

BIBLIOGRAPHIC DATA SHEET

1. CONTROL NUMBER
PN-AAH-3182. SUBJECT CLASSIFICATION (695)
DDOO-0000-G788

3. TITLE AND SUBTITLE (240)

Government and administration in the Yemen Arab Republic

4. PERSONAL AUTHORS (100)

Gable, R. W.

5. CORPORATE AUTHORS (101)

6. DOCUMENT DATE (110)

1979

7. NUMBER OF PAGES (120)

167p.

8. ARC NUMBER (170)

YE354.5332.G115

9. REFERENCE ORGANIZATION (130)

DS/RAD

10. SUPPLEMENTARY NOTES (500)

11. ABSTRACT (950)

12. DESCRIPTORS (920)

Yemen Arab Rep.
Public administration
Personnel management
Financial management
Local government
Taxation

Budgeting
Government

13. PROJECT NUMBER (150)

14. CONTRACT NO.(140)

DS/RAD

15. CONTRACT
TYPE (140)

16. TYPE OF DOCUMENT (160)

YE
354.5332
G115

PN-AAH-318 (2)

GOVERNMENT AND ADMINISTRATION IN THE
YEMEN ARAB REPUBLIC

Prepared and published in cooperation with the
Office of Rural Development and
Development Administration

Development Support Bureau
U.S. Agency for International Development

by

Richard W. Gable
University of California, Davis

January, 1979
(Revised, May, 1979)

GOVERNMENT AND ADMINISTRATION IN THE
YEMEN ARAB REPUBLIC

(In partial fulfillment of Contract No. 53-319R-9-47, dated November 11, 1978,
issued by U.S. Department of Agriculture, Foreign Agricultural Services,
for the Office of Rural and Administrative Development,
U. S. Agency for International Development)

Richard W. Gable
University of California, Davis

January, 1979
(Revised, May, 1979)

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20522

July 9, 1979

Mr. Robert Heusmann, Director
U. S. Agency for International Development
Sana, Yemen Arab Republic

Dear Bob:

I am submitting for your use Dr. Richard Gable's final report entitled Government and Administration in the Yemen Arab Republic. It represents a remarkably comprehensive historical review of the evolution of the YAR's public administration and based thereon a thoughtful strategic analysis of development options. During the last week of March Dr. Gable's first draft was discussed intensively with him and numerous suggestions were offered. This final report reflects inputs from many interested professionals in this Office and in the Near East Bureau. The product is a creative synthesis based on the author's own analysis of Yemen realities and development choices.

The report examines and explores the two polar options of a centralized, top-down approach to development administration and a relatively unguided bottom-up, local action alternative. It concludes with a recommended strategy that suggests a balance between the two. The report bears careful and thoughtful reading.

After studying it and based on my own short exposure to the Yemen reality during the first week of Dr. Gable's reconnaissance mission, I would like to add to his recommendations a simple model for your consideration in formulating an assistance strategy. I offer it in a most summary form here to serve as a foil against which alternatives can be weighed and as a synthesizing model that might suggest a programmatic approach that has some coherence and manageability.

A Development Administration Model
for Local (Rural) Development in the Yemen

1. Establish a National Coordinating Council for Local Development (NCCLD). Composed of Ministers of Public Works, Health,

Education, Agriculture and Local Administration plus the Directors of NIPA and CYDA.

2. Provide the CCLD with a program planning staff charged with design and budgetary responsibility for the implementation of Council decisions with and through the participating member agencies plus functions indicated below (para 6).
3. Establish in each of the 10 Governates a multifunctional government service center to house the technical personnel for that area from each of the member agencies of the CCLD - and to serve as a base of coordinated technical operation and field service.
4. Staff the center with technical personnel in each functional field of service to the LDAs and Communities plus a program planning and coordination staff responsible to the Local Development Coordinating Council for that Governate.
5. Develop a human resources development plan to be executed by NIPA to train the technical staff required in each service center in cooperation with the participating agencies in the CCLD - training would be for technical cadres as well as for the program planning staffs - would include training for trainers in each of the centers to be subsequently charged with training program design and execution for LDC personnel throughout their Governates.
6. Generate a prioritized development program for each Governate based on input from each LDA/Community through the staffs of the centers and through the CCLD.
7. Based on this process, the CCLD seeks and allocates resources (capital and technical personnel) to the Governate centers and through them to the LDAs.

Meanwhile, assist the Central Government in strengthening its financial management capacity for development resource planning and program execution, largely through training in NIPA but supplemented with direct technical assistance.

How I arrive at this summary model will become clearer in reading the Gable study. However, it is also based on substantial comparative analysis of local (rural) development programs in Asia, Africa, Latin America and, most recently, Portugal. Clearly it requires considerable elaboration and

programmatic explanation. But it has the virtue of providing a simple design for discussion purposes with your Mission colleagues, their Yemen counterparts, and other donors. Dr. Gable's more detailed discussion of alternatives expands your options.

As I have indicated in other correspondence, the Office of Rural Development and Development Administration is prepared to provide further assistance to you in elaborating a Mission strategy for institutional development and administrative improvement in the Yemen. We can provide you with a follow-on consultation as early as the third week in July from Dr. Claude Salem--our Arabic speaking consultant in development planning, administration and training. Dr. Salem could work with you as long as two weeks, should you find it useful. If this timing is not convenient, we can examine other alternatives of your choice.

Copies of this letter and the attached report are being circulated to the Near East Bureau technical offices, to other members of the DS/RAD technical staff and to our collaborators including personnel of the Rural Development and Participation cooperative project with Cornell University. We will welcome reactions and any that we receive that might be useful to you in considering your program options we will pass along.

It has been a pleasure to collaborate with you and your fine Mission staff in this consultative effort and we look forward to furthering the dialogue either to explore the strategy options further or to begin work with you on a Project Identification Document or on a Project Paper whenever you are ready.

Best Regards,



Harlan H. Hobgood, Director
Office of Rural Development and
Development Administration
Development Support Bureau

FOREWORD

It was my privilege to accompany Professor Richard Gable during the first week of his brief three-week reconnaissance mission to the Yemen Arab Republic. With visitor accommodations in short supply, we had to share a double room in the Sam City Hotel, at that time, Sana's finest. For that week we studied, observed, discussed and explored the Yemen administrative reality together from the moment of waking each day until we retired at night. After I left, Dr. Gable continued the pace. Even so, it is hard to believe that this small, comprehensive monograph could have been produced from these scant three weeks of intensive effort. And in truth, it has involved considerably more from Professor Gable, in research and general reading and in lengthy dialogue with AID professionals and other Yemen-wise travelers and analysis. Even so, I find the product remarkable for its comprehensive summary of Yemen administrative history as backdrop and its thorough exploration of the challenges and options for administrative development today. Clearly not every option for assistance in institutional and administrative development has been explored here. Nor should it be expected. This report forms the basis for a continuing, substantive dialogue with YARG officials and within the community of assistance agencies and their professionals.

Dr. Gable begins with a careful historical summary and goes on to an eclectic and programmatic approach to development administration that is realistic and sensitive to the environment and culture of the region. In characterizing the administrative system of Yemen as akin to "feudal baronies, unresponsive to central direction and sometimes irresponsible for their action, a problem...complicated by the lack of competence within all ministries," Prof. Gable quite bluntly asks us to face the full extent of the task. Even a cursory reading of the historical background of Yemen, and successive political developments after the Revolution, clearly indicates that a single all-encompassing formula cannot serve the multifaceted problems of bureaucratic dispersion and disintegration. Nor does Gable propose one.

While the traditional models of development administration have focused on strengthening the capability of central institutions to deliver services to the periphery, more recently development analysts are forming a decentralized approach to mobilization based on the people's ability to assume responsibility for managing basic public services and functions.

In the Yemen, neither a bottom-up strategy nor a center-to-the-periphery approach will be entirely satisfactory. In all likelihood, elements of both will be required, and a successful outcome will require a good deal of patience and skill on the part of all participants in the Yemen's institutional development effort. A particularly important case in point is the Local Development Authorities. These semi-public, rurally based organizations are an institutional resource unique to the Yemen, through which creative strategies for simultaneous institutional-administrative growth and rural-local development might be implemented. The preliminary outline of their activities and capacities which Professor Gable's monograph presents urges us to build our understanding of them and their potential. This can be done through close attention to their role in current and future projects, and through carefully drawn applied research activities.

Professor Gable's careful analysis of the pros and cons of his, perhaps over-simplified, "bottom-up" and "top-down" strategies also demands that we look beyond the confines of traditional approaches to administrative development. Indeed, as he demonstrates, each "pure" approach has serious flaws; what is required is creative and innovative approaches in the field which transcend and supersede traditional confines. For the Yemen, this study advances our collaborative "search" for these creative approaches. It is not a conclusive statement and is not intended by the author to be one.

Irrespective of the final strategy adopted, the Yemen's central institutions will need to serve the interests of rural areas and the Local Development Associations. The questions to be addressed in the coming dialogue revolve around the identification of the "critical" central institutions whose capacities should be enhanced to extend services to the interior, and it remains for a detailed plan to elaborate on the specific steps to be taken to develop a coherent "central institutional capacity which can stimulate, assist, and sustain rural development efforts." (p. 125)

With Dr. Gable's contribution, it is our expectation that the quality of the dialogue will be significantly ele-

vated and that the likely result for action will be sounder and more in tune with the needs, aspirations and capacities of the peoples of the Yemen themselves.

Harlan H. Hobgood, Director
Office of Rural Development
and Development Administration
Development Support Bureau

TABLE OF CONTENTS

I. Introduction	1
II. Historical Background	2
The Beginnings	2
The South	3
The North	4
The Revolution of 1962	7
The Civil War	8
Political Developments After the Revolution	9
The Salal Regime	9
The Iryani Regime	10
The Hamdi Regime	12
Assassinations and Instability	13
Administration Since the Revolution	15
III. The Structure of Government	20
The Cabinet	21
Cabinet Ministries	21
Ministry of Health	21
Ministry of Public Works and Municipalities	25
Ministry of Education	30
Ministry of Agriculture	35
Non-Cabinet Organizations	36
Central Planning Organization	36
Committee for Administrative Reform	38
Public Authorities, Corporations, and General Organizations	39
Local Government	40
Provincial Government	42
Tribal Government	45

IV. Public Finance and Budget Administration	46
Revenues	47
Zakat	47
Secular Taxation	50
Non-Tax Revenues	54
Summary	55
Expenditures	56
The Budget Cycle	58
Summary	61
V. Public Personnel Administration	61
The Civil Service Bureau	63
Selection and Placement	64
Classification and Salary	66
Census of Civil Servants	68
Summary	70
VI. Education and Training for Public Service	72
National Institute of Public Administration	72
Organization and Programs	72
Foreign Assistance	75
University of Sanaa	76
Evaluation	77
VII. Local Self-Development: CYDA and the LDAs	79
Organization Structure	79
Planning and Implementing LDA Projects	80
Financing LDA Projects	83

VIII. Legal System and the Courts	86
Traditional Law	86
Sharia	86
Urf	88
Manqad System	88
Post-Revolution Law	89
Modern Law	89
Courts	91
IX. Theories of Development, Analysis of Alternative Strategies, and Recommendations	93
Scope of Work	93
National Objectives	94
Alternative Strategies of Development	95
Theory T	96
Rebuttal to Theory T	97
Theory B	100
Rebuttal to Theory B	102
Theory and Reality in Yemen	105
Theory T in Yemen	105
Counterarguments to Theory T in Yemen	107
Theory B in Yemen	109
Counterarguments to Theory B in Yemen	111
Alternative Strategies for Developing Administration in Yemen	114
1. Direct assistance to private and public self-development	117
2. Develop an institutional capacity to stimulate, assist, and sustain rural development	118
RECOMMENDATION	125
3. Develop an institutional capacity to train administrators and managers	126
RECOMMENDATION	134

4. Develop the capacity of selected ministries with outreach responsibilities under the Five-Year Plan to deliver services to rural dwellers	137
RECOMMENDATION	143
5. Develop the capacity of the center government to collect domestic and foreign financial resources, allocate, and account for these resources so that the above activities can take place	144
RECOMMENDATION	145
Appendix I. Schedule of Activities and Interviews	148
Appendix II. The Training Model	150
Bibliography	153

LIST OF TABLES

1. Health Manpower by Governorates, 1976	24
2. Health Establishments, Pharmacies, and Drug Stores, by Governorates, 1976	26
3. Number of Schools, by Governorates, 1976	32
4. Students at the University of Sanaa, 1970/71 - 1975/76	33
5. Government Revenues	51
6. Government Expenditures	57
7. Classification and Salary System (Decree No. 49, 1977)	67
8. Government Employees by Ministries, Governorates, and Sex, 1975	69
9. Educational Levels of Government Employees, 1975	71

LIST OF FIGURES

1. Structure of YAR Government, December, 1978	22
2. Organization of the Central Planning Organization (CPO)	37
3. Public Authorities in YAR Government	41
4. Organization of Local Government	43
5. Organization of the Ministry of Local Administration	44
6. System of Government Revenues and Expenditures	62
7. CYDA and LDA Financing	84
8. Polar Models of Development	115
9. Strategies for Developing Yemeni Administrative Capabilities	147

GOVERNMENT AND ADMINISTRATION IN THE
YEMEN ARAB REPUBLIC

I. Introduction

At the request of the Office of Rural and Administrative Development, the author traveled to the Yemen Arab Republic (North Yemen) "to conduct a professional appraisal of the Yemen public administration sector in general." The time available for such a large assignment was brief, extending from November 27 to December 14, 1978. During that period, which included three days in which government offices were closed, over forty persons were interviewed: high Yemeni government officials, foreign advisers and expert executives in the government, and informed observers of the administrative scene, both Yemeni and foreign. (See Appendix I for a list of interviewees.) These interviews, conducted informally without a fixed schedule of questions, ranged widely and often extended for one or two hours. In all but a few cases, the interviewees were willing and cooperative. When difficulty was encountered, it usually resulted from embarrassment when the officials lacked the information or explanation requested. Sometimes the best information was obtained as the interview was drawing to a close and the official began to talk without questions being asked. Serendipity also worked to the interviewer's advantage: a clerk, who had heard the author lecture to a class at the University of Sanaa, introduced himself and proceeded to describe how the personnel system operated so that he obtained his civil service job; a Deputy Minister had previously been head of the income tax office and gave an added dimension to its operations; etc.

The survey was conducted under other constraints beyond the shortage of time. Lacking Arabic, the author had to talk to English-speaking respondents, often foreign advisers if the Yemeni officials did not speak English, or he had to work through translators, not a very satisfactory procedure in some cases. Also, government documents, which were made available by some officials, could not be used because of the lack of time in which to have them translated. Several documents dealing with the

personnel system were left in Sanaa still in Arabic. For these reasons evident gaps exist which need to be filled in by future studies.

To supplement the field data the author reviewed the very few studies available about a little known country, most of them dealing with history and none investigating the administrative system. To lay a foundation on which to build the presentation of survey data, this historical background has been summarized without footnotes to avoid that academic clutter. References are listed in the bibliography.

This report is submitted as a "primer" on public administration in YAR in the sense that it is the first such study and, under the circumstances, is somewhat elementary. It is submitted with encouragement that it be circulated to interested persons who may be able to correct, expand, and improve it. Constructive comments are welcomed. Eventually, a first textbook on Yemeni public administration may emerge. In the meantime, it is hoped that it may prove useful as a briefing document as well as serve as a basis for the recommendations which follow.

II. Historical Background

The Beginnings

Throughout its long history, until most recent times, the area known as Yeman has been a geographic region rather than a political entity. The eastern border between the Governorate of Marib and a vast area of Saudi Arabia known as the Empty Quarter (Rub al Khali) is still undefined. In pre-Islamic times Romans knew the region as Arabia Felix--happy or prosperous Arabia--because such riches as myrrh, frankincense, pearls, silks, and spices seemed to pour forth from its lands. Even then, as now, the territory was a collection of tribal kingdoms battling for supremacy, but never holding dominance for long. One of the most famous was Saba, or Sheba, of Biblical times, with its capital at Marib. There a huge dam once irrigated more than 4,000 acres until it collapsed. Ingrams characterized this society of perpetual divisiveness as one remarkable for its "genius for chaos."

Eventually the southern tip of the Arabian Peninsula came to be called Al Yaman by the Arabs, probably a generalization from a local place-name. After the area lost its commercial greatness, it became prey to foreign invaders but continued to be unruly even under Islamic control in the seventh century. Various Islamic dynasties, including the Ottoman, established themselves on its coasts, but the forbidding terrain and the indomitable character of the people made foreign hegemony over most of the region tentative and superficial.

Commercial navies from other countries put in at the few ports and established several trading colonies, but they had little influence in the traditional lives of the people of Yemen. As early as the fifteenth century inhabitants of the eastern areas voyaged to the East African coast and the Dutch East Indies, but they were never assimilated. For centuries these Yemenis established colonies abroad or worked in foreign lands, always eventually returning, like contemporary migrant workers, bringing back money, clothes, wives, and foreign habits while fiercely retaining their own ethnic identity.

The South

Whereas Ottoman control over Yemen, beginning in the sixteenth century, was sporadic and of limited historical importance (other than their introduction of Yemeni coffee to Europe during the siege of Vienna), British rule became absolute in a limited area and was of more lasting significance. In 1839, Britain seized the port of Aden, creating a colonial city and staffing the administration with Commonwealth citizens. The opening of the Suez Canal heightened an early British interest in the area and reinforced a determination to control access to the Red Sea. However, Britain was no more able to tame and unify the hinterlands than its predecessors. Efforts were made at indirect rule, used so successfully by the British in India. Between 1882 and 1914 individual treaties with 23 principalities and shaykhdoms were signed, allowing local sultans, amirs, and shaykhs substantial autonomy while the British controlled foreign affairs.

As time went on Aden became one of the busiest ports in the world and a vital link in Britain's global strategy, especially as World War II approached. In 1937, Aden, until then administered as a part of India, became a crown colony under the direct rule of the British Colonial Office. The protected states, collectively known as the Aden Protectorate, were forced and persuaded to accept truces in their inter-tribal feuds. During the 1950s and 1960s Britain attempted to organize this patchwork into a federation of states. By 1966 all except the largest states in the eastern region had joined the Federation of South Arabia, as it was renamed in 1962.

Political unrest and terrorism, directed mainly against British rule, grew rapidly in Aden after 1960. In 1965 it was necessary to suspend the constitution. The Federation collapsed in September 1967, when nationalist groups seized control over some of the states. Britain then retained control only of Aden and nearby areas. The National Liberation Front, which was supported by the British-trained native army, emerged as the most powerful political group. It took control of the government when the British withdrew and granted independence on November 30, 1967. Two days later the country, under the name People's Republic of South Yemen, was divided into six governorates to replace the various states which had existed. On the third anniversary of independence a new constitution was proclaimed and the state changed its name to the People's Democratic Republic of Yemen. The radical, Marxist-oriented government has maintained close ties with Cuba, the People's Republic of China, and the Soviet Union.

The North

Long before the arrival of the British on the Arabian Peninsula, one Muslim group, the Zaydi Shiites, had by the tenth century entrenched themselves in the northern highlands of what is now the Yemen Arab Republic (YAR). Another group, the Sunni Shafiis (the Sunnis being the larger division of Islam in the rest of the Muslim world), lived an uneasy and insubordinate existence largely in the lowlands

to the south and west. The main point of disagreement between the Zaydis and the Sunni (and with the other Shiites) was the reason and method for the selection of the Imams--political-religious leaders who succeeded Muhammad. Unlike the Sunni, the Zaydis insisted that the leader must come from the lineal descendants of Ali, husband of Fatima, Muhammad's daughter. Unlike most Shiites, however, the Zaydis insisted that Ali was Muhammad's choice because of his personal merits rather than because of some special inheritance that is automatically passed to descendants.

The doctrinal and liturgical distinctions between the Zaydis and Shafiis are not great; the two sects follow slightly different practices in prayer and sometimes use slightly different wording, but both groups have been known to use the same mosques. Political considerations have been a major basis for distinctions. The Shafiis, for example, have been subject to different religious (sharia) law courts than the Zaydis. Shafiis also maintained their own university at Zabid. On the other hand, only Zaydis could hold high positions in the government ever since the end of the ninth century when Al Hadi became the first Imam of the Rassid dynasty (named for his grandfather Al Asim al Rassi, a sixth generation descendant of Ali and Fatima through Hassan). This dynasty survived until the Revolution of 1962. The royal family, the nobility, and most property owners belonged to the Zaydis. The Shafiis, however, occupying the coastal lowlands, have long dominated commerce and in effect controlled much of the economy of the region.

The much more populous Northern Yemen (today about 6.5 million as compared to about 1.5 million in Southern Yemen) has been about equally divided between Zaydis and Shafiis, except for a small but significant group of Ismailis numbering between 24,000 and 60,000 in the 1970s. At various times they controlled large sections of the area, but in recent years have been concentrated in the remote Jabal Harraz district near Manakha west of Sanaa. The Ismaili sect, which began as a radical movement in the eighth century, arose from a dispute over the identity of the seventh

Shiite Imam. They sided with the main body of the Shiites in identifying the true line of successors, but believed that Ismail, the seventh Imam, was the last authentic one. Therefore, they have been called Seveners, as opposed to other Shiites who hold that there were twelve authentic Imams and are called the Twelvers.

The northern area, now known as the Yemen Arab Republic, had been isolated from the world for centuries and maintained its independence even from the British during the days of the Aden Protectorates, even though the East India Company had established a factory in Mocha (Al Mukka) as early as 1618. Unmolested by the social change taking place in the developing countries of Asia and Africa, families, clans, and tribes in northern Yemen lived as they had for generations, primarily as cultivators of the most fertile land on the Arabian Peninsula.

The Zaydi Imams ruled this land absolutely, although they were nominally subject to the Sublime Porte during the period of Ottoman occupation. When the Turkish forces had to evacuate Yemen after World War I, Imam Yahya was left in control of most of the country, even though the Shafiis of the plains never declared allegiance to him. He started an hereditary rule in 1891, the previous practice being to elect the Imam. He created an army of his own and divided the country internally into four divisions called liwas--Taiz, Sanaa, Hodeidah, and Ibb. (Subsequently, Sadah and Hajjah were added in 1946 and Al Baidha, two years later. This system of seven liwas was used by the Republican government formed in 1962 and expanded to ten by 1976.)

Under Imam Yahya peace and internal security were established, although the methods used were brutal and despotic. A hostage system was employed by which tribal leaders were required to send a son or other close male relative to Sanaa. The boy was kept in the citadel and his treatment depended on his tribe's behavior. If the tribe was especially unruly, several sons were kept. At manhood the youths would be sent home and replaced by other young hostages. With the tribes under control, many people enjoyed a standard of living and personal security which had been unknown in times past.

During World War II Imam Yahya preserved a strict neutrality. Thereafter, a Free Yemeni movement, spawned in Aden, directed some of its efforts toward the north. Yahya was assassinated at the age of eighty in 1948, but his successor was soon executed when the tribes rallied to Imam Ahmad, Yahya's son. He attempted to placate disaffected elements, hoping to avoid his father's fate. Lacking any of the institutions of a nation-state, and, even more important, possessing no sense of nationality, such government as existed functioned as the personal preserve of the Imam. At this time Ahmad established a council of religious leaders, shaykhs, and other respected men and appointed a nepotistic cabinet of fifteen. Little quotes a writer in the Economist describing Yemen at this time as "rushing madly from the 13th into the 14th century."

A coup against Ahmad was staged in 1955 by his brother, but the tribes rallied to Ahmad's oldest son, Muhammad al Badr, and Ahmad was restored. Ahmad beheaded his two brothers for their role in the conspiracy. Meanwhile, relations with Aden deteriorated as Ahmad became aware of plans for a federation of protectorates.

The Revolution of 1962

In 1958, Imam Ahmad's fear of the spread of radical Arab politics into his country led him to break with an isolationist tradition and join Egypt in a confederation that would supposedly lead to unification of the two countries. Earlier, limited concessions toward involving the country in international affairs, such as joining the Arab League in 1945 and the United Nations in 1947, were mainly to reinforce international recognition of the Imamate.

However, by 1961, President Gamal Abdul Nasser dissolved the confederation and then staged a vigorous campaign advocating the overthrow of the Imam. Ahmad, long in poor health from a venereal disease, died in 1962. His son, Badr, was left with a seriously divided nation, lacking the support either of tribal leaders or the Arab radicals. Eighteen days later, one of the radicals, Colonel Abdullah al Sallal,

whom Ahmad had kept chained to a wall for several years until his rescue by Badr, led the army against the Imam. He executed members of the royal family, although Badr escaped to the north and led the royalist cause for years, and proclaimed himself leader of the revolution with the title of Prime Minister.

The Civil War

For the next eight years the country was torn by a devastating civil war. The Shafiis worked diligently with antiroyalist forces to oppose the reestablishment of the Zaydi monarchy. Egyptian troops landed immediately and were deeply involved in the civil war in support of the republican cause, until they were forced to withdraw under the pressure of the Six Day War with Israel in 1967. Saudi money poured into the country in support of the royalist cause which began to make territorial gains by the end of 1962. A broad geographic division emerged with the royalists in the north and east and the republicans in the west and south. Most tribes were inclined to the Zaydi rule of Badr because of tradition and a habitual distrust of the Egyptians while a few tribes simply went to the highest bidder. The underlying conflict was between Islamic tradition, in which religion and politics were fused, and a version of Western nationalism implanted in Egypt in the nineteenth century and brought to Northern Yemen by eager Nasserites in the 1950s and 1960s.

The exiled government of Imam Badr was recognized by some nations, notably the United Kingdom, until 1970, but after the Egyptian withdrawal even the royalists' strongest supporter, Saudi Arabia, reduced its commitment to them. This Saudi action occurred simultaneously with the establishment in 1969 of a National Assembly, which was designed to include representatives of all groups in North Yemen. The defection of royalist commanders to the republican side, the departure of some key royalist leaders from the country, and the rivalry within the royalist government further helped the cause of the republican government. The civil war finally ended in March, 1970, when the Prime Minister of North Yemen and King Faisal of Saudi Arabia signed

an agreement that provided for the reconciliation of royalist (excluding members of the royal family) and republican groups.

Political Developments after the Revolution

The revolution did not alter the tribal system of deep mutual distrust between the Zaydi and Shafii populations. Although the country is about equally divided between the Shafiis and the Zaydis, the Zaydi Imams have exercised temporal rule over northern Yemen for almost 800 years. Shafii inhabitants of the lowlands submitted, often unwillingly to the temporal but not the spiritual leadership of the Zaydi Imams. While the Shafiis endorsed the objectives of the revolution, their suspicions of Zaydi domination of the republic abated only slightly despite government efforts to draw some Shafiis into the government. Most individuals in positions of leadership after the revolution continued to be Zaydis. Thus, the end of Sayyid officialdom (descendants of Muhammad) has not significantly reduced Shafii-Zaydi tension.

Moreover, the Yemen Arab Republic is a republic only in the sense that the head of state is not a monarch, but not in the sense that political power is exercised by representatives of the people. A tribal society used to authoritarian rule by religious leaders, hostile tribes held in bondage by a system of hostages, and a territory constantly threatened by foreign powers lacked any awareness of participatory government. The coup did eliminate the Imamate and the Sayyid oligarchy but a government and administration essential to the needs of a developing nation could not be quickly and easily constructed.

The Sallal regime. The Yemen Arab Republic was established in the midst of considerable confusion, the fact that the Imam himself had escaped alive being unknown for days. In September, 1962, a newly formed Council of the Revolutionary Command, headed by Abdullah al-Sallal, assumed the direction of the government. The first cabinet was composed largely of military officers. With the arrival of the Egyptians in the country, efforts were made to make material improvements, but the extension of

health services and educational institutions was hampered by the civil war and political instability. The authoritarian behavior of the Egyptians also alienated the Yemeni. The Egyptian government then sent a Field Marshall and the Minister of Yemeni Affairs, one Anwar al Sadat, to Sanaa. They instituted a new government with a presidential council to provide collective rule. Sallal strengthened his position by taking over the portfolio of foreign affairs.

In early 1964 Sallal increased his power further and at the same time inaugurated a constitutional government. He created a nine-man political bureau and a national security council and declared himself chairman of both as well as head of state and commander in chief. When President Nasser visited Yemen later in the year he assisted the drafting of a constitution providing for a president, prime minister, consultative council, national defense council, and judiciary. Continued skirmishes, stalemates, futile U.N. intervention, an unsuccessful attempt to negotiate a cease-fire, and increasing hostility with Aden dominated events in 1966 and 1967.

The Arab-Israeli war in mid-1967 changed the political situation abruptly. Egypt could no longer maintain its presence in the country and its adversary in Yemen, the Saudis, now rushed to their financial assistance. The British left Aden in the end of November and the Egyptians withdrew from North Yemen the following week. The day the British pulled out, the People's Republic of South Yemen was proclaimed and in Sanaa, Abd al-Rahman al-Iryani led a bloodless coup against Sallal who was out of the country at the time. One lasting innovation of Sallal was the introduction of Yemeni paper currency to replace the Maria Theresa thalers which were still in use.

The Iryani regime. The previous regime had been dominated by a strong Egyptian effort to establish an Egyptian-style political structure in the government of YAR. President Iryani was now faced with the more difficult task of bringing together the many divisive elements in the society and establishing not only a central administration but also some form of authority over the many levels and kinds of local government. The oligarchic system of royal authority in the past had created a stratified system

of maintaining order and perpetuated the divisions among the population so that a dual society was produced, separated by residence in urban centers and rural tribes, different legal systems, different military organizations, different religious groups, and diverse forms of taxation. In addition, the civil war persisted for three more years.

The Iryani regime was characterized by Stookey as having a high degree of administrative decentralization, a widespread use of official position for private advantage, and an inability to act decisively on grave matters of national security. As a result, its legitimacy was impaired and the way was prepared for the formation of a new governing coalition composed of tribal and military leaders. The regime introduced the innovative recruitment of tribal Shaykhs into positions of authority and reasserted Islamic principles as a proper foundation of government.

Soon after a reconciliation between royalist and republican groups was achieved ending the civil war in early 1970 President Iryani presented to the National Assembly (first convened in March, 1969) a permanent constitution that called for the election of a consultative assembly. While the Iryani regime was not simply a reactionary return to the theocracy of the Imamate, the constitution did clearly express the conviction that the Koran, together with the teachings of Muhammad, formed the sole legitimate guide to the regulation of society. The Constitution also emphasized Koranic injunctions to rulers to consult with their subjects about community affairs. However, the consulting process, Stookey explains, did not mean the sharing of authority or the restriction of the rulers' function of establishing policy on the community's behalf.

The main thrust of the government's policies was on rapid progress while preserving the traditions represented by the many groups in the country. Numerous experiments were tried during 1971, and many changes occurred in government personnel but, before much could be accomplished, troubles with Aden arose on the country's southern border. Frequent border clashes in early 1972 led to a closing of the

border, followed by an Arab League mission which sought a ceasefire. In the face of external threats Iryani's efforts to close ranks around a constitutional republican government was made an official goal. Many tribal leaders were brought into the government in the period after the end of the civil war. The hopes for a merger of the two Yemens collapsed when a senior member of Sanaa's Republican Council was assassinated by Adenese in mid-1973. By this time the government faced a severe financial crisis and instituted administrative and financial reforms.

Internally the continued division between the Zaydi and Shafii leaders disrupted progress. The regime's attachment to traditional social patterns was compatible with the interests of the Zaydi tribal leaders, who were the ultimate source of its power, but this orientation had little appeal to most of the Shafii sector of the population. It was also distasteful to a growing number of Yemeni of both sects dedicated to rapid modernization. Prompted by Iryani's leniency and indecisiveness in dealing with an anti-government plot, Zaydi tribal chiefs demanded that the army depose the regime. Under military pressure Iryani and his senior colleagues stepped down and a seven-member Military Command Council (MCC) under the leadership of Lieutenant Colonel Ibrahim al-Hamdi was formed in June 1974.

The Hamdi regime. Hamdi suspended the two-and-one-half year old Constitution and the Consultative Assembly during the coup which became known as Corrective Movement Day. The MCC took on all executive and legislative functions. These actions in consolidating authority over the entire government were legitimized by proclamation of a transitional constitution which asserted a legal basis for the coup but left intact the basic principles of the 1970 Constitution. Nine days after the coup Hamdi announced his first cabinet, the twenty-two members being almost equally divided between Shafiis and Zaydis. Thus, the YAR launched its third experiment in creating a government which might provide stability and cope with the problems of development.

Stookey described Hamdi as "a youthful but broadly experienced officer with considerable popular appeal, a devoted Yemeni nationalist, of moderate orientation

in external affairs and modernizing outlook domestically." The goal of the MCC was not to revise all that had been established in prior governments but rather to remedy what had become administrative chaos. A gradual approach to modernization was favored, with emphasis being placed on the need to equip the government with better methods of administering development programs and upgrading the armed forces. In contrast to Iryani's approach to development of a republican government based on the reassertion of Islamic principles and tribal authority, Hamdi's regime displayed, according to Stookey, "a pronounced secularizing trend, and the joint assertion of a claim to legitimate authority by the two principal elements of Yemeni society possessing the ability to exert physical force: the leadership of the northern tribes and the army."

Numerous changes occurred in the membership of the MCC as Hamdi went about establishing his paramouncy in government and instituting many administrative reforms. Prime Minister Ayni, who had served under Iryani, was dismissed in January, 1975 and an able technocrat, Abdul-Aziz Abdul-Ghani, who had been the governor of the Central Bank of Yemen, was appointed Prime Minister. Despite constant flux in political leadership, the regime made notable progress in creating some of the structures needed for efficient administration of the government's policies. Hamdi personally worked to promote investment in the country and to increase foreign aid, sorely needed by a limping economy.

Constant concern about the regime's stability and strength led Hamdi frequently to transfer, replace, or retire military commanders and issue decrees abolishing private ownership of arms and use of titles (actions impinging on traditional rights of tribal leaders). The expanding Council of Ministers (numbering twenty-five by late-1976) had less and less involvement in the formulation and implementation of government policy. The "corrective movement," which began as a watchdog over civilian government, became a more and more intense military regime.

Assassinations and instability. All these efforts were to little avail. On October 11, 1977, three assassins disguised as women, killed President al Hamdi, his

brother Lieutenant Colonel Abdullah Muhammad al-Hamdi, and his brother-in-law, Lieutenant Colonel Ali Kamal. The Commander in Chief of the Armed Forces, Colonel (Major?) Ahmed Hussein al-Ghashmi, became Chairman of the Military Command Council and also of the Presidential Council. He was joined on these councils by Abdul Aziz Abdul Ghani and Adullah Abdul Alem. Soon after, a Captain Zaid al-Kabsi, disguised as a member of a delegation of religious leaders extending condolences to President Ghashmi attempted, without success, to assassinate him. In early 1978, Ghashmi ordered the formation of a Constituent Assembly to prepare the way for a return to constitutional government.

Eight months after the death of Hamdi, on June 25, 1978, an envoy from the People's Democratic Republic of Yemen (so-called South Yemen) arrived in Sanaa, presumably to negotiate a rapprochement. According to accounts of YAR, he carried a briefcase containing a bomb which killed both him and Ghashmi when it exploded. PDRY denied these charges and accused conservative shaykhs of engineering the plot to discredit unification negotiations. Two days later the PDRY President was overthrown and executed by a pro-Soviet faction which opposed his support for improved relations with North Yemen (YAR) and Saudi Arabia. On July 18, the Constituent Assembly elected Colonel Ali Abdullah Saleh President of YAR.

Political instability continues. At least one, possibly two, attempted coups have occurred in recent months. One attempt, reportedly funded by Libya, seized the airport for a time and sporadic fighting took place at several army posts. The dissident leaders were summarily executed, but other attempts are feared. Border fighting with South Yemen breaks out from time to time also.

Burrowes has analyzed in detail the failure of YAR to develop politically since the revolution of 1962. The plight of Yemen, and many other modernizing countries experiencing the same trauma, is captured in a quotation he uses from Samuel Huntington, who notes "a shortage of political community and of effective, authoritative, legitimate government. . . . (In these countries) the political

community is fragmented against itself and . . . political institutions have little power, less majesty, and no resiliency -- . . . in many cases, governments simply do not govern."

Administration since the Revolution

Prior to the revolution of 1962 the administration of Yemen was a living fossil, a last surviving remnant of a patrimonial system of theocratic and highly personal rule by an Imam with virtually unlimited power. The system, unchanged over centuries, was structurally undifferentiated; religious, political, and economic functions in the society were fused in the hands of the Imam, and a small, sacred ruling class, who conducted the affairs of the people on a face-to-face basis, without the assistance of a bureaucracy. There was a prime minister and a set of ministers, but they lacked professional or specialized assistance. The Ministry of Foreign Affairs was a minor exception, for it had a ministerial building consisting of four offices and a staff, in addition to the Minister of Foreign Affairs, of an under-secretary, a chief of protocol, and a clerk with two typewriters (one for Arabic and one for English). The Ministry was an extension of the private office of the Imam, used to serve foreign visitors, but it had no authority. The Imam himself granted entry visas to the country. Moreover, the Imam directed the army, the hospitals, the schools, and all means of communications; he controlled finances, which were entirely personal, and he administered justice.

In addition to this theocratic, personal rule of the Imam, pre-Islamic tribal administration persisted essentially unchanged since the days of the biblical Queen of Sheba while the territorial organization, which the Turks had superimposed before their departure in 1918, also remained. On the day of the military coup in September, 1962, the Revolutionary Command Council (RCC) proclaimed itself the country's executive organ and two days later established the country's first Council of Ministers. Within the first year eleven ministries were created and subsequently other ministries and departments were set up until twenty to twenty-five existed. Mixed enterprises, such

as the still surviving Bank for Reconstruction and Development, were also established. The entire administrative structure was modeled along Egyptian lines during the days of the Egyptian presence in the country. The Egyptian system, itself, was British overlaid on Ottoman Turkish administration, with French elements in the military and educational system and a constitution modeled after Belgium. The designers of the new administrative organizations did not attempt to adapt the system to Yemeni goals and needs, but largely copied what they knew in Egypt. A serious problem was the failure to acknowledge the lack of administrative know-how, trained manpower, and capital in the society and economy.

During the early days of the Sallal regime the RCC issued a transitional constitution which served as a legal basis for government while a permanent constitution was being drafted under Egyptian guidance. The document which resulted in 1964 was not acceptable, so another transitional constitution was proclaimed. The RCC was changed to a three-member Republican Council, the ministerial system was expanded, and a Consultative Assembly (or Council) was created, 159 members of whom were to be selected indirectly by electors and 20 to be appointed by the President. This instrument served as the legal basis of government into the Iryani regime, which promised to draft a permanent constitution. Not until the end of the civil war in 1970 was the new Constitution made public, in which the Republican Council, the Consultative Assembly, and the ministerial system were retained.

In the Iryani period of reliance on the shaykhs of the tribes and the Zaydis educated in the traditional legal and theological disciplines, the central government was relatively weak. However, during this period important foundations were laid for economic development. A Central Bank and the commercial banking system were established in 1972. In the same year a Central Planning Office was created which drafted and, in 1973, issued a three-year development plan. A new Ministry of Finance was established in 1972 and the first government budget was prepared for FY in 1974. At the same time population increases occurred in the larger urban centers, notably

Sanaa, Hoyoedah, and Taizz. A survey of 1971 identified 351 industrial firms employing five or more workers, with a total work force of 6,706, of whom 1,438 worked in the public sector textile mill in Sanaa. Thus, although more than 90 percent of the people still depended on agriculture for their livelihood, the elements of a new, urban-based proletariat could be detected.

Most commentators on Yemen agree that the Hamdi efforts at administrative correction and reform were the most successful and held out the greatest hope for progress in the brief history of YAR, achievements which received serious setbacks by the two Presidential assassinations. While the Constitution of 1970 was suspended, the transitional constitution perpetuated its basic principles and a republican form of government. Hamdi was regarded as an attractive, charismatic personality, who was liked and trusted by the people. He attracted young, capable technocrats to government. They were challenged by the prospect of making some headway toward economic development and supported the regime's efforts. At the same time as the civilian side of government was being improved, determined action was taken to gain control and direction over a strengthened military.

Civil service reform was inaugurated through an office that had been created back in 1963 and had undergone several changes over time. Pay increases were granted by Presidential decree. Support and encouragement was given to Local Development Associations (LDAs), self-help bodies scattered throughout the rural areas of the country, and a Confederation of Yemeni Development Associations was created in 1973. While the incentive for this development was probably sincerely constructive, the system was also used for patronage purposes. The President apparently disbursed funds to friendly areas and associations and withheld them from those less supportive. Furthermore, as time passed Hamdi was reportedly disillusioned by the lack of support for LDAs and began to back off of the system.

The recently created Central Planning Office became the spearhead for the Hamdi development program, even to the extent that some of the ministries were

ignored. The CPO's ascendancy occurred over several years. In late-1973 a proposal to reform the CPO as part of a broader administrative correction failed to get the expected World Bank support. Subsequently, the UNDP introduced experts in selected ministries, the Kuwait Fund supported a consultant firm attached to the Office of Prime Minister, and the IMF funded tax experts attached to the Ministry of Finance. In the meantime, the CPO built up its competence with foreign assistance. It was also staffed by some of the most qualified Yemenis in the country and led by a very capable administrator, Abdul Karim al-Iryani, a nephew of the former President. Iryani was the driving force behind the drafting of the present five-year plan. During 1975 and 1976, the CPO acted like a super-ministry, directing a far-flung program of development. The dedicated, hard-working staff used its advisers effectively. A feeling of mutual trust appeared to exist between advisers and Yemeni staff. By contrast, the older Ministry of Economy, founded in 1963, had become mired in bureaucratic red-tape. The Yemeni staff felt insecure in the presence of UNDP advisers and isolated them from effective involvement in its programs. The contrast between the two models of foreign assistance and development administration should be instructive for future assistance.

Eventually, Iryani lost favor with Hamdi and, in early 1977, he was made Minister of Education and President of the recently formed University of Sanaa. There he attempted to modernize the primary and secondary schools of the country but ran afoul of religious leaders. At the beginning of the following year he was removed from that position; he accepted a job in Kuwait with the Kuwait Fund, a tragic loss to the nation in the view of some observers.

Other efforts of President Hamdi are worth noting. On the first anniversary of the coup, in June 1975, a Correction Movement was launched. Its avowed purpose was to develop a political cadre of young persons loyal to the regime. Its task was to assure that public and mixed bureaucracies were directed toward national needs and corruption was eliminated from them. The President also took the first step

toward creating a modern civil law. A commercial law code was adopted in mid-1976 and a reorganization of the court system was put into effect. Sudanese judges were recruited to help establish and run these commercial courts.

Throughout its brief history since the revolution, the administrative system of Yemen was characterized by a high degree of bureaucratic dispersion and disintegration. Each ministry, and often the units within ministries, were like feudal baronies, unresponsive to central direction and sometimes irresponsible for their actions, a problem that was complicated by the lack of competence within all ministries. Even if administrative bodies were less autonomous, they lacked the capability of responding to policy guidance. The degree of bureaucratic dispersion was reduced under Hamdi. The Prime Minister had a greater likelihood than ever before of having national goals systematically implemented, but even that ability was constricted and far less than what would be required to support a sustained program of economic development.

In the last year and one-half the administrative system has deteriorated because of the abrupt and tragic changes in leadership. With the assassinations of Presidents has come frequent changes in ministers and deputy ministers. There is little continuity of leadership and administration once again has become atomistic. Many new persons are ill-informed about their jobs, lacking in experience, and therefore unprepared for their responsibilities. Under the circumstances, they are reluctant to delegate authority so that work bogs down and goes undone. Government as a whole lacks legitimacy in the minds of the people, while the prestige and effectiveness of some ministries deteriorates. The CPO is now seen in a downward spiral, a decline which has not yet been reversed, although some new blood in the organization has been making a determined effort to do so.

III. The Structure of Government

A simple, consistent structure of government has evolved since the 1962 Revolution, although it varied slightly in each of the regimes. The executive functions have been typically in the hands of a supreme command council (variously termed the Revolutionary Command Council, the Republican Council, or the Military Command Council)--a practice begun in Egypt by Nasser--and/or a President and Prime Minister, working through a ministerial system. Some ministers have usually constituted a Council of Ministers, or Cabinet. A few persons of ministerial rank have headed agencies but have not participated in the executive council. Legislative functions have been vested in a Consultative Assembly or, during its absence, in the supreme command council. Judicial functions have been vested in a traditional Islamic Sharia court system, a State Security Court, and, recently, a series of commercial courts. Central government control over local authorities, especially tribal leaders, has been indirect and usually nominal, being exercised through traditional, or military leaders, according to the practices of the region. The system of local administration is largely unchanged since the period of Ottoman control, although Hamdi attempted to assert central authority throughout the country more than any regime since the revolution.

The structure of the YAR government in December, 1978 is depicted in Figure 1. A President is now the chief executive officer, serving without the assistance of a supreme command council. He appoints the Prime Minister, with the approval of the Assembly and, for the first time, a Vice President has been instituted. There is a Deputy Prime Minister for Internal Affairs and another for Economic and Financial Affairs. The legislature, dissolved by Hamdi in 1975, has been restored as a Constituent Assembly with 99 members appointed by the President. The Committee for Correction is a high level political organization created after the Correction Movement of 1974 to eliminate corruption and financial wrong doing. It has parallel committees in each of the provinces.

The Cabinet

The offices immediately under the President and Vice President are headed by a minister of state, but none is in the Cabinet. Those immediately under the Prime Minister are also non-Cabinet agencies, but their ministers may attend Cabinet meetings without being members. These six non-cabinet organizations at the level of the Prime Minister deal directly with him or the Deputy Prime Minister on routine, day-to-day administrative matters; they may take special problems directly to the President. The ministers heading the fourteen remaining ministries in Figure 1 all make up the Cabinet.

The Cabinet, chaired by the Prime Minister, meets every Wednesday morning at 9:00 A.M. A Committee for Economic Development within the Cabinet (chaired by the Deputy Prime Minister and consisting of key Cabinet ministers) makes a weekly report of plans and progress toward economic development. Proposals for new projects are received, the availability of funds determined, the need for foreign aid identified, and a timetable for implementation formulated. A Committee for Services (consisting of the Ministers of Health, Education, Public Works, and Agriculture) also reports on their respective activities. If a need for additional public services not already in the Five-Year Plan is identified, the Cabinet investigates how it may be financed.

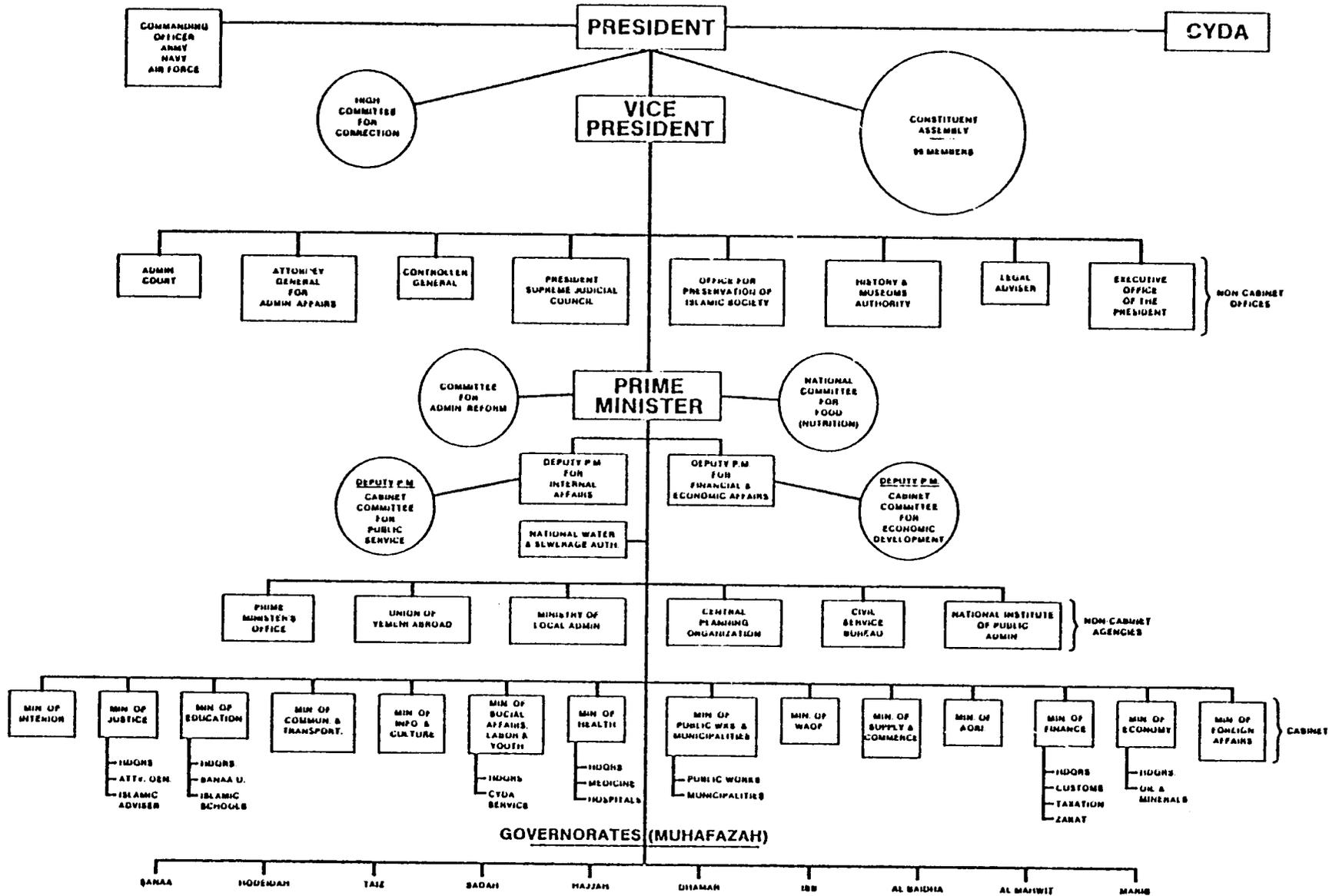
Generally, small development projects may be referred to Local Development Associations or, if they are unable to implement them, to the appropriate provincial governor. Larger development projects are reviewed by the Committee for Economic Development. If the project costs more than YR 5 million, it must go to the Constituent Assembly for approval.

Cabinet Ministries

Deputy Ministers in several key Cabinet Ministries with outreach responsibilities were interviewed in the limited time available.

Ministry of Health. In 1966, four years after the Revolution, Yemen had only five doctors, no medical education, and absolutely no preventive medicine. Foreign

**FIGURE 1
STRUCTURE OF Y.A.R. GOVERNMENT,
DECEMBER, 1978**



assistance was requested to offset these serious deficiencies. All such aid emphasized curative medicine until 1974-75. The World Health Organization, for example, supported small projects in smallpox and disease eradication. The Five-Year Plan of 1976 shifted emphasis somewhat to preventive medicine. Eventually a Health Manpower Institute was organized to train nurses, assistant pharmacists, midwives, laboratory technicians, sanitarians, etc. It has two branches in Taiz and Hodeidah.

The administrative and technical problems facing the ministry are overwhelming. The country still has no medical school, but almost 300 persons are studying medicine abroad (about 125 in Egypt and U.S.S.R.--the rest in Syria and Iran). The ministry lacks experienced or qualified personnel in general management as well as hospital administration. A study of the Committee on Administrative Reform focused on some of the administrative problems in the Health Ministry; the recommendations were regarded as useless and impractical. Numerous foreign consultants have given advice, but few improvements have resulted. The fervent plea is for foreign executives who can be placed in positions of authority and responsibility to shape up the organization and improve the delivery of service. During this period it is felt that qualified Yemeni could be trained to take over the management of the ministry. At present there are twenty-three foreign missions working in the health field, largely scientific and technical areas, except for a WHO project in hospital administration.

The Ministry of Health is the largest ministry, after Interior and Education, and it is expanding at a rate of at least 100 persons a year. At present it has almost 3,000 employees, one-third of whom are in Sanaa. In 1978, the country had 399 doctors (255 Yemeni, 144 expatriate), 20 dentists (11 Y, 9 ex), 44 pharmacists (25 Y, 19 ex), 441 qualified nurses (281 Y, 160 ex), 64 midwives (31 Y, 33 ex), 27 X-ray technicians (20 Y, 7 ex), 55 laboratory technicians (45 Y, 10 ex), 16 anesthesiology technicians (10 Y, 6 ex), 93 sanitarians, 678 assistant nurses (unqualified), 16 X-ray technician assistants, 55 laboratory technician assistants, 21 medical assistants, and 40 pharmacists assistants. (See Table 1 for a listing of health manpower by governorates in 1976.)

TABLE 1.

HEALTH MANPOWER BY GOVERNORATES, 1976

Governorates	Anesth- ology Aides	Medical Assis- tants	Lab. Aides	X-Ray Aides	Asst. Nurses	Asst. Pharma- cists	Anesth- ology Techs	Lab. Tech.	X-Ray Tech.	Qualified Midwives	Qualified Nurses	Pharma- cists	Dent- ists	Physi- cians	No.of Hosp. Beds								
	Y	Y	Y	Y	Y	Y	E	Y	E	Y	E	Y	E	Y	E	Y	E	Y	E	Y	E	Y	
Sana'a	-	4	1	4	76	12	2	2	5	7	4	8	5	5	63	113	5	6	5	1	58	54	900
Hodeidah	-	-	5	1	52	2	-	2	1	3	1	2	3	3	14	15	2	1	1	-	17	17	340
Taiz	3	7	13	4	103	7	1	3	2	10	1	5	4	6	12	47	1	3	1	2	22	36	970
Al Beidha	-	-	1	-	9	1	-	-	-	1	-	-	1	-	4	-	-	1	-	-	1	6	33
Sa'ada	-	2	1	-	8	-	-	-	-	-	-	-	3	-	3	-	1	-	-	-	2	1	14
Ibb	2	-	4	3	23	6	1	1	1	3	1	2	3	-	6	11	1	-	-	-	6	5	232
Dhamar	-	1	1	-	3	1	-	-	-	-	-	-	-	-	1	-	-	-	-	-	4	3	55
Hajjah	-	3	-	-	19	1	-	-	-	1	-	-	-	-	1	-	-	-	-	-	-	2	68
Total	5	17	26	12	293	30	4	8	9	25	7	17	19	14	104	186	10	11	7	3	110	124	2612

Y: Yemeni

E: Expatriates

Further, in 1978 there were 20 hospitals, 1 leprosy hospital, 1 tuberculosis and pneumonia hospital, 20 health centers with in-patient service, 16 health centers for out-patients only, 18 health sub-centers for out-patients only, and 106 rural health units (some receiving assistance from their Local Development Associations). (See Table 2 for a listing of health establishments by governorates in 1976.)

Yemen is in critical need of better health care. Health institutions are far too few and there are reports that services are actually deteriorating because of a shortage of trained personnel. Yemeni health standards are among the lowest in the world, primarily because of polluted water, the absence of sewerage systems, and the prevalence of protein-calorie malnutrition. Tuberculosis, gastroenteritis, typhoid and paratyphoid, amebiasis, trachoma, bilharzia, and helminthiasis are endemic. Furthermore, because of the high mortality rate among children, a family attempts to have seven or eight children to ensure the survival of two. Women experience high rates of stillbirth and miscarriage caused in part by primitive delivery conditions and the low age of women at their first pregnancies. The Ministry of Health requires foreign assistance, both technical and administrative, and expresses a strong desire for that help.

Ministry of Public Works and Municipalities. This ministry operates through two distinct units. Public Works is situated in Sanaa only and has responsibility for surveying, government building construction, and rural water works. The Municipalities unit, with offices in each governorate and many nahyahs, is responsible for environmental health (largely garbage collection), infrastructure (streets, parks, street lights), town planning, and housing in cities and towns throughout the country. Presumably the newly-created city governments in Sanaa and Taiz will eventually take over many of these services. Attached to the ministry are several semi-autonomous public authorities: Roads, which is responsible for highways outside the cities, and Government Properties. The public authority responsible for electricity is attached to the Ministry of Economy and, for ports, to the Ministry of Transport and

TABLE 2.

HEALTH ESTABLISHMENTS, PHARMACIES, AND DRUG STORES BY GOVERNORATES, 1976

Governorates	Drug Stores	Pharmacies	Rural Health Units	Health Sub-Centres	Health Centres	Dispensaries		Hospitals	
						Beds	No.	Beds	No.
Sana'a	44	7	11	-	6	20	1	900	5
Hodeidah	31	4	16	8	2	160	4	340	3
Taiz	62	5	16	3	3	60	3	970	7
Ibb	13	-	6	-	1	30	1	232	4
Dhamar	6	-	6	-	-	-	-	55	1
Hajjah	1	-	6	-	2	60	3	68	1
Sa'ada	3	-	3	-	-	-	-	14	1
Al Beidha	6	-	3	-	-	-	-	58	2
Al Mahweet	-	-	4	-	1	25	1	-	-
Mareb	-	-	4	-	1	-	-	-	-
Total	166	16	75	11	16	355	13	2637	24

Communications, while the authority for water and sewerage is independent of any ministry.

Yemen's first steps toward modernizing its infrastructure were taken in the 1950s, prior to the Revolution. The last Imam concluded aid agreements with the Soviet Union and the People's Republic of China to construct road and port facilities. Motorized transport was impossible because only tracks and trails existed. Transport was primarily on the backs of animals or people. Cargo from ocean freighters had to be moved to the beach by manpowered boats and waded ashore by human carriers. China completed a paved road between Hodeidah and Sanaa in 1961, the U.S., a gravel road between Mocha and Sanaa via Taiz in the 1960s, and the Soviet Union, a paved road from Hodeidah to Taiz in 1969. Thus, not until 1970 were the main population and economic centers linked by modern roads. By 1976, the road system had been extended to Sadah, the Taiz-Sanaa road paved, and a beginning made on secondary and feeder roads.

The Soviet Union completed major port facilities in Hodeidah by 1962 and Kuwait financed port improvements at Salif which were completed by 1976. Water supply -- especially in Sanaa, Hodeidah, and Taiz -- received greater attention from foreign and domestic agencies after 1974, but facilities throughout the country are seriously inadequate. There are no permanent bodies of surface water in the country, although some wadis have seasonal heavy flows. The few springs around some cities are insufficient to meet needs, so groundwater is the sole source of Yemen's water supply. Most Yemeni, especially in the rural areas, obtain water from shallow, usually contaminated, wells or from water sellers. Piped water is available in the major cities. Sewerage systems are almost totally lacking and is a major cause for pollution of water supply. The problem is particularly severe where there are concentrations of people.

The Rural Water Department of the Ministry of Public Work installs new water systems and improves existing facilities. Within the outline of the Five-Year Plan it constructs integrated systems, that is, it drills wells, builds reservoirs and

cisterns, installs pumping systems, and constructs delivery systems. Its improvement activities extend to all components of rural water works, wells, cisterns, springs, pumps, and delivery. In response to proposals for new or improved rural water systems from Local Development Associations, the department may supply pipes, cement, technical assistance, or do some construction. It undertakes about thirty such projects a year. The department also cooperates with the LDA/Coordinating Councils in the governorates and with CYDA. When projects have been jointly identified by both Public Works and CYDA/LDA, the Ministry may transfer funds for the project to CYDA for use by the LDA. Thus, these funds may constitute the 30-40 percent which come from government sources to supplement the amounts raised by the zakat and voluntary contributions provided by people in the community.

The greatest problem the Ministry faces on the Public Works side is the lack of qualified personnel. With U.S. assistance the department does provide some training for technicians (pipe fitters, mechanics, hydraulics technicians), but it has no way to develop managerial skills. Many units are not staffed because of the shortage of competent personnel and an inability to train them. Effective teamwork is not possible with unqualified supervision. The management training provided by the National Institute of Public Administration at the present time is seen as too abstract and too general, not being geared to the specific managerial requirements in the Public Works Department.

The major activity of the Municipalities Department is promotion of environmental health through nine projects in the Five-Year Plan. A WHO adviser is assisting this division. Solid waste management (garbage collection) is beginning to function in Sanaa, Dutch assistance is provided to develop this service in Taiz, but no study of the problem has been undertaken in Hodeidah yet. Where systems are operating, collections are not made at individual homes. People are supposed to take their garbage to dumpsters at various street corners, but many people are not inclined to carry their garbage to a collecting station and, when they do, the garbage is thrown

outside the dumpster as often as in it. Collections are made directly from certain commercial establishments.

Other activities to promote environmental health include constructing public latrines, controlling insects in cities and towns (the Ministry of Health does this in rural areas), improving drainage, and attempting to clean the streets. The latter is a serious problem, because shops are a major source of debris on the streets and sidewalks, but few shop keepers are willing to cooperate by providing containers for waste or by cleaning up around their shops. At times the boy scouts and the army have been used to attempt to educate the people to keep the city clean, but very few people respond to the effort. The Municipalities Department intends to mount a litter campaign over TV, by means of posters, and through the schools and mosques. The Department also operates a school to train sanitarians and health aides, but only a few people are enrolled. Many Yemeni prefer to go to the University, rather than take vocational education, if they are going to study.

Other activities include constructing low cost housing for the least privileged, creating a few parks, and naming streets and numbering houses. At present mail cannot be delivered directly to homes for lack of names and numbers on streets; people must collect their mail at the post office.

The Municipalities Department does cooperate with CYDA and LDAs, but mainly in larger cities and towns, because its projects are less needed in rural areas. There the major problems are potable water, roads, schools, and health clinics. In urban areas it has assisted development of some parks and gardens. It has also helped certain LDAs remove dogs from the city (because of the fear of rabies) and control insects, but these services have been only at the governorate level.

Officials feel some progress is being made. There is greater governmental awareness of some of the problems municipalities experience and the people are beginning to be educated. But much more needs to be done. The organizational structure needs improvement and qualified persons need to be trained for management jobs. The

financial division is especially in need of improvement. Similar comments are made about NIPA; the training is too theoretical and abstract, not tailored to the needs of the Municipalities Department. Before training programs are designed, research should be done into the needs of the department and appropriate courses devised on the basis of these findings. Little value is seen in the work of the Committee for Administrative Reform.

Ministry of Education. The Ministry of Education has the responsibility for an educational system which is quantitatively and qualitatively among the least developed in the world. Only slightly over 10 percent of the population are literate. Until 1948, the primary educational institution was the kuttab--the religious school, which was for boys only and was based on memorization of the Quran. Imam Ahmad then introduced a secular grade school system that provided a six-year primary course and a three-year secondary course. Three high schools and a teachers training college were also established during his regime.

After the Revolution, the military government established a formal education system by decree. Between 1963 and 1967, largely because of the Egyptian presence, the Ministry instituted programs to expand and modernize the school system. More than fifty schools, including six vocational schools, were established and schools for girls were opened in Sanaa, Taiz, and Al Baidha. Egyptians staffed most of these institutions and, after their departure in 1967, many were left without teachers. Since the end of the Civil War most capital expenditures and a high percentage of operating expenses have been financed by foreign aid. Throughout the first half of this decade, the government has been able to devote less than 6 percent of total public recurrent expenses (less than 0.5 percent of GNP) to operating educational expenses. Now that percentage is rising to over 9 percent and education constitutes the second largest expenditure for public services, disregarding the amount budgeted for "general administration." (See Section IV, Expenditures.)

By 1976 the ministry had constructed 1,670 schools, 50 percent being located in Sanaa, Taiz (which had forty-two more than Sanaa), and Hodeidah (see Table 3). The number of children served in these schools is very limited. In the early 1970s, only 15 percent of the primary school age-group was enrolled; girls constituted only 12 percent of that total. Only 13 percent of the schools offered the full six years; 60 percent had three grades or fewer. Only 2 percent of the secondary school age-group were enrolled by 1973; girls made up only 9 percent of that total.

There are far too few teachers, many being employed on a contract basis only, until more qualified teachers can be trained. Most secondary school teachers are foreign, largely Egyptian. Primary teachers are trained in secondary schools and, in 1975, a secondary-school teachers institute was opened on the campus of the University of Sanaa. This institute now has about 280 students enrolled in a three-year program. Students must have nine years of preparatory education to gain admission. After graduation, they must teach two years, or they may go on the Faculty of Education in the University of Sanaa. If they graduate there, they are required to teach at the secondary level for at least five years.

The University of Sanaa was established in 1970 with aid from Kuwait and is the nation's only institution of higher learning. Opening with sixty-one students and a faculty of fifteen in three colleges, it now has five colleges. Faculties of Education and of Commerce and Economics were added to Arts, Sciences, and Law and Sharia in 1973. Schools of Medicine and Engineering are planned for 1980 or 1981. Student enrollment was 2,304 in 1975/76 (see Table 4) and is reported to be approaching 4,000 in 1978/79. Over 15 percent of the students in 1975/6 were non-Yemeni, a larger number than the women students (352, as compared to 264 women). Significantly, only slightly over half of the female students (143) were Yemeni, the rest being Egyptian and Adenese. The largest enrollment is in Commerce and Economics, followed by Education (which has the bulk of the women students), Arts, Law and Sharia, and Science (with only 65 students in 1975/76).

TABLE 3.

NUMBER OF SCHOOLS, BY GOVERNORATES, 1976

Governorates	Total	Technical	Commercial	Teachers' Training Institutes	Secondary	Preparatory	Primary
Sana'a	322	1	1	4	3	19	294
Taiz	364	-	1	4	9	34	316
Hodeidah	171	-	1	4	3	12	151
Ibb	139	-	-	4	5	11	119
Dhamar	178	-	-	-	1	7	170
Hajjah	217	-	-	1	1	5	210
Sa'ada	107	-	-	-	-	1	106
Al Beidha	71	-	-	-	2	4	65
Mareb	38	-	-	-	-	3	35
Al Mahweet	63	-	-	-	-	1	62
Total	1670	1	3	17	24	97	1528

TABLE 4.

STUDENTS AT THE UNIVERSITY OF SAMAA, 1970/71-1975/76

Year	Grand Total	Non-Yemeni					Yemeni				
		Total	Not Regular		Regular		Total	Not Regular		Regular	
			F	M	F	M		F	M	F	M
1970/71	64	6	3	3	-	-	58	-	2	-	56
1971/72	242	29	6	10	4	9	213	1	21	1	190
1972/73	413	84	21	33	13	12	329	7	77	10	235
1973/74	1133	204	50	93	23	38	929	5	198	67	659
1974/75	1674	343	75	187	33	48	1331	13	167	76	1075
1975/76	2304	352	62	131	59	100	1952	30	456	113	1353

The faculty has grown to an estimated 125-150 by 1978/79. In 1976/77 there were eighty-eight faculty, of whom fifty-six were Egyptian, sixteen, Yemeni, and a scattering of Sudanese, Jordanians, Indians, Pakistani, Palestinian, Iraqi, and English. Sixty-five of the eighty-eight had doctorates and six had masters degrees; among the sixteen Yemeni, only two each had these advanced degrees. The student-faculty ratio varied greatly from 19:1 in Arts, Science, and Education to 80:1 for Commerce and Economics.

Except for three private schools and about thirty religious schools responsibility for all education, including the University, rests with the Ministry of Education in Sanaa, and its offices located in each of the ten governorates. The Ministry is organized under two Deputy Ministers, one for Finance and the other for educational operations, called Technical. These officials see their role to be the implementation of the Five-Year Plan for education. They admit to having many financial and technical problems and they are barraged by personal and written complaints about service. As a result, it is necessary to spend much time on tours of inspection to respond and attempt to resolve these complaints. If a Local Development Association proposes to build a school which is not within the Five-Year Plan and the school construction receives all the required approvals, then the Ministry of Education will send the needed teachers and equipment, covering those costs.

Officials in the Ministry of Education do not see a great need for foreign assistance to improve administration or train personnel within the ministry. Yet, just three persons on the ministerial staff in 1976 had degrees in education-related disciplines among the 20 percent who had university degrees. Most of the remaining 30 percent lacked secondary school diplomas. In their estimation, the greater need is for sufficient funds to expand the educational system and for qualified teachers. The percentage of the education budget coming from foreign assistance has been in a range between 60 and 70 percent in recent years. Officials do point out that they do have a problem retaining qualified Yemeni staff once hired, but the problem is

not unique to the Ministry of Education. Others experience the same problem. A special council, attached to the High Committee for Correction has the responsibility of assigning all University of Sanaa graduates to the appropriate ministry, where they are supposed to work for a specified period of time. Frequently these graduates leave Yemen before assignment and the country loses their services.

Ministry of Agriculture. Agriculture provided by far the most employment for Yemeni, accounted for more than three-fifths of GDP, and brought in nearly 90 percent of export earnings in the mid-1970s. Yet, a major part of the country's imports have to be foodstuffs. Even though the government appears to recognize the importance of improving agricultural productivity to feed its people and achieve higher standards of living for the mass of peasants engaged in agriculture, the investment in agriculture is much less than in other major programs. In recent years the Ministries of Defense, Interior, Education, Health, Public Works, and Economy have usually had larger budgets. The Ministry of Agriculture is a skeleton organization with less than 500 people in just five governorates. Until 1974 there was no extension service and it is still very limited. The Ministry of Information and the Central Planning Organization have almost as many employees. Eight percent of the employees of the Ministry are students in secondary schools; almost no one can be found in the Ministry offices after 1:00 PM because they are in classes in the afternoon. Even with foreign advisory teams, the ministry is unable to provide much technical assistance to farmers.

Since 1973 the World Bank has provided institutional support to the administrative system. A team of five to six experts has assumed executive responsibility and has attempted to train counterparts. However, because these experts, except for the Sudanese, have not been able to speak Arabic, not much progress was reported. Now English is being taught within the ministry, but only middle and low level officials are taking the instruction. At the present time, the Ministry of Agriculture does not appear to be ready to absorb further assistance in administration, although it may in the future.

Lack of time prevented surveying other ministries.

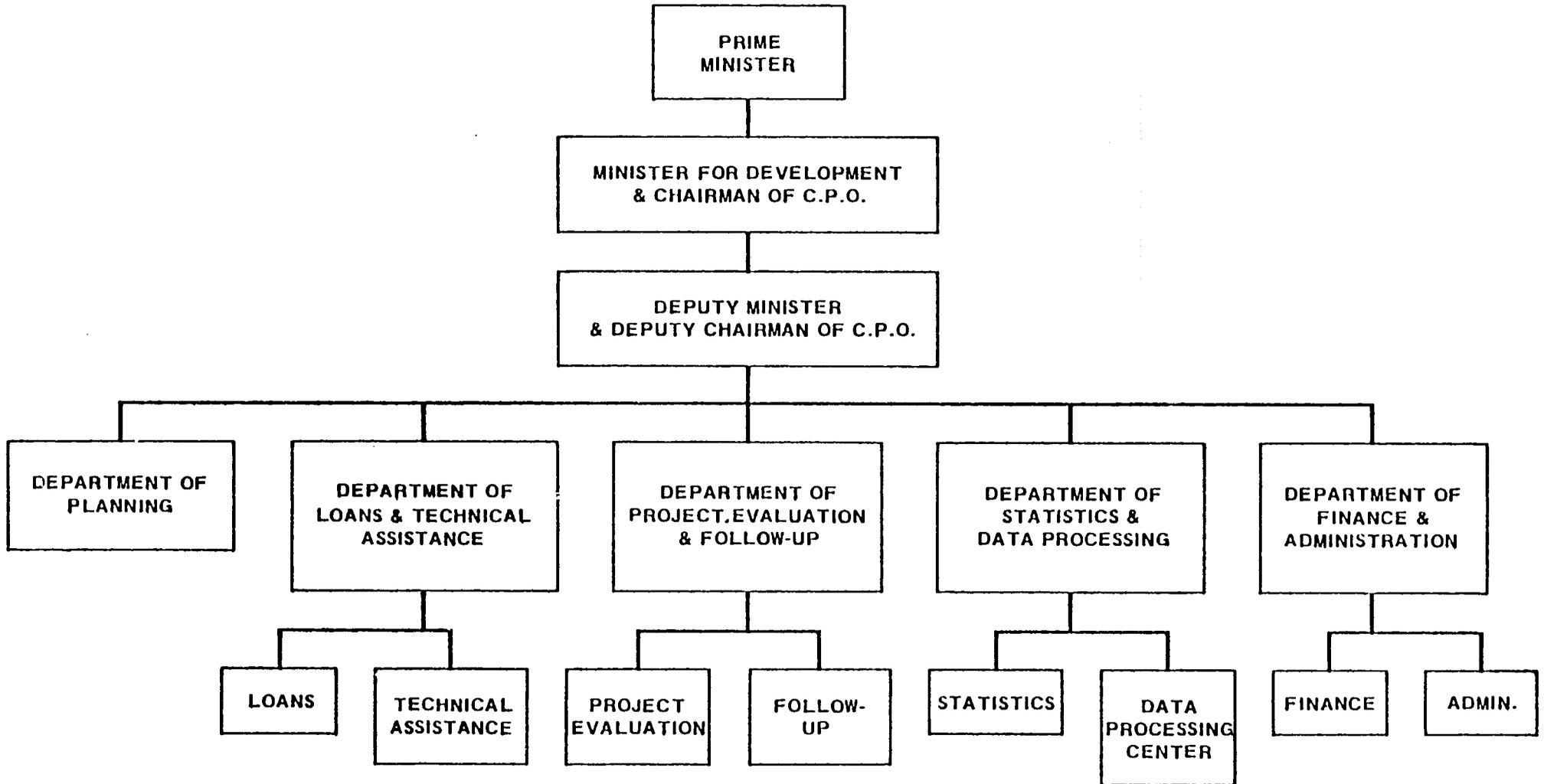
Non-Cabinet Organizations

Central Planning Organization. Because the World Bank has just completed a major study of the CPO ("Development of a Traditional Economy"), little time was spent in this agency. Established in 1972, it grew out of the Economic Office in the Prime Minister's Office. Initially it was assisted by both the World Bank and the Kuwait Fund, but now only the latter is providing assistance. The Chairman of CPO is also Minister for Development, responsible directly to the Prime Minister. The CPO has five departments organized under the Minister and Deputy Minister (see Figure 2). The Data Processing Center was moved into the Statistical Department in 1975. This Center started as the Census Department to conduct a national census of population and housing with U.N. assistance. It obtained a computer for this purpose. Because a 3 percent sample survey taken in 1975/76 was used as a basis for the Five-Year Plan and because of its computer capacity, the Center was moved into the CPO.

When the CPO first came into existence, it identified a series of discrete three-year projects, which were not integrated into an over-all plan. In 1976, it began to develop what became the present Five-Year Plan. The CPO also attempts to coordinate the foreign aid from various sources and rationalize the technical assistance programs. Since none of the ministries have their own planning departments, it endeavors to help them do their planning. Recognizing the great shortage of competent manpower in the country it tries to help ministries obtain qualified personnel. Such a simple activity as hiring university graduates, who are required to work for government after completing their study, takes two to three months. Once these graduates, and other qualified persons are employed, they do not stay in government long because better paying and more attractive jobs can be found elsewhere.

The problem identified by each of the Cabinet ministries--lack of qualified personnel--exists in CPO as well. A foreign adviser suggested that Yemen lacked the "benefit" of colonization--a functioning administration and an educational system which could train personnel. Those who begin to work in government from the present

FIGURE 2
ORGANIZATION OF THE CENTRAL
PLANNING ORGANIZATION



educational system lack experience in the modern world and do not have useful skills. Another serious problem in CPO, as well as most ministries undoubtedly, is the reliability of data. Much planning and decisionmaking is based on incomplete or inaccurate statistics. One CPO official felt the agency is hamstrung by bureaucratic regulations and red tape, which might be appropriate for other government agencies but which, in his judgment, should not apply to CPO. He is particularly critical of the budgeting and personnel regulations which treat CPO like other ministries. He would have the CPO receive a lump sum budget, free from the Ministry of Finance, and be released from the civil service regulations in regard to recruitment and placement and salary levels. Each of the ministries makes similar complaints, however.

The CPO has been, and is still, the recipient of considerable foreign aid.

Committee for Administrative Reform. This committee was established in February, 1977, four months after six Sudanese experts arrived under Kuwait Fund auspices, to study and recommend ways of improving government administration. The Sudanese team has now been reduced to three, who are working with five Yemeni counterparts. Three counterparts are trained in law, one in economics, and one in sociology; two received university degrees in Yemen, two, Cairo, and one, Bagdad. Kuwait Fund support ended after two years and the Yemeni government is now financing the committee. If it proves successful and useful it will be made a permanent institution with annual funding.

To date the Committee for Administrative Reform has prepared ten volumes of studies. These investigations have examined organization and management in ministries, such as Health and Social Welfare, problems in recruiting and training manpower, and the role of government corporations. All of the studies have focused on agencies and functions in Sanaa.

The major problem identified in almost every study is the shortage of qualified personnel. All problems flow from this limitation. Basic legislation is often satisfactory and organizational structure is adequate, but many offices lack personnel and,

where there are people holding jobs, they are not competent to do their work. Secondary school and university graduates are hired and put on the job without training and their supervisors are themselves incompetent and unable to give direction. As a result, great delay occurs as work piles up on the desks of a few people at the top. More and more problems are directed to heavily burdened top management. As time goes on, persons at the middle and lower ranks lose interest in their jobs, not only because of the poor salaries, but because they have little to do--or are unable to do much--so attendance falls off. People spend fewer and fewer hours on the job or they stop coming to work altogether. This problem led to the study of attendance. The report was discussed by the Cabinet, leading to a directive for all supervisors to enforce attendance, but not much improvement has occurred yet.

In fact, not many reports of the Committee have been implemented. The general instability of the government is a major reason. Also, weak supervision prevents effective execution of recommendations. But, perhaps more important are the allegations of the ministries that the studies themselves are not practical and useful. The Committee for Administrative Reform would like to have all authority for reorganization studies consolidated in its hands, with the NIPA responsible for training people in implementation of its recommendations and the Civil Service Office responsible for installing and monitoring recommendations. However, the record of its accomplishments to date does not justify such consolidation of authority. The Committee is too remote from the day-to-day operations of the ministries and appears to lack an involved understanding of their programs.

Public Authorities, Corporations, and General Organizations

A number of public authorities, corporations, companies, and general organizations exist throughout the structure of the national government. It is not clear how, if at all, they differ from one another legally and organizationally or whether differences are in title only. The "general organization" is common in the Egyptian

government, a structural form also adopted by Syria. In these countries general organizations are administrative holding companies for several government corporations with similar functions, each being legally and organizationally different from traditional line ministries. In Yemen, all such bodies, except for the National Water and Sewerage Authority, are attached to a Ministry to which it is responsible. See Figure 3 for a list of the various public authorities and the ministries to which each is attached.

The employees in the various public authorities are subject to the basic decree for the public service, No. 49. Their employees are in the civil service, subject to the same rules and regulations, and paid the same salary. However, the National Water and Sewerage Authority falls under Decree No. 50 and is responsible directly to the Prime Minister, a result of the importance the government attaches to the work of this body, but also a result of the political influence of the head of this authority, who insisted on independence before taking office. Employees in NWSA are not paid at the same rates as civil servants, their salaries being at least 50 percent higher. The authority is exempted from the same general laws that apply to other public authorities, so that it has more flexibility. An argument for greater autonomy was that great delay had slowed work in the past, payments were late in delivery, and urgently needed work fell behind schedule. Now that provision of waterworks has become a top priority in the government, NWSA has been given greater freedom to make decisions and take implementing action. However, the higher pay afforded employees has not helped recruitment of qualified persons (there being so few available), nor retention of the best qualified.

Local Government

Local government in YAR is rudimentary and highly decentralized, consisting of two distinct systems. Tribal government is the most pervasive, touching the lives of more people directly, and also the oldest, reaching back into pre-Islamic times for its origins. The outreach of the central government into the governorates and

FIGURE 3.

PUBLIC AUTHORITIES IN YAR GOVERNMENT

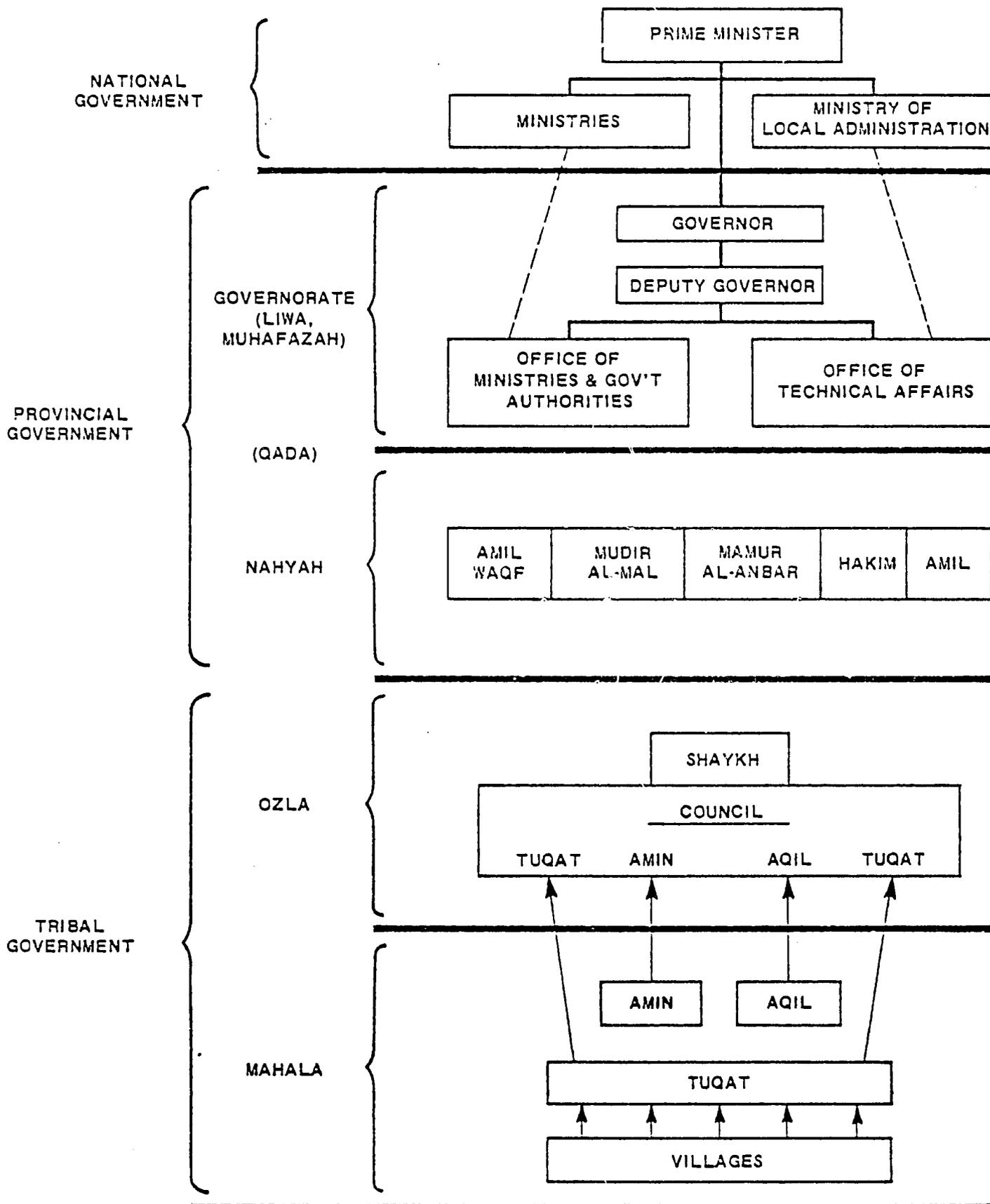
Ministry of Agriculture	Tihama Development Corporation Surdud Corporation Animal Husbandry Development Corporation
Ministry of Economy	Department of Industry Yarn and Textile General Organization Cement General Organization General Organization of Industrial Estates Cotton General Organization General Electricity Board Tobacco and Matches Corporation General Corporation for Printing & Publications Yemeni Company for Pharmaceutical Manufacturing and Trading Salt General Organization
Ministry of Supply & Commerce	General Corporation for Grains General Organization for Foreign Trade Cooperative Society for Civil Servants
Ministry of Communications and Transportation	General Organization for Ports General Organization for Civil Aviation Yemen Airways
Ministry of Public Works and Municipalities	Department of Government Properties Department of Roads
Ministry of Health	Supreme Pharmaceutical Committee
Ministry of Information & Culture	Sabaa News & Press Corporation General Corporation for Radio and TV General Corporation for Tourism

townships is indirect and nominal, depending largely on traditional leaders and military or civilian authorities, according to the dictates of the region. This system has been little changed since the years when the Ottomans attempted to control the countryside. Cohesiveness between the local levels of administration and the central government has never been achieved, although after the end of the civil war, especially under the Hamdi regime, stronger attempts have been made to increase the authority of the central government throughout the country.

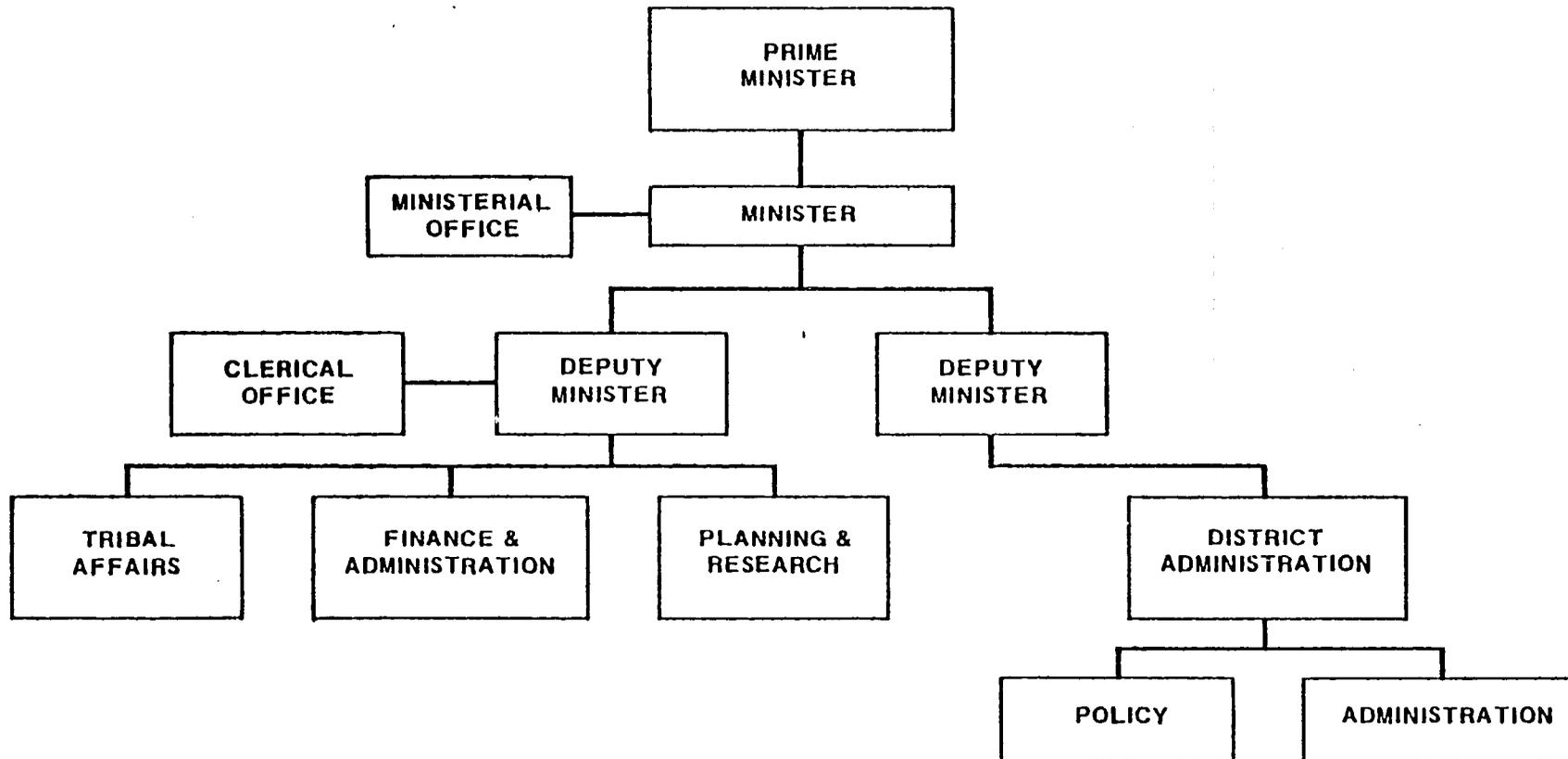
Provincial government. Yemen is now divided into four levels of local government: provinces, called governorates, nahyah, ozlah, and mahala (see Figure 4). Central government influence extends through just the governorates (muhafazah, or liwa under the Ottoman Turks) and nahyah (roughly townships). Civil servants work only at these levels, performing largely security and tax collection services. There are now ten governorates and 167 nahyah. Between these two levels there are forty qada units, (governorate centers or their main cities), but they are no longer recognized as separate levels of government.

Each governorate is headed by a governor, but his authority is often based on his tribal position rather than his constitutional position. Within his office is an Office of Ministries and Government Authorities, which attempts to coordinate affairs of the national ministries in his province. In practice, most local authorities maintain independence from the central administration, and many governors themselves feel relatively little responsibility to the center. His direct responsibility is to the Prime Minister, but the extent of it depends on the local situation and the nature of the military or civilian leadership in Sanaa at the time. A small (less than 1,000 employees) Ministry of Local Administration (see Figure 5) is supposed to assist the governor and his staff in the performance of their duties. Beneath the governor is a deputy governor and a general director of the governorate, who heads an Office of Technical Affairs. This office is responsible for training and for nahyah coordination, planning, and research. The impact of this system on the people is slight because half of the governorates have well under 1,000 civil

FIGURE 4
ORGANIZATION OF LOCAL GOVERNMENT



**FIGURE 5
ORGANIZATION OF THE MINISTRY
OF LOCAL ADMINISTRATION**



servants each; Mareb has only 100 (see Table 3). The three most populous provinces, other than Sanaa, have a range between 1,500 and 3,600 civil servants working in them. The Ministry of Agriculture, as an example, has no employees stationed in five provinces, one in another, and 13, 68, 153, and 158 in the remaining four.

Tribal government. Ozlah units are sets of villages whose inhabitants belong to a tribe, or tribal confederation, headed by a shaykh, often a large landowner as well as political leader of the region. Tribes in Yemen typically refer to the group of people living in a specific region rather than people identified by familial connections. Some 1,680 ozlah units were counted in 1976, each having an ozlah council headed by the local shaykh. Within ozlahs are a total of 15,418 mahala, or villages-- simply clusters of houses. There might be as few as two to ten or twenty houses in a village. The villages will typically have a council, too.

There is a vast lack of information about how tribal government operates. Undoubtedly there is great variation from region to region. Certainly this form of local self-government operates under many constraints. Resources are limited and few people have the specialized and technological skills required to plan and implement the simplest projects. Very few of the rural dwellers are even literate. Yet, because the central government fails to reach below the nahyah, establishing an infrastructure throughout the country to assist development and standardizing needed public services will be difficult. In part this failure results from the constraints under which the central government itself must operate; in part it is a product of a realistic political compromise by which a weak central government is willing to tolerate considerable local autonomy. Under these circumstances, local development will be dependent on the strength and success of local self-development, which will be discussed in Section VI.

IV. Public Finance and Budget Administration

In the days of the Imamate the finances of the Imam and the ruling elite were virtually indistinguishable from the finances of Yemen. Being solely responsible for every aspect of government, including education, health, transportation, and justice, the Imam conducted the financial business of the state, which functioned something like a large family. Being reluctant to delegate any authority in this patrimonial system, he held the financial powers personally, relying on only a few advisers and secretaries. Indeed, until the revolution Yemen lacked any financial institutions and a national currency. Trade was usually a matter of barter; merchants who needed a medium of exchange used the Maria Theresa thaler, a silver coin originally minted in Austria and usually dated 1780. The value of the thaler was determined by the world market price of the coin's silver content.

The need to create financial institutions and a national currency, while converting a finance system which had previously served only the Imam's needs to one which served the state, understandably delayed economic development. Moreover, the years of civil war and the frequent changes of government deterred efforts at fiscal reform. After 1962 the new government replaced the thaler with a silver coin of the same size and weight, but with half its silver content. Three years later the Republic scrapped the thaler altogether and established the paper rial, which gained limited acceptance. Merchants preferred the thaler, but it gradually disappeared. In the process of shifting to the paper rials, their value declined from U.S. \$.93 to U.S. \$.22. The Republic also immediately established a national bank, the Yemen Bank for Reconstruction and Development, with its main office in Sanaa. It became the sole agency for currency transfers and trading accounts, although transactions with Egypt were handled through a branch of an Egyptian bank in Yemen.

The great problem the new government faced in the field of public finance, as in other service areas, was the lack of qualified or trained personnel to collect taxes, maintain accounts, prepare a budget, and control expenditures. Egyptian advisers,

who exerted great influence on the conduct of all aspects of government immediately after the revolution, expanded the collection of taxes of foreign trade--mainly import duties, partly collected in kind. With the assistance of a United Nations expert the government in 1966 began to develop a modern tax system to supplement the traditional Islamic taxes and customs collections. Revenues, however, varied greatly from area to area and from harvest to harvest, leaving the government without any reliable source of income. Budget deficits had to be supplemented by foreign support and commodity credits. The present tax system was instituted by basic laws issued by the President in 1972. In the same year, a central budget bureau was established with a nucleus of international advisers and the first formal budget was submitted for FY 1974. However, administrative controls of receipts and expenditures still do not exist in many ministries, so that widening budget deficits, magnified by the mounting costs of government, have to be financed by foreign and supplemental internal sources.

Revenues

Zakat. Traditional almsgiving, or zakat, is one of the five pillars of Islam, the other four duties of the faithful Muslim being recitation of the creed (shahada), daily prayer (salat), fasting (sawm), and pilgrimage (haj). In the early days of Islam, zakat was collected as a tax on personal property proportionate to one's wealth. These collections, often in kind, were distributed to the mosques and the needy. In addition, freewill gifts (sadaka) were made. Although almsgiving became a private matter in most Islamic countries, zakat remained a public duty for the believer in Yemen. Under the Imams, the zakat was collected as a form of tax and it became the principal source of government funds. Assessment was not uniform, although there were standardized rates, but collection was often rigorous.

In addition to almsgiving, many pious Muslims contributed properties to support religious and charitable activities or institutions which have been traditionally

administered as inalienable religious foundations (awqaf; sing., waqf). Such endowments support various charitable activities. One of the cabinet ministries in YAR now is the Waqf.

There is a variety of zakat, each with a standard rate structure, although information gathered from various sources suggest various rates. In any case, the basis for assessment is sometimes indeterminate (for example, determining agricultural production or wealth in gold and silver is imprecise, as opposed to identifying the number of cows or sheep) and undoubtedly the rigor with which the rates are applied and the tax collected varies according to the area, the vigor of the collector, and the resistance of the taxpayer. Gerholm, writing of his experience in Manakha in 1974 and 1975, said "taxes were highly negotiable entities and . . . they reflected the balance of forces in local politics."

One zakat is on agricultural production (grain, vegetables, fruit, qat, etc.). Green reports that the rate is 10 percent if production is on rainfed lands and 5 percent if on lands irrigated from wells, cisterns, and rivers (although another source reports that it is 10 percent on both lands and an extra 5 percent on irrigated lands). A person in the locality, possibly the amin, sometimes the agil (but not a paid civil servant), watches the harvest and determines the tax due. Prior to the Revolution, such an assessor regularly went to the villages and farms. Now it is not uncommon to rely on self-reports by the farmer, who has a duty to Allah to be honest (amana). The collector is supposed to prepare a report of collections with five copies (one for himself, one for the nahyah, one for the qada, one for the muhafazah, and one for the Duties Authority ('asihat al Wajibat) in Sanaa). Considering the amount of illiteracy in the country, this practice may not be very widespread. In any case, the money is turned over to the local shaykh in the ozla, where originally 50 percent was kept for local projects. Now 75 percent is kept in the locality; the rest passes up to the Duties Authority in Sanaa and from there, apparently, goes into the general fund. At the nahyah level the amount collected is supposed to be checked

against the previous year's collection; if any difference cannot be attributed to rainfall or other production difficulties, the disparity is supposed to be investigated, but there is little evidence of this practice.

The production zakat may be paid in cash or in kind. If paid in grain, for example, it is stored in the nahyah, where it is used to feed the army stationed in the area, or it is sold and the receipts handled in the manner described. Bids for stored grain are received approximately every three months so that the in-kind zakat is quickly converted into cash.

By contrast, the zakat on sheep, cows, and camels (nesab zakat) is always paid in cash. Green reports that the equivalent value of one sheep is paid for each twenty cows owned, but nothing is paid if less than forty sheep or less than five camels are owned. Thereafter, the equivalent of one sheep is paid for 40-120 sheep, two for 121-199 sheep, and one per 100 for all over 200, while the equivalent of one sheep is paid for each five camels owned between five and twenty-four. The equivalent of one baby camel is paid for each twenty-five camels owned above twenty-five.

A patton zakat is collected on gold and silver owned more than one year at the rate of 2.5 percent of its value. Finally, a zakat-al-fitr is collected at the end of the Ramadan fast. It amounts to a kind of head tax of a variable figure, around YR 2.5, for each person in a family or household.

There are frequent reports that a portion of the Zakat may be retained by the various hands through which it passes, commonly about ten percent. Green describes the way monies may be drained off: the amins, or agils, who make up the tax lists at the village level keep two percent; the actual collectors of the money, another two percent; and the agils or shaykhs who gather the funds at the ozlah level, about six percent. There are many reports from days of the Imams that in some areas none of the zakat went beyond the hands of the local shaykh, a practice called "eating" the money, which may still occur today. Another practice associated with the collection of zakat is "tax farming." The tax farmer pays a sum agreed upon in advance for the

privilege of collecting zakat. He is then free to collect taxes, presumably at the legal rate. The right to tax farm may be auctioned off to the highest bidder. The tax farmer must pay his expenses, but everything above the purchase price and expenses is profit. The government may receive less revenue, but it does get it earlier. Furthermore, resentment is focussed on the tax collector rather than the government. Gerholm indicates that tax farming was applied to the sale of qat and produce sold in the Manakha sug.

The zakat is apparently not collected as rigorously and effectively as it was during the imamate. Although the amounts gathered are increasing, their percentage of total revenues is declining (in 1968, YR4m., 16%; 1971, YR7.2m., 9.8%; 1973, YR12m., 7.6%; 1975, YR14.7m., 5%; and 1977, YR24m., 3.3%). Through the years the largest portion of the total zakat collections comes from the agricultural production aims (almost two-thirds), about one-sixth from what is called a "poll zakat" (a tax collected in some areas for the privilege of voting in an LDA election), these followed by the wealth zakat (about one-eighth of the total), and the cattle zakat (less than one-tenth). See Table 5.

Secular taxation. To supplement the obligations in the sharia, Yemen has introduced a modern, secular tax system. Generally, these tax laws and decrees have outrun the receptivity of the taxpayer to their obligations and the ability of the bureaucracy to collect these new revenues. Wenner quotes a Taiz tax director as saying, "Even if (the assessments) are well founded the taxpayer nevertheless tries to evade his taxes, simply because of the absence of tax-consciousness and of any feeling of tax obligation toward the government's national treasury."

The direct taxes consist of revenues from income and profits (personal wages and salaries, commercial and industrial profits, monopoly profits, and rental income) and the indirect taxes are derived from levies on foreign trade and goods and services. By far the largest source of revenue is derived from the tax on foreign trade, which was instituted in the early days of the Republic and has been growing ever since

TABLE 5.

GOVERNMENT REVENUES (IN MILLION OF RIALS)

	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77 ⁽¹⁾
Tax Revenues	73.6	122.8	158.4	227.4	301.1	498.3	637.7
Direct Taxes:							
Zakat:	7.2	10.7	12.0	15.7	14.7	21.0	24.0
Agricultural Zakat	4.7	6.7	6.5	8.0	8.4	13.5	15.0
Cattle Zakat	0.6	0.8	0.8	1.1	1.4	1.0	2.0
Wealth Zakat	0.3	1.0	1.7	2.1	0.8	1.7	3.0
Poll Zakat	1.6	2.2	3.0	4.5	4.1	4.8	4.0
Others	1.4	12.1	-	-	-	-	-
Taxes on Income and Profits	2.2	4.2	6.9	19.0	16.9	24.0	23.4
Tax on Wages and Salaries	1.8	2.6	2.9	9.7	4.6	8.4	6.0
Tax on Commercial and Industrial Profits	-	-	-	6.4	10.4	12.8	15.0
Tax on Monopoly Profits	0.3	1.4	3.1	0.8	0.4	-	-
Tax on Rental Income	0.1	0.2	0.9	1.3	1.3	2.1	2.0
Other	-	-	-	0.8	0.3	0.7	0.4
Indirect Taxes							
Foreign Trade	52.7	80.3	113.0	155.4	222.2	394.0	496.1
Custom Duties on Export Imp.	35.3	55.7	83.1	109.1	160.8	283.8	376.3
Defence	11.8	16.8	19.5	31.9	43.8	76.7	81.0
Statistical Tax	5.6	7.8	8.9	12.6	16.5	30.7	31.6
Other	-	-	1.5	1.8	1.1	2.8	7.2
Taxes on Goods and Services	10.1	15.5	26.5	37.3	47.2	59.3	94.2
Selective Excises on Goods	-	-	-	-	-	-	-
Tobacco and Cigarettes	-	-	2.0	2.5	2.2	5.0	7.0
Petroleum Products	8.1	12.9	17.5	18.0	27.9	28.0	30.0
Soft Drinks	-	-	0.1	0.8	0.8	1.0	1.3
Selective Taxes on Services	-	-	-	-	-	-	-
Transport Tax	-	-	-	0.6	0.2	0.4	-
Cinema Tax	-	-	-	0.4	0.4	0.4	0.8
Motor Vehicle Taxes	2.0	2.6	2.6	3.0	3.6	6.7	5.0
Stamp Taxes	-	-	-	9.2	5.6	13.3	16.3
Other Taxes	-	-	4.3	2.8	6.5	4.5	33.8

TABLE 5. (cont.)

	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77 ⁽¹⁾
Non Tax Revenues	23.8	28.4	40.6	47.8	78.5	66.2	143.5
Revenue from Governmental Property	3.3	6.1	9.6	15.8	38.5	39.3	77.2
Revenue from Governmental Departments	20.5	22.3	31.0	30.3	37.1	15.6	56.7
Other	-	-	-	1.7	2.9	11.3	9.6
Total of Current Revenues	97.4	151.2	199.0	275.2	379.6	564.5	781.2

(1) Budget Estimated

(68 percent of total tax revenues in 1968, 71.5 percent in 1971 and 1973, 73.8 percent in 1975, and 77.8 percent in 1977). The second largest tax revenue comes from taxes on goods and services, originally almost all from levies on petroleum products (but now less than a third from that source), as well as taxes on documents, tobacco and cigarettes, motor vehicles, soft drinks, and cinema. This income grew from 8 percent of total tax revenues in 1968 to 13.7 percent in 1971 and 15.7 percent in 1973, declining thereafter to 15.7 percent in 1975 and 14.8 percent in 1977.

The direct taxes on incomes and profits produce relatively little revenue, a small amount which has gradually increased to be equivalent to the government's income derived from the other direct tax, the zakat. However, it should be remembered that a portion of the zakat is turned over to the government in Sanaa (presently 25 percent), the rest being retained in the locality for local needs. The income from levies on incomes and profits has hovered around 4 percent, reaching a high of 5.6 percent in 1975 and a low of 3.7 percent in 1977.

The personal income tax is supposed to be paid monthly at these rates: first YR150, free; second YR150, 3 percent; third YR150, 6 percent; fourth YR150, 9 percent; fifth YR150, 12 percent; sixth YR150 and above, 15 percent. The employer is supposed to withhold these amounts from the wages and salaries and send a monthly check to the Ministry of Finance, or pay the tax collector when he makes his rounds. In reality, relatively few employers pay the tax. If the tax has been withheld from employees, the employer may keep the money himself. Often workers, especially the more skilled who threaten to seek better paying employment in Saudi Arabia, negotiate a wage from which nothing is withheld. If a tax has to be paid, it then comes out of the employer's profits. If and when the tax is eventually paid, it results from the dunning efforts of energetic tax collectors (or less corruptible collectors) who gather a lesser, negotiated, amount. In 1977, less than one percent of total taxes was derived from personal income.

The direct tax on commercial and industrial profits consists of three kinds of taxes: on the profits from personally owned companies, from stockholder corporations, and from government authorized monopolies. These are annual rates. For personally owned companies, the first YR7500 is free; the second YR7500, 7 percent; the third YR7500, 10 percent; the fourth YR7500, 15 percent; the fifth YR7500, 20 percent; and all above, 25 percent. For stockholder corporations, nothing is free; the tax on the first YR7500 is 7 percent; the second YR7500, 10 percent; the third YR7500, 15 percent; the fourth YR7500, 20; and all above, 25 percent. For monopolies, the tax on the first YR7500 is 20 percent; the second YR7500, 25 percent; the third YR7500, 30; and all above, 35 percent.

The system of commercial and industrial profits taxation depends entirely upon self-reporting. Businesses are expected to report their profits so that taxes may be levied. Special forms are used for this purpose or the business man may report in any manner he feels appropriate. The Tax Bureau in the Ministry of Finance receives these reports and reviews them; later an auditor may be sent to the premises to investigate accounts further. A local office of the Tax Bureau is situated in each province for this purpose. A record of tax payments is supposed to be kept in three places: the local tax bureau in the province where the money is collected, in the Central Bank where the money is deposited, and with the Deputy Minister for Revenues in the Ministry of Finance.

Beyond the problem that the people of Yemen lack a tax-consciousness is the fact that the capability of many persons in the tax service is low. Wenner quotes the Director of the Tax Bureau as saying in 1973 that no one in the office held a university degree among its 288 employees and no more than five had studied beyond secondary school.

Non-tax revenues. An additional 20-30 percent of the tax revenues is derived from non-tax sources: revenue from government properties, revenue collected directly by the ministries for their services, etc. In 1977 this source provided 18.4 percent

of the total revenue collected by government, the largest share coming from revenue from government property.

Wenner asserts that some of the exactions imposed at the provincial or lower administrative levels, or by individual ministries, with or without the sanction of the central government, freely approved or simply submitted to by the citizens, range from assessments for development projects to outright demands for bribes. No revenue accrues to the central treasury from these exactions, which increase the burden on the ordinary citizen, directly and eventually in higher prices for what he buys. Reacting to press allegations of business profiteering, a Dhamar merchant described step by step the successive payments imposed on a commodity imported through Hodeidah and trucked to Dhamar for sale to the consumer. In addition to the normal customs duty, he listed fourteen assessments by local officials along the way, of which five were bribes consistently required to elicit performance of the necessary official acts.

Summary. In the fifteen years of the Republic total government revenues have increased substantially. In the decade since 1968 alone, they have increased from YR30 million to YR781.2 million. Inflation and depreciation of the Yemeni rial contributed to some of this high rate of growth, although a significant amount of the increase came from new taxes. Even though the rise in revenues is great, most observers feel that a more intense tax effort is needed to meet the needs of economic development. Revenues are still a small part of GDP and the government is failing to mobilize sufficient domestic resources for its development effort, relying instead on foreign aid.

In announcing the budget for 1978/79, the Deputy Prime Minister indicated that the source of revenues would be distributed as follows: duties on foreign trade, 63.6 percent; taxes on incomes and profits, 13.4 percent; revenues from ministerial services, 5.5 percent; interest surplus, 9.1 percent; and zakat, 2.5 percent.

Expenditures

Discussing YAR expenditures is difficult because of the variability of figures, depending on the source. A part of the disparity may lie in the fact that it takes a long time to close the books on a fiscal year so that the later the figures are accumulated, the higher the figure.

In any case, the rate of increase in government expenditures appears to be somewhat less than the rate of increase in revenues. Therefore, the annual budget deficit is smaller each year. Between FY 1968 and FY 1976, revenues increased sharply from YR30 million to YR485 million, an annual average increase of nearly 42 percent while, during the same period, according to Nyrop, expenditures rose from YR89 million to YR996 million, an average annual increase of about 35 percent.

Defense expenditures have bulked the largest in the budget (see Table 6). Even after the end of the civil war (a low of 36 percent being reached in FY 1973), the amounts have been substantial, rising to 44 percent in FY 1975 and 47 percent in FY 1977. When expenditures for public order and safety are added, the percentage is much higher (54.3 percent in FY 1971; 46.6 percent in FY 1973; 57 percent in FY 1975; and 58.6 percent in FY 1977). Several observers think that tribal payments were included in defense allocations and might amount to 20 percent of the budget, but government claims that they were only 2 percent in FY 1974.

Education now constitutes the second largest expenditure for public services (disregarding the amount that is twice as large for "general administration"), totaling 9.1 percent in FY 1977, up from less than 6 percent in FY 1971. The expenditure for education as a percentage of GNP was less than 0.5 percent in FY 1975, ranking Yemen among the lowest countries in the world.

Expenditures for economic development services (agriculture, mining, construction, transport and communications, commerce, etc.) have begun to grow since FY 1975. In FY 1971, they amounted to only 2.1 percent of the total current expenditures; by FY 1975 they were 5.1 percent; and by FY 1977, 7.5 percent. Expenditures for health

TABLE 6.

GOVERNMENT EXPENDITURES (IN MILLION OF RIALS)

	1970/71	1971/72	1972/73	1973/74	1974/75	1975/76	1976/77 ⁽¹⁾
General Public Services	45.4	79.1	129.2	108.6	184.3	184.8	231.8
General Administration	31.5	60.6	101.0	77.7	122.7	119.7	136.9
Public Order and Safety	13.9	18.5	28.2	30.9	61.6	65.1	94.9
Defence	78.8	86.6	98.6	156.2	207.5	298.0	385.9
Education	10.0	10.7	18.2	18.0	27.5	46.6	74.5
Health	4.5	7.2	9.4	12.7	16.3	22.1	32.8
Community and Social Services	-	-	-	7.2	8.5	14.5	23.3
Recreational and Related Acts	-	-	-	0.6	1.3	3.2	9.1
Broadcasting, Press and Inf.	-	-	-	4.0	4.6	7.5	9.4
Religion	-	-	-	2.6	2.6	3.8	4.8
Economic Services	3.6	7.6	7.5	8.6	24.0	34.0	61.2
Agriculture	-	-	-	1.6	2.1	2.7	5.6
Mining	-	-	-	-	0.2	0.4	1.0
Construction	2.0	3.8	4.5	1.2	1.4	18.4	39.8
Transport and Communication	1.6	3.8	3.0	5.2	6.8	11.1	11.6
Tourism	-	-	-	0.1	0.2	0.2	-
Commerce	-	-	-	0.5	1.0	1.2	3.2
Other	-	-	-	-	12.3	-	-
Unallocable and Other Purposes	28.3	36.6	9.3	11.2	4.0	3.5	10.3
Public Dept. "Interest"	-	-	0.3	4.5	2.9	3.5	10.3
Other	28.3	36.6	9.0	6.7	1.1	-	-
Total	170.6	227.8	272.2	322.5	472.1	603.5	819.8

(1) Budget Estimated

tend to run half of those for education, for community and social services (recreational and related activities, broadcasting, press and information, and religion) it is much less.

The inability to keep costs down and to generate sufficient revenues forced the government to depend on foreign support. Not only has foreign aid financed development projects, but often commodities have also been provided which the government could sell domestically to generate the local currency needed for the projects. Even this was not enough. Direct budget support has also been provided, by Egypt until 1967 and largely by Saudi Arabia since then. Cash grants amounted to YR59 million in FY 1973 and nearly YR390 million in FY 1975. An anomaly developed when foreign assistance began to exceed the budget deficits, causing the government's cash balances to rise. This was partly a reflection of the government's limited absorptive capacity: the government lacks qualified personnel and the capability of implementing projects as rapidly as planned and budgeted.

The Budget Cycle

It should be recalled that a central budget bureau was established in 1972 and the first national budget was prepared for FY 1974. The process of budget preparation is similar to that in most countries.

The YAR budget consists of five chapters:

- 1) Personnel: salaries and allowances
- 2) Services: transport, buildings, fuel, desks, etc.
- 3) Subsidies for civil servants who have retired (as yet there is no formal retirement system with designated pensions) or died in the service
- 4) Development projects under the five-year plan (being the amount appropriated by government, the rest provided by foreign loans or grants)
- 5) Government contributions to government corporations and mixed enterprises, such as the Agricultural Credit Bank, the Tehami Development Corporation, etc.

The fiscal year extends from July 1 through June 30. The budget cycle begins when the Ministry of Finance issues its budget call to the operating ministries. The Deputy Minister of Finance for Budgeting states that this call, containing instructions to prepare ministerial estimates, goes out in early January. However, the General Director for Finance and Administration in the Ministry of Agriculture says that the process begins in the ministry in mid-December.

The accounting unit in each ministerial department makes a record of departmental expenditures during the preceding six months. This accounting of actual expenditures provides a basis for financial allocations for the next six months and for the preparation of estimates for the next fiscal year. At the same time, expenditures for the previous three years are also reviewed. The process is one of incremental budgeting because each department prepares its estimates by adding new needs to previous expenditures.

A budget committee is formed in each ministry, usually of the departmental heads in that ministry; it is typically chaired by a deputy minister. The committee reviews all department estimates and prepares a budget for the entire ministry. In the process, the Civil Service Bureau is consulted in regard to the personnel costs in Chapter 1 and the Central Planning Organization is consulted in regard to development projects in Chapter 4. The minister receives the budget at the end of January or in early February. After reviewing it and making appropriate changes it goes to the Budget Department of the Ministry of Finance, usually at the end of February or in early March.

A budget committee is formed in the Ministry of Finance, consisting of the Minister of Finance, the ministers in charge of the Civil Service Bureau and the Central Planning Organization, the Deputy Minister of Finance for Budget, and the head of the Budget Department. At this time the Civil Service Bureau reviews all Chapter 1 estimates and personnel portions of Chapter 3. The CPO reviews all Chapter 4 estimates. During March and early April, budget hearings are held for

each ministry. The minister himself and appropriate members of his staff appear before this committee to defend their budget. The process may run from a part of one day up to three or four days, depending on the ministry. At the conclusion of this process the Minister of Finance consolidates the national budget and submits it to the Cabinet, usually around the end of April.

A High Committee is formed in the Cabinet to receive and review the budget. It consists of the Prime Minister, the Ministers of Agriculture, Education, Economy, Supply, CPO, and CSB, as well as certain senior staff from the Ministry of Finance. After review by the High Committee the budget is returned to Finance for printing and submission to the full Cabinet some time in May. The Cabinet may spend a full day studying the budget and approving it. The Prime Minister then submits it to the President, who in turn forwards it to the Constituent Assembly, where a special committee is designated to review the budget with the help of the Minister of Finance, the CPO, and CSB. The Constitution provides for two months during which the Assembly may review the budget. A shorter time may be consumed; it also happens that the final budget may not be approved until September or October, in which case the Minister of Finance issues a circular authorizing expenditures on last year's basis. At the conclusion of the entire process, the President issues a decree authorizing the budget for the next fiscal year. One informant says that only the President signs this decree; others say the President, the Prime Minister, and the Minister of Finance all sign the decree.

Funds for Chapters 1, 2, and 3 are released on a monthly basis by the Central Bank. Funds for development projects in Chapter 4 are released whenever there are bills to be paid.

The Constitution provides that accounts for the previous year's budget should be closed ten months after the end of the fiscal year. Sometimes more than twelve months may elapse before accounts are closed. The expectation is that the books for FY 1978 may be closed in about eight months.

Some informants assert that the budgets for the various authorities and corporations attached to the ministries do not go through this process, but are submitted

directly to the Ministry of Finance by the operating ministries. There are plans to establish a special bureau in the Ministry of Finance to handle such budgets. It is not clear how these budgets are distinguished from the funds which are apparently covered in Chapter 5 of the national budget.

At the present time the municipalities in YAR receive funds from the center government. In the near future major towns like Sanaa and Taiz will have their own municipal councils and some elements of home rule. No determination has yet been made as to how these municipalities will be financed, either from funds appropriated by the national government or by revenue raising powers the municipalities may acquire.

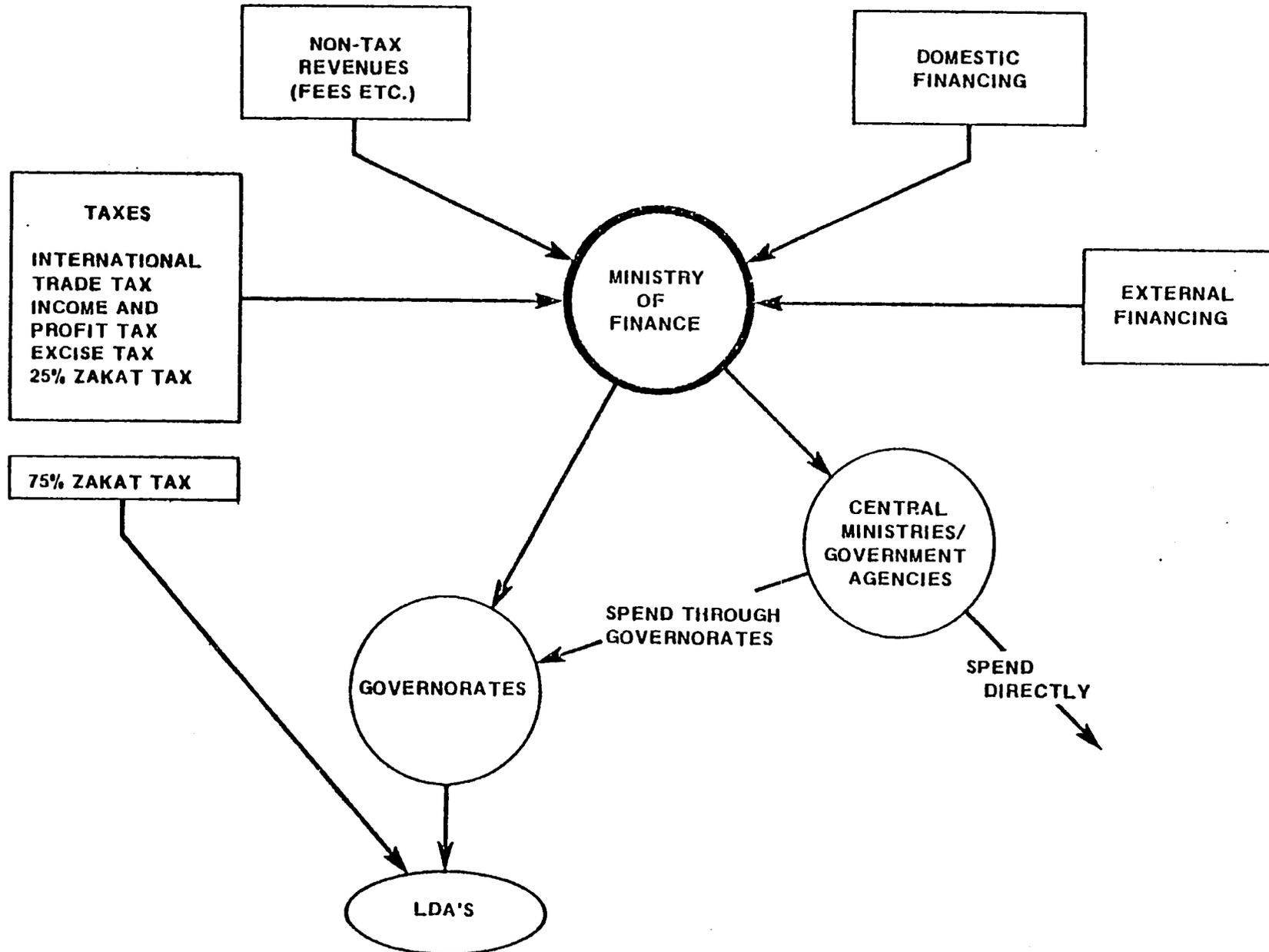
Summary

The system of government revenues and expenditures is summarized in Figure 6. A more detailed exposition of the financing of LDA activities is presented in Section VII. Notable progress has been made in regularizing the process, but tax collections must be greatly improved and more accurate accounts maintained.

V. Public Personnel Administration

Yemen faces many problems which act as a constraint to development: a history of isolation from the world, internal divisions and turmoil, political instability, lack of natural resources, scarcity of water, budget deficits and the need to rely on external resources--but overriding all these difficulties is the lack of qualified personnel. Every commentator on Yemen, scholar or practitioner, in or out of the government, agrees that the overwhelming need is for trained and educated personnel. Almost every project or organizational advancement has encountered the shortage of skilled managers and technicians to implement and run it. Yet, no one has studied or described the personnel system which has not yet developed the skilled manpower needed to achieve economic and social progress, even with various and generous foreign financial and technical assistance. There is a growing number of accounts of religion,

FIGURE 6
SYSTEM OF GOVERNMENT REVENUE AND EXPENDITURE



politics, and the economy, some making brief reference to the relevant administrative system, but none investigate personnel administration.

The Civil Service Bureau

The organization responsible for personnel administration in YAR was created by executive decree in 1963, which was amended in 1967. The original decree was replaced by a Presidential decree of 1977, which provided for a Minister of State (previously it had been headed by a Deputy Minister) and changed its name to Civil Service Bureau, or Office (diwan). The Minister in charge of CSB is responsible directly to the Prime Minister.

The CSB reportedly has a staff of about 250: approximately 100 in the central office in Sanaa, another 100 in the personnel offices of the various ministries, and 50 representing the CSB in each of the provinces. Currently, it is assisted by three foreign "executive experts" in operating positions and two foreign "consultant experts" in advisory positions (one for position classification and one for organization and management). In addition, four foreigners are helping develop a retirement system, three executive experts and one consultant.

The CSB has jurisdiction over all employees of government at all levels through General Directors, who usually head the major divisions of the ministries, up to and including Deputy Ministers. Ministers are not within the civil service system administered by the CSB, nor are local officials below the level of the nahyah (remotely comparable to counties). Apparently the only government organization not subject to the personnel regulations administered by the CSB is the National Water and Sewerage Authority.

The basic personnel law for which the CSB is responsible is Decree No. 49 (1977), which sets forth the salary and classification system. The Bureau formulates personnel regulation in implementation of the Constitution and relevant personnel decrees. It hires and fires employees and is responsible for coordinating all

training in YAR government and, presumably, conducts training as needed. However, its ability to coordinate training is limited and it apparently conducts no training on its own. The Minister of CSB asserts the plan to train 3,000 civil servants in the next three years.

The Bureau also has, or presumes to have, the authority to act as the organization and management office for the entire government, conducting studies of government organization, processes, and procedures and recommending reorganization and reform. At the same time the National Institute of Public Administration asserts this authority in addition to its responsibility as the training arm of government. It is true that many training units in governments around the world have research and consultancy responsibility, related to and extending its training function. The need for both training and O & M service through the government is so great that there may be ample room for both CSB and NIPA to operate in these areas without conflict. However, qualified personnel to perform these tasks are in such short supply that each organization is unable to provide the needed services effectively. Until greater competence and experience is built in both organizations to function across a wider range of function, a clearer definition of functions for each and greater coordination between both is desirable.

Selection and Placement

All graduates of the University of Sanaa are supposed to work for YAR government for at least two years after graduation. They are assigned to the appropriate ministry by a committee constituted by the CSB, consisting of the Minister of the CSB as chair and representatives of the Ministry of Education, Ministry of Finance, and the employing ministry. (Other reports indicate that this assignment responsibility is centered in the High Committee for corrections.)

The procedure for hiring other employees begins with the identification of a budgeted vacancy. A written job description is prepared and grade level assigned by the CSB. The opening is then widely publicized on radio and television. Many

persons reported seeing and hearing these announcements, especially for jobs requiring technical knowledge and skill. Applications are submitted by persons possessing the requisite skills, along with their health and education certificate. At the present time all applicants must have at least a primary education. Education must be validated by the Ministry of Education before a person may be hired. The selection procedure is, first, to choose the person with earliest certificate of education working through the list to the most recent. If a person without a certificate is to be hired, an interview may be conducted by a CSB committee of three to five persons. The employing agency then hires the applicant on the basis of the recommendation made by the CSB.

This formal selection procedure may vary in practice. There are reports of actual appointments being made on the basis of kinship or tribal influence. Jobs (as well as government contracts) may be bought by persons who have the ability to pay.

A junior level clerk in one ministry described how he was hired. He began by writing a Deputy Minister that he would like a job. This request was referred to the personnel department in the ministry, which wrote a letter to CSB saying that the Deputy Minister wanted to hire this person. The CSB approved and wrote the Ministry of Finance (with a copy to the Central Bank and the hiring ministry) authorizing employment and payment of salary. It was no more complicated than that. One would wonder why a person might seek a job in government when the salaries are low and the opportunities for much higher pay in the private sector plentiful. In the case of this junior clerk his reasoning was that the ministry allowed time off, with pay, for employees to attend the University. After earning his degree his potential would be greater and opportunities for remuneration in the private sector enhanced. By contrast, a high ranking professional in NIPA with a U.S. masters degree was earning only YR100 a month more than the Institute's chauffeur. He could earn five times as much in the private sector but was bound to NIPA by the government requirement that persons with university degrees have to work two years in the public service.

Thus, government service is a stepping stone for some and bondage for others.

Classification and Salary

The public service of YAR, under Decree No. 49 (1977), is divided into five position series: (1) top management, (2) specialists, (3) administrative (or middle management), (4) vocational (semi-professional and low-level technical), and (5) auxiliary (janitors, tea servers, etc.). In 1975, there were 736 persons in top management, 6,689 in middle management, and 11,890 in clerical positions, the rest being in specialist, vocational, and auxiliary positions (although this breakdown is questionable).

The system encompasses thirteen grade levels, ranging from a top salary (without allowances) of YR1,350 a month for Grade I to a low of YR300 a month (also without allowances). (See Table 7.) Allowances are provided for amount of education, the type of position held, and its location (housing allowance is sometimes provided for persons located outside of Sanaa). Thus, the top salary for Grade I, with allowances, could reach YR3,000 to YR5,000. Persons appointed to the top five grades are supposed to be university graduates, while persons appointed in the next three grades are supposed to have diplomas from secondary schools. While this requirement may be met now (although this is not certain), there are persons in these grades from the past who fall below the present requirement.

There is widespread agreement that salaries for public servants are inadequate. The consequences are obvious; the few qualified people in the country are not attracted to government; those who are hired voluntarily for the attractions of the moment, or compulsorily because of the draft of university graduates, leave as soon as possible. Those apparently dedicated to public service soon slack off in their diligence and/or take outside jobs to eke out an existence in an economy where housing, food, and other costs are astronomical. The solution to this problem is not simple. The national budget runs a deficit; salary increases would add to that deficit and, in the view of some top officials, would intensify the already high inflation. Salary

TABLE 7.

CLASSIFICATION AND SALARY SYSTEM
(Decree No. 49, 1977)

Education	Grade	Series	Salary Range	Annual Increment	Years in Grade for Promotion
		<u>Top Mgt.</u>			
	Grade I	Deputy Min.	1,350		
	Grade II	Deputy Min. Asst.	1,165-1,350	50	2
	Grade III	Gen. Director	1,015-1,215	50	3
		<u>Specialists</u>			
		<u>Admin.</u>			
	Grade IV	Ch. Admin.	2nd Spec.	35	3
	Grade V	1st Admin.	3rd Spec.	35	2
	Grade VI	2nd Admin.		35	2
	Grade VII	3rd Admin.		25	4
		<u>Vocational</u>			
		<u>Admin.: Clerical</u>			
	Grade VIII	1st Clerk	4th Tech.	20	4
	Grade IX	2nd Clerk	1st Tech.Asst.	10	3
	Grade X	3rd Clerk	Tech. Asst.	10	3
	Grade XI	4th Clerk	Aux. Tech.	10	-
		<u>Auxiliary</u>			
	Grade XII	(no name)	350-400	10	6
	Grade XIII	(no name)	300-350	10	-

↑
Univ.

↑
Sec. School

increases have been granted in the past--in 1967, 1972, and again in 1977--and continuing study is reportedly given to the matter.

The usual procedure to raise salaries is for the President or Prime Minister to order that a study be conducted by the Civil Service Bureau. Such an investigation was made prior to the enactment of Decree No. 49. The study examines the current levels of salaries, the extent of inflation in the economy, and the current revenues available to provide salary supplements. The results of such studies, together with recommendations, are reported by the CSB to the Cabinet Committee for Economic Development, chaired by a Deputy Prime Minister. The Committee confers with appropriate ministers, including CPO and NIPA, and foreign experts and, in turn, reports to the Prime Minister. If salary increases are to be granted the matter is referred to the legislature and, on its approval, the President issues a decree.

In the meantime, as a means of providing assistance, the government operates a canteen for public servants, which sells food and clothes at subsidized prices. This is a practice widespread throughout the world, even in the most developed countries. It leads, inevitably to pressure for wider and wider inclusion (the military, private groups, etc.) and, while it does provide limited help, its costs are concealed and the effort fails to cope with the basic need of developing a civil service system which attracts and holds competence.

Census of Civil Servants

A census of civil servants was conducted in 1975 when it was determined that 31,315 persons worked for YAR government. The distribution of these civil servants by ministries, governorates, and sex is displayed in Table 8. These figures do not include the defense establishment, but they do give the aggregate for the Ministry of Interior, which provides internal security. The next largest ministry is, understandably, the Ministry of Education with 4,438 employees, followed by the Ministry of Public Works and Municipalities (3,337), the tax-collecting Ministry of Finance

TABLE 8.

GOVERNMENT EMPLOYEES BY MINISTRIES, GOVERNORATES AND SEX

	Sanaa	Taiz	Hodeidah	Ibb	Damar	Hajja	Saada	Beida	Mahweel	Mareb	M	TOTAL	
												U	T
Offices of the President & Prime Minister	700	-	-	-	-	-	-	-	-	-	582	18	700
Interior 1/	11,615	-	-	-	-	-	-	-	-	-	11,615	-	11,615
Justice	364	128	83	112	61	126	62	22	28	-	986	-	986
Education	1,452	934	639	373	221	521	76	81	86	55	4,147	291	4,438
Health	907	581	381	144	79	70	17	20	-	-	1,783	416	2,199
Agriculture	189	68	158	13	-	-	-	1	-	-	429	9	429
Public Works	592	413	292	19	4	15	-	-	-	-	1,321	14	1,335
Municipalities	826	319	608	146	56	64	13	47	18	5	1,833	269	2,102
Communications	816	264	181	124	47	45	29	7	-	-	1,484	29	1,513
Local Administrations	187	178	78	190	67	102	96	34	34	18	976	2	978
Information	291	75	11	6	3	2	1	3	-	-	385	7	392
Foreign Affairs	187	-	-	-	-	-	-	-	-	-	176	11	187
Economy	123	14	13	3	-	-	-	-	-	-	150	3	153
Finance	1,186	500	426	275	148	305	159	75	56	24	3,141	13	3,154
Supply	87	39	42	10	11	15	3	3	9	-	217	2	219
Social Affairs	100	15	8	6	-	-	-	-	-	-	129	-	129
Waqf	75	46	30	74	13	9	11	-	-	-	258	-	258
Central Planning Org.	140	-	-	-	-	-	-	-	-	-	128	12	140
Central Bank of Yemen	240	54	53	15	10	5	7	4	-	-	328	60	388
TOTAL	20,077	3,628	3,003	1,510	714	1,279	474	297	231	192	30,159	1,156	31,315

1/ No regional distribution of employment available

Source: CPO, 1975 Manpower Survey.

(3,154), the Ministry of Health (2,199), and the Ministry of Communications (1,513). The remaining ministries are tiny, considering the fact that Yemen has a population of over 6.5 million, many of whom work abroad. The Offices of the President and Prime Minister are larger than the Ministries of Agriculture, Information, Foreign Affairs, Economy, Supply, and Social Affairs.

The educational levels of civil servants are shown in Table 9. It should be recalled that an educational system was not established until 1963, largely as a result of the Egyptian presence, and the University of Sanaa was not established until 1970.

Summary

Progress had been made in the past decade and a half. At independence YAR lacked not only a civil service system but also a public service. The government now employs more than 30,000 and the number is growing rapidly. A system of classification has been devised which is adequate for the moment, although salaries are far too low to provide public servants a decent standard of living. Supplemental allowances and subsidized stores for civil servants help, but the system obscures real costs, both in rials and in the loss of personnel. Moreover, there is no way of knowing how many persons turn to corrupt practices to supplement their income.

The selection system is not one based on merit, although it does not seem to encourage some of the most outrageous forms of personalistic patronage. The most serious problem is the lack of experience, education, and training among the pool from which civil servants are drawn. The nation lacks a base on which a real merit system can be built.

The next section examines the efforts made to train for the public service.

TABLE 9.

EDUCATIONAL LEVELS OF GOVERNMENT EMPLOYEES (1975)

	<u>Total</u>	<u>Males</u>	<u>Females</u>
Illiterate	5,160	4,518	642
Informal Education (read and write)	21,178	21,106	72
Primary Education	1,584	1,425	159
Preparatory Education	1,162	1,062	100
Secondary Education	1,284	1,115	169
Post Secondary Education	256	251	5
College or University Degree	691	682	9
TOTAL	<u>31,315</u>	<u>30,159</u>	<u>1,156</u>

Source: Central Planning Organization, 1975 Manpower Survey.

VI. Education and Training for Public Service

National Institute of Public Administration

The principal institution training persons in general areas of public administration and related specialties is the National Institute of Public Administration (NIPA). Created in 1963 as the Institute of Public Administration and Secretarial Work, it was originally responsible to the Council of Ministers. Later it was placed under the Civil Service Commission (now Civil Service Bureau). The Fraser Report recommended that it should be independent from that agency and responsible directly to the Prime Minister, with the Dean having the rank of minister. That change was made and an advisory board was designated to provide policy guidance.

Since 1970, when NIPA was reorganized, it has been under the direction of the same person, a man with a U.S. masters degree in economics who has had a distinguished career in the government of YAR. Once he was an ambassador and at various times Minister of Economy, Minister of Information, and Minister of Education. While Minister of Education he was responsible for establishing the University of Sanaa. He also started the office which became the Central Planning Office. In recent years he has devoted less and less time to his Deanship so that full responsibility for guiding NIPA has been in the hands of the Deputy Director, or Vice Dean, a person who has a U.S. masters degree in public administration.

Organization and programs. NIPA has three units organized around its functional activities: training, research and consultancy, and graduate studies. Training is its major function, with programs in public administration, business and finance, clerical studies and office management, and foreign language. Managers at all levels have been trained: high, middle, and supervisory, but most courses are directed at middle and low level persons. Courses for higher levels are usually short, lasting only a few days. Courses for school directors last four weeks. Others may be of three to nine months duration. Usually instruction lasts for two to three hours a

day so persons working and resident in Sanaa may both work and, with office approval, attend NIPA.

In addition to management training down to the level of supervisors, NIPA offers instruction in accounting and business practices, secretarial and clerical work, foreign language, and even mechanics for Local Development Associations. The English language instruction of the British Council and USIS has been absorbed into NIPA. Specialized courses have been designed for the Ministry of Finance in taxation and related areas and for the Ministry of Communications in electronics. Except possibly for the courses in mechanics, all training is usually directed at the literate only. In Yemen, where almost 90 percent of the people are illiterate and a significant portion of the persons working for government are also functionally illiterate, this practice suggests the need to redesign training if more people are to be reached, especially in the LDAs. The leadership of NIPA expresses the desire, if not the intent, to provide training in Sanaa for selected LDA officials--shaykhs, merchants, soldiers--the most active leaders involved in these self-help associations.

Persons from outside Sanaa undergoing training at NIPA are usually provided rooms free of charge. NIPA has thirty-six rooms with beds to accommodate up to sixty-five trainees. In addition, funds are provided to cover the cost of food. All students are supplied books, paper, and needed training materials.

The Research and Consultancy Department is operated by an able team supported by the German foundation for foreign aid since 1974. This team of four experts, presently headed by a German-educated Egyptian, is doing research on Yemeni government development problems and recommending ways to improve development programs and projects. At the same time the team is training Yemeni to replace them so that the department may be run entirely by Yemeni staff in about two years. Two Yemeni are currently undergoing training in Germany and two more will be sent for training.

An object of this department is to assist local self-help efforts by developing regional and district planning units. On the basis of on-going research the team

would like to provide training (presumably through NIPA) to encourage ozlas to join together into planning units covering a few thousand people in the area to identify immediate and long-term needs and lay plans to achieve those goals. Then, the team would like to train General Secretaries of the LDAs so that the Association would have greater capability to implement these plans. In some areas, especially to the north of Sanaa, the local shaykhs still tend to dominate the LDAs, even though they may not have official roles. They, or their successors, need to be trained to provide more effective guidance to local self-help projects. This proposed training would have to be carried on in the immediate localities rather than in Sanaa. There is always the problem of providing transportation to bring the trainees to Sanaa and to provide accommodations for them. In addition, some local leaders do not like to come to Sanaa, in some cases because they fear loss of influence and position if they leave.

Some staff in NIPA see the need for more outreach programs. NIPA has rented buildings in Taiz and Hodeidah in which a few courses have been offered. NIPA also owns land in each city and would like to build permanent installations there if the foreign assistance for such construction were made available. However, the outreach to most of the LDA officials would have to permeate the country far below the level of a few major cities.

The third unit in NIPA is the Graduate Studies and Special Training Department, headed by a capable U.S. trained masters degree holder in economic development. As yet, this department is not functioning. The intent, if financing can be obtained, is to launch a program of graduate training in public administration, a degree which is not yet offered by the University of Sanaa, although a few students in the Faculty of Commerce are now studying public administration at the undergraduate level. The leadership of NIPA alleges that these beginnings in the University were made only after the intent of NIPA became known. NIPA would like to send at least two Yemeni to the United States for advanced study in public administration to

develop a staff for this department. At this writing the source of support for this new program has not been identified.

The leadership of NIPA would also like to inaugurate an undergraduate program in public administration, providing the first two years of instruction at the college level with an emphasis in public administration. The students could then transfer to the University for the other two years of college education. The argument for both these programs is that students need the incentive of a degree, or academic credit, to be induced to study at NIPA. Most ministries provide no inducement for trainees to attend NIPA; no promotion or salary increment is given, except by the Ministry of Finance, which provides a 10 percent bonus while studying and a 25 percent increase after training. The housing and food allowance is the most that NIPA can offer and this only to trainees coming from outside Sanaa.

Foreign assistance. NIPA has had an extensive amount of foreign assistance since its establishment. Three U.N. experts worked for short periods between 1965 and 1967. Three full-time U.N. experts in public administration were assisting the Institute in 1972. The following year UNDP launched a major program of assistance which lasted until 1976 or 1977. Reportedly at a cost of \$2 million, six experts and a support staff of four persons were provided, including almost \$.5 million in equipment (allegedly "old" and "useless"). The International Labor Organization provided a specialist in clerical training since 1969, although he is now supported by NIPA. The German Administrative Development Project has provided four experts since 1974 at a cost of about \$300,000. The Arab League supports one professor at a cost of about \$30,000. UNESCO has aided training of school directors at an undetermined cost. The Peace Corps now has five persons assigned to NIPA: four teaching English and one, clerical studies. In the future, that number will drop to three: two for English and one for clerical studies. The British Council program of English language training is stationed in NIPA. A part-time volunteer from the Irish Consulate teaches typing.

In addition to the provision of foreign experts and equipment, foreign assistance from a variety of sources has supported training for Yemenis abroad: Britain, France, Germany, USSR, Netherlands, ILO, UNDP, etc.

This account of foreign assistance to NIPA is based entirely on interview data from several sources rather than documentary evidence. Therefore, it may be incomplete or in error in parts, but it does convey a general sense of the scope and variety of foreign assistance.

University of Sanaa

As discussed above in Section III, the University of Sanaa, established in 1970, teaches business administration, management, behavioral science, accounting, economics, and mathematics in the Faculty of Commerce and Economics. A program specifically in public administration has not yet been formulated, but about six students have enrolled with the intent of studying in that field and the faculty does plan to develop that speciality. The school offers a four-year baccalaureate degree but no instruction at the graduate level at the present time.

This Faculty is the largest of five in the University, attracting more than one-third of all students in the entire institution--an estimated 1,500 of about 4,000 in 1978. Enrollment is now limited to an annual intake of 200. Judging from the number in one class of about 100 students, between 10 and 15 percent may be women, but very few Yemeni. Most students are working full-time in business or government. Because classes are scheduled in the morning, they must obtain permission to attend class during work hours. About 10 percent of the students are "external" students who are excused from attending class while pursuing their degrees.

Twenty professors teach in the Faculty of Commerce: fifteen Egyptians, two Yemeni, one Syrian, one Palestinian, and one Iraqi. The long-run plan is to replace all ex-patriates with Yemeni professors. Every year each department in the school is supposed to take on an assistant who is to be trained to become a professor. If foreign assistance is available the Yemenis will be sent abroad for a masters degree

and, later, a doctorate. A problem encountered is that some of these students do not return to Yemen. The foreign professors appear to be qualified to instruct in their fields of speciality. The professor of behavioral science and management is well grounded in the literature of the field and has taught the subject for a number of years. He has also authored textbooks in the field. Some Yemeni report that the ex-patriate professors do not work particularly hard and regard their tour in Yemen as a way of resting and taking a vacation from the pressures at home. They are not, in most cases, active in the business or governmental community of Yemen and are not very knowledgeable about its administrative problems and needs.

Evaluation

The National Institute of Public Administration is still a new institution and is experiencing many growing pains. In spite of extensive foreign aid, it is not adequately meeting the training needs of the government. The large investment by UNDP was regarded as a failure for reasons which were not clearly explained. Animosity toward some foreign advisers is reported and there appears to be remarkably little communication between segments of the Institute, especially its foreign advisers.

Only two of the NIPA departments are operational, and one, the Research Department, is still largely a foreign team activity. The training program gets mixed reports. Some instructors are good, but could be strengthened with additional training. A few are regarded as unqualified. Some of the better instructors are dissatisfied and are in the process of leaving, or would leave, if better jobs were available. Generally, everyone regards the salaries as inadequate so outside consultancy jobs are taken by those who can find them.

Internal administrative problems exist. The registration process is disorganized. Some classes which were supposed to start at an announced date did not begin until three months later. Some students were not informed when classes were to begin and

therefore did not show up when classes started. Registration records for some were lost and there were reports that favoritism was shown in allowing certain persons to register and denying the opportunity to others.

Some courses are designed in response to requests from line ministries but other courses bear little relation to the needs of operating agencies. Research is done to lay a base for training but the practice does not extend to all courses and programs. Some ministries report satisfactory results from NIPA training programs, but criticisms are more common. The training is viewed as too theoretical, abstract, and remote from the real world and operating needs. The instructors, in some cases, do not understand the practical needs of government offices. The world of one person close to the Institute was "hopeless."

Yet, there are a number of dedicated and reasonably capable persons in NIPA and there are a number of officials outside of the Institute who are supportive of its efforts and who see the need for it to be strengthened. The leadership is competent and well-regarded and is willing to receive and use assistance. In spite of some criticism, the National Institute of Public Administration is the only institution existing in the country which has the potential for training public servants and, therefore, may be the only "hope" for meeting the critical need for trained personnel.

The University does not yet presume to provide specialized education in public administration and the students in the Faculty of Commerce are largely in or headed toward the private sector. The faculty is almost entirely foreign and will be for many years. The development of a Yemeni educational program in public administration must wait until there is a Yemeni staff in the University.

VII. Local Self-Development: CYDA and the LDAs

Yemen has a history of strong tribal government and local autonomy from invading powers or the outreach of a central government. Thus, of necessity, the people in the countryside have had to depend on their own initiative and self-sufficiency or the leadership of their local authorities to obtain the services they required to survive in an inhospitable environment. In recognition of this experience and the need to launch development efforts, the new Republican government in 1963 called for the creation of Local Development Associations (LDAs) by Decree No. 11. The first LDA to persist to the present was created in Taiz in 1963.

In 1968 the Ministry of Social Affairs and Labor was established to provide central government support for LDAs. Five years later, in 1973, the Confederation of Yemeni Development Associations was created to formulate general policy to enhance the LDAs, design plans and programs, seek foreign and domestic support, and advise the local associations in their projects.

Organizational Structure

There are now 146 LDAs, approximately one for each nahyah. Their numbers have exploded in recent years. In 1973 there were only 27, in 1974, 62, and in 1975, 111. The greatest clustering occurs in five governorates: Sanaa, 31; Hajjah, 28; Ibb, 19; Taiz, 18; and Hodeidah, 15. There are only 35 scattered throughout the other five provinces. Each LDA has a governing body, the general committee, consisting of 50-100 representatives elected by the people for three-year terms. An administrative committee of seven to nine persons is elected from the membership of the general committee to run its day-to-day affairs. One of their members is designated the head of this administrative committee. In total, there are more than 1,000 persons serving on these governing committees, the Sanaa governorate alone having 224.

The heads of the LDAs make up the Local Development Association Coordinating Council in each governorate. Each LDACC elects a paid staff for a period of three

years: a secretary general, deputy secretary general, and a finance director. The coordinating council, presided over by the governor, as honorary chairman, provides assistance to the LDAs in its province and supervises and coordinates their work. They are paid monthly allowances for each meeting they attend. They do not dispense funds to the LDAs, but do audit their books.

All of the heads of the LDAs throughout the country form the General Assembly, which meets annually. It is presided over by the President of the Republic as honorary chairman. The Assembly elects a Secretary General and a Deputy Secretary General, who work with a fifteen-person Administrative Board, also elected by the Assembly for a two-year term, to implement resolutions of the Assembly and manage its affairs. The Board is obligated to meet at least once a month.

The Secretary General presides over CYDA and its five divisions: Technical and Planning, Financial and Administrative Affairs, LDA Affairs, Foreign Relations and Aid, and Information. Through these divisions CYDA is supposed to assist the LDAs plan and organize their projects, implement them, control their finances, obtain foreign and domestic financial assistance, obtain needed technical advice, and have effective representation in the central government. In effect, CYDA is a lobby for the LDAs in Sanaa. It also coordinates the various projects of the LDAs with the relevant ministries. CYDA has the responsibility of providing the much-needed training for the officers and workers in the LDAs, but to date it has not had the resources or ability to offer much useful training. The Ministry of Social Affairs, Labor, and Youth (as it is now called) supervises the elections of CYDA and the LDAs, and it, too, is supposed to oversee their projects and finances and provide needed assistance.

Planning and Implementating LDA Projects

When the total system operates as originally conceived, it is truly a grass-roots, self-help development system. The people in a community elect their

representatives to the LDA general committee, which, in turn, identifies a pressing local need--a health clinic, a school, a well, an irrigation canal, or a feeder road--which will not be provided by the central government in the foreseeable future. Using their own financial and human resources, the Local Development Association plans and implements a project. Financial and technical assistance from CYDA, or from ministerial or foreign aid, which CYDA helps arrange, supplements local resources.

The system is supposed to work as follows. An LDA decides it wants a school, CYDA is notified of the desire to build a school; a copy of the notification is also sent to the governorate and the concerned ministry, in this case, the Ministry of Education. CYDA reviews projects according to policies and priorities it has established. For example, a second school, or a second well, cannot be built in a given locality if it already has one. Each of the involved agencies determines whether sufficient resources are available to proceed. The people of the community provide a large part of the finances (see next section), supplemented by support from the center. Once the school is built, the Ministry of Education must provide a teacher, pay the salary, and assure continuing support for the school. The community may offer housing or food for the teacher to encourage him to settle and teach in the new school. If all parties agree that the project conforms to guidelines and financial support is available, the LDA is authorized to proceed. If not, the project may be referred to the Cabinet Committee for Economic Development, which asks the Central Planning Office whether new money might be made available to support the project. Foreign assistance may be sought by CYDA or one of the agencies.

When a project is approved, the concerned ministry attempts to send a technician to oversee or assist implementation. Generally, he would be available a very short time. Often the project goes to tender, and a contractor does the work, although the people in the community may construct the project themselves. In either case, much of the manual labor may be done by the people in the area. If the project is

small, the contract will probably be Yemeni. If it is large or very technical, a foreign contractor may be hired. Some projects may be implemented by CYDA itself. CYDA has some road building equipment and may proceed to build a feeder road itself, without putting the project through the full review process and contracting out. In this case, local labor still may be used, on a voluntary, or paid, basis.

To date, the system has not always operated as intended. Successful projects are few, while the needs are many. Drinking water is a serious problem. Wells are polluted; rain is caught and stored in cisterns, which become polluted. They are often far removed from villages, so that water must be carried in cans on the heads of women for many kilometers. The level of health and education of the rural dwellers is among the lowest in the world. Agricultural techniques, in a land of sparse rainfall, have remained unchanged over centuries. And most villages are far removed from a developing highway system. The central government does not have the capability of satisfying these needs without the involvement of the people themselves.

The problems are countless. Although the representatives of the people are elected, they are often the local notables. The projects they decide to implement may benefit the rich more than the poor. The main offices of fifteen LDAs are reported to be located in Sanaa, where most of the members of the general committees reside and work. Thus, the peoples' representatives are out of touch with their communities, and are available to work on projects from a remote location only in the evenings.

High government officials admit that politics may affect the CYDA decisions about which projects to approve and which to disapprove. The desire to favor certain areas or withhold benefits from others may enter deliberations. At times, such decisions may be justifiable, for every government responds to political forces. More serious are the constraints imposed by lack of human and material resources. CYDA and the ministries lack a sufficient number of qualified technicians and

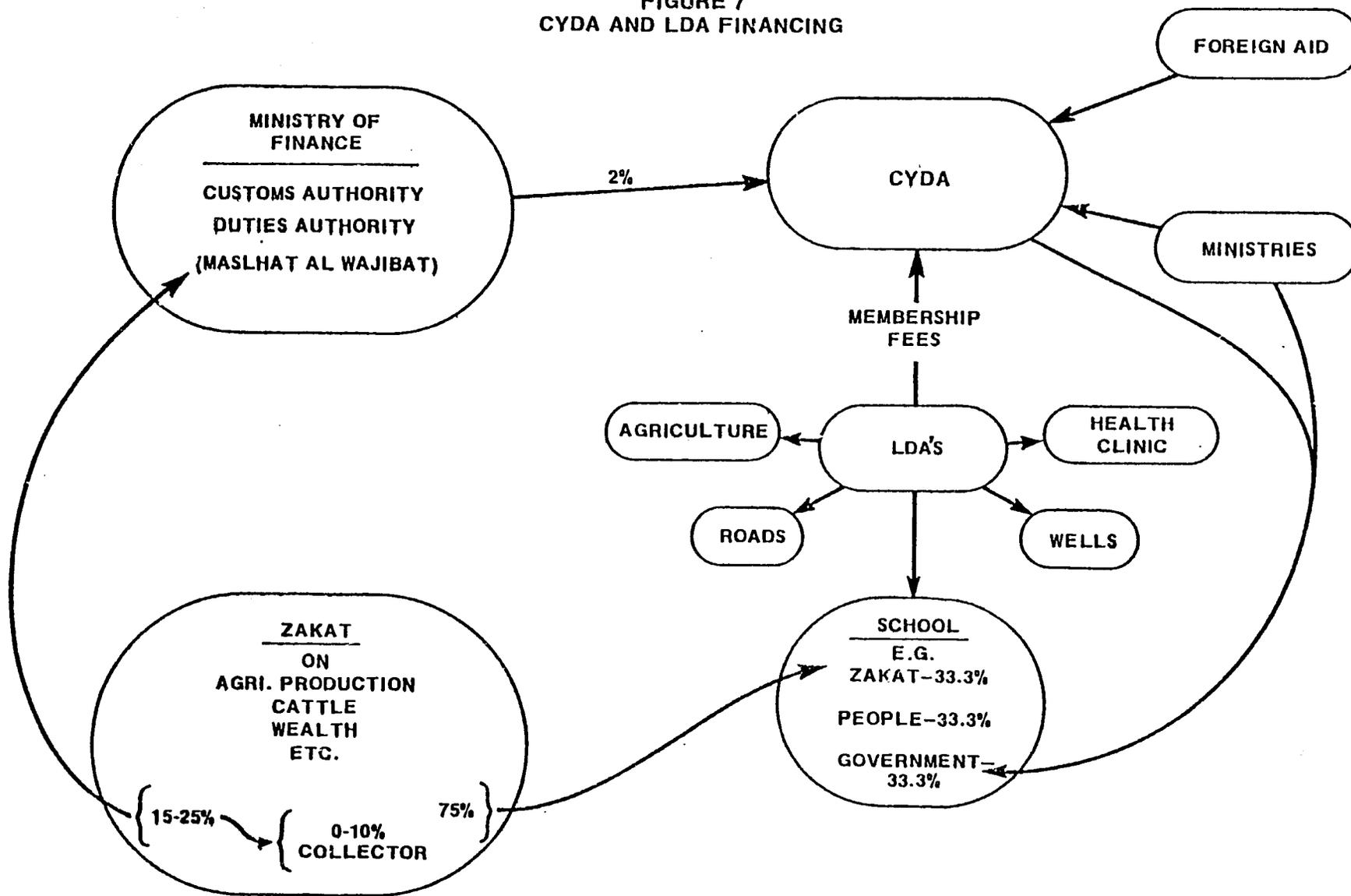
administrators to assist the LDA. Without this help self-government at the local level is meaningless. Limited though material resources may be, some are available. However, they are wasted when technical know-how is not applied to use them effectively and to maintain the completed projects. The planning and implementation process bogs down because of administrative shortcomings and the lack of follow-up.

Financing LDA Projects

An ingenious, but complicated, system has been devised to finance LDA self-help projects. Documentary and interview data provide varying explanations of the system, partly because it has changed over time (for example, the portion of the zakat received by LDAs has increased from 50 percent to 75 percent), but also because there is not a uniform system throughout the country. Depending on the region or the project, the percentage of support from various sources, and the sources themselves, may differ (see Figure 7).

In general, an LDA project is supported by money from three sources: the zakat collected in the locality, voluntary contributions made by the people of the community, and financial resources provided by the central government through CYDA. In some areas LDAs receive YR1 from each person voting in an LDA election and LDAs located in cities may receive 1 percent of the cost of transportation and cinema tickets. In addition, the people in the area may provide manual labor; the central government, through CYDA or the concerned ministries, may provide technical assistance and in-kind resources (cement, pumps, equipment, etc.). As described above, the zakat is derived from several sources. In seasons when agricultural production is poor, less zakat may be collected and the ability of LDAs to support development projects is lessened. Moreover, there are reports that when the agricultural and wealth zakats are collected, the people of the area may be less inclined to give alms to the poor, as Islam requires, so the poor suffer even more.

FIGURE 7
CYDA AND LDA FINANCING



Seventy-five percent of the zakat is dedicated to the local LDA; the other 25 percent, except for the amount (often 10 percent) the collector often retains for himself, goes to the Duties Authority in the Ministry of Finance in Sanaa. These monies presumably go into the general fund along with customs duties, etc. and are available, when appropriated by the legislature, for use anywhere; that is, they are not earmarked for CYDA or LDAs. However, 2 percent of customs duties are dedicated to CYDA. CYDA has other sources of financial support: membership fees from the LDAs (which monies are to be used for CYDA's needs rather than LDA's needs), ministerial assistance (usually technical and in kind--cement, vehicles, bulldozers, etc.), and foreign aid. The basic constitution of CYDA of 1973 provides that governorate-wide LDAs pay an annual membership fee of YR400, qada-wide LDAs, YR150, and nahyah-wide LDAs, YR75. Other sources suggest that these fees have now been raised to YR1400, YR800, and YR400, respectively. It is impossible to identify how much goes to CYDA from the other sources.

CYDA sources indicate that the percentage of contribution from the usual three sources of LDA project support depends on the type of project. In the case of feeder roads, if it is a short road under twenty kilometers, it is supposed to be financed only by the zakat and the people in the area; if it is between twenty and thirty kilometers long, the government is supposed to provide 25 percent and the LDA and the people, the other 75 percent; and if it is over 30 kilometers, the distribution is supposed to be 50 percent from the government and 50 percent from the people. An education project is supposed to be supported equally by the LDA, the people, and the government. Water and health projects are supposed to be similarly supported, i.e., 25 percent by the LDA, 25 percent by the government, and 50 percent by the people through voluntary contributions.

In fact, the records of LDA projects in the governorate of Hodeidah reveal that the LDA bear a far heavier percentage of the cost and the government provides

little or no support. To construct fifty-nine kilometers of roads at a cost of YR1,468,501, the LDAs provided YR445,500, the people YR1,021,000, and the government, YR2,000. To construct seventy schools with 138 classrooms at a cost of YR4,872,788, the LDAs provided YR3,449,021, the people YR1,423,767, and the government, nothing. Fourteen water projects costing YR1,549,536, received YR1,455,536 from LDAs, YR96,000 from the people, and nothing from the government. Eight health clinics costing YR309,609 received YR285,409 from LDAs, YR24,200 from the people, and nothing from the government. Presumably these records refer to monetary support; the government may have provided some support in kind or in the way of technical assistance.

This system of Local Development Associations is the only institution in Yemen which is operating at the level of the mass of peasants in the countryside and which holds the promise of assisting the poorest of the poor meet their basic needs.

VIII. Legal System and the Courts

Traditional Law

Traditional law in Yemen has been derived from three systems: Islamic law (sharia), used historically throughout those parts of Yemen under Imamic rule; customary law (urf, also known as hukm al qabila-- tribal law--or hukm al badu-- bedouin law), used by tribes in the hinterlands; and the mangad system, used in the parts of the eastern sections that are now South Yemen.

Sharia. In Islamic tradition Allah reveals his law rather than himself and his nature. YAR is one of the few countries in the world that bases its legal system on the unifying force of sharia, the basic tenets of which are believed to have been revealed by God. Sharia is concerned with an individual's activities from the most private to the most public.

There are four schools of sharia, all derived from the Quran and hadith (tradition flowing from Muhammad's words and deeds), each based on different interpretations of the system. Each school regulates which of the possible sources of sharia are acceptable. All orthodox Muslims theoretically acknowledge the authority of one of them.

The Shafii school follows the teachings of Muhammad ibn Idris al Shafii, a legal scholar who lived from 768 to 820. The founder of the Islamic science of law (fiqh), Shafii took a moderate position between the Maliki school, which emphasized hadith as the source of law, and the Hanafite school, which depended on reasoning by analogy (qiyas) from earlier cases. Shafii took the revealed word of God as the basis of all law and tightened the requirements of acceptable hadiths. In order to be valid, according to Shafii, a tradition must remount to the Prophet rather than to his companions and must be supported by an unbroken chain of witnesses. He emphasized the Quran as the standard for deciding between contradictory hadiths; that closest to the Quranic text was to be accepted. He also recognized the consensus of the learned of the community (ijma) as a valid source of legal interpretations and placed it after the revealed word and properly validated traditions as a source of law.

The Zaydis, the followers of Zayd, a grandson of the martyred Hussain, who also was martyred, espoused quite moderate religious views; their closeness to Sunni teachings has led some to refer to them as the "fifth orthodox school." The legal system of North Yemen is primarily based on the traditions of the Shafii school but has also been colored by the simultaneous development of Zaydi law. Although Zaydism is a sect of the Shia branch of Islam, the development of Shia schools was slower and less consistent than such schools of the Sunni branch of Islam, such as the Shafii. Zaydi law does not differ markedly from that of the Sunni schools. Islamic jurisprudence in YAR, therefore, is based on the principles of Shafii and Zaydi law.

Zaydi law incorporates the important concept called ijtihad (personal reasoning). This idea permits the judge or ruler to make decisions concerning cases not explicitly covered by sharia and in practice has itself become a source of law. This attitude of flexibility in dealing with matters outside the scope of sharia, such as commercial and labor disputes, usually permits change to occur with less resistance than in countries applying a legal system strictly derived from sharia. Thus, under the rule of the Imams, decree law became a feature of the legal system, and administrative judges were appointed by the Imam to enforce these laws as separate from sharia law. Decree law did not prove very effective, however, and became a major source of contention between the rulers and the many diverse groups under their authority.

Urf. Tribal or bedouin law is an oral legal tradition used by the tribes to regulate grazing and water rights, debts, and other personal matters. Pre-Islamic in its orientation, it is based on the notion of the collective responsibility of the tribe, where the only punishment takes the form of reparations or revenge and is administered by a headman called an aqil. Under the Imam, some tribes clung to this customary law rather than submit to the sharia. In many Zaydi areas of the country the ulama (religious leaders) exercised a local leadership concurrent with that of the tribal shaykhs, by reason of their being the only learned persons competent to assess and administer the zakat and to render decisions under the sharia.

In the declining days of the Imams the population of ulama diminished in the countryside and the more remote districts were left without people qualified to administer the religious law. During the summer preceding the 1962 Revolution several tribes are in virtual revolt against Imam Ahmad, protesting his efforts to supplant their tribal laws with the sharia.

Manqad system. The manqad system, used in conjunction with urf in certain areas of South Yemen, is administered by a castelike itinerant group, the manqid. A judge is elected from all manqid, known as manqad al manqid. Once a tribesman

put his case in the hands of the manqad, the decision was irrevocable. Judgments were based on a code described as "al Sharia, al Ada, wa al Haqq"--Islamic law, custom, and the truth.

Post-Revolution law. After the Revolution sharia remained the designated legal system of the new government, while the older system of customary law (urf) still affects a large portion of the population. In tribal communities, the most common means of redressing grievances under customary law is through revenge and reparation. Since the Revolution little attempt has been made to establish control over the tribes that administer tribal law. Implementing even sharia in the outlying areas is difficult because of the lack of trained legal personnel and judges.

Modern Law

While sharia continues to be the official source of public and private law, a modern legal system is developing, codification is beginning, and a hierarchical court structure is taking form. Immediately after the Revolution Egyptian lawyers arrived and took the first steps toward drafting a modern law, but they simply copied Egyptian laws. In 1968, the State's Legal Office was created, headed by a person who was also the Counsellor to the President and Cabinet. The same individual has been in that position during the past decade. This office is now responsible for developing the legal system for the country. Modern law cannot contradict sharia. However, if there are needs which are not covered by sharia, if a modern commercial or banking law is needed and there is no basis for the law in sharia, this office undertakes the drafting of necessary law. The approach is not to copy the law from another country but to survey the legal systems of the Arab world and, out of that background, devise laws which are suited to the needs of YAR.

As modern law is drafted it is numbered by the year issued within each of five categories. To date, four volumes of laws codified in this manner have been prepared. As an indication of the growth of modern law, the first [✓] volume published

covered laws issued over a ten year period. The second volume, as large as the first, covered a period of only one and one-half years. The third volume, for the year 1977, is in press at this writing. The fourth volume, covering 1978, should be issued in the near future. According to the Legal Counsellor to the President, only Lebanon, Syria, and Kuwait in the Arab world publish its modern laws as Yemen does. International conventions, agreements, and treaties are also published, something that no other Arab country does.

The five instruments of modern law are:

(1) Statutory law: formulated by the Assembly, dealing primarily with commercial affairs;

(2) Decree law: formulated by the President and Prime Minister when the Assembly is not in session (when the Assembly convenes the decrees are sent to this body for approval and issuance as statutory law);

(3) Republican decrees dealing with administrative organizations: issued by the President, the Prime Minister, or the concerned Minister; cannot be in conflict with the Constitution or the above laws; rather intent is to implement them by creating or reorganizing needed agencies of government, the process of which cannot add new financial burdens;

(4) Republican decrees dealing with appointments: appoints persons to high government office (for example, recently seven persons were appointed to run the Army Corporation for Economic and Cooperative Needs);

(5) Military decrees: issued by military commanders and dealing with military affairs.

In addition to these types of laws, the Prime Minister and the various Ministers may issue administrative regulations dealing with the day-to-day operations of government. These regulations are also numbered by the year of issuance.

Courts

Since the sharia has survived as the dominant legal system after the Revolution, the sharia courts have been retained, as have traditional forms of judicial authority, supplemented by new courts to deal with the modern law. Thus, a dual system of courts now exists: the sharia courts, along with the traditional officials applying customary law, and the new courts required to interpret and administer modern statutory and decree law. Sharia courts deal with both criminal and civil cases and operate under the authority of the Ministry of Justice. Their organization, however, is not uniform throughout the country and administrative details vary from one province to another. The Sharia Court of Sanaa, established under the first Republican government in 1964, is the Highest Court in the land.

In most Arab countries an Islamic judge is called a qadi, but in YAR he is called a hakim. The term qadi as applied in Yemen usually refers instead to the qadi clans, or the qadi class. Qadis were local leaders whose influence included not only roles as religious leaders (ulama) but roles as political leaders as well. Sharia law judges are appointed by the Minister of Justice, and their decisions are usually held to be final, although appeal to the Sharia Court of Sanaa is possible. Because sharia is not case law, a judge does not have to follow precedent and is not bound by decisions of other judges or a higher court. Trial by jury is not used in sharia courts.

Under the Hamdi regime the State Security Court, the Disciplinary Court, and the Office of the Public Prosecutor were established to administer decrees of the then-existing Military Command Council. These courts and the public prosecutor basically dealt with political cases under the direct authority of the MCC. The State Security Court heard all political cases, and the Disciplinary Court specialized in prosecuting cases for maladministration and misappropriation of public funds. Some of these activities apparently persist today in the world of the Administrative Court and the Attorney General for Administrative Affairs (see Figure 1).

The most significant development in the modernization of the Yemeni legal system has been the establishment since 1966 of commercial courts to handle cases under the new statutory and decree laws. Initially, three commercial courts were created in Sanaa, Taiz, and Hodeidah, each presided over by three judges, a Yemeni, a Sudanese, and a Yemeni sharia judge. Recently a fourth court was created in Hodeidah to handle maritime as well as commercial cases. Recently a court of appeals was established with appellate jurisdiction over these four courts. It consists of five judges (two Yemeni, two Sudanese, and one Yemeni sharia judge). These judges are appointed by the Supreme Judicial Council, headed by the President; the courts are attached to that body. It is estimated that about 90 percent of all cases involving contracts are now tried by these new commercial courts.

IX. Theories of Development, Analysis of
Alternative Strategies, and Recommendations

Scope of Work

The author's contract directed him to travel to Yemen "to conduct a professional appraisal of the Yemen public administration sector in general, and particularly the National Institute of Public Administration (NIPA) and the Civil Service Commission (CSC) plans to provide USAID/Sana with a better base for initiating assistance to Yemen in this area.

"The appraisal shall specifically address:

- "The strengths and weaknesses of the Yemen administrative sector and what is being done (and not done) to improve it. Improvements shall be assessed and future developments projected.
- "The role of external assistance in the administrative sector and how AID might help to build competent and effective public service in general as well as in specific areas which relate to the problems of special interest such as rural outreach, education administration and public finance.
- "The content of the NIPA proposal in the context of needs and possible alternative approaches.
- "The present and potential role of Sana University, Faculty of Commerce in training management and administrative personnel for public service, and the role of Sana University vis a vis NIPA.
- "Recommendations to Mission on how to proceed with assistance in the administrative sector, including assistance in the preparation of PIDs."

National Objectives

In the short period of time since Revolution ended a millenium of patrimonial rule and opened an isolated country to the outside world, Yemen experienced a protracted civil war. As the war drew to a close the government attempted to lay the basis upon which to develop a political, social, and economic system which could serve the needs of people who are among the world's poorest. Government institutions were created, banking and budgetary systems introduced, and service delivery efforts launched--all with varying degrees of success, and failure. Tribalism accentuated religious and political divisions, while the central government endeavored to extend its influence throughout the nation, a control which no regime in history had been able to achieve. External ideological and political pressures from both right and left, north and south, further disrupted the country's stability and/or political development.

However, a sufficient political integration had been achieved and the capacity of the central government had been enhanced to permit initial efforts at development. In 1973 the government of YAR launched a Three-Year Development Program (1973/4-1975/6) with the help of foreign technical and capital assistance, which had moderate success in some sectors. Building on this experience, a Five-Year Development Plan was conceived for 1976/77 through 1980/81 to achieve these objectives:

- mobilize human resources and improve their skills through education and vocational training;
- expand the physical infrastructure, i.e., the transport network, telecommunications, and electricity, thus integrating the various regions of the country and breaking present bottlenecks in the supply of vital goods and services;

- develop the productive sectors, i.e., agriculture and industry. Specifically, increase domestic food production; develop agricultural supplies for export and local industry; establish viable manufacturing industries catering to domestic and foreign markets; and expand the capacity of the construction sector so that it can cope with the fast-rising investment volume; and
- increase the level of national savings and mobilize financial resources through taxation and other means, to cover the expenditures of the public sector.

Overall, the purpose of the Plan and these objectives is to satisfy the basic needs of a largely rural population for food, potable water, health care, education, housing, and other community services--in brief, rural development.

To achieve its objectives the government launched an investment and manpower training program with the cooperation of foreign donors of capital and technical assistance. The Plan calls for a total investment of YR 16.6 billion (\$3.7 billion), which, at an annual rate, is four times the investment in the last year before beginning the Plan. External sources are expected to provide 53 percent of the financing. The allocations of investment are weighted toward infrastructure development (largely physical rather than social infrastructure): 31 percent, transportation and communication; 22 percent, industry; 14 percent, agriculture; 13 percent, housing; 5 percent, education; and 2 percent, health. The commitments to transportation, communications, and agriculture are at the same level as in the Three-Year Program, while industry receives a larger share and social services gets less. (Actual expenditures during the Three-Year

Program provided housing and industry more than targeted and social services, less.) The degree of commitment to rural development, in light of the new targets and past performance, might be questioned. The problem is one of multiple and equally-pressing priorities.

The anticipated GDP growth rate of 8.2 percent annually is to come from agriculture (41 percent), trade (25 percent), services (13 percent), industry (6 percent), construction (5 percent), housing (3 percent), transportation and communications (3 percent), and finance and banking (3 percent).

The USAID/Sana Country Development Strategy is "a more accelerated approach to building Yemen's human resource base and its capacity for planning and implementing--at both central and local levels--of development programs which will have equitable and beneficial impact." Particularly, it seeks to encourage more effective application of local initiative and resources to rural needs. In pursuit of this strategy option, the Mission intends to design assistance that stimulates and expands the capacity of the private sector to meet basic human needs, encourages development of local institutions, including new kinds of cost-sharing arrangements, new kinds of service activities, and development of human resource capacity to support these institutional arrangements, favors people who live in small rural communities and market towns, does not generate employment, and is long range.

Alternative Strategies of Development

The formulation of a strategy of development, and of development assistance, depend on the needs which have been identified within the objective of the development plan as well as on the underlying theory about

how development may be achieved. Theorists of development are faced with two general strategies, viewed from the perspective of the source of the major initiative for change--top-down development and bottom-up development. The choice of one or the other alternative determines the focus of foreign assistance. In the first two decades after World War II, development was largely top-down so development assistance was provided through central governments. Gradually many developing nations and their donors have been shifting to the bottom-up approach. Controversy over the advantages and disadvantages of each approach has intensified. To provide a basis for exploring strategy choices for assisting administrative development in Yemen, these alternatives are briefly characterized as ideal-types, that is, in the abstract, without reference to any particular less developed country. The two approaches to development might be designated Theory T (for top-down) and Theory B (for bottom-up), acknowledging a debt to MacGregor, who conceptualized management theories and their underlying assumptions as Theory X and Theory Y.

Theory T:

- to survive, all nations must proceed to build a state .
- statehood requires the development of essential political and administrative institutions at the center and eventually in the provinces and localities
- only the central government can:
 - establish national policy and set national goals
 - gather essential information for that purpose (census, statistics, etc.)
 - formulate and monitor national development plans
 - gather (especially from foreign sources) and allocate financial resources equitably throughout the nation

- promote industrial and agricultural growth, increased exports, and import substitution, while assuring that the benefits reach all the people
- deliver basic public goods and services, such as defense, postal service, conservation of natural resources, education, etc.
- encourage and assist the development of provincial and local governments through which these and other needed services may flow or be generated
- evaluate the effectiveness of development programs
- a rationally organized, well-trained, merit-based bureaucracy, skillfully directed by a responsive and responsible political leadership is the most effective and efficient way of providing public service and assuring the delivery of services to all the people in the nation; this bureaucracy should be developed at the center as well as in the provinces and localities; however, economies of scale dictate that many activities, at least initially, be conducted or directed from the center
- thus, foreign assistance should initially be focused at the center to help the development of institutional capacity to plan and implement development plans and programs, collect needed financial resources, train essential human resources, and promote the efficiency and effectiveness of the bureaucracies which serve the people; as central capacities are enhanced the assistance effort should reach out to provincial and local institutions

Rebuttal to Theory T:

- nation-states in the developing world are fragile institutions; as social and economic development proceeds, expectations are raised,

- then frustrated, generating political instability and revolution;
efforts to build the state are futile
- comprehensive, central planning never works; better to get on with the allocation of resources wherever the opportunities arise
 - administrative institution-building has simply produced bureau-pathology--large, powerful, status-quo-oriented bureaucracies, which are ponderous, slow, dehumanizing, secretive, self-protective, control-oriented, rather than service- and client-oriented, remote from citizens (especially in rural areas), separated from them geographically and culturally, hence insensitive to their needs
 - efforts to develop (or assist the development of) bureaucracies have never succeeded and attempts to decentralize or devolve government and their bureaucracies have always failed; not only are these efforts unsuccessful, but they are extremely costly and often worsen the situation, building up already useless bureaucracies and widening the gap between them and the mass of people
 - indeed, in numerous instances, bureaucracies are unnecessary; some of the most successful development projects, especially in rural areas where the needs of peasants have been satisfied, have been carried out through non-bureaucratic institutions and self-help enterprises
 - trickle down has never worked; the benefits of development remain at the center, further widening the gap between the rich and the poor, the urban and rural dweller, the elite and the masses

Theory 8:

- in most developing countries, the mass of people live in rural areas where the needs for development and development assistance are the greatest; yet, as a result of past LDC and donor policies, they have usually been the most neglected
- increasing numbers of LDCs now place high priority on rural development, as do USAID, IBRD, and other donors
- local initiative and participation are universally identified as essential for successful planning and implementation of rural development
 - the people themselves have a detailed knowledge of local experience and needs and are better able to set priorities
 - they have a clearer understanding of their goals as well as the constraints on their achievement
 - they can adapt technologies to local conditions
 - they are more able to mobilize local resources, both financial and human:
 - local taxes can be collected more effectively than can national or provincial taxes, if it is certain that they will remain in, or be returned to, the locality for use there
 - labor will volunteer for local projects, but usually not for center government projects
 - localities are more willing to make do with less highly trained technicians and managers, so long as they are competent

- localities can test innovative ideas and new technologies before dissemination to wider areas; such experimentation is cheaper and usually more varied
- the process of implementation will be motivated by a greater sense of urgency and cost saving
- in general, there is a greater determination to maintain accountability and a more realistic evaluation of accomplishments
- once a project is completed, greater responsibility is accepted for maintenance and service, repayment of loans, and effective utilization
- local organizations provide an essential link and channel of communications between the people and their national and provincial governments, a link that is seldom established with the top-down approach
- when national and provincial government support and assistance are needed, local groups are more able to get them than if they were solely dependent on the vagaries of the central government
- local people and their leaders are in a better position to arbitrate disputes over development priorities and implementation procedures
- foreign assistance would be directed to rural and local communities; foreign experts would have language fluency, social anthropological know-how, and a dedication to work long periods on rural development projects

Rebuttal to Theory B:

- rural development is an ideology in search of a technology; it ignores the fundamental reasons for poverty
 - the process of gaining access to resources, making decisions, and distributing benefits require social and physical infrastructures which are often lacking
 - being "poor" is a condition of lacking resources; that condition is not changed simply by self-help and local initiative
 - traditional, cultural, political, and economic differences and habits are not easily changed by those with lowest status, least power, and fewest resources
 - most rural dwellers lack the knowledge, skills, and abilities to develop themselves and lack access to institutions which will change those conditions; thus, they are unable to satisfy their felt needs
 - they lack the experience and the means (institutions) to set priorities, make decisions, and effectively implement them; other social institutions to provide information, technical assistance, and horizontal linkages with other communities are lacking
 - they lack the roads, transport, communications and other physical infrastructures necessary to change their economy and way of life and the capability to construct those facilities; nearby local governments are usually incapable of providing support and assistance

- the ideology of social reform sometimes replaces the fundamental need to increase agricultural productivity, the only viable way of improving the quality of rural life; there is empirical evidence that attempts to achieve sociopolitical transformation have destroyed agricultural capacity, e.g.,
 - the effort to build large cooperative villages in Tanzania uprooted and resettled rural people, causing a serious drop in food production and a need to import large quantities
 - in Mexico a program of establishing cooperative society farming of large areas destroyed private incentives to invest in long-term land improvements as a result of the egalitarian pattern of land redistribution to insure the same income opportunities to all members
- rural development is fallaciously assumed to accomplish social equity and balanced economic growth
 - subtle forms of paternalism perpetuate inequities in most LDCs
 - local institutions are just as likely to be tyrannized by local elites as they are by central government bureaucracies; they may control, restrict, and repress local participation and perpetuate discrimination against the poor and the disadvantaged; one cannot assume that local elites are dedicated to the people and their development
 - even if the traditional elites are replaced, the tyranny of the majority can be equally repressive, or the newly successful may be just as domineering of the old elites

- to the extent that some localities make significant development breakthroughs (an unlikely prospect in light of the next point), there will be islands of development surrounded by oceans of poverty; wide disparities across a nation can breed political unrest; eventually, the center government will be pressured to assist the pockets of underdevelopment, possibly disturbing already delicate political balances
- only minimal development can occur in isolated localities and villages; real development breakthroughs require links to larger areas and other technologies than are immediately available and they are often dependent on economies of scale
- areas of most critical need may not coincide with community organizations or local governments, thus requiring the creation of new but larger community structures, perhaps regional bodies; the creation of new institutions is difficult and requires the spreading of already limited resources to another level of action; thus, new conflicts may be generated; the center may have to resolve these conflicts
- eventually, these inequities and political pressures will be pushed on the center government, which may lack resources to provide help or may be reluctant to delegate responsibilities or devolve authority
- often the most serious problems facing farmers and other rural dwellers cannot be solved by themselves, being a product of central government policy, over which rural people have little control, e.g. agricultural pricing policy, import policies (resulting in food imports being cheaper than domestic production), or priorities

assigned to industrialization and urban development

- in rejecting reliance on central bureaucracies to accomplish development because of their dysfunctions (which might be corrected), the utility of other non-bureaucratic organizational technologies is ignored (e.g., non-hierarchical, participative, loosely structured open systems, with adaptive, learning mechanisms built into their structures)
- adherence to Theory B would avoid the necessity of foreign assistance because localities would be expected to achieve development only by means of local initiative and self-help; even if provided, the foreign experts would have to by-pass the central government and, without any reference to its development activities, integrate thoroughly with the community and, with complete knowledge of language and culture, proceed to work as a local, something which few can do for long periods of time, so the impact of assistance would be very limited

Theory and Reality in Yemen

Theory provides assistance in simplifying reality and focusing on its elements which are significant to the analysis being undertaken; it also guides analysis and helps interpret data. Essential as it is for any analysis it is often remote from reality and overly simple because it is uncomplicated by reality. It must be refined in the process of application.

Theory T in Yemen: Development is occurring at the center. A basis for a top-down approach is being laid.

- an effort is being made to build a state, and eventually, to weld the people into a nation; the long-run future of tribalism is

- unknown (research on its present status and future prospects is necessary)
- the central government is growing in importance and power; in certain functional fields it is extending its outreach capacity to some areas; recent Presidents have become more determined to spread the influence of the center and improve its capacity to deliver service to the people; it is recognized that certain essential services can be provided only by the center (education, curative medicine, communications, etc.) although local cooperation is needed; modern administrative institutions are taking shape and some are attempting to improve their capabilities
 - the government is committed to economic development, a development Plan is being implemented, and some strides have been made, although much progress is the result of private initiative and large remittances from emigrant Yemeni; the government is dependent on foreign loans, grants, and investments for half of its Plan financing; the capability of the Central Planning Organization and the Ministry of Finance to raise financial resources from domestic and foreign resources, allocate them where needed, and monitor and account for their use is critical to Plan success
 - USAID and other donors are providing extensive assistance to Yemen; the center cannot and will not be by-passed entirely by these donors; however, points of intervention must be carefully selected on the basis of the Plan's priorities, the donor's assistance strategy, and the prospects for success
 - a number of training institutions have been established with foreign and domestic support and are gaining experience; among them are the National Institute of Public Administration and the Faculty of Commerce, University of Sanaa;

Counter arguments to Theory T in Yemen: There would be serious difficulties and disadvantages to attempting to develop Yemen entirely from the top down, or providing development assistance only at the center.

- although Yemen has some of the formal trappings of a state, it is not yet a "nation" and lacks a real sense of nationhood and nationality; it is a classic example of a dual polity (comparable to a dual economy) operating at two separate and distinct levels--the center and the periphery; the state at the center is highly unstable, disrupted internally by coups and assassinations and threatened externally by war, terrorism, and conflicting ideologies of left and right; any benefits from an assistance program focused solely at the center may not survive changes of government
- the existing administrative system in the center is very weak and ineffective, virtually incapable of receiving and utilizing much external assistance; government officials admit their shortcomings and their incompetence, resulting from lack of education, training, and experience
 - work processes are chaotic, decisions are made irrationally in the absence of essential data and without knowledge of possible consequences, records are faulty or non-existent, salaries are inadequate to attract or retain competence, and the entire system is fragmented, lacking effective coordination
 - the physical settings for work are congested, disorderly unattractive
 - effective motivation is lacking; salaries are inadequate to attract or retain competence; some officials arrive late,

- leave early, while others are overworked, refusing to delegate, for fear or lack of ability in their subordinates
- bi-lateral and multi-lateral assistance to management improvement has achieved only limited success to date
- lacking an outreach capacity, the services and benefits from public programs at the center do not reach the people
 - Yemen has one public servant for every 210 citizens (compared to one for every 15 in the U.S.) and two-thirds of those public servants are concentrated in Sanaa
 - government service reaches down no lower than the governorate and nahyah, but in fact there is very little service at any levels
 - many ministries with outreach responsibilities are unable to recruit personnel to fill authorized positions; even the authorized staffing levels are inadequate; e.g., Agriculture has only 429, concentrated primarily in two governorates; Education has only 4400, with less than 100 in four governorates, and Health has only 2200, concentrated largely in four provinces
- these shortcomings are in part related to the center government's lack of revenues to fund programs of service to the people; 75 percent of total tax revenues come from taxes on foreign trade; virtually nothing is derived from remittances; the declining percentage derived from zakat is now left in the localities where gathered; about half of the center's budget is dependent on foreign sources; the government does not have accurate and comprehensive records and analysis of this income, the variety of technical

- assistance being provided, or an evaluation of that aid
- the great amount of bi-lateral and multi-lateral assistance to the National Institute of Public Administration has not raised the level of competence for many public servants and the capability of NIPA to train personnel and assist ministries upgrade their performance has not been greatly enhanced
 - some observers question the center government's commitment to rural development in light of emphases in the current Plan; the build up of bureaucracy at the center does not appear to accomplish that end, especially as the bureaucracy drains away limited resources without delivering essential services to the people; better to leave accumulating financial resources in private hands and encourage private entrepreneurship to speed development in the country

Theory B in Yemen:

- the primary identities and loyalties in Yemen are tribal and local; Yemen has a long history of strong tribal government and local autonomy; invading powers and the attempted outreach of a center government have seldom affected localities; today the institutions of the center government are still rudimentary and elemental; the center lacks the financial resources to support a modern public service and it lacks the capability of developing modern institutions and training the necessary staff; thus, it is unable to foster local development; indeed, some observers argue that center or provincial government officials (nurses, doctors, engineers, bureaucrats in general) would be unwelcome in some tribal areas and their efforts at development would be foiled or rejected

- Yemen presents a unique opportunity for self-planned change and self-help development in villages and local communities, especially if efforts to build up the center are restrained; Local Development Associations were created for this purpose in 1963, have grown rapidly in number, and are gaining experience in self development; USAID, IBRD, and other observers have reported some of the achievements of the LDAs (although much more solid research evidence is needed)
- rural dwellers share a common desire to develop themselves; they have the financial resources to do so because most of the remittances are returned directly to the people in local areas; the center government has also yielded to localities part of local tax collections to encourage rural development; the Confederation of Yemeni Development Associations (CYDA) was created in 1973 to encourage the LDAs, provide technical assistance, and strengthen their claims to central government and foreign assistance; center government ministries which have functions closely related to rural development (e.g., Health, Agriculture, and Public Works) are required to coordinate with CYDA; as further evidence of the commitment to the LDAs, the President of Yemeni has assumed the chairmanship of CYDA
- beyond the LDAs, there are other opportunities for local initiative and self development, if the opportunity is not constrained; the vast amount of remittances flowing into localities can be encouraged into private enterprise investments which will aid developments; the Yemeni are noted for their entrepreneurial skills and hard work if they are not constrained by center government policy and paternalistic programs

--90 percent of the population are rural dwellers; 70 percent of the domestic labor force is dependent on agriculture; agriculture is the largest single sector of the domestic economy (37 percent in 1976/77) and is expected to make the largest contribution to domestic financing of the Five-Year Plan; yet, the ability of Yemen to feed itself is declining; almost half of foreign imports are food-stuff; the agricultural sector must be developed, but the Ministry of Agriculture is incapable of doing so, lacking trained staff, research capability, and the technologies essential for agricultural development; it is one of the smaller key ministries with virtually no outreach capability; thus, farmers and rural dwellers are dependent on their own initiative

Counter arguments to Theory B in Yemen: Just as there are problems, difficulties, and disadvantages to a top-down approach to development in Yemen, a thorough-going bottom-up approach has limitations.

- the tradition of tribal initiative and rural self-help may be misunderstood and overstated; little research has been done; the outsider has little knowledge of this presumed capability; indeed, Yemeni policy-makers in the center may not know the extent and nature of self-help capability in the various regions of the country; if local self-help has been so prominent, why have the tribal regions and localities not progressed to date
- tribal and local traditions may be changing; tribalism has not been prevalent in the southern region and southern coastal area; it may be changing in the north as migrant labor returns with new ideas and, possibly, a desire to break with the past; many of

the persons working in Saudi Arabia have gone from the north and their levels of expectations are likely to be very changed upon return; continued adherence to traditional tribal values may be undergoing change there

--although large remittances are available for self-help projects in many regions, it is evident that they are often spent on more profitable construction and transportation rather than social and physical infrastructure; or, may Yemeni prefer to purchase imported luxuries

--to the extent that tribal and rural self-help is or will occur, it is likely to be uneven across the country and very slow

--some tribal elites may be more committed to assist development than others

--financial resources (remittances and external funds) are not equitably distributed; hence, development resources are not available to all (more information is needed on these subjects)

--knowledge, skill, and initiative is variable across the country; localities experienced in seeking assistance or located closer to available assistance may be more successful in developing than others

--less developing regions may then pressure higher levels of government for assistance; the center, committed to national development, may itself insist on more equitable development and, if and when capabilities increase, may involve itself in rural development; some Presidents have attempted to strengthen center government power over tribal influence;

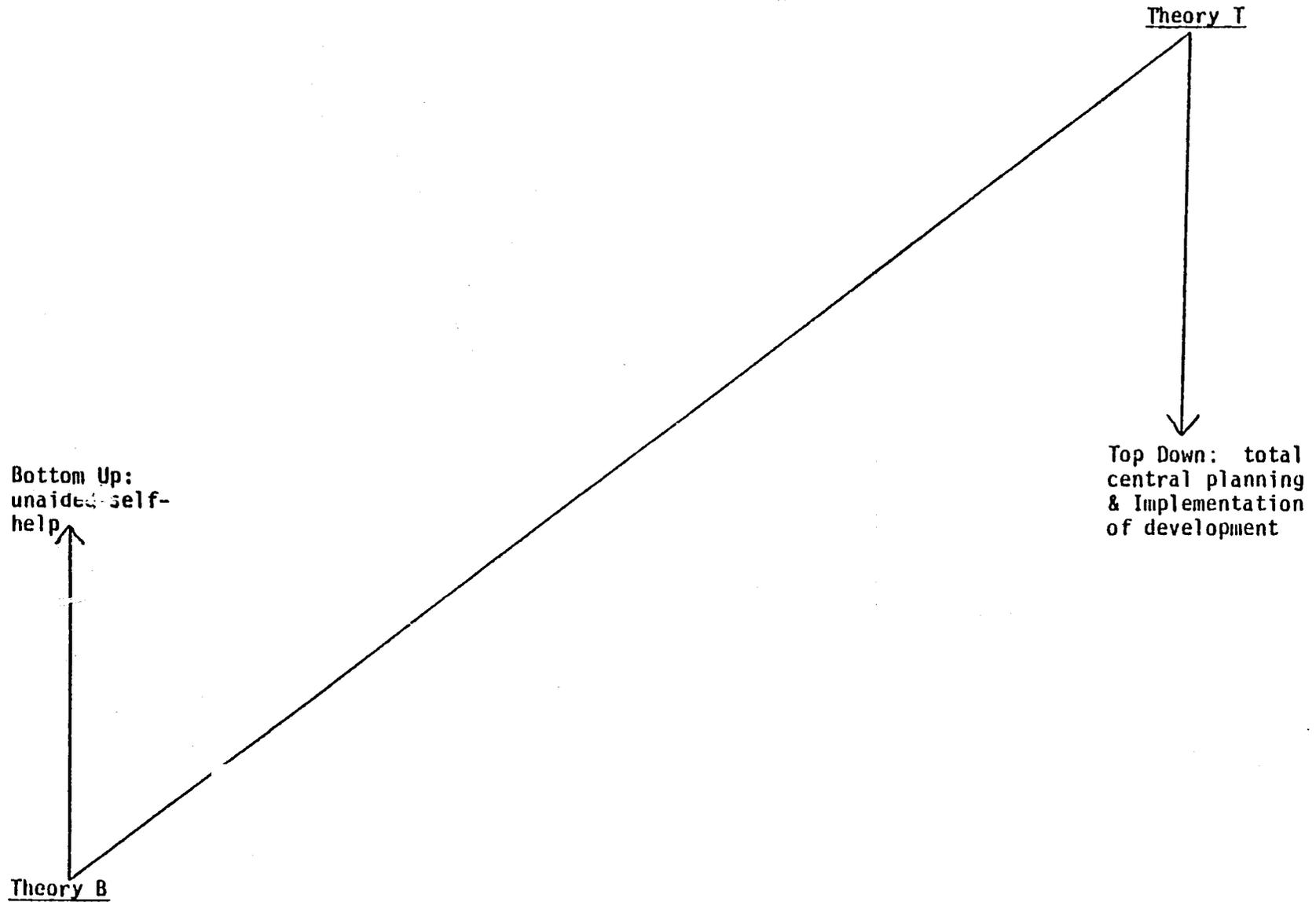
- certainly, great disparities between regions and localities may threaten the stability of the center government
- further, because the process of self-help to accomplish rural development is likely to be time-consuming and long-range, the center may attempt to speed the process and some localities may welcome that assistance, if the capability of the center is enhanced
 - even with money, skill, and determination, local capabilities are declining as one-third (perhaps one-half) of the nation's manpower has left rural areas to work abroad; it is difficult and very expensive to substitute machines for manpower, say in agriculture, and most rural areas lack the trained personnel capable of operating and maintaining machines; thus far, there is little evidence of a demand for farm implements and machines to substitute for labor
 - localities do not have the ability to analyze development problems and coordinate external assistance to overcome them
 - rural development ultimately is dependent on increased agricultural productivity; rises in productivity cannot begin without agricultural research, an activity which must be relevant to the locality but for which the localities have no capability; centrally stimulated and assisted research is essential; eventually there must be local agricultural research stations throughout the country; further, on the basis of this research, new inputs must be provided (seed, water, fertilizer, etc.), all requiring an infrastructure (irrigation, roads, markets, credit, information networks, etc.) which localities can scarcely provide themselves

Alternative Strategies for Developing Administration in Yemen

Two extremes--polar opposites--have been presented in the abstract as approaches to developing the administrative capacity of a nation: Theory T (top down) and Theory B (bottom up). These alternatives have then been put into the Yemeni context, and the advantages and disadvantages of each approach analyzed. Admittedly, some of the analysis is speculative, there being a dearth of empirical research on many aspects of government and administration and rural and tribal life in Yemen. Yet, on the basis of this author's investigation and the reports of a number of observers, one conclusion can be drawn with confidence: NEITHER CENTRALLY DIRECTED PLANNING AND IMPLEMENTATION NOR THOROUGH-GOING, UNAIDED SELF-HELP FROM THE BOTTOM WILL BE EFFECTIVE TO ACHIEVE ADMINISTRATIVE AND SOCIOECONOMIC DEVELOPMENT. (See Figure 8.)

The purpose of the following analysis will be to explore alternative strategies of intervention intermediate between these polar models and to investigate the advantages and disadvantages of each, leading to a set of recommendations for development assistance. The search will be for an appropriate mix of potentially successful projects to establish, support, and sustain effective rural and urban development. This analysis is conducted with full awareness of the fact that there is no single, ideal approach to development in any setting. Every development policy helps some and hurts others--has advantages and disadvantages. City dwellers benefit from a policy to hold down farm prices while farmers will suffer, thus depressing production. Conversely, high prices may stimulate production but engender urban poverty and possible political unrest. The elimination of health hazards lengthens life and increases population growth. Economic growth may intensify social inequities. Thus, planned

FIGURE 8.
POLAR MODELS OF DEVELOPMENT



social change which achieves desired goals will undoubtedly alter the previously existing system so that new problems or crises will have been created.

A series of assistance strategies for administrative development in YAR ranged along a continuum between unaided self-help at the bottom to thoroughgoing top-down development are:

1. Assist directly private and public self-development projects in rural areas;
2. Develop an institutional capacity of Yemeni local government to stimulate, assist, and sustain, rural development;
3. Develop an institutional capacity of Yemeni center and local government to train administrators and managers;
4. Develop the capacity of selected ministries with outreach responsibilities under the Five-Year Plan to deliver services to rural dwellers;
5. Develop the capacity of the center government to collect domestic and foreign financial resources, allocate, and account for these resources so that the above activities can take place.

1. Direct assistance to private and public self-development:

Remittances are becoming available for private development-related investments: construction and transportation enterprises, cash crop agriculture, etc. Direct financial and/or technical assistance could be provided these efforts by the government of YAR, with foreign assistance, as needed. Tax incentive schemes would be ineffective because few taxes are collected. Financial or technical assistance would go directly to entrepreneurs to establish development-related organizations and services. However, since the financial and technical resources of the country are very limited, criteria would have to be established to decide where to allocate these scarce resources. Many applicants would probably have to be turned aside, possibly generating frustration and political distrust. Moreover, fairness in allocating these resources may be jeopardized by overzealous, or dishonest, officials.

RECOMMENDATION: DIRECT ASSISTANCE TO PRIVATE ENTERPRISE WOULD BE DIFFICULT TO ACCOMPLISH EQUITABLY AND EFFECTIVELY AND SHOULD NOT BE ATTEMPTED.

Both the government of YAR and USAID/Sanaa have identified long-term rural development as major goals of their development, and development assistance strategies. The Local Development Associations have been identified as the public (or quasi-public) organizations through which rural development should be encouraged. Project 045 has been designed and approved, in collaboration with the Yemeni government, to assist a few LDAs in two selected governorates. The purpose is to support local development projects which will build rural infrastructure (such as village and feeder roads), increase agricultural productivity, and improve services to rural dwellers in health, nutrition, and education. To accomplish these

purposes emphasis will be placed, in the initial years, on gaining experience with local organizations, how they operate and finance themselves; developing training programs for local planners, technicians, and managers; and for studying and testing various technologies of rural development

If successful, as it promises to be, there will be a number of locally initiated development projects being implemented by trained personnel within selected LDAs of two governorates. Certain methodologies of local development will have been tested and socioeconomic and administrative studies conducted, leading to a refinement of rural development strategies and recommendations for support of further local development initiatives. This direct assistance is likely to help specific LDAs implement their particular projects, but long-term, sustained assistance to these and other LDAs may not have been institutionalized, so that new self-help projects may not be planned and implemented without continuing foreign assistance and the capacity of assistance to other LDAs may not have been enhanced under this project. The next strategy will explore this issue.

(Furthermore, Project 045 calls for improvement in the capacity of Yemeni training institutions, particularly the National Institution of Public Administration, to provide planning and management training for local officials as well as general training in development administration. Still another strategy will address this need, which must be met to accomplish rural development.)

NO RECOMMENDATIONS NOW IN REGARD TO FURTHER DIRECT ASSISTANCE TO LOCAL SELF-DEVELOPMENT BY QUASI-PUBLIC BODIES.

2. Develop an institutional capacity to stimulate, assist, and sustain rural development: The concept of local self-development is based on the premise that localities and tribes in Yemen have the will and desire to

initiate development projects and that there is a tradition of such activities, which can now be financed by increased remittances. The tradition is one of resisting foreign and central dominance and therefore making do without outside intrusions. However, the history of self-help in Yemen did not appreciably improve the welfare of the rural people during times when many needs might have been met with far fewer resources than are required today. Even if the will existed, Yemeni peasants never succeeded in building a basic infrastructure, increasing their production and income on the farm, or improving the quality of life in rural areas. Some historians question how much desire certain tribal shaykhs really had to make many changes.

To assure the success of local self-development today, an institutional capacity is needed to stimulate, assist, and sustain rural development, especially at a time when manpower is in increasingly short supply. This institutional capacity could be made available through institutions of government at higher levels and made accessible to localities throughout the country. Specifically, the following services are essential if the development needs of the mass of rural dwellers are to be met through the local initiative and implementing capabilities of the LDAs:

- technical assistance in the identification and design of rural projects
- technical assistance in the mobilization of financial, human, and material resources, the application of relevant technologies, and the effective implementation of project design
- information and clearinghouse services useful to LDAs in searching for guidance and help in solving development problems in their localities (this information might simply be about neighboring LDAs which have successfully solved similar problems, about skilled labor which can be hired or borrowed to meet specific needs, about sources

of credit or financial support, about sources of technical assistance from public or private agencies or firms

- action-training and coaching for LDA officials in project design, management skills for project implementation, vocational and para-professional skills to maintain, service, and operate rural development projects, etc.
- brokerage services to connect the LDAs with private businesses which contract to design and/or implement development projects
- coordination and integration services so that discrete and limited projects fit the development needs of larger regions and effectively utilize the existing resources over a wider area and serve larger numbers of people (two or three LDAs might combine plans, resources, and implementing capacities to execute more effective projects)
- representation services to advance the interests and needs of LDAs before field offices of ministries of government and, when necessary, before the center government (services which CYDA is supposed to provide today)

Three alternative approaches to providing these needed services can be identified:

- 2a. The Local Development Association Coordinating Councils (LDA/CC) located in each governorate, with the assistance of CYDE, could most logically provide these services;
- 2b. The Ministry of Local Administration could be strengthened to provide these services in each governorate and below;
- 2c. Or, a new unit could be created in each governorate, responsible to the governor, to develop the capability of extending these services. In all cases, foreign assistance could help initiate these services.

2a. At present the LDA/CCs have limited functions, being responsible for auditing annual plans and expenditures of LDAs, holding periodic planning meetings for the region, coordinating activities which involve more than one LDA, and serving as an intermediary between the LDAs and CYDA in requesting technical assistance or other line ministry contributions to projects. In fact, the LDA/CCs lack even these capabilities beyond a minimum level of service, and Project 045 does not intend to focus on these needs until its second phase--or later.

There are powerful reasons for relying on the LDA/CCs to provide these essential services:

- they are a part of the local development system; the heads of the LDAs in each governorate make up the Coordinating Councils with the governor serving as the honorary head; operating responsibility is in the hands of an elected General Secretary, Deputy General Secretary, and Finance Director; in turn, the General Secretaries of all LDA/CCs make up the General Assembly of CYDA
- this bottom-up approach to organizing is in harmony with the philosophy and objectives of rural development
- it is preferable to develop existing organizations than to create new, possibly competing organizations

Arguments against this approach are:

- CYDA and its structure above the level of the LDAs have not proven highly successful during the past decade; CYDA and/or line ministry financing (which CYDA is supposed to arrange) has seldom been forthcoming, so the LDAs have had to rely entirely on their own resources, including the local zakat
- CYDA may become politically vulnerable in the future if it gains strength and influence; to the degree that Presidents and the

central government want to build their influence and diminish that of the tribes and localities, a counter-power to that goal may become threatening and eventually be abolished or down-graded --like many LDAs, the LDA/Coordinating Councils are dominated by local and tribal elites and are not always oriented to improvement of the lot of the rural people; a fresh start with a new or different agency, focusing on specific goals and programs of assistance would be free of tradition and hold out the prospect of greater success

--the LDA/Coordinating Councils, being a part of and committed to the LDA system, might be unwilling to extend services and assistance to private entrepreneurs who are willing to make investments in rural development, but who should also be assisted in ways described in the list of essential services to rural development

2b. The Ministry of Local Administration is a non-Cabinet agency of moderate size with representatives in all governorates. Not enough is known about this Ministry, its objectives, operations, and capabilities. Research is needed on its mission, organization, and potential to assist rural development before a definitive judgment can be made. Conceivably, it could have these advantages in providing the essential services listed above:

- it is an integral part of the government of YAR more than CYDA and the LDA/CCs, thus, might be less vulnerable to political attacks
- it is less likely to be dominated by tribal and local elites and, thus, more capable of extending assistance equitably at local levels

- it already has an extensive staff throughout the country
- it might be better prepared to assist private enterprise achieve local and rural development

On the other hand, there are serious disadvantages:

- the commitment of this Ministry to rural development and local self-help is not apparent
- other missions may conflict with these essential services
- it would duplicate some of the work of the LDA/CCs and thus waste already limited human and financial resources

2c. A third approach to institutionalizing the delivery of the above listed services to organizations engaged in rural development is to build up the service capability of the governorates and create a special unit at that level responsible for mobilizing and coordinating the delivery of necessary assistance to LDAs and private enterprise engaged in development projects. Most ministries with development responsibilities have field offices in all governorate headquarters; those that do not (e.g., Agriculture) should be encouraged to expand the reach of their services. The ministries are being allocated increasing amounts of the national budget under the Five-Year Development Plan. While CYDA also has assured funds allocated, it is not clear that these are sufficient; certainly they are not being used to provide these needed services.

The advantages of this approach to assisting local and rural development are:

- the focus would be on specific rural development and an essential implementing program; this fresh start might have greater impetus, free from the weight of tradition and the pathologies of past organizations and procedures

--an important step would be taken toward building up locally-oriented programs of the center government, because many more ministries would be encouraged to decentralize their duties and responsibilities to levels where services could reach the people; in time, the governorates would become more important, intermediate levels, pushing delivery systems down closer to the localities

--in the long run, development will require regional planning and implementation of programs involving a wide range of ministerial services; the discrete programs of each LDA will have limited impact; the LDA/CCs do not have, and are unlikely to gain, the effective ability to call on and coordinate the services of the ministries; new, governorate-level rural development units could provide horizontal linkages between all outreach ministries of the center government

The disadvantages of this approach include:

- the governorates are not yet significant operating units of government and administration; the governors may not have the authority to coordinate effectively the various ministerial representatives in their jurisdictions; the government is highly fragmented at the center; it is rather unlikely that the weak governors can accomplish greater integration in the provinces
- the coordinating unit under the governor, being a new institution, would be at a disadvantage until it establishes its authority and influence; its effectiveness may be dependent entirely on the personality of the governor; when he changes, the power of the coordinating unit may change

--the LDAs, often dominated by tribal and local elites, may be reluctant to turn to a new unit of government in the office of the governor, possibly viewed as an arm of the center government

RECOMMENDATION FOR DEVELOPMENT OF AN INSTITUTIONAL CAPACITY TO STIMULATE, ASSIST, AND SUSTAIN RURAL DEVELOPMENT:

- more research must be conducted to explore which of these three approaches, or, possibly, other approaches, is appropriate in Yemen
- tentatively, THE RECOMMENDED APPROACH IS TO BUILD UP THE INSTITUTIONAL CAPACITY OF THE LDA/CCs, INTEGRATING THEM MORE THOROUGHLY INTO THE INSTITUTION OF THE GOVERNORATE DEVELOPING THE SERVICE CAPABILITIES OF THE FIELD OFFICES OF THE CENTER MINISTRIES, AND ENHANCING THE AUTHORITY OF THE LDA/CCs TO COORDINATE THESE SERVICES FOR REGION-WIDE DEVELOPMENT PROJECTS AS WELL AS FOR DISCRETE LDA DEVELOPMENT PROJECTS (thus, combining the first and third of the above three alternative approaches by assisting the LDA/CCs to acquire the capabilities of new, governorate-level units)
- initially, this approach should be taken in the two governorates in which Project 045 is starting:
 - a staff of Yemeni managers and technicians should be assembled in the headquarters office of the two governorates to provide the needed technical assistance, brokering, information clearinghouse, coordination, training and coaching services which have been recommended.
 - a team of advisers/trainers/coaches should be provided by USAID for each LDA/CC in the two governorates (the staffing

and qualifications requirement to be specified after this proposal has been explored and approved in principle)

- to assure that these essential services do indeed reach the localities and the LDAs in which rural development projects are being planned and implemented, USAID should explore the possibility of creating mobile units from the LDA/CCs which actually take these services into villages and rural areas and make them immediately available on the spot
- the possibility of these services being offered, or sold at a minimum cost, to private enterprises should also be explored

3. Develop an institutional capacity to train administrators and managers:

The greatest need in both the public and private sector of YAR is to develop human resources. Virtually every person in the country needs education, training, coaching, and personal and career development. Already foundations are being laid to meet this primary objective of the Five-Year Development Plan. The secular education system, introduced in 1963, could not begin to develop until the civil war had ended. Now 25 percent of the primary school aged children are going to school, although the percentage of girls is still very small. An institution of higher education has been established and is now educating over 4,000 students, mostly men, but few professors are Yemeni. A significant number of vocational and technical training schools have been established, more are planned, and the number of students receiving training is growing.

However, there are many problems. The teachers themselves are poorly trained. Hence, the quality of education and training and the achievements

of the students are still very low. They often lack practical work experience and on-the-job training is inadequate. Emigration is draining off many of the better educated and trained. Expenditures for education are still a tiny fraction of GNP (less than one percent in 1975/76) and will be less than 2 percent by 1980/81. The mountainous terrain of the country and the lack of a road network make difficult expansion of education and training into rural areas. Hence, disproportionate concentration occurs in cities and towns. Among the many desperate needs is education and training in administration and management.

The National Institute of Public Administration is the sole institution with the responsibility for providing administrative training for government. Created in 1963, its institutional ties have evolved so that it now is an autonomous agency, governed by a board of high government officials with the Minister of Development as its chairman. It is attached to the Council of Ministers and the Dean is responsible to the Prime Minister. It received occasional United Nations assistance prior to 1973, when a regular UN project to assist NIPA became effective. Other assistance has been provided by the ILO, UNESCO, the Arab League, Germany, the Peace Corps, and, to a limited extent, the British Council and the Irish Consulate. Assistance for the training of Yemenis abroad has been provided by the United States, Britain, France, Germany, USSR, Netherlands, ILO, and UNDP.

The World Bank's assessment is that NIPA has been unable to live up to high expectations. This observer agrees with this judgment. It has trained, poorly and inadequately, a very small percentage of the total public service, very few persons engaged in rural development, and almost none employed in state economic enterprises. The shortcomings are attributable to inadequate quantity and quality of personnel in this institution, insufficient material

support, limited foreign technical assistance, difficulties in recruiting and retaining counterparts to foreign advisers (in part because of low salaries), and inadequate cooperation by the ministries of government. The leadership of the NIPA has also been called into question. From the perspective of the Yemeni government's and USAID's emphasis on rural development, one of the most serious indictments is the failure to train managers working in or assisting rural development.

A number of alternative approaches to developing the institutional capacity to train administrators and managers for development can be identified, among them:

- 3a. Assist NIPA up-grade its capability and expand its training into the field of rural development;
- 3b. In addition to the above, develop NIPA's capacity to train trainers who will set up appropriate training programs within operating ministries and create provincial level (and below) training centers oriented to training managers for rural development;
- 3c. Assist the Civil Service Bureau develop the capacity to provide the essential management training;
- 3d. Create a new Institute of Rural Development, with branches eventually in all governorates; or, alternatively, since the training is to focus on local training needs, create nothing in the center and establish a series of Institutes of Rural Development in most, or all, governorates;
- 3e. Assist the Faculty of Commerce, University of Sanaa, up-grade its educational program in public administration.

3a. Up-grade NIPA: Advantages of this approach are:

- the government's announced policy identifies NIPA as the principal vehicle to train government personnel and achieve organizational and management improvement
- the trauma of creating new institutions can be avoided; the institution is in existence, has facilities, a staff, and working procedures; it is known and has a limited prestige
- it is already integrated into the power structure of government, which may be difficult to accomplish for a new institution
- a few of the personnel are very capable; with further assistance they could become outstanding; talent is so scarce in Yemen that it would be difficult, at least in the short-run, to find much more competence for another new institution
- rivalries and unhealthy competition might be generated by creating another institution to train managers and administrators
- NIPA is already receiving assistance from various donors; if properly coordinated and supplemented to an appropriate level, the institution might achieve training break-throughs
- the government's announced policy regards NIPA as the principal vehicle for administrative training
- the World Bank recommends as a minimum program of assistance at least six additional experts in public and business administration, organization and methods, personnel management, and secretarial training, with a project manager to coordinate the program and develop the long-range objectives of NIPA
 - it is not known if the IBRD will act on this recommendation
 - however, the approach sounds very traditional and possibly

inappropriate for Yemen; certainly, this recommendation does not address the need of training for rural development --USAID collaboration will help orient training in NIPA toward rural development and assist the design of much needed action-training and learning-by-doing methodologies. USAID could leverage its training assistance by building on other donor involvement and assure the development of appropriate training for rural development

Disadvantages to attempting to up-grade NIPA:

- some government officials question the effectiveness of NIPA training to date; the criticism may be widespread; students are attracted to its programs because of the subsidies provided or to be able to study on government time; some students use the training to increase their competence and obtain jobs in the private sector, thus depleting government of needed skills
- foreign donors also are critical of NIPA's accomplishments; foreign assistance has not been integrated into a comprehensive plan and program; since it already receives foreign oil, USAID's limited resources should be invested elsewhere
- the training programs have not been designed to meet identified training needs of the government, especially the outreach and rural development programs under the Five-Year Plan; the NIPA governing board has not provided this essential policy guidance so that the Institute has acquired an autonomy of its own; the fiduciary handling of funds, especially from foreign donors, has been questioned
- as an established institution, it would be difficult to change its

already routinized habits and procedures and introduce the innovations required to turn it around and improve its effectiveness --to the extent that NIPA is effective and successful, admission is not available fairly and equally to all comers, but is dispensed as a largesse to favorites

3b. Develop NIPA's capacity to train trainers and decentralize and devolve training throughout the government: A single, centralized public administration training institute can, at best, be only an immediate and temporary strategy for developing human resources. Eventually, training programs have to be multiplied, decentralized to other operating programs at the same level of government, and devolved to other levels of government, and gradually adapted to the specific training needs of various programs, ministries, and levels of government. Such multiplication requires the training of trainers. In the long run, the major function of a central institution might be to train trainers only, except for certain general training needs which are uniform throughout government; even the training of trainers can eventually be decentralized and devolved.

The same arguments listing advantages apply here; in addition:

--the present program and the present foreign assistance is not directed toward training of trainers

--this expanded mission of NIPA would make it a more effective encouraged and useful institution

The same disadvantages apply here as listed above; in addition,

--some ministries may resist taking on training responsibilities because of limited resources

--governorates may also resist this devolution

3c. Assist the Civil Service Bureau develop the capacity to provide the essential management training: Advantages of this alternative:

- the CSB is an established government institution with an assigned responsibility to provide management training; the Bureau plans to inaugurate management training, although it has not been able to launch a program to date
- without creating a new institution, an alternative is available to an existing training institution which has had limited success

Disadvantages

- the CSB is a center government organization focussing its efforts on the central bureaucracy; the need is to improve the outreach capacity of the center government as well as train for rural development, a potential which the Bureau lacks
- to date, the CSB is not highly successful in accomplishing its basic mission; any assistance which might be provided ought to concentrate initially on improving its ability to recruit, select, promote, classify, and pay public employees more effectively
- a possibly unhealthy competition would be generated with the established NIPA, which is the designated training institution in the government

3d. Create a new Institute (or Institutes) of Rural Development: The largest portion of the nation's population are rural dwellers and their development is central to the nation's development. Training should emphasize management of rural development projects. Creating a special Institute for Rural Development has these advantages:

- the unique and special needs of administration and management in rural development are emphasized

- the traditional approaches to management training are inappropriate;
 - .. NIPA has shown no inclination to go beyond them and is doing the traditional training poorly; meeting the special needs of rural development requires innovation and experimentation, something an established institute like NIPA is unlikely to do
- even if NIPA takes on training for rural development, it will continue to train center government managers and build up a center bureaucracy which will be counterproductive of rural development
- a little competition in the training field is desirable and will stimulate improved training, or drive the ineffective institution out of existence

The disadvantages of this approach are:

- resources for training are so scarce that two institutions could not be adequately supported when one has not been adequately supported to date
- with proper technical assistance NIPA could develop new and appropriate methodologies for training rural development managers as well as a new institution
- the needs for human resource development in every field and level of administration are so great, that USAID should not shift its emphasis solely to rural development training; NIPA's competence to fulfill its present mission must also be upgraded

3e. Assist the Faculty of Commerce, University Sanaa, up-grade its program:

The University of Sanaa, established in 1970, teaches business administration, management, behavioral science, accounting, economics, and mathematics in the Faculty of Commerce. A program specifically in public administration has not been formulated, but several students have enrolled with the intent

of studying in that field and the faculty expresses the desire to develop that speciality at the undergraduate level. There is no instruction at the graduate level in any field within the Faculty at this time.

It is likely that with, or without foreign assistance, the Faculty will eventually develop an educational program in public administration. Therefore, assistance now would help the Faculty make a good start. The advantages would be:

- avoiding mistakes which might have to be corrected later
- having a large impact on higher education in Yemen, because one-third of all University students are enrolled in this Faculty

The disadvantages are:

- most students are in or headed toward the private sector; thus, assistance to public administration education would have little real impact on government
- most of the faculty are foreign; assistance now would have little lasting effect; assistance should wait until Yemeni staff are on the faculty so that the assistance has some long-term value
- the needs to develop administration in Yemen are so great and widespread that it is inappropriate to provide direct and continuing assistance to academic programs in the immediate present
- at most, short-term consultancy in curriculum and course development and teaching methodology might be provided in both public and business administration

RECOMMENDATIONS TO DEVELOP THE INSTITUTIONAL CAPACITY TO TRAIN ADMINISTRATORS AND MANAGERS:

- A HUMAN RESOURCES DEVELOPMENT PLAN SHOULD BE PREPARED BY USAID/
SANAA, IN COLLABORATION WITH THE CENTRAL PLANNING ORGANIZATION,
covering long-term needs and present and planned programs to meet
those needs; encouragement should be given to YARG to create a
high-level (Cabinet or sub-Cabinet) committee to coordinate all
assistance to human resources development and to oversee the
implementation of all such activities
- the human resources development plan should give special attention
to the need for administrative and management training and should
provide for EXPANDING THE MISSION AND UP-GRADING THE CAPACITIES
OF NIPA to train center and local officials to achieve the rural
development goals of the Five-Year Plan:
 - in designing this portion of the human resources development
plan, further information gathering (beyond what was possible to
do in the two days devoted to NIPA during this preliminary
survey) should be conducted to document in precise detail the
present and planned assistance projects to NIPA
 - exploration and negotiation should be conducted with the
leadership of NIPA about the extent and nature of the willing-
ness to collaborate in up-grading NIPA and expanding its
mission as discussed in #3a and #3b above
 - given agreement, USAID assistance to NIPA should do the following
if present and planned programs and assistance efforts are not
accomplishing them:
 - revise and improve existing training courses, curricula,
and methodologies to more effectively achieve their
purpose

- design appropriate courses and curricula to serve the administrative development needs of the Ministries of Health and Agriculture (see Recommendation #4 below) as well the needs of the LDA/CCs (see Recommendation #2 above)
- design programs to train trainers for these and eventually other trainers in operating ministries
- expand the capacity of NIPA to carry its program to the governorates, leading eventually to permanent installations in selected provinces
- expand the mission of NIPA to include training for private sector management
- assistance to NIPA should not include development of a program of graduate education in public administration, as NIPA proposes
- a model which provides guidelines for up-grading NIPA training is contained in Appendix II
- the exploration, negotiation, and design of such a project of assistance should be conducted a team of two persons during a period of three to six weeks; if DS/RAD has a contractual arrangement with the National Association of Schools of Public Affairs and Administration, this short-term consultation should be provided under these auspices
- no long-term assistance should be provided to the University of Sanaa, Faculty of Commerce, at the present time; if DS/RAD has a contractual arrangement with the National Association of Schools of Public

Affairs and Administration, short-term consultation might be provided to improve curricula and course content in both public and business administration

4. Develop the capacity of selected ministries with outreach responsibilities under the Five-Year Plan to deliver services to rural dwellers:

The Five-Year Plan has been designed as a nationwide effort to satisfy the basic needs of the rural population for food, potable water, health care, education, and housing, while at the same time expanding the physical infrastructure and developing the productive sectors of agriculture and industry. The allocations of investment are weighted more heavily toward physical infrastructure development (transportation and communications) and less heavily toward social infrastructure and social services (health, education, and housing). In spite of the fact that the largest contributor to the anticipated growth in GDP is expected to come from agriculture, it receives relatively little of the investment.

All of the ministries of the center government have responsibilities to carry out the Five-Year Plan, but ministries which have major roles are Public Works and Municipalities, Communications, Education, Health, and Agriculture. The need for administrative development exists in every ministry and institution of the government; however, the resources to provide assistance are necessarily limited. Furthermore, the receptivity of the government in general and the capacity of specific ministries to absorb assistance for administrative development must be tested. Therefore, a very few ministries should be selected for experimental purposes to test receptivity and absorptive capacity. The choice should be based on the potential contribution of the ministry to the accomplishment of the rural development goals of the Plan.

Of the five ministries which have major outreach responsibilities, Public Works can be eliminated initially on the basis that Rural Water Works is already receiving engineering technical assistance essential to the quality of life for rural dwellers and the largest division of the ministry, Municipalities, is more oriented toward urban dwellers. Communications has somewhat less direct impact on rural development and should also be eliminated in an initial stage of assistance to administrative development.

The work of the Ministry of Education is fundamental to the eventual development of the YAR. However, the process of achieving adult literacy, a stated goal of the Plan, is a very long-run objective; only limited progress has been made to date. Other goals can be achieved while work toward this objective proceeds. Furthermore, the Ministry of Education does not express great interest in or understanding of the need for assistance to administrative development. Even though the work of all these ministries, and therefore the quality of their administration, are essential for economic development and improvement of the peoples' welfare, initial efforts to assist administrative development should be tested in Health and Agriculture. The level of health care services in the YAR is among the lowest in the world; the government recognizes the urgent need for assistance to improve delivery systems; the Ministry of Health welcomes and urges assistance to improve its administrative system. It already has the skeleton of an outreach structure on which to build a more effective outreach capability.

By contrast, the Ministry of Agriculture is one of the smallest and is one of the weaker of the center ministries, yet it has one of the most important missions of all ministries because upwards of 80 percent of the population are dependent on agriculture for their livelihood and an even larger number of rural dwellers are indirectly dependent on agriculture.

USAID and other donors recognize the importance of agricultural development to rural development and the long-run success of any development programs in the YAR. Over time the agricultural system will need research, new inputs (improved seed, fertilizer, herbicides, insecticides, water, machines, etc.), information about how to use these inputs, credit to obtain them, shipment, storage, and marketing facilities, and a motivating price system to increase productivity and assure the improvement of the rural way of life. Each of these elements of agricultural development requires administrative development of the servicing and delivery system of agriculture. The more science- and technology-based the agricultural system, the greater the need for administrative development. Therefore, it is essential to begin planning and laying the administrative base for agricultural development by assisting administrative development in the Ministry of Agriculture. This effort will contribute to the USAID/Sanaa country development strategy of establishing a "broad-based, nationally coordinated program of integrated agriculture development."

The purpose of assistance to administrative development within the Ministries of Health and Agriculture is to:

- diagnose the needs, identify constraints, and plan specific programs of administrative development
- explore the long-term commitment of the government to programs of administrative development and the absorptive capacity of the two ministries
- integrate administrative development with program planning and implementation, assuring that it is not conducted as a separate and discrete activity apart from program administration

- coordinate the development of administrative systems with the training programs provided by NIPA and other vocational training institutes relevant to the work of the ministries, eventually developing the in-house capability of the ministries to conduct much of their own training
- develop the institutional structure to delegate, decentralize, and devolve major service delivery responsibilities to lower levels of government and other institutions, such as the LDA/Coordinating Councils, so that the services reach the rural dwellers
- coordinate these programs for administrative development with the Office of the Prime Minister and the Offices of the Deputy Prime Ministers to assure overall accomplishment of the Five-Year Plan within the sectors of these ministries responsibilities and to lay the basis for a general plan to achieve administrative development in other ministries as a result of these experiences

The advantages of assisting administrative development in two center government ministries are:

- with or without foreign assistance, center government ministries have a responsibility under the Five-Year Plan and each will receive limited resources to accomplish its mission; it is desirable that these resources be used as efficiently and effectively as possible; ^{the dangers of an ineffectual administrative system,} with all the symptoms of bureaupathology, are greater if the ministries are left to evolve as they are without administrative assistance; by providing assistance USAID can respond to an expressed call for help
- however, because of shortcomings and failures of some administrative assistance programs in the Middle East, aid should be provided

self-consciously and experimentally; the reasons for past failures are generally known (lack of collaborative preliminary research and project design; failure to respond to recognized needs; abstraction of the administrative process from program implementation; lack of understanding and sensitivity by foreign experts of the social, political, and administrative context; unrealistic expectations; too short time horizons; lack of built-in and continuous evaluation, etc.); any future assistance should be planned in recognition of this history

- an action-research based, experimental approach requires the selection of a few ministries in which to test appropriate strategies of assistance; the Ministries of Health and Agriculture are appropriate agencies in which to begin for the reasons presented above; any program of assistance should focus on those agencies with the most significant responsibilities as identified by the host country
- the effectiveness of the assistance to management training within NIPA will be enhanced if it can be coordinated with the administrative development needs and programs of operating ministries; also, the prospect of creating in-house training programs will be encouraged
- the objective of pushing service delivery systems out and down will be encouraged with such administrative assistance
- the experience gained from this assistance can be used to plan and design future, expanded assistance to administrative development in other ministries where appropriate

The disadvantages are:

- assistance to administrative development is difficult to design and provide; programs must necessarily be long-term and the results cannot be discerned for many years; in the meantime, opportunities for more immediate impact may be lost
- the knowledge base for designing an effective program of assistance, even in two ministries, is lacking at the present time
- the effect of assistance to the center government is to build up a bureaucracy which becomes oriented to means rather than ends, to survival rather than service, to the center rather than the periphery
- all ministries lack the technical as well as managerial competence to receive and benefit from technical assistance
- technical experts with language competence and cultural understanding of Yemen are few; USAID may be unable to field an appropriate team of experts

In rebuttal to these arguments it can be argued that:

- a past history of difficulties should provide guidance toward mistakes to avoid and the need for more careful research and design
- limited assistance to the center need not produce an overarching bureaucracy which destroys or weakens efforts at rural development; indeed, rural development cannot succeed on the basis solely of local initiative and self-help; additional assistance of the type described in #2 and #3 above are necessary and can be supplied through a few center ministries; ultimately, perhaps no more than two or three more ministries should receive administrative assistance
- the problem of finding experts with language and cultural skills is no greater in the field of administrative development than in other

fields in which USAID is working and to which a long-term commitment is being made

--the best way of assuring ministerial outreach in programs which are on-going is to become involved in their development

RECOMMENDATIONS TO DEVELOP THE CAPACITY OF SELECTED MINISTRIES WITH OUTREACH RESPONSIBILITIES UNDER THE FIVE-YEAR PLAN TO DELIVER SERVICES TO RURAL DWELLERS:

--ADMINISTRATIVE DEVELOPMENT ASSISTANCE SHOULD BE PROVIDED THE MINISTRY OF HEALTH AND THE MINISTRY OF AGRICULTURE

--the purpose of this assistance is to:

--assess and improve the policy-formulation and implementation processes within these two ministries, so that productivity is enhanced and more timely and efficient services are delivered to rural dwellers

--to improve policies and work processes so that needed services are supplied to the LDA/Coordinating Councils which are aiding rural development

--to delegate and decentralize services to lower levels

--to collaborate with expert trainers in NIPA to design and conduct training programs appropriate to these ministries and to train trainers who can conduct training programs within these ministries

--a team of two consultants, one working in each ministry, should be sent to Yemen to:

--build a solid information base on which to design a project of administrative development assistance (diagnose needs, identify constraints, explore commitments of YARG and the

ministries to design mutually an aid project and coordinate the effort with NIPA)

--this team effort should be conducted in a period between three to six weeks and, if possible, should be coordinated with other recommendations here contained

5. Develop the capacity of the center government to collect domestic and foreign financial resources, allocate, and account for these resources so that the above activities can take place: Beyond the development of human resources in the YAR the essential element for the system to function is money. Remarkable progress has been made in a short period of time to create some of the elements of a tax system; encourage foreign loans, grants, and investments; budget and allocate these resources; and account for their expenditure. However, much more is needed; such as:

- reform of present tax policies and procedures to assure the fair and systematic collection of more revenues to support a growing public sector
- a central record and analysis system to track the various foreign sources of finances, to assure that they are effectively utilized for the intended purposes, and to evaluate the results achieved
- an improved and modernized budget system to assure the orderly and honest allocation of revenues to achieve development goals
- improved salaries for public employees
- a modernized accounting system
- the training of ministry personnel to accomplish all of the above

Assistance to the Ministry of Finance to achieve these purposes has these advantages:

- domestic financial resources would be expanded, including taxes on remittances; eventually, tax policy could also encourage private infrastructure investments of remittances
- development policymaking and implementation could be enhanced by a more credible record and analysis system for foreign finances
- a modernized budget and accounting system would assure more efficient (and honest) use of limited funds

The disadvantages are:

- another center bureaucracy would be strengthened, leading possibly to unintended consequences and dysfunctions
- improved control of the purse gives autocratic leaders greater power over the government and the economy
- the level of competence of many personnel may be so low that little change can be accomplished

RECOMMENDATION TO DEVELOP THE CAPACITY OF THE CENTER GOVERNMENT TO HANDLE ITS FINANCIAL RESOURCES:

- USAID/Sanaa, possibly with the assistance of DS/RAD, should immediately explore the interest and willingness of the Ministry of Finance to develop mutually an assistance project as outlined above
- the number and qualifications of technical experts needed to implement this project should be identified during the course of this exploration, probably at least two or three being required in the initial period of assistance
- the technical experts working in the Ministry of Finance could collaborate with NIPA and the experts located there to design training programs appropriate for the development of the administrative

capabilities of Finance; eventually, through the training of trainers, the Ministry should develop its own capacity to train its employees, except in general skills which are used government-wide

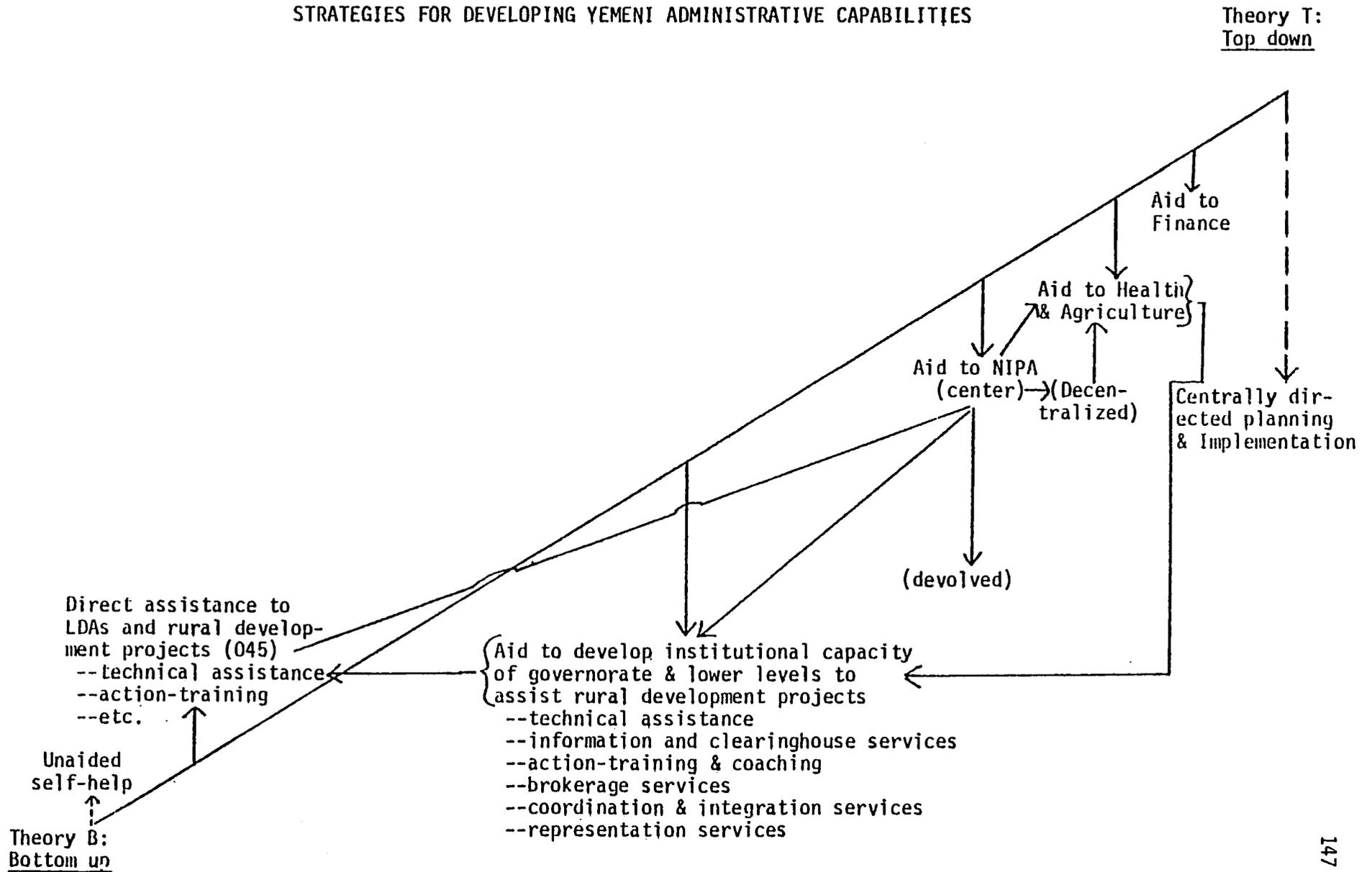
Summary: The above recommendations are depicted on Figure 9. In addition, the above presentation and analysis pointed out the need for research and more definitive information on the following:

- the nature and extent of tribalism, its effects on development projects at the LDA and higher levels
- the nature and extent of the locally initiated self-help projects and their degree of success
- the distribution of remittances throughout the country, their equitable availability to assist local self-development projects
- the degree of commitment by local elites, tribal leaders, etc. to local development projects
- the mission, organization, and functioning of the Ministry of Local Administration

A participant training program to complement these recommendations will be designed after agreement in principle is reached on its utility.

FIGURE 9.

STRATEGIES FOR DEVELOPING YEMENI ADMINISTRATIVE CAPABILITIES



APPENDIX I

SCHEDULE OF ACTIVITIES AND INTERVIEWS

Nov. 27	7:00 PM	Arrived Sanaa
Nov. 28		Orientation at U.S. AID
Nov. 29		Orientation to Sanaa Introduction to NIPA, Motahar M. al Kibsi and staff
Nov. 30	AM 3:00 PM	Survey planning with Hobgood Gay Obern, GSIPA, Univ. of Pittsburgh
Dec. 1		Yemeni holiday: reading, tour of Sanaa
Dec. 2		Yemeni holiday: trip to Wadi-Dahr, Amron with Hobgood
Dec. 3	9:00 AM 10:00 AM 12:00 PM 4:30 PM 8:00 PM	Ali Abdullah, Sudanese consultant, CPO Abdul Salam Al Haddad, Minister, Civil Service Bureau Yahia Isahaq, Deputy Minister, CSB Ahmad Hilmi, Egyptian expert Ali Abbas Zabara, Committee for Administrative Reform Seminar w/NIPA staff, Hobgood, Pavich J. Cohen, D. Lewis, Cornell team
Dec. 4	8:30 AM 10:00 AM 12:30 PM 6:00 PM 7:00 PM	Fathy Salim, NIPA, Graduate Studies Dept. Yahia Isahaq, Deputy Minister, Civil Service Bureau Ahmad Hilmi, Egyptian consultant, Civil Service Bureau Ali Al-Bahar, Deputy Minister, CPO (w/Mary Neville, H. Johnson) Abdul Walid Zandani, Prof., U. of Sanaa & Qalm Bookstore Cornell team
Dec. 5	8:30 AM 9:00 AM 10:00 AM 3:00 PM 6:00 PM	Fathy Salim, NIPA Faculty of Commerce, U. of Sanaa Dr. Samaan Fargalla, Dean Dr. Zaheir Hanafi Ali, Prof., Marketing Dr. Ibrahim El-Gamry, Prof., Behavioral Science Dr. Hamalawi, Prof., Production Management Delivered two-hour lecture in Mgt. & Behavioral Science class John MacAteer, U.S. Consul Robert Burrowes, U.S. scholar studying government of Yemen Dinner w/M. Neville, Al Kibsi, Fathy Salim, etc.
Dec. 6	9:00 AM 10:00 AM 11:00 AM 12:00 PM 3:30 PM	Al Kibsi, NIPA, Vice Dean Dr. Mutasim El-Bashir, Sudanese consultant to Committee for Administrative Reform Dr. El Kudsi, Data Processing Center, CPO Dr. Ahmed Ali Al-Khedur, Deputy Minister, Ministry of Health Khaled A. El-Sakkof, Director of International Health Relations Ministry of Health Robert Burrowes

Dec. 7	9:00 AM	Joanna Stevens, NIPA, Peace Corps clerical training instructor
	10:00 AM	Fritz Becker, Professor, Univ. of Bochum, member of German team assisting Research Department, NIPA
	12:00 PM	Abu Ghaleb, Dean, NIPA
	1:30 PM	Cornell team planning of 045
Dec. 8		Field trip to Manakha and Hodeidah with Becker
Dec. 9	9:00 AM	Md. Bakahil, NIPA, instructor in taxation and accounting
	10:00 AM	Muqbel Ahmad, General Director, Agriculture
		Mirghani Md., Sudanese expert, IBRD
		Mahmud Said, Syrian expert
	12:00 PM	Afif Al-Barakani, Deputy Minister, Ministry of Education
	2:00 PM	U.S. Aid, review of documents
Dec. 10	9:00 AM	Jamal Md., Deputy Minister, Ministry of Public Works (Public Works
		Ali Taher, Undersecretary for Central Purchasing & Tendering
		Committee, Public Works
	11:00 AM	Rifat Al-Shami, Deputy Minister, Ministry of Public Works, (Municipalities)
		Hussein Amara, Palestinian expert, WHO
	12:00 PM	Hussain El-Hubaishi, Legal Counsellor to the President and Cabinet and Head of State's Legal Office
Dec. 11	9:00 AM	Becker, German team
	10:00 AM	Md. Salam, Head, Technical Office of Prime Minister
	12:00 PM	U.S. Aid, review of documents
Dec. 12	9:00 AM	Mustafa Al-Kaisi, Deputy Director, Foreign Relations and Administrative Affairs, National Water & Sewerage Authority
	10:00 AM	Yahya Zabara, General Director, Finance and Administration Department, Ministry of Agriculture
		A. Md. Ali Nadeem, administrative and finance expert, UNDP/IBRD, Sudanese
	11:30 AM	Ahmed Saïd Alaghbari, General Director, Foreign Relations, CYDA
		Abdul Shani Saïf, Assistant Director, Planning, CYDA
Dec. 13	9:30 AM	Debriefing with Huesmann, Neville, Johnson
	11:00 AM	H. Salami, Deputy Minister for Budgeting, Ministry of Finance
		Md. Khalid, Budget Department, Ministry of Finance
		Amin Sherbani, Revenue Department, Ministry of Finance
	4:00 PM	Debriefing with Huesman, Johnson, Tolle
Dec. 14	8:00 AM	Departed Sanaa

APPENDIX II

THE TRAINING MODEL

Management training should be adapted to the policy goals being pursued and the substantive programs being implemented. Therefore, top and middle management training courses should be tailored to specific ministerial and programmatic needs. However, a common methodology may be used. All education and training attempts to impart knowledge, attitudes, or skills. The acquiring of knowledge is usually a long-term process, often utilizing didactic techniques. Such knowledge is often highly theoretical, involving abstract principles and concepts. The changing of attitudes is difficult and may not be accomplished through direct methods, although ideally training may attempt to instill appropriate attitudes. The primary objective of management training is behavioral--to develop needed skills.

To begin, trainees should be drawn into a learning community with an atmosphere of mutual trust and respect, so they are willing to participate freely without embarrassment or fear of criticism. Care and time must be devoted to creating such an atmosphere and bringing the trainees to a state of readiness to learn. Persons do not learn unless they want to learn. They will not want to learn until they feel comfortable and have allayed all anxiety. Furthermore, they will learn better what they perceive to be useful to them. Thus, effective training methodologies encourage the trainees to participate in setting their learning goals, rather than having them laid on the trainees. Once the goals have been identified, and they may vary somewhat from individual to individual because each has somewhat different needs, the learning may begin.

The most effective way of imparting behavioral skills is through experiential exercises--learning by doing--action training. In the case of the LDA officials who are to be trained in planning, designing, and implementing small development projects, the exercises should involve the trainees in doing these activities. When trainees are selected, they should be instructed to bring with them projects to be planned and designed or problems which have been encountered in the work of their

LDAs. The action training should be as realistic as possible, doing the job, designing the project, or solving the problems encountered. The trainers should facilitate the learning process but much of the learning can take place as a result of the interaction between the trainees themselves. The focus should be on clarifying goals, identifying the specific tasks which must be performed to achieve those goals, determining ways to accomplish those tasks (by observing, listening, gathering data, analyzing data, making decisions), working in teams to execute the tasks, and then evaluating task performance, all this to be done on a fixed timetable. Thus, the behavioral skills which the trainees are to acquire are: goal setting, observation, active listening, data gathering and analysis, decisionmaking, team work, supervising, and management of time. The end-product of the training experience should be a plan of work which the participants take back to their community and proceed to implement, using the skills which they have acquired.

During the training exercises the trainers themselves are learning. They are learning about the needs of LDAs and the problems their officials encounter in their communities. They are learning the kind of solutions which officials feel will work. They are gathering useful data and experiences for future training courses and for the next step in the training process-consultancy.

Periodically, the trainers should visit all former trainees on the job or in their communities. Their objective is to evaluate the effectiveness of the training and where necessary to assist the trainees in the execution of their work plan. With this help the work plans may be moved to completion and new problems solved. Groups of previous trainees may be reconvened from time to time to provide reinforcement training and to encourage the trainees to exchange experiences related to their training. The successful experiences may provide guidance to the rest of the group. Some of the more effective trainees might also be used as assistants in future courses. These follow-up activities add to the fund of knowledge and skills which the trainers may put to use in successive programs.

A similar methodology may be used for courses directed at top and middle managers, with appropriate adaptation for their level of administration, the problems they experience, and the environment in which they operate.

BIBLIOGRAPHY

- Anderson, J. N. D. ISLAMIC LAW IN THE MODERN WORLD. New York: New York University Press, 1959.
- Bury, G. Wyman. ARABIA INFELIX, OR THE TURKS IN YAMEN. London: Macmillan and Co., Ltd., 1915.
- Burrowes, Robert. "Political Construction in the Yemen Arab Republic: An Imperative for the Late 1970's," Department of State, Bureau of External Research, June, 1977. (Mimeo.)
- Cleveland, Ray L. THE MIDDLE EAST AND SOUTH ASIA, 1978. Washington, D.C.: Stryker-Post Publications, Inc., 1979.
- El-Azazzi, Mohamed. DIE ENTWICKLUNG DER ARABISCHEN REPUBLIK JEMEN: SOCIO-POLITISCHE GRUNDLAGEN DER ADMINISTRATION. Tubingen, Basel: Erdmann, 1978. (The Development of the Yemen Arab Republic: Socio-Political Principles of Administration.)
- Gerholm, Tomas. MARKET, MOSQUE, AND MAFRAJ: SOCIAL INEQUALITY IN A YEMENI TOWN, Stockholm Studies in Social Anthropology No. 6. Stockholm: Stockholm U., 1977.
- Green, James W. "Local Initiative in Yemen: Exploratory Studies of Four Local Development Associations," n.d.
- Ingrams, Harold. THE YEMEN, IMAMS, RULERS, AND REVOLUTION. London: John Murray, 1963.
- Little, Tom. SOUTH ARABIA, ARENA OF CONFLICT. New York: Praeger, 1968.
- Macro, Eric. YEMEN AND THE WESTERN WORLD SINCE 1571. New York: Praeger, 1968.
- Nicholson, Norm. "Trip Report, November 25 - December 18, 1977," U.S. AID. (Mimeo.)
- Nyrop, Richard F. et al. AREA HANDBOOK FOR THE YEMENS. Foreign Area Studies of the American University. Washington, D.C.: Government Printing Office, 1977.
- Stookey, Robert W. "Social Structure and Politics in the Yemen Arab Republic," Part I, MIDDLE EAST JOURNAL, 28:248-260, Summer, 1974; Part II, MIDDLE EAST JOURNAL, 28:409-418, Autumn, 1974.
- _____. YEMEN: THE POLITICS OF THE YEMEN ARAB REPUBLIC. Boulder, Colo.: Westview Press, 1978.
- Wenner, Manfred W. MODERN YEMEN, 1918-1966. Baltimore: The Johns Hopkins Press, 1967.
- Yemen Arab Republic, Central Planning Organization. FIVE-YEAR PLAN, 1975.
- _____, Central Planning Organization. STATISTICAL YEAR BOOK, 1975-1976.
- _____, CYDA. "The Basic Regulations in Establishing Co-ordinating Councils in the Governorates," 1977.
- _____, CYDA. "The Basic Constitution of the Union of the Yemeni Development Commissions."