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Agenda item 3

**SOME SOCIAL ASPECTS OF INDUSTRIALIZATION
IN SELECTED COUNTRIES OF THE MIDDLE EAST**

prepared by

United Nations Economic and Social Office in Beirut

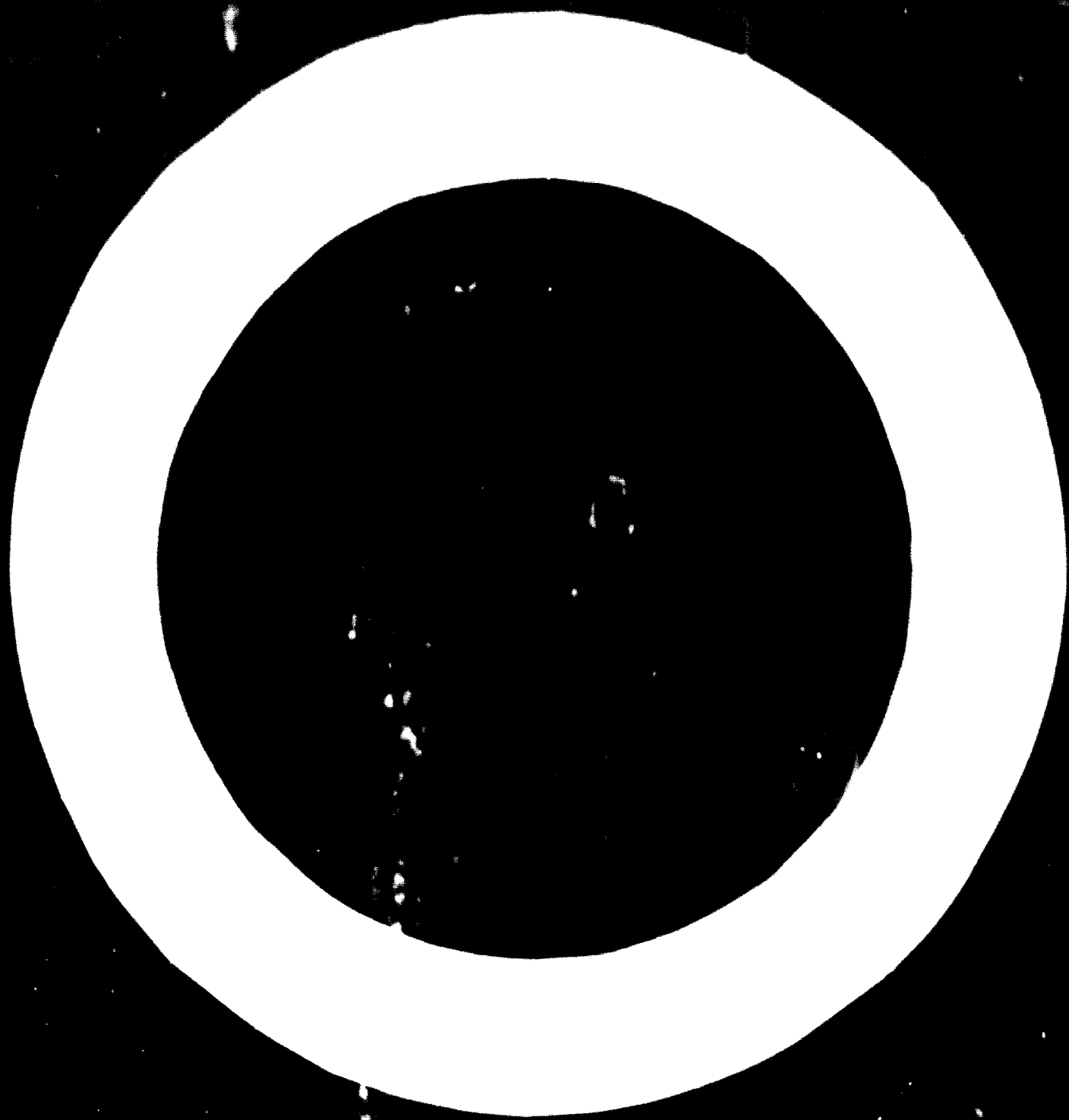
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INDUSTRIALIZATION
IN SELECTED COUNTRIES OF THE MIDDLE EAST

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I. INTRODUCTION

This study deals with six countries in the Middle East, namely, Iraq, Jordan, Kuwait, Lebanon, Saudi Arabia and Syria. Its purpose is to discuss some of the social problems arising in connection with industrial development, and to describe the policies and measures adopted by government, management and labour for improving conditions of work and for increasing labour productivity.

Generally speaking, the six countries reviewed are in an early stage of industrial development. The processes of social organization, and the progress of social change vary, of course, from one country to the other; different historical, geographic and economic circumstances have resulted in differences in the changes which have occurred in Lebanon and Syria, as compared, for instance, to those having taken place in Kuwait and Saudi Arabia. Nonetheless, the fact that all six countries have a common culture and are still at an early stage of industrialization tend to make labour problems comparable, if not similar. Social development policies and their pace of implementation, on the other hand, vary according to the political philosophy of the respective governments, their administrative capacity and personnel availability.

In Iraq and Syria, the Governments are adopting policies aimed at changing fundamentally the socio-economic structure of society. The Governments of Jordan and Lebanon, on the other hand, concentrate on

providing an atmosphere conducive to industrial development. In Kuwait and Saudi Arabia, attachment to traditional values has not prevented the expansion of social welfare programmes for industrial labour, substantial oil revenues sustaining considerable expenditure for such programmes.

Industrial development, albeit in its infancy, already poses problems comparable to those experienced by other developing countries now in a later developmental stage and by the developed countries during their industrial revolution. Rural-to-urban migration and interstate migration - each of which carries its peculiar social and cultural problems - supply of adequate social welfare services for labour, training or re-training of labour, provision of appropriate legislation and supervisory machinery and urban planning are but some of the problems or requirements which are being faced in all six countries. Policies and measures to meet these problems are being formulated but not yet in an integrated fashion.

The following pages present a preliminary analysis of the subject and discuss some of the social problems and policies related to industrialisation: the social roots and motivation of labour; the adaptation to, and training for, work in a new environment; the role of the managers in handling labour problems; government action in relation to these problems and for the provision or stimulation of appropriate social welfare services.

II. ROLE OF LABOUR AND TRAINING

A. The Status and Role of Labour

1. The social issues and conflicts of labour

Industrial development has affected the distribution of population in Iraq, Jordan, Kuwait, Lebanon, Saudi Arabia and Syria. The change is characterized by two types of migration: rural-to-urban migration within countries, and migration (emigration) to Kuwait and Saudi Arabia. The former type of migration, while not exclusively provoked by the concentration of industry - and hence the availability of employment - in the cities, has been accentuated by it. As in other developing areas, the rural-to-urban migration has been caused by both "pull" (the apparent glamour, glitter and ease of city life, plus work-opportunities) and "push" factors; the latter cover unemployment, pressure of population on land available for cultivation, unavailability of amenities, social immobility. Thus, rural-to-urban migration has produced a high concentration of population in the cities. About twenty-five per cent of the total population of Jordan and of Syria, 40 per cent of the population of Iraq and Lebanon, and 70 per cent of the population of Kuwait live in urbanized agglomerations of 100,000 or more persons.^{1/}

^{1/} See "Settlement Patterns and Problems and Related Measures and Policies in Various Countries in the Middle East", Studies on Selected Development Problems in Various Countries in the Middle East (United Nations publication, Sales No: 67.II.C.9).

These urban conglomerations have their advantages in terms of providing labour, if needed available to the mass media of communication relatively large and influential groups and of organization for political, social and cultural purposes. They have also their disadvantages in that they create problems of housing, health, sanitation, social welfare, crime and delinquency which governments cannot ignore. For these, and other politico-social reasons, some governments have adopted policies of decentralization of industry. Such decentralization policies have been systematically pursued and implemented mainly in Iraq and Syria. Thus one of the objectives of the Syrian plan of 1960-1965 was to secure broad dispersion of construction and industry, and to establish rural industries. Lebanon and Egypt too have accorded some importance to decentralization of industry. In the former, there is an intention of encouraging the growth of industrial zones in the "secondary poles" of Zahle, Sidon and Tripoli; in the latter, the establishment of a large industrial estate might be regarded as a step towards decentralization, although the main objective is to initiate industrial diversification.

The other type of migration, namely, migration to the neighbouring oil-producing countries, is a more recent phenomenon. Migration to the oil-producing countries of Kuwait and Saudi Arabia began in the early nineteen fifties. For the most part, the migrants to these two countries are in the age-group of 15 to 50, and include young college graduates, mainly teachers, physicians and engineers, as well as skilled and semi skilled workers. These migrants go for financial gain, but profess their intention of returning eventually to their respective countries.

Available information on rural-to-urban, and interstate, migration is scanty, and often confusing, but the more or less balanced urban sex ratio in Iraq and Syria suggests that rural-to-urban migration, unlike interstate migration, is a family affair. If this is true, it would imply also that migration to the city results in permanent settlement there; interstate migration seems to be, as far as the migrant is concerned, a reversible event.

The social forces described above have, in conjunction with other factors such as education and mass media of communication, affected to a considerable extent the traditional norms and values of the society. There is, for instance, a discernible shift toward a nuclear or conjugal family pattern of relationships and responsibilities. There is perceptible a new role for women in society; there are new concepts of time and discipline; there is being demanded a loyalty to impersonal authority - a demand which is at once alien and often un-nerving. These new behavioural patterns and values co-exist with traditional ones; the co-existence is not, however, without consequent confusion and conflict in the minds of those who experience it. Particularly prone to such confusion and conflict are the rural migrants who now reinforce the ranks of industrial labour; the consequence for productivity is undoubtedly damaging.

Rural migration apart, there is, in the countries reviewed, a movement of manpower from traditional sectors of the economy, such as family farming, nomadism and handicraftsmanship, to the modern sectors such as mechanised agriculture, industry and commerce.

This movement has created two problems. In the first place, the new industrial labourer, because of his rural, bedouin or craftsman background, has to learn new skills, attitudes and behaviour in order to adjust and to produce. Second, emotional ties still bind the worker to his traditional environment which to him provides greater emotional security; the identification with the old weakens the commitment to the new.

The work-patterns and work-attitudes of the new industrial labourer reflect the difficulties and conflicts he faces. Industrial labour requires discipline, training and an acquiescence in impersonal authority, all of which is alien to the rural or bedouin worker who has been accustomed to a more or less permanent relationship with the land, and with activities closely associated with his family, his social status and his social milieu; his new role can thus be a traumatic experience.^{2/}

The ex-craftsman finds similar problems of adjustment. Whereas in the past, he used to work in his own home, and was master of the full production process, he now becomes a tool in a large machine ordered by an impersonal authority to produce a part of a product which he has not conceived, and for which he, as a person, will not get credit.

^{2/} K. Azzi, Social Security of Workers in the Arab Countries, Cairo, New Library of Cairo, 1959 (in Arabic).

Further, his very anonymity involuntarily isolates him from participation in industrial corporate life. A recent survey, for example, indicated that workers were dissatisfied at not being adequately informed of factory affairs, and at not being involved in matters of importance to the company.^{3/}

Although it could be assumed that, after a period of time, the advantages of training and service inherent in the new job should result in adequate adaptation, the reality seems to be that the new ties are much weaker and more superficial than those binding the worker to his village or tribe. For many industrial labourers, factory work is a temporary state which they accept purely for financial reasons. In Saudi Arabia, for example, workers who are of rural or tribal origin are attracted by industry merely because of the high wages it pays; they usually abandon the factory as soon as they have accumulated sufficient savings. Even in Lebanon, where industrial development has been attracting migrants for nearly two decades, the industrial workers do not seem to feel committed to their work or their status. The articulated dream of the worker is to open his own shop as soon as he has the means to do so either out of savings or out of whatever service gratuity he might receive.^{4/} The apparent security provided by a job

3/ L. Berouti, La Main d'Oeuvre d'une Grande Entreprise Industrielle au Liban: La Société de Ciments Libanais, Institut des Sciences Sociales de l'Université Libanaise (rapport renoctype) Juillet 1965.

4/ R. Uhry, "The Relation of the Economic to the Social in the Lebanese Industry", Semaines Sociales du Liban, 1955.

in industry or commerce is offset by the certainty of knowledge that, in times of crisis, the worker can depend on the extended family system to provide for his sustenance and survival.

Compounding the conflict posed by traditionalism in ties, is the actual living situation of the average industrial worker. Marginal living is the norm. As probably becomes quickly apparent to the new worker, industrial employment and the urban slum-life it entails (as reflected in the slums around the big cities of Baghdad, Beirut and Damascus) is not a much better alternative to rural destitution.

Because of the low skill level, and the abundance of unskilled labour, wages continue to remain low. Also, the availability of the agricultural unemployed or the under-employed restrains any rise in wage levels. In Iraq, for example, 25 per cent of the agricultural workers are regularly unemployed or under-employed; the percentage rises to 75 per cent during the unemployment season.^{5/}

The depressed economic status and life of the average industrial worker undoubtedly affect his morale, his health and his productivity. Together with the other conflicts he faces, it makes the worker a more unstable, less trainable, and less committed element in industry. This is reflected in the existence of a self-sustaining reservoir of semi-skilled labour, in absenteeism, and in a high job-turnover rate.

5/ M.S. Hassan, Studies on the Economy of Iraq, Beirut, Dal Al Talia'a, 1966 (in Arabic).

2. Quality and competence

The quality of the average industrial worker in the six countries reviewed, or, indeed, in any country, is affected by his educational background and his attitude toward his work. Unfortunately, in these six countries, neither educational background nor work attitude seems to offer promise for any improvement in quality in the immediate future, although the situation will undoubtedly improve in this respect when the full impact of current educational plans and programmes begins to be felt, perhaps ten years from now.

In spite of increasing governmental efforts in the field of education, educational standards are generally low. Standards vary, of course, being higher in Iraq, Lebanon and Syria than in Kuwait and Saudi Arabia, but substantial illiteracy is a common phenomenon in all countries, and it is from the illiterates that industry usually gets its labour. In Saudi Arabia, for instance, even primary school enrolment is something relatively new, and the drop-out rate is high.^{6/} In Kuwait, a majority of the industrial workers are illiterate.^{7/} The low educational standards affect worker productivity, and also prevents the worker from even understanding the nature of his work. For instance, it was observed

^{6/} United States Department of Labour, Labour Law and Practice in Saudi Arabia, (Washington D.C.) 1964.

^{7/} T. Madkour, "Petroleum Industry in Kuwait", Eleventh session of the Arab League Conference on Social Affairs and Labour, Cairo 1967.

that, in the Lebanese cement industry, most of the workers on the kilns did not even understand the simple process of burning.

Impairing the worker's quality and competence is also his attitude to his work. As in some other developing countries, there is a general tendency in the Arab countries to regard manual work as being undignified if not degrading. This tendency is a cultural inheritance, and apparently is deeply rooted in attitudes and behaviour. For instance, when the first industrial school was established in Saudi Arabia in 1948, the number of students enrolled was negligible because of the negative attitudes toward manual work.^{8/} In Lebanon, unskilled jobs are usually filled by foreigners because of the aversion the Lebanese seem to have for such jobs.^{9/} Revealingly, a case study conducted in Lebanon seemed to indicate that skilled workers looked with favour on manual work, whereas semi-skilled and unskilled workers have the opposite attitude.^{10/} The implications of this thesis for training programmes, and through them, for social change, are challenging.

This distaste for manual labour is not, however, irrational; the perceptible and tangible symbols of affluence are indeed associated with, and derived from, non-manual labour. Besides, since white-collar

8/ The Arab States Centre for the Advanced Training of Educational Personnel (Beirut), The Third Panorama on the State of Education in the Kingdom of Saudi Arabia, 1963-64 (in Arabic).

9/ United States Department of Labour, Labour Law and Practice in Lebanon, (Washington D.C.) 1966.

10/ U.A. Tabbarah, Industrial Labour in Lebanon, American University of Beirut (unpublished M.A. thesis), 1961.

jobs are accorded a much higher status than manual (blue-collar) jobs, it would seem to follow that the occupants of the former have a much better chance of improving their position in life either through fortuitous social contact or arranged marriage. It is not surprising, therefore, that even workers in large factories who enjoy good working conditions show an aversion to their position as "workers", and prefer their children to get more education, and obtain a job with higher social status.

Given the educational background and the attitude toward manual work, it is not strange to find in the six countries an overall acute shortage of skilled workers, and intermediate technical personnel such as foremen and supervisors. This need for technical personnel has not only been often expressed^{11/} but is manifest in the countries themselves.

In Iraq, the need for a diversification in the supply of skilled labour and technicians is strongly felt in connexion with the execution of industrial projects.^{12/} In Saudi Arabia, the acute shortage of skilled labour is reflected in the employment there of large numbers of foreign technical personnel.^{13/} A similar situation prevails in Lebanon where, in comparison to what the country needs, there is but a

11/ See, for example, Industrial Development: Arab Countries, Report of the Symposium (United Nations publication: ID/CONF.1/R.R./4), and the Arab League Conference on Social Affairs and Labour held in Cairo in 1967.

12/ Government of Iraq, Ministry of Planning, Studies on Professional Development in Iraq, Baghdad, 1964 (in Arabic).

13/ H.K. Harby, Technical Education in the Arab States, (UNESCO, ED./64/XII.53/A), 1965.

small number of persons who have had the necessary technical training. Usually, management has to hire unskilled labour and provide it with on-the-job training. Attempts are being made to raise the standard of proficiency of the industrial worker by training in vocational schools, special training centres, or through on-the-job training. These efforts are, however, hampered by a number of factors,^{14/} such as the following:

- a) shortage of qualified instructors;
- b) movement of workers, once they have been trained, to other jobs;^{15/}
- c) tendency of parents to place their children in semi-skilled jobs because wage differentials are often not such as to make worthwhile the financial effort needed to become a fully skilled worker;
- d) lack of satisfactory employment prospects justifying the years spent in acquiring the training;^{16/} and
- e) the preference of trained workers for administrative jobs which they rate much higher in the social scale.^{17/}

^{14/} See International Labour Organization Report on "Employment Prospects of Children and Young People in the Near and Middle East", International Labour Review, Vol. LXXXVII, No.1, January, 1963.

^{15/} See Barouti, op.cit.; M. Bouldoukian, The Shoe Industry in Lebanon, American University of Beirut, (unpublished M.A. thesis), 1964; and material collected through interviews concerning the "Dakwaneh" vocational school in Beirut. Workers sent to this school by the factories where they work usually quit their jobs and seek better ones after graduation.

^{16/} See study by N. Bukhari on Secondary Education in Jordan, and the Vocational Side of It, American University of Beirut (unpublished M.A. thesis), 1964 (in Arabic).

^{17/} Studies on Professional Development in Iraq, op.cit.

1. Organisation and effort

Labour unions, which could not only help the workers adjust to stresses and strains in social relationships caused by industrialization or other forces, but also help make them more efficient, exist in all but one of the six countries studied; in Saudi Arabia, labour organizations were forbidden by a royal decree of 1958.^{18/} As might be expected, however, the labour unions vary in cohesiveness, size and effect in the various countries. In Iraq and Syria, there are well-organized, but politically oriented labour unions.^{19/} Lebanon has a well-developed trade union movement, but those in Jordan and Kuwait are relatively weak.

Generally speaking, the labour unions lack the cohesiveness and strength their counterparts have in the developed countries, and in some of the developing countries. The unionization of labour in the six countries did not have its origin in working class dissatisfaction with their conditions, and, in fact, most of the labour leaders are not drawn from the working class. It would seem that the leaders of labour are those selected and enthroned as such by socio-political forces. Further, the majority of the labour force remains outside the pale of

18/ Labour Law and Practice in Saudi Arabia, op.cit.

19/ In Iraq, the political orientation of the labour organization was confirmed by the President of the General Federation of the Iraqi Trade Unions who reaffirmed that the labour movement should not be isolated from the political revolution of the masses, and stressed the right of the working class to express opinions and evaluations of the state's social, economic and political policies. See M.M. Al Habib, "Ideology and General Labour Policy of the General Federation of Iraqi Trade Unions", Middle Eastern Affairs, December 1963, pp.290-296.

the union. In Lebanon, for example, only 15 per cent of the non-agricultural labour force were members of trade unions in 1965. This low percentage is explained partly by the fact that the new entrant to the labour market derives more security and gratification from his communal and traditional ties than from involvement in relatively impersonal organizations of workers whom he has only recently met.

Other factors too contribute to lessening the impact the trade unions could have on the formulation and execution of social development programmes, or on the determination of labour-management relationships. Weak financial backing, fractionalism in affiliations and loyalties, the often subtle but erosive affect of paternalistic relationships in industry, and government control or interference, are but some of the factors which may be mentioned.

With the exception of perhaps Iraq and Syria, where the unions are, as indicated above, politically oriented, the actual activities of the unions reveal their local strength and their general weakness. It would seem that the trade unions have been particularly concerned with wage-levels and related conditions of work and employment, rather than with the broader issues of union and employment security. The pressure for such concern comes from the worker himself, who is mainly preoccupied with the rights that the unions should help him win from management in the way of better wages, shorter working hours, hospitalization benefits, and wage bonuses. The immediate benefits are apparently what he is concerned with, and the union is the instrument to be used to obtain these from management.

The improvement of social services, in particular, seems to be the union's immediate, and understandable, concern. Workers' education and training is a matter of active interest especially among the trade unions in Iraq, Lebanon and Syria. Apprenticeship schemes, accelerated training, and other forms of on-the-job training, as well as after work classes for adult literacy, are either fully sponsored or co-sponsored by the trade unions. In some instances, however, an initial stimulation is required to induce labour to action. For example, in Lebanon, although labour has not placed too much of a stress on vocational training, it did work jointly with the United States Agency for International Development, and the Government of Lebanon, to establish the Lebanese Technical Industrial Centre.

Workers are usually well represented on industrial safety committees. Such committees exist in individual industries in Iraq and Syria and play an active role in the educational activities related to health and safety in the plants. Further, some unions, those in Lebanon for instance, are starting housing schemes for their members. Others provide some kinds of welfare services. The most commonly encountered such service is the establishment of a benevolent fund for assistance to workers and their families in times of emergency.

B. The Mechanics of Management

1. Paternalism in organization

Management and ownership, although they are two distinct concepts in business economics, tend in general to be synonymous in

the countries reviewed.^{20/} It must be observed, however, that this pattern is fast disappearing in Iraq and Syria as a consequence of socialistic and nationalization policies. As in even a number of the developed countries of Western Europe, the owners of industrial enterprises, even large ones, prefer to sell off their assets and families own and run their companies, thus preserving, on the hand, some semblance of feudal authority and social status, while perpetuating, on the other hand, sinecures for their relatives.

This management-ownership syndrome is supported and reinforced by the patterns of social intercourse in these countries. There is a considerable, and frequently unbridgeable, social distance between the small, affluent and educated familial elite, and the large, poor and almost illiterate rural and industrial proletariat. Inter-marriage, for familial or business reasons, among the elite is the socially ascribed and achieved social norm; involuntary acceptance of the status quo is the hard alternative available to the rest.

Two inferences may be drawn from this type of situation. One is that management is not necessarily specifically trained or even competent to run the business enterprise; the productivity of both labour and capital is thus impaired. Another, is that management's attitude toward the organization of labour would probably be negative, if not

^{20/} Y. Sayigh, "Dilemma of Arab Management", Middle East Economic Papers, 1960, Economic Research Institute, American University of Beirut.

actually hostile. Both inferences seem to be supported by the information available in the countries reviewed.

Management in these countries has a great deal to learn in the several areas of technical knowledge, industrial relations, market analysis and research, sales techniques and sales promotion, cost accounting and planning, etc.^{21/} There are indications (such as the high proportion of foreign managers in large industrial firms) that top management-ownership is beginning to be aware of the need for specialist management and the need for trained managers has been emphasized at official conferences as well.^{22/} Also, there are pressures from the outside such as growing competition of similar or substitutable products, the increasing complexity and variety of technological production and the slowly developing power of labour which foster dissociation of ownership and management - with emphasis being placed on trained personnel for the latter. Until this happens, however, the productivity of both capital and labour will continue to be less than it could be.

Management-ownership's negative attitude toward the organization of labour is also supported by available information. For instance, a survey carried out in Lebanon in the early 1960's of the attitude of

21/ Ibid, p.110.

22/ Industrial Development: Arab Countries, Report of the Symposium, op.cit.

managers to labour organizations indicated that 48 per cent believed that unions were detrimental, or of no use; 38 per cent actively discouraged workers from joining unions, and only 28 per cent indicated that they encouraged workers to do so.^{23/}

This negative attitude toward labour co-exists with an almost feudal attitude of the average labourer toward authority, and his appreciation also of the paternal interest which authority often takes in his personal problems. As indicated earlier, the labourer, who is often a rural or bedouin migrant, accepts a feudal relationship. Whether it be based on fear that he will lose his source of income if he seems assertive, or whether it is an inclination derived from fancied identification with a paternalistic master, this acceptance is a factor which cannot be overlooked. The labourer's appreciation of demonstrated paternalistic interest is another factor. For example, a study of the milk industry in Lebanon^{24/} showed that workers frequently request, and are highly appreciative of, small loans given to them by management in times of emergency. Such favours may contribute significantly to loyalty to the factory, and to identification with it.

Management claims also that the worker in the Middle East has not yet attained the educational level which will enable him to appreciate

^{23/} See S. Khalaf, "Industrial Conflict in Lebanon", Human Organization, Vol. 24, No.1, 1965, pp.25-33.

^{24/} G.F. Ghush, Lebanese Dairy Company, American University of Beirut (unpublished M.A. thesis), 1967.

his responsibilities to his employer, as well as his own interests. This is an argument familiar in the developing countries which may mistakenly identify enlightened self-interest with education. It can also be argued that labour unrest and instability, which are prevalent in the six countries, is precisely the consequence of disparate labour organization, and of a relative absence of formal legislative provisions and machinery for collective bargaining; bargaining for higher wages, job security and better working conditions, is more effective when labour is well organized. In the absence of a union representative to speak for the collective labour force, or in the absence of formal machinery for collective bargaining, the strike becomes the only alternative available to the worker to force redress of his grievances. The greater part of the non-agricultural labour force, as has been pointed out earlier, is not unionized, and it is only comparatively recently that a start has been made in establishing the machinery for collective bargaining; in Lebanon, a collective bargaining law was enacted in 1964. Strikes, however, have not been very successful in redressing labour grievances; they apparently only have had a negative effect on productivity.^{25/}

2. Productivity and protection.

One of the criteria of good management is a qualitative and quantitative increase in production. In most instances, this qualitative and quantitative increase is related to the satisfaction a worker gets

^{25/} Industrial Conflict in Lebanon, op.cit.

from working for a particular enterprise, and from the motivation he has for his particular job.

In each of the countries reviewed, there is a proscribed minimum level of social services which management is required by law to provide for the workers. It would seem, however, that, in order to increase job-satisfaction, the larger industrial enterprises, particularly those which attract government attention, and those which are run by foreign trained managers, do in practice provide a level of social services which is higher than the statutory minimum. Additionally, wage levels, promotional possibilities and training opportunities are generally better.

In the field of housing, for instance, large industries, especially those in the more inaccessible rural areas, are required by law to provide housing facilities for their workers. Even when the requirement is not binding on the industry, however, some industries have initiated their own housing schemes. In Lebanon, for example, the largest cement company is offering its workers long-term, interest-free, housing loans of 6,000 pounds to enable them to build their own houses.

Again, in the field of health and medical care, some industries provide services at the industrial site which range from a simple clinic with an attendant nurse, to a fully equipped medical department with a staff physician who gives the workers periodic medical examinations.

Subsidized, or special low-cost meals, is another service which is often provided. Where such is not the case, some employers provide

facilities for the workers to have their meals. Again, in certain industries, food co-operatives have been organized to sell basic food items at a reasonable cost to the workers.^{26/}

With certain industries which are located on the periphery of the urban centres, the matter of transportation to and from work becomes a problem to the worker. Where there is no public transportation available, some industries provide company transport free or at reduced cost. In Iraq and Syria, some industries provide bicycles at reduced cost to the workers.

Recreational facilities such as swimming pools, sports-grounds, club-houses and social centres, are sometimes provided by the large and medium-size industries. Traditionally, it has been the oil companies which have provided such amenities, but, recently, the large textile and cement industries in Syria and Lebanon have been following suit.

There are other assorted services which industrial companies sometimes provide their employees. These include provision of free clothing, reduced interest loans, emergency financial assistance, personal and family counselling.

It would appear also that the larger industries in these countries do generally offer more direct incentives to the worker in the way of higher wages and better promotional possibilities, as well as providing him with opportunities for training. In many factories, management

^{26/} See "Co-operatives in the Arab Countries", Proceedings of the Tenth Arab League Conference on Social Affairs and Labour, Amman, May 1966 (in Arabic).

willingness to recognize individual merit has manifested itself in the offering of relatively high and stable salaries, and in the provision of promotional opportunities, productivity premiums or performance-based bonuses.^{27/} In the field of training, some industries have been sending workers to local vocational schools, or sometimes even abroad, so that they can acquire the needed skills. In Iraq, Kuwait and Saudi Arabia, the oil companies have set up special training courses for their workers.^{28/}

Although it would seem that the worker in the larger industrial enterprises is reasonably well protected and provided for, it must be borne in mind that this kind of industrial worker forms only a part of the labour force; the rest of the industrial labour force works in small establishments where protection of the worker is often a matter of patrimony and grace. Little has been done by management to improve wage levels, or even to provide adequate working conditions. This is the conclusion of some case studies of physical working conditions in certain establishments.^{29/}

^{27/} See Berouti, op.cit. and Ghusn, op.cit.

^{28/} For Kuwait, see Country Papers presented at the United Nations sponsored Kuwait Conference on Industrial Development in the Arab Countries held in March, 1966; for Iraq, see United States Department of Labour, Labour Law and Practice in Iraq, (Washington D.C.) 1962; for Saudi Arabia, see H. Harby, op.cit.

^{29/} See case studies by Tabbarah op.cit. and M. Al Waked, Information on Imports, Exports, Needs of a Glass Factory, its General Conditions and the Problems it is Facing, 1965, unpublished report prepared for the Hashemite Kingdom of Jordan, Ministry of National Economy.

III. SOCIAL DEVELOPMENT POLICIES IN RELATION TO INDUSTRIALIZATION

A. Manpower Development

1. Policy and planning

Planning for the supply and training of personnel for the requirements of industry is but one segment of the planning required for the training and use of human resources for social development. In the context of the demand for industrialization and industrial diversification in the developing countries, this type of planning has become imperative. Yet, it is precisely in this area that planning is often conspicuous by its absence. Broadly speaking, one may distinguish four categories of skills for industrialization: the executive, the professional technical, the managerial, and the technician categories; the last named covers the foremen, the skilled workers and their supervisors. The first three categories are relatively small, and these are filled by university graduates or graduates of polytechnics. The last category, which is the largest, should ideally be filled with graduates from technical or trade schools, so that they come to their jobs with the fundamentals of technical skills, and then perfect their profession by on-the-job training. In the developing countries, however, the last category is the least paid, and the lowest rated on the social scale for industry; it has become a kind of lowly industrial caste from which progress to the upper echelons of industry is virtually impossible. It is not surprising to find, therefore, that

it is difficult to persuade individuals to enter this category; it is equally unsurprising to find governments in the developing countries impeded in their efforts to fill it, however much time, money and effort is expended for this purpose.

Planning must cover all four broad categories of industrial skills. In the six countries reviewed, there seems to be genuine concern about all four categories, particularly because of the urgent need for them to further development plans and programmes. As far as the first three categories are concerned, the situation is complicated by a brain-drain of persons who are either qualified in their own right, or who have the requisite educational background for appropriate managerial or professional technical training. Although it is recognized, as for instance was evidenced at the Kuwait Conference on Industrial Development in the Arab States, that there is a great need for trained personnel, many students who are trained abroad continue to be lost to their countries because of the inadequate provision of employment opportunities corresponding to their capacity and field of training.^{30/} As far as the fourth category is concerned, there are a number of factors inherent in Arab culture, and stemming from traditional practice, which militate against government efforts to provide the needed personnel. These have been alluded to earlier.

^{30/} P.J. Klat, "Economic and Manpower Planning", Middle East Economic Papers, 1960, pp.55-64.

Employment prospects for nationals of these six countries vary. In Iraq, Jordan, Lebanon and Syria, serious unemployment or under-employment is an insistent pressure for remedial action. In Kuwait and Saudi Arabia, on the other hand, the problem is not so much one of finding jobs for nationals, as finding the nationals for the jobs; disinterest in available jobs, particularly those requiring manual labour, or involuntary disbarment because of lack of education and skills, makes jobs await occupants. Policy motivations, therefore, vary in the two groups of countries. Expansion of industrialization is stressed in all six countries because of the benefits it brings. In the former four countries, however, the development of manpower is given additional importance because of the large reservoir of unemployed and under-employed; in the latter two countries, the development is stimulated also by the desire to replace expatriates with nationals. Thus, the Kuwaiti First Five-Year Social and Economic Development Plan, 1967/68-1971/72 aims at increasing the percentage of Kuwaitis in the labour force from 22.6 to 26.6 during the period. In Saudi Arabia, the aim of the Government is to lessen its dependence on foreign technical personnel, whose number in 1960 was estimated at twenty-five thousand, and to replace them with Saudi nationals.

Reasonably accurate assessment of the numbers and types of trained personnel required to fill current and projected job opportunities in expanding economies is a correlate of sound planning. Yet, this assessment is unsystematic. Manpower planning in the six countries is, by and large, in a rudimentary stage, and informed guesses are the best available

substitute. One of the unfortunate consequences of this type of guesswork is that scarce resources are expended on training programmes which do not meet the requirements of industry; many years of training, and much money, are thus lost. The oil-rich countries could probably afford the financial loss; the others are in a much less enviable position.

There is an awareness in these countries, however, of the need to establish the machinery for collecting the information and making the required manpower assessments. In Iraq, the Manpower Training Department, which is under the Directorate of Industrial Planning, has been vested with this responsibility; the department's functions include the conducting of manpower surveys, estimating the need for skilled labour, and making analyses of the sources of industrial manpower. In Syria, the Directorate of Productivity is charged with estimating and projecting the supply and demand of manpower. In Jordan, the Development Board carried out a manpower survey in 1964,^{31/} and in Kuwait, the First Five-Year Plan analyzed manpower requirements in relation to the plan's targets.

2. Manpower training

Although a number of socio-economic factors such as illiteracy and semi-literacy, employer and employee disinterest in vocational and technical training, and a wage structure favouring white-collar workers, hamper efforts to train people for skilled jobs in industry, the demands

^{31/} The results of this survey are expected to be published.

of industry itself, and, more importantly, the rewards which industry indicates it will give in the way of higher wages and fringe benefits, is apparently beginning to erode traditionalism. Government and industry's efforts could conceivably, therefore, meet with much greater success in the future.

Although on-the-job training in the factory still provides industry with the bulk of its skilled labour,^{32/} the governments concerned are making efforts to train people for industry, and to raise the level of training of those already employed. Vocational training schools are being set up, special training seminars are being organized, and, in some instances, the government makes it mandatory for employers to train workers, using as appropriate and necessary, whatever foreign technicians are being employed there.^{33/}

In Iraq, vocational training projects have been allocated increased budgets in the plan period 1965-1970. The training centres in Iraq include the following: (a) a centre for the accelerated training of workers sponsored by the Ministry of Industry, and (b) centres to train new workers for three main industries, namely, electrical equipment, agricultural machinery, and textile plants; the three together have a training capacity of 1,125 workers. Skilled technicians, practical

^{32/} International Labour Organization, "Employment Prospects of Children and Young People in the Near and Middle East", op.cit.

^{33/} Iraq is a case in point. See M. As-Said, Workers Affairs in Social Security and Labour in Iraq, Baghdad, Al Nah'raf Press, 1961-62 (in Arabic)

engineers and teachers in the vocational schools are trained mainly at the High Technical Institute which was established in 1960-61 with the help of the United Nations Special Fund, and at the Industrial Engineering Institute which is attached to the University of Baghdad. Local seminars in different vocational training schools are organized by the Manpower Service of the Government, and, in some instances, selected students are sent abroad for specialized training.^{34/}

In Jordan, the Development Board has proposed the planning of technical training programmes to meet the needs of the country, and educational programmes are to be strengthened in respect to the vocational education component.^{35/} The efforts of the Government in providing different categories of skilled manpower are reflected in the budget allocations for the construction of the boarding section in the Jerusalem Secondary School, the completion of the secondary school of Nablus, and the expansion of the existing secondary vocational schools as well as the establishment of three others.

In Kuwait, the Government has been encouraging enrolment in industrial schools through incentives such as free education, free room and board, and the free supply of clothes and necessary equipment. Additionally, each student is entitled to a monthly allowance which is payable at graduation, and which is doubled in case he wants to open

^{34/} Report to the Government of Iraq on the Development of Vocational Training, ILO/TAP/Iraq/R.10, 1965.

^{35/} The Hashemite Kingdom of Jordan, The Jordan Development Board, Five-Year Plan for Economic Development, 1962-1967.

his own workshop.^{36/} The acquisition of higher skills is encouraged by the sending the two best graduates in each of the eleven branches of industry for further training abroad.^{37/}

Different categories of skilled labour are provided through (a) the industrial college which was established in 1954, and which is to be upgraded to a University Faculty of Engineering during the current plan period; (b) a new industrial school, which will be established during the current plan period, to train industrial staff and foremen; (c) a technical training centre established with the help of the International Labour Organization, and which has a training capacity of about 120 students a year in four vocations; and (d) practical training programmes providing for the placement of workers in industries and institutions in the industrially advanced countries. Increasing the productivity of those already engaged in industry is to be achieved by arranging special courses for them. These courses have, however, been limited mainly to the training of foremen and supervisors.

Further, the Government of Kuwait has taken certain indirect steps to negate the traditional aversion to vocational training and education. In the main, such measures include the balancing of educational standards and salary levels for graduates of classical and technical schools,

^{36/} "Industrial College in Kuwait", Al Raid Al Arabi, March 1962, pp.22-24.

^{37/} Ibid.

providing students of technical schools with the classical educational components so as to enable them to pursue university studies if they so desire, and by enabling students to make use of their skills by training them in fields appropriate and relevant to the needs of industry.

In Lebanon, the share of vocational education in total allocations to education went up from 4.7 per cent in 1961 to 8.5 per cent in 1965. The vocational education system is designed to prepare industrial workers at different levels of skills and responsibilities. The lower vocational training stage qualifies the student in four years to get a lower secondary certificate (brevet). At the higher stage, four years of education qualify the student for the vocational baccalaureate. Holders of the lower certificate can, after three years of practical experience, study for two additional years in an educational institution followed by two more years of practical work, and then qualify themselves for an intermediate vocational certificate. Further study and practice in the field can qualify the student for a vocational diploma.^{38/} The advantage of this system lies in that it is designed for providing upward mobility in the acquisition of skills and higher responsibilities.

In Saudi Arabia, a number of measures have been adopted to raise the skills of Saudi nationals and, hopefully, lessen the dependence of the country on foreign skilled workers and technicians. In 1964, there

^{38/} The Arab States Centre for the Advanced Training of Educational Personnel (Beirut), The Fifth Panorama on the State of Education in the Lebanese Republic, 1965-66, pp.62-63 (in Arabic).

were seven secondary technical schools with an estimated total enrolment of 1,562. Training is primarily in the fields of road building, transport, electric power and construction.^{39/} There are also a number of training centres of varying scope and level which have been established in the principal cities. An Institute of Technology was established in 1962 with the help of the United Nations Special Fund to train engineers and teachers for vocational schools. The Institute also offers short-term training for skilled workers and assistant technicians, as well as providing technical advice and assistance for technical schools and training centres.^{40/} Further, in order to create an experienced and skilled working class, students are being sent abroad in increasing numbers by the government for the purpose of technical training.

In Syria, preparatory technical schools train students for three years after primary school. Most students usually follow this up with three more years of work at the secondary technical schools. Special institutes train technicians for two or three years after completion of the secondary school cycle. This, for example, is the practice of the UNESCO sponsored Technical Institute which graduates practical engineers, assistant engineers, technicians and supervisors.^{41/}

^{39/} Labour Law and Practice in Saudi Arabia, op.cit.

^{40/} Harby, op.cit.

^{41/} Report to the Government of Syria on Accelerated Training (Building Trade Section), ILO/TAP/Syria/R.8, 1964.

Technical schools recently established in Syria offer three types of training: (a) industrial apprenticeship which requires three years of training; (b) intensive training; and (c) special training seminars. Accelerated industrial training for adult workers was introduced in 1964.

Apart from national efforts in the training field, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has been making some contribution to vocational training. Three schools in Jordan, two in Lebanon, and one in Syria, train persons for the metal, electrical, and building trades, as well as provide technical, commercial and para-medical training. These schools enrolled around 1,728 students (1,491 males and 237 females) in the academic year 1966/1967. Additionally, there are some students being trained in private and governmental technical schools at UNRWA's expense.^{42/} An interesting feature of this effort is the opportunity given to some of the graduates of these schools to gain further experience by working in industry in countries of the Near East and Europe.

Increase in vocational training programmes notwithstanding, efforts in the six countries still fall short of meeting the industrial objectives stated in the development plans. Further, the quality of

^{42/} Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, 1 July 1966 - 30 June 1967. General Assembly Official Records: Twenty Second Session. Supplement No. 13 (A/6713).

training is generally poor because of inadequate and inexperienced teaching, as well as deficiencies in equipment and facilities. Also, it would seem that national efforts are not adequately co-ordinated because of the multiplicity of sponsors; ministries of labour, education, industry, and social affairs, all seem to have a voice in the training programmes. Concerted action on the part of governmental and non-governmental bodies, industries and trade unions would contribute to avoiding wastage of time and resources, duplication, and costly delay in the implementation of industrialization plans.

The most serious shortages are found in the training and supply of intermediate level personnel such as foremen, supervisors and technicians. The existing base is small, and this in turn hinders apprenticeship training programmes since such programmes require supervisors adequate in numbers and competence in industrial plants.^{43/}

Training efforts in the field of management and training programmes for other industrial personnel are both more recent and more limited than those for the training of skilled workers. It is difficult, however, to assess what deficiencies there are in the field of management; familial interest and patronage conceal them. When there is an obvious deficiency, it is often remedied by hiring foreign personnel, a phenomenon which is quite common in all large industrial plants.

^{43/} The lag in apprenticeship training can have serious consequences in view of demographic patterns in these countries which show a high proportion of children and youth in the populations.

B. Labour Legislation and the Regulation of Labour Disputes

Laws and regulations for labour must be appropriate and effective both in their enactment and in their implementation. It would appear that in the six countries reviewed, most of the labour legislation is open to criticism on these grounds.

One criticism is that the labour and social security laws in those countries have been, for the most part, copied from the developed countries without detailed consideration of their appropriateness to the prevailing circumstances. For instance, the right of a worker to an indemnity is criticised because of its presumed negative effect on the stability of the labour force, and on industrial relations.^{44/} Again, the generous provisions of the Kuwaiti Social Legislation Law are believed to hinder efficiency because they provide the worker with a comfortable life and high pay even if his productivity is low.

In other instances, limited coverage rather than extravagant provisions detract from the effectiveness of the legislation. In Lebanon, for example, the social security provisions cover only health, and accidents at work.^{45/} In Iraq, less than 20 per cent of the non-agricultural labour force is believed to be covered by the labour law, since the Iraqi Labour Law of 1958 excludes many groups of workers

^{44/} See Uhry, op.cit. and A.E. Mills, Private Enterprise in Lebanon, American University of Beirut, 1959.

^{45/} A Panel Discussion on the "Social Security Project of Lebanon", Al Raid Al Arabi, Vol. 13, November 1961.

including piece-workers, seasonal workers, persons employed in non-mechanized industrial workshops employing less than five persons, etc. In Syria, the labour laws exclude workers in small enterprises which employ less than five persons.^{46/}

The effectiveness of existing legislation in the field of labour has also been questioned. In Lebanon, for instance, the Government has been criticized by the labour unions for its slowness in enforcing labour legislation, the low-cost housing law being cited as a case in point. Further, the lack of inspectors in relation to the large number of small enterprises to be supervised has prevented provisions of the labour code from being adequately enforced.^{47/}

In the matter of the regulation of labour disputes, it would seem that there is, in the six countries concerned, at least the rudiments of a legal framework for this purpose. The existing legislation tries, on the one hand, to avoid labour disputes by regulating the conditions of work, hours of work, and the employment of women and children, and by prescribing such matters as vacation and rest time and minimum wages. Where labour disputes occur, however, the legislation attempts, on the other hand, to have them referred to labour courts.

^{46/} Law No. 92 of August 1959.

^{47/} See T. Pianka, An Appraisal of the Labour Movement in Lebanon, American University of Beirut (unpublished M.A. thesis), 1963; Tabbarah, op.cit.; and International Bank for Reconstruction and Development, The Economic Development of Syria, John Hopkins Press, 1955.

Infractions of the labour code are referable to the labour courts which reportedly exist in all six countries. There does not appear to be, however, provision for compulsory referral and binding arbitration, and governments vary in the frequency and force of their intervention. In Lebanon, for example, the Government has usually refrained in the past from intervention in what it regards as essentially a matter of private-sector responsibility; the restraint has, however, occasionally been put aside in order to help resolve persistent deadlocks between management and labour. In Iraq and Syria, on the other hand, the Governments have shown less reticence in intervening in labour disputes.

C. Social Services for Labour

While in general, social services are intended to benefit industrial workers and their families as part of the general population, there are services which are directed especially to the industrial sector. The rationale for, and the objective of, such services have been described by the Expert Group Meeting on Social Services for Industrial Workers, which was convened by the International Labour Organization in Geneva in 1964 as being that "the policies and programmes in favour of creating social services for industrial workers should stem from the fact that such services are established in the interest of both employers and workers; they contribute to the protection and improvement of the health and welfare of workers, to a better adjustment by the workers to their work, to more fruitful industrial relations, and to increased

productivity.^{48/} In the following sections, a number of such services as social insurance, health and safety, housing, and education will be described as they operate in the six countries under review.

1. Social insurance

In the six countries, social insurance schemes are comparatively recent; the first system was established by Syria in 1959, followed by Lebanon in 1963, and Iraq in 1964. All six countries now have social insurance schemes in one form or another. In Iraq, Lebanon and Syria, insurance schemes are statutory, compulsory and require contributions by the workers. The Jordanian, Kuwaiti and Saudi Arabian schemes are of the provident fund type.

Iraq, Lebanon and Syria provide coverage for the following categories of situations: invalidity (including illness of long duration) and maternity; work accidents and occupational diseases; end of service benefits; family allowances (only provided for in Lebanon). Invalidity and maternity benefits include full medical care, prenatal and postnatal care, and compensation for wages lost because of illness or pregnancy; the extent of the benefits vary, as might be expected, in each of the three countries. Work accidents and occupational diseases are the subjects of the most exhaustive provisions. In addition to the provision of medical care, they provide compensation

^{48/} MEWEL/1964/D.18 (International Labour Organization).

for partial or temporary disability (with no time limits), and for permanent disability. In all cases medical care is interpreted to include prosthetic appliances where needed, and rehabilitative services.

Provision for survivors' benefits, where death was caused by work accidents or diseases, are found in all three countries; these are more generous than similar benefits paid as a result of death unrelated to the work situation. Terminal benefits such as old age pensions and disability pensions become available only after a long period of service (20 years or more) and heavier contribution by workers. Disability pensions, where disability is caused by work accidents or occupational diseases, do not depend on length of service, but are conditioned on minimal or no contributions by the insured workers.

In Iraq, Lebanon and Syria, social security provisions are administered by autonomous bodies whose boards of directors are made up of representatives of government, employers, and workers. They have the power to collect contributions and to provide benefits under strict actuarial and financial procedures.

The Jordan system is a modest beginning in the field of social insurance, and it is hoped that it will be developed into a more elaborate system. It covers only civil servants. The Jordanian Labour Law, however, holds employees fully responsible for obligations resulting from work accidents and occupational diseases of their employees.

In Kuwait the present provisions of free medical care and retirement legislation are a step toward social security. The policy of the

Government is to widen the scope of these provisions so as to include insurance against old age, disability, death, work accidents, work-incurred diseases, and hopefully eventually unemployment.

The amended labour code of Saudi Arabia covers compensation for disability and provisions for fringe benefits. The system offers two kinds of assistance:

- a) monthly allowances for those incapable of work either because of old age, or any other physical or mental handicap, and for orphans and women who have no other means of support. Temporary assistance for the unemployed is also covered; and
- b) professional and vocational rehabilitation of the needy who are capable of work.^{49/}

From the preceding resume, it would appear then, that only Iraq, Lebanon and Syria have an organized and comprehensive social insurance system. In Jordan, Kuwait and Saudi Arabia labour codes and social services laws have elements of what may be called a social insurance system. Aside from the degree of comprehensiveness, the two groups of countries differ also in the way the schemes are financed. While, in the oil-rich countries, the State is the sole or main source of finance, in the others, contributions by workers, and by industrial concerns, play the major role.

^{49/} Kingdom of Saudi Arabia, Ministry of Labour and Social Affairs, Social Security Law, 1962.

Only in Iraq does the State contribute directly to the Social Security Fund to the extent of 33 per cent of the combined contributions of employers and employees. An interesting feature of Iraq's social insurance system is the establishment of a Health and Welfare Fund which is endowed with 14 per cent of all contributions to the system. Its main object is to provide some temporary assistance to unemployed workers, and to assist health and welfare services of benefit to industrial workers.

In Lebanon, benefits related to work accidents and occupational diseases, and separation from service are paid for fully by the employer. On the other hand, sickness and maternity costs are shared between employer, employee and the State. The latter contributes 25 per cent of the cost, the balance being divided equally between employer and employee. In Syria, the cost of old age, disability and death benefits is financed through a one-third contribution by workers and two-thirds by employers. Work accidents and occupational diseases, on the other hand, are fully paid for by the employer.

The social security systems in the six countries seem to have evolved partly in response to the socio-economic changes consequent on increased urbanization and industrialization, and partly as response to popular demands for better social justice. It could be argued that redistributive programmes of this kind add little to actual production and may be a heavy burden which the countries can ill afford. On the other hand, social insurance can be an important incentive for increased worker "commitment" and productivity. However, it is too

early to tell whether the provisions are being - or, indeed, even can be in present circumstances - scrupulously applied, and what the short and long-term effect of the measures will be.

In initiating social insurance programmes, the governments of the six countries appear to have considered the long-term benefits to economic and social development as a whole. Likewise, they were apparently not unaware of some of the direct short-term benefits which result from expanded social security schemes. The longer the period of application, for example, the greater the accumulation of social insurance funds; these funds can provide a significant investment in national development programmes of projects.^{50/} Also contributions by employers constitute a withholding of purchasing power at a time when workers are earning their maximum. Purchasing power is curtailed when earnings are reduced or stopped. The economic benefits of this are obvious, especially when the coverage of the system is extended to larger numbers of individuals. The role of social insurance in reducing cases of destitution caused by invalidity, disability, old age, or death should also be recognized.

In order to achieve their full potential, however, it would seem that the legislation and administrative machinery of the social insurance systems in all six countries have to be critically re-examined and

^{50/} For example, in Iraq, in 1964, only after three years of limited application, accumulated funds reached 6,396,721 Iraqi Dinars.

re-structured so as to suit local conditions, and to operate in an effective manner. Some of the main problems may be identified as:

- a) provisions which are unrealistic and unduly burdensome to industries and workers alike;
- b) administrative inadequacies, especially shortages of trained personnel to administer the systems which require specialized skills in research, statistics and accounting;
- c) inadequacies and shortages of personnel in the services required by the statutes, especially the medical, social work and rehabilitative services; and
- d) limitation of present coverages of social insurance to narrow geographic areas and to few specific categories of the population.

2. Health and safety

While priority is given in the countries reviewed to health problems and measures affecting the total population, some attention is also given to the special health requirements and hazards related to the industrial environment. A full and adequate programme of occupational health usually includes the following components: legal measures; occupational health measures in places of work; treatment services in places of work, or industrial areas; general health services and rehabilitation services.

In the labour codes of the six countries reviewed, there are provisions requiring minimum standards of health and safety in

industrial establishments and the provision of minimum treatment facilities on the spot. In Lebanon, regulations of the labour code deal with ventilation, humidity of establishments, availability of lavatories, drinking water, first aid, and medical services. To ensure compliance with these provisions, administrative services involving mainly the ministries of labour and social affairs, and health, are maintained and include periodic inspections, reporting of violations, and action to correct them. In Jordan, prior to operation, industries must receive authorization from the Ministry of Health which inspects sanitation, safety measures and location. Iraq and Syria require, in addition, medical examinations of all industrial workers in the larger industries prior to employment, and periodic check-ups thereafter.

Treatment facilities in the industries themselves, with some exceptions, do not exceed first aid facilities administered by a nurse or a trained worker. Referral to community medical facilities is the procedure most often used when more than simple first aid is involved. In Syria, however, special health facilities are offered to workers. The current Syrian five-year plan, 1966-1970, allocates four million pounds for hospitals that treat work accidents, and special attention is paid to workers' sanatoriums and pharmacies.

The problems of occupational health in the six countries stem from the problems in the field of health in general. More specifically, however, the following problems can be underlined in relation to industry:

- a) shortage of specialists dealing with occupational health, both for the provision of services and for inspection and control;
- b) absence or shortage of equipment needed to discover and measure elements of danger or conditions harmful to health in the plants, and to diagnose occupational diseases; and
- c) lack of awareness of the importance of providing occupational health services in places of work. This often applies to management and workers alike.

In general, the priority attached to general health services in these countries, including the provision of potable water, and sanitary waste disposal and many other preventive measures, do not appear to be consciously dictated by an awareness of the far-reaching effects of such services on the physical condition of industrial workers. They seem rather to be a response to popular demand, the "revolution of rising expectations". This is understandable, especially in the absence of convincing cost-benefit studies of various health measures. In one Arab country it was found that absence from work due to occupational health problems did not exceed 5 - 10 per cent of all absences^{51/} indicating that environmental and community health problems

^{51/} Dr. Abdel Latif, "Health Problems Related to Industrial Expansion", a paper submitted to the Arab League Conference on Social Affairs and Labour, Cairo, 1967. (The country referred to is the United Arab Republic).

are a more serious handicap to industrial productivity than occupational health care.

A particular situation of significance to the countries under study should be noted. Studies^{52/} have shown that medium-size industries (employing 50 to 500 workers) are the most vulnerable to occupational health hazards. This is often explained by the fact that small industries cannot afford advanced safety installations or modern equipment and must rely more on manual machinery and skills, while the large-scale industries have the necessary resources to provide the needed personnel and installations for health and safety. The significance stems from the fact that in the countries reviewed, especially Iraq, Jordan, Lebanon and Syria, the largest number of industrial establishments, judged by the number of workers involved, fall in the medium-size category.

In view of the abundant supply of labour in the developing countries, and given the relatively high cost of complex services like physical and vocational rehabilitation, it is not surprising that low priority is usually given to such services; the countries being reviewed are no exception. The problems of handicapped workers are usually dealt with in relation to handicapped individuals in general (all age groups, rural and urban), a problem which can be

^{52/} See, for example, R.S.F. Sehillig "The Health Aspects of Industrialization", Industrialization and Productivity (United Nations publication, Sales No. 60.II.B 2), Bulletin No.4.

of major proportions in the countries reviewed. For example, in Iraq, a survey conducted in 1957 revealed approximately 173,000 cases of handicap - about 3 per cent of the total population. In the countries reviewed, at least one major facility exists for the rehabilitation of handicapped workers, including medical, surgical, therapeutic, and prosthetic services: sheltered workshops are maintained for workers (especially the blind), and efforts are made to introduce small numbers of rehabilitated workers into normal industrial occupations. Within this context, however, priority is given to workers who are injured during employment.

In conclusion, the countries under study appear to have made a beginning in what is regarded as normal occupational health measures in modern states (on the treatment side at least), but there is still no overall strategy of health programmes as a necessary pre-condition for labour efficiency and consequent industrial productivity. Neither, does it seem, has the relationship between general health services and industry-level services been systematically thought through and translated into a set of mutually supporting programmes.

3. Housing

The significance of improved housing as a tangible expression of a rising standard of living which could contribute substantially to improved industrial efficiency and output is recognized by the

countries under study.^{53/} There also is recognition of the principle that housing for workers should be planned for in the context of a national policy for housing and community facilities.^{54/}

Since the mid nineteen fifties the countries reviewed have shown an increased interest in the housing problems of their population. This was a response to increasingly urgent needs in this field resulting from the unprecedented scale of urbanization and population increase; the interest was reflected both in measures intended to stimulate the private construction of housing, and in the direct construction of housing for certain categories of the population. By and large, it was the middle-income (including civil servants) and higher-income groups which benefited from the former, while the lower-income groups (including industrial workers) were the beneficiaries of the latter.

In the current five-year-Iraqi economic plan, 1965-1969, there is no allocation for industrial housing projects during the first three years of the plan, but 50,000 and 350,000 dinars are allocated for the fiscal years 1968/69 and 1969/70, respectively. Also the Government encourages industries to construct housing for their workers. Industrial

^{53/} See Report of the Inter-regional Seminar on Social Aspects of Industrialization. Minsk, Byelorussian Soviet Socialist Republic, 11-25 August, 1964 (United Nations publication, Sales No. 65.IV.7).

^{54/} While this principle has been proclaimed, little has so far been done to translate it into reality. A national policy for housing and community facilities in the full sense of the term does not exist in the countries reviewed. Housing projects are still largely confined to civil servants.

enterprises employing more than 100 workers are required by law to build houses for their work force.^{55/} The Ministry of Social Affairs is expected to provide interest-free loans and state owned lands for this purpose. Care is taken, however, not to overburden young and growing industries (especially small and medium-sized ones) with the cost of housing schemes.

In Jordan, there is continued heavy reliance on the private sector including co-operatives, for the solution of housing problems (including workers' housing), with some governmental measures taken to stimulate speedier action.

In Kuwait, the Government started a housing programme in 1950 primarily for the lower-income Kuwaitis as part of the implementation of town planning schemes. Moreover, large areas of the fringe of Kuwait city were sub-divided into neighbourhood units and sold at cost price, without charging for the services involved, this programme being aimed not at workers in particular but at the population at large.

In Lebanon, a low-cost housing law (for popular housing) was enacted in December 1965. A significant feature of the law is provision for the reconditioning of existing substandard housing. The project is to be financed by guarantees of mortgage payments rather than by

^{55/} Law No. 29 of 1947 amended in 1956. See Labour Law and Practice in Iraq, op.cit. Like other laws in this field, it has not yet been properly or entirely enforced.

investment of government funds in low-cost housing. The people are required to purchase the houses on an instalment basis.^{56/} Currently, programmes are under way to construct 4,000 units for low-income families in the major urban centres of Beirut, Tripoli, and Sidon. Industrial workers will be among those who will benefit from this construction.

The Syrian Government set up a Housing Institute in 1962 with the promotion of low-cost housing as one of its major objectives. The Social Security Institute also sells houses to worker members on easy terms. By 1965, the combined output of houses constructed by public agencies was estimated at 1,800 houses per year, a good part of it for industrial workers. The second five-year plan, 1966-1970, has allocated six million pounds for workers' housing.

The situation in brief is as follows: Iraq and Syria give higher priority to housing for industrial workers; Jordan and Lebanon rely mainly on private efforts in this field. Information on Saudi Arabia is lacking. Whether the housing for workers is built by government or industry, the workers are assessed payments or rents on a full cost or subsidized basis (Iraq, Lebanon and Syria). The industry or the government retrieves the full cost or a substantial part of it, over a period of time (ten to twenty years). Community facilities, such as

^{56/} Labour Law and Practice in Lebanon, op.cit.

schools, health centres, recreational and shopping facilities are usually included in the housing communities for workers, their cost of construction and operation being financed from the same source as any other community facilities.

4. Education

The education of workers is related to overall educational efforts. Specific programmes for illiterate adult workers and special educational courses have, however, been introduced by the governments of the countries reviewed. In Iraq, Jordan and Syria, literacy education for adult workers is the responsibility of the government; some contribution is also made by industry. The current plans of Iraq, 1965-1969, and Syria, 1966-1970, attach importance to raising the educational level of workers, and to establishing cultural centres. Iraq and Syria, which have been particularly concerned with the need to raise the educational level of workers, have used the mass media of communication, especially the radio and television, for this purpose. In Jordan, the current seven-year plan for economic development, 1964-1970, aims at creating an administrative unit for workers' education within the Ministry of Social Affairs.

In Kuwait, the education of labour is being promoted through the establishment of two educational centres in the cities of Kuwait and Ahmadi. The aims of these centres are to: (a) raise the educational standard of the workers; (b) prepare them to participate effectively in trade unions; and (c) give them a better orientation and understanding

of their role in promoting productivity. No assessment has been made of the methods used to reach these goals or the degree of success achieved.

The Ministry of Labour and Social Affairs in Lebanon has initiated and sponsored workers education seminars since 1964. In 1966, the Ministry conducted another three-month seminar which was held twice weekly and attended by 50 participants. Financial incentives had to be offered to secure adequate participation - a reflection of the lack of awareness among workers or managers of the importance of proper education and preparation for industrial work.

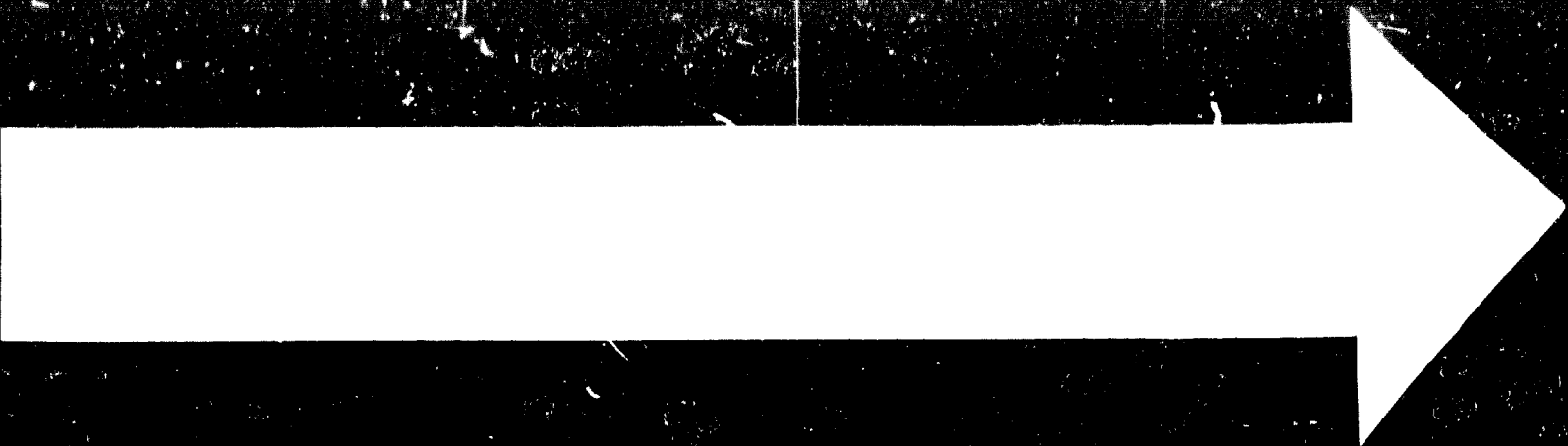
Saudi Arabia has established illiteracy eradication centres, and night adult education centres at both elementary and secondary levels.

5. Other social services

While there are no legal requirements as such for the benefit of working mothers with children, day-care services are sometimes provided by governments and voluntary organizations. The day-care centres are generally not provided in conjunction with the industrial plants, but are usually available in the vicinity. The number of women employed in industry is still too small (and married ones with children much less) to warrant a more costly or elaborate service.

Nutritional deficiencies among industrial workers also pose a set of problems for governments in the six countries. These problems are, of course, generic, and solutions probably lie in the raising of

general nutritional levels in these countries. In the meantime, however, some efforts are being made by nutritionists and home economists to educate workers' families in matters of balanced diets, domestic cooking practices, and the like. The impact of these efforts is hard to assess since dietary practice is one of the most resistant to change.

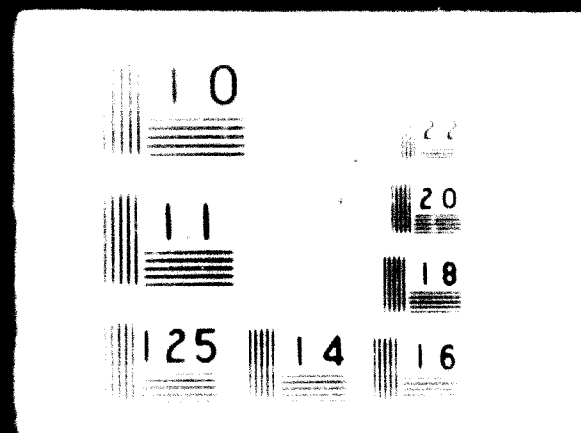


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We regret that some of the pages in the microfiche copy of this report may not be up to the proper legibility standards, even though the best possible copy was used for preparing the master fiche.

IV. SUMMARY AND CONCLUSIONS

Many of the problems of industrial labour in Iraq, Jordan, Kuwait, Lebanon, Saudi Arabia and Syria stem from the average worker's comparatively recent rural or bedouin origin. The conflict between traditional and new values, loyalties and ways of life, creates anxieties and tensions in the worker, and tend to make him an unstable, and sometimes an untrainable, element in the labour force. Also, the worker of recent rural origin is ill prepared, educationally, socially and technically, for industry. The net result is that his productivity is adversely affected.

Culturally ingrained attitudes of distaste for manual labour, even if it is of a technical nature, and a decided preference for classical education and white-collar employment, deprive the labour market of potentially trainable and productive elements.

A complex of cultural factors, including depressed living conditions, weakens a worker's commitment to industry, and further lowers his productivity. Productivity is affected also by poor management. Although the countries studied possess some large industries, the oil industry being the most prominent, the pattern of industrial organization is generally one of small enterprises run by familial interests. Management in such industries is generally not capable of handling the emergent problems of industrial labour, not to speak of managerial problems themselves such as effective cost accounting, advertising and sales, market research.

The Governments in the six countries show concern about improving the quality of the labour force. Action is being made at raising the professional, social, educational and health standards of the worker. The principal efforts have aimed at providing education and vocational training, including extra-school training programmes, establishing schemes of social insurance and social services, and at adopting progressive labour legislation and employment policies. Conspicuously lacking, however, are comprehensive social policies related to industrial development programmes.

Labour-management relationships are complicated by paternalism and protection which simultaneously assuage the worker's fears and weaken his bargaining power, and by the emergence especially in the larger industries of a new impersonal kind of authority which the worker often does not either understand or appreciate. The rising expectations of labour, the growth of alien and impersonal authority, and the resistance of traditional management to change, might be expected to foster a polarization of labour and management. Such a polarization need not occur, however, if steps are taken to encourage the growth of trade unions on a systematic and rational basis, while persuading management to make concessions from which it can benefit in the long run. The possibility of sharing profit with the workers so as to give them a stake in productivity might also be worth investigating further. The profit sharing principle is now applied in Iraq and Syria, where twenty-five per cent of the profit of each industrial enterprise is set aside for social services and for direct distribution among workers.

Although social services are in general aimed at broad segments of the population, there are some which are meant particularly for industrial labour. No sharp distinction can be made, however, between those general social welfare services which are pre-conditions to industrialisation, or which deal with changes resulting from it, and those services which should be part and parcel of the industrial enterprise, because, in actual practice, they co-exist and should prove mutually supporting in every phase of industrial development.

While there are many variations in the level and extent of the social welfare services in the countries studied such services are all at an early stage of development. There is a danger that a faster rise in labour expectations bring about an extension of such services beyond the means of the government at current levels of public revenue and thereby adversely affect the ability of the state to promote industrial development.

At the early stage of industrial development in which the countries reviewed find themselves, emphasis and priority deserve to continue to be placed on social policies and services benefiting broad segments of the population such as extension of general education and general health improvement. In the context of social welfare services specifically related to industry, priority needs to be placed on actions having a stimulating effect on both the management and the workers.

Vocational and technical training, whether carried out outside the industry or as an integral part of it, should receive the highest priority. To be successful, it should be planned for in the context of national development planning, and more particularly in the framework of manpower planning. This planning should foster a reorientation of the general educational system, as well as the adoption of quantitative and qualitative targets for vocational and technical training.

Effective measures in the field of occupational health and industrial safety are still in their early stages in the countries reviewed, but such basic steps as legislation and the adoption of administrative measures of inspection and control, as well as of measures in the industries themselves, have been taken. Priority is given to public (especially preventive) health. Occupational health is being increasingly integrated with the general health services.

Iraq, Lebanon and Syria have established a sound basis for an effective social security scheme, after experimenting with an earlier "provident type" of social insurance. Jordan has made a beginning with a simple system covering the civil servants. A generous system is developing in Kuwait, and Saudi Arabia has made a start towards social security. For the systems to succeed in meeting their objectives of providing incentives to workers and industries alike, and to achieve social justice, they need to be realistic in their extent and coverage,

and to overcome serious administrative and personnel difficulties.

Increased concern is manifested by the governments in solving housing problems but no distinct national policies in housing have emerged so far, especially in the area of industrial housing. The major role in the provision of housing for workers has been left to the private sector, especially in Jordan and Lebanon. In Iraq, Kuwait and Syria, on the other hand, the government is giving priority to housing for workers, and requiring the larger industrial concerns to take some responsibility in this field.

The serious backlog of housing needs, especially in urban areas, and the large outlays needed to solve this problem, make it essential for governments to be cautious in this respect, lest the heavy financial burdens required for housing construction become a deterrent to industrial development. Long-term planning is needed beside popularisation of low-cost construction techniques, the development of a viable building materials industry, and the use of rationalised construction methods.

The concern for improved nutritional standards of industrial workers is subsumed by the concern for improvement of the health situation generally. In the long run, it will be achieved through improved agricultural productivity, enhanced standards of living, and by educational and social measures for changing dietary practices and food habits.

Social services specifically for industrial labour are initiated, sponsored and paid for by the state, the industries, or by the workers,

or various combinations of all three. The degree of responsibility and financial involvement of each varies greatly from one type of service to another, and from country to country, but in Jordan and Lebanon the state plays a less important role than in Iraq and Syria whose socialist objectives necessarily imply a high proportion of nationalised industries. The role of the state in the provision of industrial social services is thus related to the role of the state in development as such. With their oil revenues, the Governments of Kuwait and Saudi Arabia provide very generous social services in relation to industry, while favouring an enlargement of the scope of private sector activities.

The role of the state in the provision of social services appears particularly important with respect to: (a) planning for industrial development and related social services; (b) making legal and administrative provisions for minimum health and safety in industrial establishments; and for regulation of working conditions and workers - employers relations; (c) spreading education, including vocational and technical education, and extending of general health services; (d) administering and extending social security schemes; (e) stimulating housing construction for workers by direct and indirect means; and (f) controlling urbanisation by town planning.

The responsibilities of industries include providing of basic health safety measures in industrial plants; insuring workers against industrial plants, insuring workers against industrial hazards;

providing apprenticeship, on-the-job and specialized training; and, to a lesser extent, through the provision of transportation, housing, and recreational and cultural services.

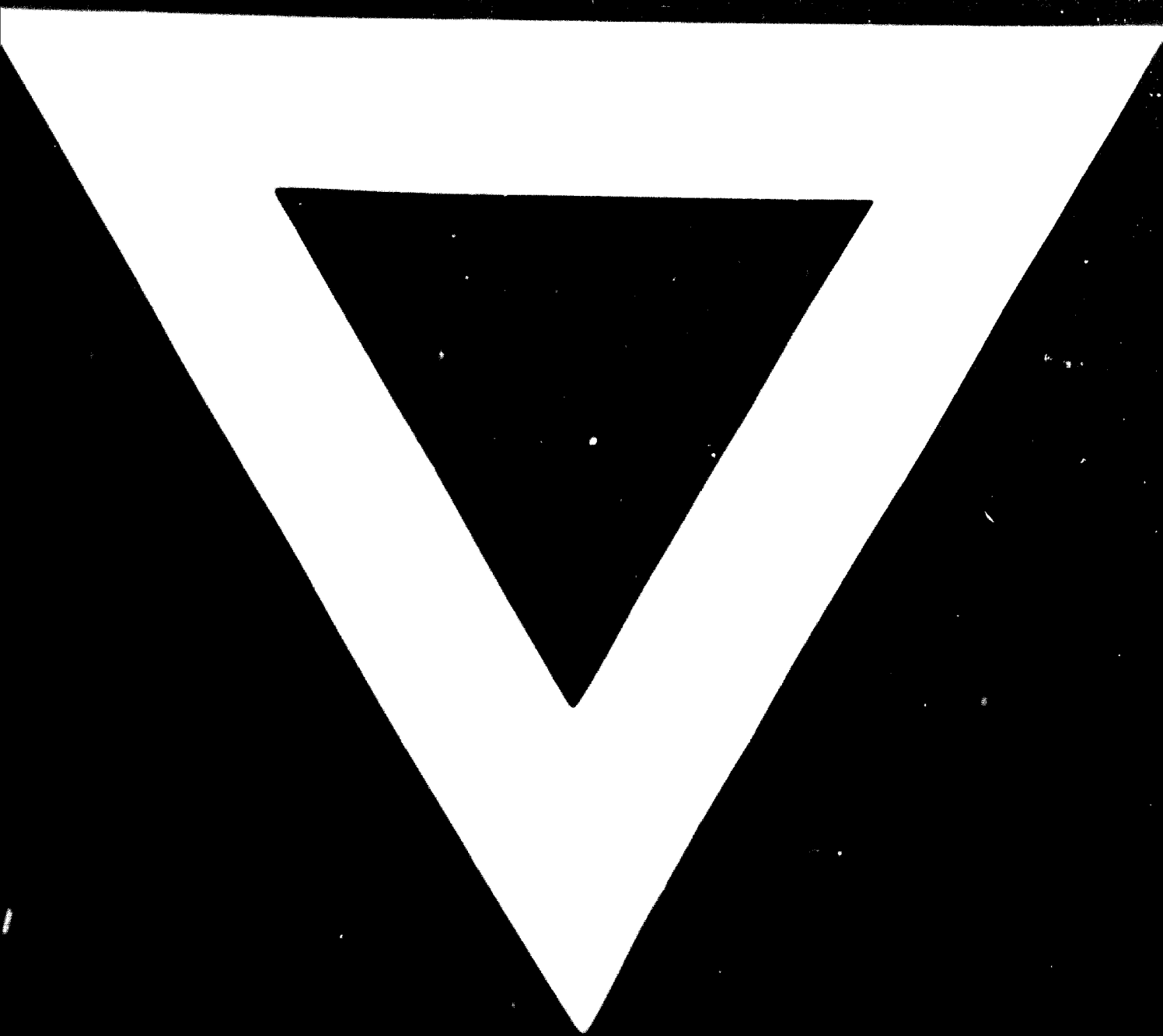
Workers' organizations such as trade unions need to play a greater role in planning for the development of industry and related social services, and in providing direct services to the workers, in addition to their traditional role of representing the workers in such matters as collective contract negotiations, and industrial disputes.

There is thus far no real social or manpower planning in relation to industrial development, in spite of the recognition in principle of its importance, and the respective roles of the public and private sectors in the promotion of industry-level services still need to be clarified. How and to what extent industry can benefit from the network of existing social services for the population as a whole - often limited, to urban areas - has not yet been systematically thought through, nor has attention yet been given to the role of industry as a catalyst for the stimulation of social services not only for workers but for the entire population. It is doubtful whether the countries reviewed, in spite of declarations to the contrary, really look upon social services in or out of industry as anything more than a popular need and demand that must be met; they are not yet convinced of the importance of social services - except perhaps vocational training - as a factor of industrial growth.

General social security provisions have been proposed for the
nation - satisfactorily applied and have generally been well
accepted and are being fully considered. The overlapping of
governmental and industry sponsored services presents a complex
situation. There is, thus far, little agreement among various
branches of the state and their agencies as to their policy.
The same holds true generally with, and, with some exceptions,
and to some extent, with industry, about the benefits.

Finally, the arrangements for industrial development of an
unrestricted social services policy, which might even then not be
legitimately afforded, in the circumstances of such country, needs to
be assessed. It should be noted, however, that, thus far, social
security programs are the ones that tend to be unrestricted.
In training, programs are, and often this act, inadequate even for
present needs of industry. Recognition should also be given to the
view that, while planning and rational thinking regarding social
services deserves to be promoted, the spontaneous development of
social services will continue and can be the harbinger of rational
policies for the development of social services.





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