census of Population and Households**



Source: Central Department of Statistics and Information.

The Census indicates that the ratio of males to females among Saudis is about 101 to 100, but approximately 228 to 100 among expatriates, since the expatriate population consists mostly of unmarried males, or married males who left their families back home.

In terms of age structure of Saudis, the proportion of these aged less than 15 years declined from about 49.2% in 1992 to about 40.4% in 2004, while the proportion of the 15–64 years age group increased from about 47.5% to about 55.9%. The change in the age distribution of expatriates was negligible (Table 11.1).

**Table 11.1**  
**Distribution of the Saudi and Non-Saudi Population**  
**By Age Group, and the Estimated Median Age of the**  
**Saudi and Non-Saudi Populations**  
**1992 and 2004**

Age Group (Year)	1992		2004	
	Saudi	Non-Saudi	Saudi	Non-Saudi
Less than 15	49.2	21.9	40.4	19.9
15 - 64	47.5	77.4	55.9	79.0
65 +	3.3	0.7	3.7	1.1
Median Age (year)	15.4	30.1	19.0	30.3

*Source: Central Department of Statistics and Information.*

### □ *Geographical Distribution of Population and Urbanization*

Results of the 2004 Population and Housing Census indicate the concentration of almost two thirds of the Kingdom's population in three administrative regions: Riyadh, Makkah and the Eastern region. The continued influx of population to these three regions over the past three decades increased their share of the total population from 56.4% in 1974 to 64.4% in 2004. As for urbanization, the share of the urban population in the total population increased from 49% in 1974 to 74% in 1992 and to around 80% in 2004.

### □ *The National Population Committee*

With increased national concern about the implications of population issues on the development process and on various sectors of the national economy, the Council of Ministers issued in 2007 Resolution

No. 219 related to the formation of a National Population Committee. The tasks entrusted to the Committee are listed in Box 11.1.

**Box 11.1: Tasks of the National Commission on Population**

1. Propose the population policy and specify its objectives in line with the general policy of the state and endorse it according to the established procedures.
2. Incorporate the objectives and programs of the population policy in the national development plans and strategies.
3. Coordinate the efforts of the ministries and agencies responsible for population issues.
4. Monitoring the recommendations on population issues, proposed by the regional and international conferences and approved by the government, and incorporates them in the national population policies and programs.
5. Monitoring the progress made in the implementation of pertinent population policies and programs implemented by government agencies and private institutions, and assessing such progress.
6. Managing the aspects related to population issues.
7. Solicit technical support from regional and international organizations.
8. Contribute to the development of national capabilities in the field of demographic research and studies.
9. Establish relations and exchange expertise with similar regional and international institutions.
10. Participate in national, regional and international conferences on population issues.
11. Contribute to the design of plans related to population studies and demographic surveys.
12. Establish a population database.

### **11.2.2 Standard of Living and Quality of Life**

The "Quality of Life Index" is composed of many indicators that include: level and distribution of income, employment, education and health services, housing situation, family condition and environmental situation. The trends of these indicators point to a tangible improvement in the quality of life of citizens. The Quality of Life Index increased from 100 points in 1999 (base year) to 105.3 points in

2004 and to 111.3 points in 2009.

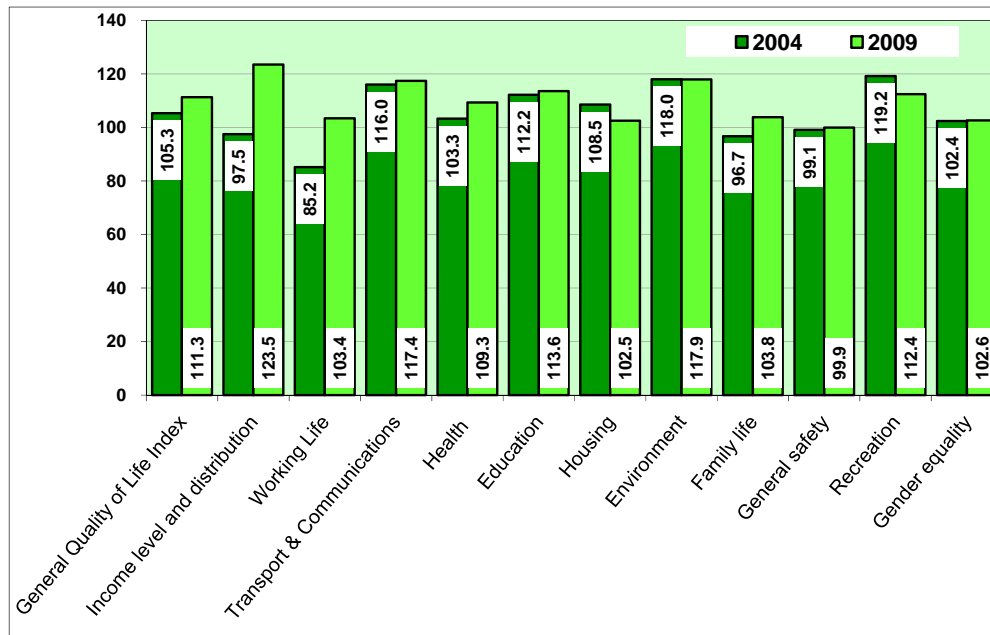
The progress in the Quality of Life Index is attributed to improvement in the income level and distribution indicator, which occupied the first rank in this field, rising from 97.5 points in 2004 to 123.5 points in 2009. This reflects the increase in per capita income over the Eighth Plan period and the decrease of the poverty level in the Kingdom.

The work life indicator was ranked the second, where it increased by about 18.2 points (compared with the base year of the Eighth Plan) reaching 103.4 points in 2009 compared to 85.2 points in 2004. This progress is due to an increase in the employment rate by around 3.1% and the unemployment rate remaining constant at 9.6% over this period.

With respect to family life and health indicators, they increased from 96.7 points and 103.3 points in 2004 to 103.8 points and 109.3 points, respectively, in 2009. Improvement in these two indicators is attributed to a relative decrease in the cases of divorce and juvenile delinquency as well as improved health care which led to a decrease in crude mortality rate and an increase of life expectancy at birth of males and females.

In contrast to the above-mentioned indicators, housing and recreation indicators decreased during the Eighth Plan period. The housing indicator decreased from 108.5 points in 2004 to 102.5 points in 2009, while the entertainment indicator decreased from 119.2 points to 112.4 points over the same period. This decrease entails further efforts to increase the number of housing units, particularly the number of affordable housing units, enhance the provision of water and sanitary services, and implement the property mortgage law and related rules. Moreover, additional land for development should be provided in all regions of the Kingdom, the General Housing Authority should be supported and a housing database should be established.

**Figure 11.2**  
**Quality of Life Index and its Components**  
**During the Eighth Plan**



Source: Ministry of Economy and Planning.

Page  
196

Improvement of the Quality of Life Index in general is attributed to developments in the national economy during the Eighth Plan, where real growth rate of the GDP stood at 3.5%, as well as to the many governmental resolutions which affected the income level and distribution indicator. The most eminent among these resolutions is the Council of Ministers Resolution No. 237 of 2006 and Resolution No. 11 of 2008, (Box 11.2).

## 11.3 ISSUES AND CHALLENGES

### 11.3.1 Population Issues and Challenges

#### ❑ *Growth of Population at a Relatively High Rate*

The relatively high rate of population growth, due to the high rate of natural increase of Saudi population and the continued influx of expatriates, leads to the emergence of the following challenges:



### Box (11.2): Main measures for reducing cost of living

The council of Ministers Resolutions No. 237 of 2006, No. 11 of 2008 and No. 89 of 2008 were the most significant resolutions that specified practical measures to reduce the cost of living and improve the quality of life of citizens. The main measures stipulated by these resolutions are the following:

- Establishing the **Supplementary Support Programme** aimed at bridging the gap between the actual income of the households and individuals, particularly of the poor, and the absolute poverty line.
- Increasing aid to orphans with special needs and the like, including subsidies to foster families, school stipends, end-of-foster-period compensation, marriage grants, and payments to residents of orphanages.
- Establishing an **Emergency Assistance Programme** to help families below the absolute poverty line facing emergencies.
- The State bears 50% of port charges for a period of three years, beginning in 2008.
- Adding a 5% Cost of Living Allowance to salaries and pensions of current and retired State employees for a period of three years, beginning in 2008.
- Increasing the Social Security payment by 10%, beginning in 2008.
- Continuing to subsidize basic commodities, to reduce the impact of the increase in cost of living, for three years, subject to review afterwards.
- Accelerating construction of low-cost housing, for which a sum of SR 10 billion is allocated. Such housing would consist of appropriate housing units, including multi-storey buildings. Additional funds would be appropriated in the future.
- Prohibit monopolistic practices, review the system of commercial agencies to prevent monopoly and promote competition.
- Reducing customs tariffs of 180 commodities, including food items and other basic commodities.

- Increased expenditure on provision of education, health services and housing for the growing population.
- Creating job opportunities for the growing number of Saudis of working age, especially in the presence of competition from foreign workers.
- Maintaining ecological balance, given the continued pressure on environmental conditions associated with population growth, urbanization and industrialization.

Thus, to address these challenges, there is a need to develop and implement the necessary policies to ensure the continued improvement in the standard of living and to maximize the utilization of human resources resulting from population growth.

#### ❑ *Population Structure*

Development activities in the Kingdom over the last four decades created the need to increase the number of expatriate workers to help implement these activities. Expatriates constitute around 27% of the total population. In view of the projected increase in the number of Saudis, particularly those of working age, it becomes imperative to review the current population structure to provide more job opportunities for Saudi manpower.

#### ❑ *High Growth Rate of Major Urban Centers*

Page  
198

The rapid expansion of the major Saudi cities poses numerous challenges: difficulty of providing adequate housing, traffic jams, air pollution, sanitation problems and high cost of supplying clean water. Addressing these issues requires implementation of the policies and mechanisms suggested by the National Spatial Strategy, which aim at achieving balanced and sustainable development among and within the regions of the Kingdom.

### **11.3.2 Issues and Challenges Related to Standard of Living and Quality of Life**

#### ❑ *Improving Health and Education*

Raising the standard of living requires improving health and education. To improve health conditions, it is crucial to reduce the incidence of communicable and non-communicable diseases, reduce infant and under-five child mortality rates and maternal mortality rate, and increase life expectancy at birth. This in turn requires: expanding the provision of primary health care, and improving its efficiency and accessibility to families throughout the Kingdom; provision of general

and specialized curative health care at the secondary and tertiary levels and raising the efficiency and quality of preventive, curative and rehabilitative health care. Addressing these challenges requires diversifying funding sources of health services to include, in addition to the state budget, revenues of cooperative health insurance, endowments (waqfs), donations, and others.

With respect to education, it is necessary to continue the efforts to eradicate illiteracy; expand pre-school education (kindergartens); provide universal education of children of school age; improve quality of education; continue the quantitative and qualitative improvement of higher education; continue increasing enrollment of females in education, and expanding the fields of specialization available to girls in line with the needs of the labor market and society.

#### ❑ *Housing*

The housing sector is one of the most important economic and social sectors in contemporary societies. The housing sector faces a number of challenges, including: inadequate supply of housing units; low level of house ownership; lack of affordability of owned or rental housing units; lack of financing of housing or residential land, and proliferation of slum neighbourhoods.

Despite the efforts of various bodies concerned with housing, progress in this area is still below aspirations, which requires enhanced cooperation among various stakeholders, giving top priority to low-cost housing geared towards the low-income segment of the population; supporting the General Housing Authority to enable it to fulfill its mission; completing development of the National Housing Strategy; development and periodic updating of sub-strategies for all the regions in light of results of population censuses and surveys; and accelerating efforts to deal with the phenomenon of slum neighbourhoods in major cities.

## □ *The Environment*

Because of rapid population growth, urbanization and industrialization, high density of land, sea and air transport, and increased volume of waste of all types, the level of pollution increased. Increased level of pollution negatively affected the environment indicator, which is a component of the Quality of Living Index. Hence, ensuring a safe and clean environment has become one of the major environmental issues that need attention. The Ninth Development Plan has considered the dimension of protecting the environment when developing guidelines and policies for future development activities. The Plan also stresses the importance of operationlizing the General Environmental Act and paying due attention to the environmental impact of anticipated population growth and expansion in development activities, while supporting institutional capacity building for environmental action, and ensuring safe and efficient disposal of waste of all types. The Plan also gives priority to environment-friendly projects in various development sectors. Thus, efforts to conserve the environment are expected to intensify during the Ninth Development Plan, reflecting awareness of the importance of assuring a sustainable environment-friendly development.

Page  
200

## **11.4 TARGET PATHS**

### *A. Population Policy:*

This represents one of the most important elements to achieve comprehensive development, particularly in light of the measures designed to achieve specific demographic objectives, within the general framework of the population strategy of countries of the Gulf Cooperation Council, and in line with related national strategies and the Millennium Development Goals (MDGs) adopted by the United Nations in 2000. The MDGs include poverty eradication, universal education, gender equality in access to education, improving maternal health, reduction of under-five child mortality, combating HIV/AIDS, malaria and other endemic diseases, ensuring environmental sustainability, and developing international partnerships for

development. This path addresses all population issues such as age and geographic distribution of population, improvement of health, education, housing and environmental conditions. The population policy focuses on the following seven major themes:

1. **Population and Development:** This theme covers the issues of rapid growth of population, age structure, fertility, mortality rates of various age groups, and the geographical distribution of the population. It also covers the impact of economic, social and behavioral factors on population on the one hand, and the mechanism for balancing population growth with resources, on the other hand.
2. **Health Services and Health Conditions:** The most important issues covered by this theme include: continuing to reduce mortality rates of all age groups, controlling communicable and endemic diseases, reducing disparities in provision of health services between different regions and between urban and rural areas, and improving the quality of health and social care provided by the state and community to the elderly.
3. **Education, Training and Challenges of the Future:** As one of the main themes of human development and an important mechanism of poverty alleviation, the most important issues addressed by this theme are: eradication of illiteracy, providing education to the growing number of children, satisfying the growing demand for education and training facilities, and aligning outputs of education and training with the actual needs of the labour market.
4. **Women and Sustainable Development:** The most important issues covered by this theme are: eradication of female illiteracy, motivating female students to study scientific instead of literary disciplines, and removing the constraints impeding participation of women in economic activities.
5. **Youth (education, health and employment):** As youth, if properly engaged, could form a solid foundation for achieving the desired leaps in development, this is one of the main themes

of the population policy. It involves developing policies to motivate greater youth participation in sport, youth and cultural facilities, continuing efforts to develop curricula, with the aim of keeping pace with scientific progress and labour market requirements, improving youth health and providing them with job opportunities.

6. **Emerging Issues:** This theme focuses on four main issues: unemployment, poverty, environment and housing. Each of these issues was studied in detail to identify its nature, causes and negative impact on population, with the aim of developing appropriate policies.
7. **Preparing the Appropriate Environment for Implementation of the Population Policy:** This theme includes three key elements: building population databases, developing training programs for employees of government agencies concerned with population issues, and intensifying demographic research and studies.

Page  
202

### ***B. Standard of Living and Quality of Life:***

The standard of living and quality of life are reflected by several indicators: rates of investment and employment, macroeconomic and sectoral growth, degree of economic diversification, availability and standard of health, education and training services, availability and standard of basic services, such as water, sanitation, electricity, transportation and communications, and housing.

To achieve significant progress in all these areas, the Kingdom has adopted a comprehensive strategic planning methodology that sets the future vision of the Kingdom. The Eighth Plan constituted the first stage of this vision. During the period of the Plan, the Kingdom achieved several economic and social development targets. The Ninth Plan aims at continuing to accomplish various objectives that would contribute to raising the standard of living and improving the quality of life of citizens.

### ***C. National Strategy for Social Development:***

The National Strategy for Social Development of the Ministry of Social Affairs adopted an inclusive perspective, especially in relation to poverty alleviation. Rates of poverty (material and non-material) are reduced by improving the standard of living of the poor through: increasing their income, providing them with basic services, raising their education and health status, developing their skills and capabilities, and empowering them economically to actively contribute to the development process. Notably, the Strategy not only addressed poverty, but also maintaining the standard of living of the rest of the population, particularly the middle-income group, to prevent the incidence of poverty. The Ministry of Economy and Planning, in collaboration with the strategy team overseen by H.E. the Minister of Social Affairs, developed a scientific framework that takes into account the resources and conditions of the Kingdom, international conditions (rising prices of imports, the global financial crisis, and the global economic recession), and the experience of other countries in poverty alleviation.

Implementation of the National Strategy for Social Development is undertaken through building a database based on specialized surveys, which measures poverty and its various indicators, and identifies social groups and geographical areas in which the poor are concentrated. Moreover, causes of poverty are being studied in order to develop appropriate programmes and policies to alleviate it and mitigate its adverse effects. In addition, the Strategy covers several other aspects of raising the standard of living and improving the quality of life, particularly for the poor. To increase effectiveness of the policies and programmes aiming at containment of pockets of poverty, specific geographical areas are targeted. Mechanisms have also been developed for monitoring and evaluation of performance in all regions, to determine potential needs for each region, in order to achieve the objective of balanced regional growth and improved quality of life.

The National Strategy for Social Development aims to achieve the following objectives:

1. Enabling the poor to create and consolidate their human and material assets, through provision of jobs, credit, education and training, health services, and enable them to market their products.
2. Enhancing the ability of the poor to participate effectively in economic activities.
3. Improving the standard of living of the poor through reducing their exposure to risks, such as health problems, economic shocks related to market fluctuations and natural disasters, as well as assisting them to overcome such shocks.

The Strategy encompasses policies for alleviating poverty, along the following five themes:

**Page**  
**204**

**First: Balanced Economic Growth**, which includes policies for accelerating economic growth and distribution of its benefits in a balanced manner among all regions and social strata.

**Second: Economic Empowerment and Employment of the Poor**, which includes policies for providing poor individuals and families with means of production necessary for increasing their income, in addition to enhancing the production capacities of households and small and medium enterprises (SMEs), and policies aimed at improving employment opportunities and wages.

**Third: Developing Capacities and Human Capital**, which includes policies for improving health, education, training, housing and municipal services for the poor.

**Fourth: Social Safety Net**, which includes policies for improving the social security system, and consolidating the role played by the Saudi Credit and Savings Bank, charitable associations and voluntary societies in alleviating poverty.



**Fifth: Institutional Infrastructure and Good Administration**, which includes policies and programmes to enhance the performance of the agencies entrusted with implementation of the strategy.

## **11.5 DEVELOPMENT STRATEGY**

### **11.5.1 Future Vision**

Achieving balance between economic and natural resources and population growth rates, and making the most of the current and future age structure of the population, as well as upgrading all development indicators, in order to raise the standard of living, improve the quality of life and enhance the well-being of citizens.

### **11.5.2 Objectives**

- Raising the standard of living and improving the quality of life of citizens.
- Achieving balance between population growth and natural resources.
- Rationalizing migration to the major urban centers in the various regions of the Kingdom.
- Reducing the proportion of expatriates in the total population of the Kingdom.
- Reducing the infant mortality rate, under-five mortality rate and maternal mortality rate.
- Increasing utilization of human resources, particularly the youth.

### **11.5.3 Policies**

- Raising awareness of the close relationship between population and development issues through various media outlets (TV, radio, and press).
- Directing development efforts towards small and medium cities, through increased government spending and private investment (domestic and foreign) in these cities and in the least developed

regions, as well as enhancing the administrative, organizational capabilities and infrastructure of the medium and small cities, and establishing new settlements as growth centers, thereby enhancing the regional and international competitiveness of the Kingdom. Projects underway for new economic cities are a good example of such centers.

- Employing young human resources to enhance the development efforts and to meet labour requirements of the public and private sectors.
- Supporting funds and financial institutions and expanding their programmes, especially the employment-related training programmes, as well as programmes for financing labour-intensive SMEs, particularly those located in the least developed regions.
- Reducing the incidence of genetic and other diseases, through enforcement of medical examination before marriage, expansion of monitoring and treatment of genetic diseases among newly born children, providing health care services to pre-term births and to children born underweight, and continuing to expand the programme of immunizing children against communicable diseases.
- Encouraging safe reproductive behavior and expanding maternal and child health services, expansion of health education programmes on birth spacing, through prolonged breastfeeding, and on avoiding pregnancy at very young and old ages, improving nutritional status of mothers, especially young mothers, combating anemia among pregnant women, expanding obstetric services and encouraging mothers to pursue post-natal medical follow-up.
- Continuing to improve the quality of health, education and social services.
- Achieving greater integration between the government and private initiatives in employment, and Saudization of jobs to contribute to raising the standard of living.

### 11.5.4 Targets

- Reduce the average annual growth rate of expatriate population by 1.9%, so that their share of the total population reaches 26.6% by 2014.
- Improving the quality of life index, and its components, as shown by Table 11.2.
- Eradication of extreme poverty.
- Achieving economic empowerment of needy families, through:
  - Providing adequate, rewarding employment opportunities.
  - Transforming an increasing proportion of needy families to productive families.
  - Helping the largest possible number of needy families to own small enterprises.

**Table 11.2**  
**Main Indicators of Improved Quality of Life**  
**Ninth Development Plan**

Indicator	2009	2014
Income and the distribution of income	123.5	127.97
Working life	103.4	113.62
Health	109.3	110.58
Education	113.6	115.46
Housing	102.5	108.53
Environment	117.9	120.7
Family life	103.8	109.52
Public Safety	99.9	100.18
Entertainment	112.4	114.47
Gender equality	102.6	125.13
<b>General index of the quality of life</b>	<b>111.3</b>	<b>113.45</b>

*Source: Ministry of Economy and Planning.*

