Democracy and Governance Assessment of Yemen

Final Report

Submitted by:

ARD, Inc.
159 Bank Street, Suite 300
Burlington, Vermont 05401
telephone: (802) 658-3890
fax: (802) 658-4247
e-mail: ard@ardinc.com

February 2004

Acknowledgments

Table of Contents

Acronyms and Abbreviations

AAIA	Aden-Abyan Islamic Army
ADR	Alternative Dispute Resolution
AOJ	Administration of Justice
CID	Criminal Investigative Department
COCA	Central Organization for Control and Auditing
CSO	Central Security Organization
DG	Democracy and Governance
EU	European Union
FCS	Forum for Civil Society
GPC	General People's Congress
HIJ	Higher Institute for the Judiciary
IJM	Islamic Jihad Movement
IMF	International Monetary Fund
MEDCO	Military Economic Development Corporation
MEPI	Middle East Partnership Initiative
MOJ	Ministry of Justice
MOLA	Ministry of Local Administration
MOU	Memorandum of Understanding
NDI	National Democratic Institute
NGO	Nongovernmental Organization
NWC	National Women's Committee
PDRY	People's Democratic Republic of Yemen
PSO	Political Security Organization
ROL	Rule of Law
ROYG	Republic of Yemen Government
SCER	Supreme Council for Elections and Referendum
SOUL	Society for the Development of Women and Children
UNDP	United Nations Development Program
YAR	Yemen Arab Republic
YSP	Yemeni Socialist Party
YWU	Yemen Women's Union

Executive Summary

Introduction and Background

Yemen's political economy is in full and rapid transition regardless of whether its system of government is becoming more or less democratic. The country faces immediate and pressing social, economic, political, and environmental challenges that will need to be addressed in order to avoid instability and crisis. Yemen's future stability and sustainability depend on further progress concerning both development and democracy. Democratization has become the touchstone of political legitimacy for a state that needs to implement reforms in order to overcome deep developmental challenges. Yet, the ROYG has thus far had a hard time implementing reforms which, in principle, it has endorsed. Like this checkered adherence to structural adjustment, the political reform process has also fallen behind expectations within the political elite and among the population.

Thus, there is a more pressing need than before to support democratization in ways that contribute to its perception as a credible and viable process. Democratic governance is essential to both the economic growth that Yemen so desperately needs as well as to managing the conflicts that threaten to destabilize its internal equilibrium. Yet, it is difficult for Yemen's leaders to move this reform process forward because the ruling elite depends upon methods of maintaining consensus and balancing interests that make it difficult to introduce such fundamental changes into how the state does business.

President Saleh is now the longest reigning Arab leader apart from Colonel Gaddafi of Libya. His longevity in such an unstable context may be attributed largely to his exceptional skills at balancing and maintaining contacts with a variety of social and political actors. Yemen's tendency toward fragmentation and the historical weakness of central rule, however, has meant that the balancing act is carried out in a context of considerable instability. Violence has involved not just tribal factions, but also political parties and religious extremists as well. The instability that goes along with the constant process of negotiation has created limits to growth that have increasingly strained the political system. While the perception of insecurity in Yemen may contribute to low levels of foreign and Yemeni private investment, more compelling disincentives include corruption, a limited regulatory framework, the lack of a reliable judicial process, and limited enforcement of laws and court decisions. Yemen's rapidly growing population has placed demands on the system, which has been stymied by the lack of economic growth, and the population has continued to multiply.

The Yemeni leadership clearly recognizes the pressing need for reform, yet it has been unable to craft a consensus around the implementation of many of its crucial elements. This has been due, in part, to the nature of Yemeni politics, where the balancing act involved in reaching consensus mitigates against the decisive change needed to further the reform process. The weakness of the state and the plurality of alternate social organizations make it difficult for the government to impose reform without first building a solid consensus.

The challenges for democratization have been complicated recently by the regional spread of radical Islam and the global war on terror. Yemen has long been home to Islamic fundamentalists.

For years, the gradual rise of the Islamists, especially in the north, was seen as non-threatening and as a means of helping communities better take care of their own needs. The Soviet-Afghan war, however, introduced a more radical fringe into the ranks of Yemeni Islamists. Islamism in Yemen and the state's response to it differ from elsewhere in the region. First, Yemen's multiple counterbalancing influences have meant that other tribal and other identities have mitigated the appeal of radical Islam by providing other avenues of influence. The government has thus allowed Islamists to participate in mainstream politics, challenging them to work within the consensual bounds of democratic governance.

In short, the democratization process in Yemen is complicated by the presence and potential appeal of radical alternatives to participation in state-sponsored political forums. In order to introduce reforms and combat poverty, the executive needs to be able to consolidate its power and act decisively. At the same time, however, shaky state legitimacy means it must continue to court participation by a broad spectrum of political actors. The Republic of Yemen Government (ROYG) is trying to achieve these two goals through consolidation of presidential power and more reliance on the security forces, while simultaneously seeking to manage pluralism in order to keep the democratic process from losing further credibility.

Despite the countervailing trends and remaining obstacles, there is still considerable room for hope regarding Yemen's democratization process. For over a decade, the country has had a functioning multiparty system, a freer press than most of its counterparts in the region, and a remarkable degree of freedom of expression. The gradual consolidation of presidential power provides the executive with better means to enforce the implementation of badly needed economic and political reforms once a modicum of consensus is reached. Because the need for reform is so evident and widely accepted, the remaining obstacles relate primarily to the political capacity to implement reforms, rather than a problem of political will. International donors are well placed to play a key role in assisting Yemen to build on the democratic foundations put in place as a result of the unification process.

The Democracy and Governance Problem

This section elaborates an analysis of the key challenges to democratic governance in Yemen by focusing on the five analytical dimensions of (1) consensus, (2) competition, (3) inclusion, (4) rule of law, and (5) governance.

The consensus dimension is indicative of the political issues yet to be worked out fully in Yemen. While there tends to be agreement over broad principles of democratization, many Yemenis seem to feel that these principles have not been translated effectively into reality and implemented. Without greater consensus over a path of reform that can be implemented, the state is likely to lose further legitimacy. The danger, however, is not only to the credibility of the government, but also to the democratization process itself, which many Yemenis have started to view and label publicly as a "decorative democracy."

After the dramatic opening of political space and increased competition associated with the post-unification period of the early 1990s, there has been a gradual narrowing of competition since the civil war. However, this constriction, in part, was reflective of a corrective reaction to the virtual explosion of political activity in the aftermath of unification.

From a formalistic perspective, Yemen ranks high on the inclusion dimension of governance. According to the constitution, citizens are equal under the law and no groups are formally disenfranchised. However, in practice, other considerations inhibit the full participation of citizens and prevent them from having equal access to justice or public services. Part of this shortcoming is due to the high rates of illiteracy, the pronounced poverty, and the dispersed nature of the population in relatively inaccessible terrain. Such factors have limited inclusion in national political processes in practice. Instead, a greater reliance on less formal and more localized networks has offered more immediate utility for citizens seeking to engage in public life. In addition to the disenfranchisement by poverty and illiteracy, two other groups in Yemen face inclusion issues: southerners and women.

Yemen's fragmented political order is quite evident in the rule of law dimension of governance. The legal system is currently an informal patchwork of Islamic law, Turkish law, English common law, and local tribal customary law. In many cases, both North and South laws remain on the books. Yemen's political elite views the country's formal laws as generally quite well developed on paper, but lacking in implementation.

Yemen ranks particularly low on the governance scale. This is largely reflective of the political dynamics that impede functional rationalism in public administration, the justice system, and the overall lack of effective mechanisms of accountability. Add to this the low levels of public resources compared to the massive basic needs of the growing population, and it is clear why the problems in governance are so urgent.

Yemen's principal DG dilemma is that the ruling elite's means of maintaining a hold on political life itself reinforces aspects of the system that are deleterious to the development that is so badly needed. In part, this is due to the ROYG's lack of full authority over its territory. It is also due, in part, to the balancing act that the ruling elite uses to maintain consensus, as well as to the use of authoritarian measures of control that evade accountability and undermine the rule of law.

The principal DG problem is that democratic institutions have not yet begun to play their role in an effective fashion. The justice system is dysfunctional; the parliament does not hold the executive consistently accountable, let alone legislate or effectively represent constituents; and local councils have yet to be given sufficient access or control over resources to achieve their mandate. The credibility gap has risen as Yemen's democracy is seen increasingly as décor for the continued rule and consolidation of power by the president and ruling party. Yemenis agree on the need for change, but currently there is neither strong consensus over reform nor are leaders able to effectively implement reforms without broader consensus.

Key Political Actors and Their Interests

Political actors typically see democratization in terms of how it might further their interests in some way. The governing elite in Yemen sees the process, if carefully structured, as a way to balance and contain potential competitors. The ruling party sees it as a way to re-legitimize itself, especially given the stark developmental problems that have undermined the appeal of the established order. Opposition forces endorse political reforms as a means to gain popular support and weaken the ruling party's hold on power. It would be a mistake to try to assess which actors favor or oppose democratization *per se*, since the various elements of the democratization process will impact these actors in different ways.

President Saleh has maintained power through his unchallenged dominance of the security forces—with his son and other staunch loyalists in key positions—and upon the careful balancing of other Yemeni factions. The governing elite is not homogeneous in composition or outlook, and there is no consensus over how to proceed with other key reforms, such as in the rule of law area.

The tribes are likely to be wary of reforms that affect their influence. This is particularly true in regards to rule of law initiatives. Tribes historically have resisted measures to impose a centralized judicial system, which would directly reduce their discretion and role in adjudicating and resolving disputes. However, the tribes have learned by now to play a role in representative bodies, which bodes well for tribal support for the advancement of these institutions.

The ruling party is a catchall, umbrella political coalition that has incorporated diverse political viewpoints and trends since President Saleh's first days ruling North Yemen in the 1970s. It is less of a party than a loose coalition of interests with access to the state. Its key role in patronage suggests that it will mitigate against the sharing of much in the way of government resources with other political parties.

Islah is an amalgamation of predominantly northern tribes, Islamists, and other elements. As the only opposition political party with nationwide appeal and membership, as well as a capacity for real grassroots mobilization, Islah tends to have a strong interest in the success of democratic reforms. If democratization does not continue, thereby allowing Islah to operate effectively through the rules of the game, then moderates will lose ground to more radical adherents within the party. They are thus particularly likely to favor improvements in representative forums where they have some chance to influence national politics.

The YSP was the southern equivalent to the GPC prior to unification, and was largely decimated during the 1994 civil war. The YSP currently has found a new purpose as part of an opposition alliance with smaller parties and Islah, who itself has previously abandoned its prior coalition with the ruling GPC. The YSP is thus likely to be in favor of most democratization reforms. However, their current resources to influence actively the course of events are not nearly as significant as before. They will be most effective through an alliance with Islah in promoting reform.

Given this array of interests, a major obstacle to reform in several areas tends to be political capacity even more than political will. The heterogeneous nature of Yemen's fluid alliance building and fragmentation means that it is a difficult context in which to build a consensus around the specifics of reform. Hence, this review of key political actors suggests that priority be placed on enhancing policy dialogues within and involving elected deliberative bodies.

The overall array of interests in Yemen, the pluralistic nature of political actors, and the country's vulnerability to instability suggest that an incremental process of reform is the most likely route toward democratization. Those currently with influence will need the time and confidence to morph into the dominant actors in a more market-oriented economy and a more liberal political system. This will involve a gradual process of confidence building that will build upon the current willingness of most actors to abide by the rules of the game.

Institutional Arenas

The principles of constitutionalism have been undermined to a dangerous extent in Yemen. This is largely due to an extreme gap between laws and practice, which has served to undermine the credibility of both the state and the democratization process. On the positive side, many of Yemen's current laws and institutional arrangements provide good foundations upon which to build. The decentralization framework, for example, has provided for an increased role for elected local councils, which have been allowed to come into existence.

Rule of law institutions are structured in such a way that the judiciary is far from independent in practice, and the groundwork is not yet sufficiently propitious for donor investment in this area with any likely expectation of results. Recently, there have been signs that the current government is concerned with judicial reforms, and this stated commitment should be watched closely to see whether and to what degree it materializes into the political will and capacity for sustained reform.

Yemen has a bicameral parliament composed of the Consultative Council (*Majlis al-Shura*) and the House of Representatives (*Majlis Al-Nuwaab*). Some GPC bloc leaders see their role as one of review of government-initiated draft laws, and occasionally parliament has succeeded in revising or blocking draft legislation. Parliament also has the right to make comments and give advice on the government's draft budget. The GPC parliamentary approach to the executive is one of debate of executive proposals and of cooperation to affect changes in draft legislation. Parliament remains a potent symbol of national unity and has the diversity of membership to represent Yemen's pluralistic traditions and tendencies. The fact that the dominant GPC is itself so heterogeneous makes it difficult for the parliament to be used as a rubber stamp; indeed, the institution has some history of actively balancing the executive. The parliament's role, however, as an arena for fruitful dialogue and national consensus building has been grossly underutilized.

In the past, local governance in Yemen has been a mixture of informal self-help social organizations and a centralized administration that lacks resources and has generally been unresponsive to the needs and demands of the citizens. Such a system was notoriously inefficient and did little to strengthen the legitimacy of the state in peripheral regions. Consequently, since 1994, the government began seeking means to decentralize its administrative structures by devolving some degree of planning and project management to sub-national governments to improve delivery of public services and address regional disparities. The Local Administration law has created a more favorable enabling environment for fostering local initiative and popular participation in decision making, management, and oversight.

This review of the institutional arenas presents a mixed picture, but one which has some positive aspects. The rule of law arena is less developed, and the lack of consensus over fundamental issues relating to this area suggests that little progress is likely in the short term. Other areas require some changes in the rules of the game, such as electoral districting and voter registration processes. There is a greater likelihood, however, of making some progress in these areas than in the rule of law, although electoral redistricting will also require extensive policy dialogue and negotiation. The representative and deliberative processes could progress quite considerably within the current regulatory environment, but this will require developing a stronger consensus and coalition of reformists around the democratization movement. The decentralization policy took years to work out, but it has provided a viable framework to increase participation and to make local governance more responsive.

Strategic and Programmatic Recommendations

Yemen is at a critical phase in its democratization process. There is an urgent need for the process of political reform that has already taken place to begin to yield some concrete and tangible results to stem the decline of credibility regarding democratization. Yemen's future political stability depends upon being able to work out a negotiated consensus over political reforms that will enable broader development. This, in turn, will require that the democratization process be seen as viable, which currently is in doubt.

It is all the more important that meaningful progress be made toward democratization in Yemen since that situation offers several advantages that are not common in the region:

1) Yemen has had both a political opening and a tradition of pluralism that has provided the political space and sense of entitlement that have created a propitious environment for participation.

2) Yemen has successfully incorporated many Islamists into the mainstream political process by providing them with an opportunity to participate through the democratic rules of the game. While there are still some extremist factions who reject the ROYG's qualified democratic game, most Islamists have been willing to work within these bounds. It is very important, however, that the large numbers of moderate Islamists who participate via Islah feel that this approach has the potential to bear fruit via the democratic process—something that is currently in jeopardy unless more progress is made in the short term.

3) Yemen has held multiple competitive elections since 1993, and while these elections have not been without blemish, they have provided a base upon which to build. Similarly, however, unless the elected bodies and the political parties provide more of a representative function, the elections will increasingly become seen as merely décor to cover the consolidation of authoritarian rule.

Three principal strategic themes emerge from the preceding analysis.

1) There is a pressing need to promote a type of political reform that demonstrates concrete and tangible benefits of democratic governance for the process of development. This strategic theme may be pursued effectively in the short term through local governance. A regulatory environment is in place that has created the local councils, but they need to improve their ability to respond to citizen needs. By utilizing this representative forum to increase the participation of the citizenry in identifying and overcoming development challenges, the councils can help to deliver tangible benefits through more democratic governance. A programmatic approach toward these ends is described in more detail below.

2) The second strategic theme is the need to increase the role of elected democratic institutions in contributing to policy dialogues that can increase consensus on the modalities of reform. This may be done through both the local council initiative with regard to decentralization, and through the parliament in terms of national reform. While the parliament is currently constrained to some extent, certain initiatives could strengthen the institution's deliberative and consultative process, as well as the representative functions of its members.

3) The third strategic theme that emerges is the opportunity to work on the demand side to help build and strengthen constituencies for reform. This could be achieved through several areas of intervention. Political parties need to play a more meaningful role in enabling participation and representation. Development and articulation of clear policy platforms is key, and could be done in conjunction with the work on parliament and, to a lesser extent, with the local councils.

Depending on funding availability, it is also recommended that the USG keep some engagement in other DG areas. These other areas are not identified as being of the same priority as the preceding recommendations. It is worthwhile to monitor developments in these areas, however, and encouragement should be provided to governmental initiatives that break new ground.

There are three such areas:

1) *Elections*. This area has received considerable donor support in the past. Additional impact will require improved performance and commitment by the parties and elected bodies themselves. Practical issues that could benefit from donor assistance include voter registration and electoral districting. Interventions in these areas should contribute to leveling the electoral playing field by contributing to greater fairness in electoral outcomes.

2) *Rule of law*. This area unfortunately remains very problematic for Yemen's developmental prospects. It would be unwise to invest heavily in this sector until more of a consensus has been established over the implementation of reform and greater political will and capacity are demonstrated in moving ahead. However, recent and ongoing developments are somewhat heartening in this respect and bear close scrutiny.

3) *Anti-corruption/transparency*. This is so important in Yemen that it should be incorporated as a crosscutting theme into work with the monitoring and oversight functions of parliament, the local councils, civil society, and the media. It would also be advisable to closely follow the evolution of Central Organization for Control and Auditing (COCA) and be prepared to engage as appropriate, as described in the recommendations below.

Local Governance

Local governance offers excellent opportunities to engage a coalition of actors at both the national and local level in the pursuit of more democratic governance that directly contributes to poverty alleviation. The Ministries of Finance, Planning, and Local Administration along with local councils all have an interest in seeing communities play a more participatory role in mobilizing resources and initiative in overcoming local developmental challenges. By structuring assistance in such a way as to take into consideration the interests of the multiple actors involved, a local governance program could immediately begin to achieve impact and results.

The proposed program adopts an approach that integrates several subcomponents around concrete and tangible benefits to communities that may be achieved through *more effective and responsive local governance*:

♦ Improving local resource mobilization, financial management, and planning by local councils.
♦ Improving citizen participation in the prioritization, planning, implementation, and oversight of social infrastructure projects.

♦ Fostering development partnerships for local development.
♦ Promoting transparency and the oversight role of citizens.
♦ Improving central/local policy dialogue on the implementation of the local administration law.

Parliament

The goal of this proposed area of intervention is to increase the deliberative and consultative functions of parliament. USG has already done some work in political party development, legislative strengthening, and women's political participation that provide a foundation upon which further activities could be based.

This program would achieve the following short-term goals:

♦ Strengthen professional and institutional knowledge of MPs.
♦ Increase involvement in policy issues.
♦ Professionalize committee functions.
♦ Better articulate policy alternatives.
♦ Strengthen "low-level" oversight.
♦ Develop budgetary oversight.

Political Party Development

The goal of this proposed area of intervention is to enhance the representative functions of political parties. The political parties have thus far served more as umbrella groups and patronage machines at the expense of presenting clear policy alternatives.

This program would achieve the following short-term goals:

♦ Enhance clarity of party policy positions.
♦ Increase party efficacy in public dissemination of messages.
♦ Work with parties to promote support for women candidates.

Civil Society

Civil society offers a promising means to selectively diversify the means of participation in the policy dialogues over health, education, agriculture, and water/environment. Incorporating CSOs into policy dialogues also builds a greater demand-side into the dialogues and provides civil society with an immediate means through which to acquire and practice advocacy skills. Finally, policy dialogues offer Post the option of ongoing strategic focal points around which to target its other NGO grant giving.

This program would achieve the following short-term goals:

♦ Increase technical knowledge of key NGOs.
♦ Increase civil society role as parliamentary interlocutor.

Media

The goal of this proposed program would be to enhance media professionalism and expand the margin of freedom for independent reporting. This program would achieve the following short-term goals:

♦ Promote substantive, public policy knowle dge of journalists.
♦ Strengthen journalist skills.
♦ Support defense of media freedoms.

Elections

The next elections are in the spring of 2006. It is important to maintain the momentum built up in the past through the electoral process, even while giving priority to the strengthening of elected bodies themselves. The goal of this activity area should be to improve the fairness of political competition through continued electoral reform. The internal capacities of the election authority are well developed and do not pose as much of a constraint as other technical issues, such as technical improvements (i.e., redistricting and voter registration).

♦ Promote election law reform.
♦ Improve voter registration through support to a civil registry.

Rule of Law

As a result of the constraints discussed previously, the proposed rule of law assistance is primarily aimed at fostering more effective public demand for judicial reform. Some supply-side assistance is recommended with regard to commercial courts as a means to continue to monitor political will in a subsector that has key synergies with economic growth. Overall, the Assessment Team recommends an elemental approach to rule of law in Yemen that represents modest initial investment. However, should political circumstances change, there are also suggested areas for further intervention:

♦ Promote public consensus around judicial reform.
♦ Activate public consensus vis-à-vis national institutions.
♦ Test commercial courts as locus of intervention.
♦ Explore judicial curriculum reform.
♦ Consider other supply-side interventions when warranted.

Introduction and Background

1.1 Introduction

The dramatic opening of political space associated with unification in 1990 between North and South Yemen was seen as the new united Yemen's democratic spring. Since that time, Yemen's progress on the path toward democratic governance has been called into question. This Democracy and Governance Assessment of Yemen suggests that such an optic is incomplete. Instead, it may be more useful in understanding Yemeni politics to interpret the past opening of political space as reflective of a broader strategy of governmental adaptation to evolving challenges rather than as an endorsement of democracy per se. The pre-unification authoritarian governments of both North and South Yemen had concluded that unification represented the only means by which they could avoid calamitous economic and political breakdowns, and a greater degree of political pluralism and liberalization was essential to unification moving ahead. Thus, Yemen's earlier democratic spring and the larger democratization process are themselves extensions of ongoing adaptation by the state to contextual changes.

Yemen's political economy is in full and rapid transition regardless of whether its system of government is becoming more or less democratic. The country faces immediate and pressing social, economic, political, and environmental challenges that will need to be addressed in order to avoid instability and crisis. There has been insufficient economic growth to keep up with the needs of a rapidly growing population. A dependence on oil for state revenues has left Yemen not only vulnerable to market fluctuations but also to a marked decline in production forecast for coming years. Water tables are being rapidly depleted, with severe consequences likely to be felt in urban areas in coming years. These contextual problems are so severe that the status quo is not sustainable, and they will impel considerable change over the coming decade.

The democratic opening of the early 1990s was a mixed success. While it allowed for unification to proceed through a process of managed pluralism, the balancing formulas that were put in place were insufficient to prevent subsequent secession by the south and the outbreak of civil war in 1994. Regardless of the origins of Yemen's democratic spring, however, this political opening has created momentum of its own and resonated well with certain elements of Yemeni society and culture favorable to politic al liberalization. Democracy has become an important symbol of legitimacy in Yemen and a key part of the contemporary Yemeni political lexicon. Processes and institutions have been put into place for regular competitive elections. Popular expectations emanating from the political opening have created a sense of entitlement that will make it difficult for the Republic of Yemen Government (ROYG) not to pursue further democratization without losing popular support.

In addition to Yemen's own domestic security imperative driving its participation in the international war on terrorism, the Yemeni government has also obtained foreign assistance to

support its new international alliance. Like its structural adjustment program on the economic side, Yemen's espousal of democratic governance forms part of a blueprint of reform designed to render the country's political economy more sustainable than is currently the case. However, a danger facing Yemen is that its collaboration with the West in the war on terror, and the rewards that may entail, has the potential to inadvertently shore up a system that is not in itself sustainable. In addition, Yemen's international alliance has provided some elements of domestic political opposition with grounds to criticize the government.

Yemen's future stability and sustainability depend on further progress concerning both development and democracy. Democratization has become the touchstone of political legitimacy for a state that needs to implement reforms in order to overcome deep developmental challenges. Yet, the ROYG has thus far had a hard time implementing reforms which, in principle, it has endorsed. Like this checkered adherence to structural adjustment, the political reform process has also fallen behind expectations within the political elite and among the population. Yemen has successfully held several elections, but in general, this has not led to improvements in the lives of citizens. However, there have been some successes, such as in the case of the Mayor of Sana'a, who, while appointed to this position, is also an elected Member of Parliament; he has directly improved the lives of citizens by expanding trash collection, paving roads, and helping provide services to the needy. In addition, cynicism concerning the ROYG's commitment to democratization has set in, as elected bodies have not been able to play an increasingly meaningful role. The last elections featured multiple parties. They were assessed by international observers as a step forward despite significant flaws, including domination by the ruling party, which used state resources and irregularities to help sway the outcome.

Further factors have led increasing numbers of Yemenis to question the democratization process. First is the failure of political reforms and elections to lead to increases in economic opportunity or an easing of material hardships. Quite the contrary, democratization is seen as part of an era of reform that is itself increasingly associated with hardships. Second, since the defeat of the south and the Yemeni Socialist Party (YSP) in the 1994 civil war, there has been a growing consolidation of power in the ruling party, the General People's Congress (GPC), under the leadership of President 'Ali 'Abdullah Saleh. The general impression that predominates in Yemen is not of a democratizing political system, but one in which the rulers are either not implementing reforms or are rolling back previous gains as a matter of convenience. The GPC's manhandling of the electoral process is a prime example of ruling party political behavior that has undermined the credibility of the reform process itself.

There is thus a more pressing need than before to support democratization in ways that contribute to its perception as a credible and viable process. Democratic governance is essential to both the economic growth that Yemen so desperately needs as well as to managing the conflicts that threaten to destabilize its internal equilibrium. Yet, it is difficult for Yemen's leaders to move this reform process forward, because the ruling elite depends upon methods of maintaining consensus and balancing interests that make it difficult to introduce such fundamental changes into how the state does business.

Donors thus have a key role to play in improving the prospects for democratization in Yemen. By identifying areas of intervention that are likely to have tangible impact, donors may also be able to contribute to enhancing the credibility of the democratization process, which appears to have weakened in recent years. This assessment will seek to diagnose the conditions of democratic

governance in Yemen and elaborate a conceptual framework upon which a USG strategic approach may be based.

1.2   Background

1.2.1   Patterns of Segmentary Fragmentation…

Yemeni politics is a kaleidoscope of interwoven relationships. The country's political system defies easy explanation since its evolution has been one of considerable fluidity in terms of how the country's various social forces come together and interact. Flexible alliances between crosscutting identities have been the key to the resilience of contemporary Yemen's system. It is a system that reflects the country's highly agrarian nature, tribal influences, and the rugged terrain that composes its territory.

Three-quarters of Yemen's population still live in rural areas. The population is mostly sedentary but dispersed, living in small towns and villages scattered predominantly in the highland and coastal areas. The fact that Yemen has the lowest telephone density in the regions associated with North Africa and the Middle East (apart from Sudan) reflects Yemen's dispersed demographics. This is because not only poverty precludes many from obtaining telephone service, but also because inaccessible terrain means that large numbers of villages are without landlines.

Diverse and rugged terrain has further made it historically difficult to have effective centralized rule. Yemen has a coastline of 1,906 kilometers, along the Red Sea to the north and the Indian Ocean to the south. The central highlands are home to the majority of the population, with mountainous topography making travel and transportation difficult. Decentralized networks typical of poor mountainous societies have allowed people to cope with daily existence through local social structures in the absence of a central state able to provide for the population's basic needs.

These demographic and geographical factors have combined to create a situation where, historically, society has tended to be stronger than the state, making it difficult to establish a strong political order in Yemen. The establishment of centralized law and order does not extend to the whole territory, and the state does not have a monopoly on the authoritative use of force. Substantial parts of Yemen are simply beyond the effective state control, and relations between the national government and social forces are often contested.

The result has been a preponderance of primordial identities, and a tendency to rely more upon them than on the central authorities for social security and economic opportunity. While less than half of Yemen's population is tribal, the term "tribal" has become almost synonymous with reliance on personalized networks to pursue and protect one's interests. Family, tribe, region, religion, and other social divides have all been used to mobilize adherents according to the particular interests at stake. In addition to social fragmentation, there is one of the strongest gender divides in the world, with only 24 percent of primary-aged schoolgirls in rural areas actually in schools.

A key outcome of this fragmentation is that individuals and groups tend to vary the nature of their alliances according to the situation. Even political parties have encountered this pattern, with party adherents readily switching their party memberships according to the perceived advantages of belonging to one party or another rather than according to a party's particular ideological tenets.

Consequently, there is a fluidity in political relationships that has made it difficult to establish and maintain central rule.

1.2.2   …Lead to Negotiated Consensus

Decentralization of power and political fragmentation have influenced how Yemen has been governed. During the colonial era, neither the Ottomans in the north nor the British in the south were able to maintain centralized rule. Yemen's later division into northern and southern republics was also, in large part, the outcome of its fractious nature. Although both systems were one-party states, politics in the north and south were hardly unitary. For example, the former People's Democratic Republic of Yemen (PDRY) socialist government in the south followed unsuccessful British efforts to eradicate tribal structures and rely on Soviet and Chinese financial backing. Indeed, Yemen's fragmentation has provided ample and tempting opportunities for foreign intervention throughout its history. Yemeni factions and even governments have often welcomed foreign support in strengthening their positions vis-à-vis other Yemeni groups. Whether accurate or not, some Yemenis view the government's new alliance with the United States in the war on terrorism as an attempt by the state to strengthen itself in an effort to impose its rule upon society.

Promoting unification in 1990 between the southern PDRY and northern Yemen Arab Republic (YAR) was thus a means for both dominant parties to maintain their power in the face of rivals. The current government of unified Yemen has its roots in the 1962 military coup in the northern YAR. Those coup leaders were Nasserites backed by Egypt, and a civil war in the north ensued as Yemeni factions realigned. A subsequent coup took place in 1974, and the next two YAR leaders were assassinated. The current president, Ali Abdullah Saleh, then a lieutenant colonel in the north, assumed power in 1978, when he was called upon by the army to fill the void. In the south, President Salim Rubai Ali turned to unification as a means to marginalize some of the more extreme elements within his ruling socialist party. The north-south union negotiated in 1990 was to be tested, however, as a southern faction felt shortchanged by the division of state power. When the north defeated the southern secessionists in 1994, other factions in the south emerged that had been kept down by the YSP, such as the Islamists and regional leaders from Hadramawt.

President Saleh is now the longest reigning Arab leader apart from Colonel Gaddafi of Libya. His longevity in such an unstable context may be attributed largely to his exceptional skills at balancing and maintaining contacts with a variety of social and political actors. While some see his style as characterized by divide and rule tactics, he has achieved success more through an ability to build coalitions. This pattern has its parallels in tribal leadership, which has traditionally relied heavily on building coalitions to counterbalance the tendency toward fragmentation. The mutual distrust among Yemeni political elite has meant that consensus is generally negotiated through a process of reciprocity, where allegiance is accorded to the central state in exchange for material benefits.

Sometimes this reciprocity takes the form of assigning government posts or resources according to regional or tribal affiliation. For instance, the tribes closely connected to the president tend to be over-represented in the army and security forces. Since unification, the post of Prime Minister has traditionally gone to someone from the Hadramawt—the oil-rich, southern governorate. Public patronage is used to cement the negotiated consensus, as when Islah (the alliance of northern tribes and Islamists) sided with the GPC and the government in its post-civil war coalition. This careful balancing of political actors has been the key to maintaining stability and political order in Yemen.

1.2.3   Persistent Instability Strains the System…

Yemen's tendency toward fragmentation and the historical weakness of central rule, however, has meant that the balancing act is carried out in a context of considerable instability. Yemen's tribal culture glorifies warriors, with hundreds of tribesmen injured or killed each year in armed clashes and feuds. There are three times as many firearms as people in the country—many of them automatic weapons brought back from Afghanistan. Some suspected Al-Qaeda members are also protected by some tribal groups within Yemen that have been willing to use armed force to defend them against government troops.

Violence has involved not just tribal factions, but also political parties and religious extremists as well. There have been numerous attacks on mosques in recent years. The violence associated with the north/south divide spilled over into the political party arena, as more than 150 YSP members and their relatives were killed in the interregnum between unification in 1990 and the civil war in 1994. Contemporary elections also mirror the unstable characteristics of Yemeni politics, with violence characterizing the municipal elections and referendum of 2001. The more recent elections of 2003 were also marred by violence, although considerably less than in past elections. In another vein, the bombing of the USS Cole in 2000 and the French oil supertanker M/V Limburg in 2002 signified an escalation in the violence of Islamist radical groups.

Indicative of the climate of insecurity is the practice of kidnapping, a tradition that dates back some 1,000 years. Hostage taking has often been a negotiating tactic used to extract concessions from central authorities, and in the past, the government has even resorted to similar measures in dealing with tribes in Marib. However, it should be noted that the kidnapping of Westerners, a phenomenon increasingly prevalent during the 1990s, has ceased since 2001. The ROYG has made dramatic advances in security with significant USG assistance.

The instability that goes along with the constant process of negotiation has created limits to growth that have increasingly strained the political system. In particular, Yemen's general insecurity presents a strong disincentive to private investment. While some investors may be concerned about insecurity and terrorism, those are not the most significant impediments to investment in Yemen. The most important reasons for virtually no foreign direct investment, or significant Yemeni investment, include corruption, a limited regulatory framework, the lack of a reliable judicial process, and limited enforcement of laws and court decisions. Not only can potential entrepreneurs not count on a functional rule of law, but also fixed investments are even more risky where property rights are not always clear and sometimes must be defended at the barrel of a gun. Not only is economic growth constrained by the insecure political context, but it is also very difficult for the central state to raise sufficient taxes in the face of resistance to ROYG by a heavily armed rural society, and the fact that most Yemenis live in rural areas and work in the agriculture sector where they are either self-employed, or work for in-kind payments. Instead, the state relied more upon taxing worker remittances sent in from abroad. However, this left the public treasury vulnerable when hundreds of thousands of Yemeni workers in Saudi Arabia and the Gulf were deported in the wake of the first Gulf conflict in 1990 and 1991. The economy of Yemen still has not recovered from these large-scale expulsions.

Yemen's rapidly growing population has placed demands on the system that have been stymied by the lack of economic growth, and the population has continued to multiply. At a growth rate of 3.42 percent, one of the highest in the world, Yemen's population of around 20 million is expected to double in the next 20 years. Half of the current population is under the age of 15, which means that

the demand for new jobs and public services will continue to rise dramatically in coming years. Real living standards have been falling since the beginning of the 1990s, and unemployment is officially around 30 percent, although, in practice, thought to be much higher. Illiteracy and poverty are both widespread, and access to services is very limited in many parts of the country.

1.2.4   …as Public Sector Resources Fall Short…

Public sector resources have enabled the ruling elite's balancing act. Associated resources and opportunities have been distributed through negotiation between the various Yemeni social groups. Civil service jobs, for instance, have been a primary means of rewarding those groups displaying political allegiance to the ruling elite. By the end of 1998, the number of civil service employees was estimated to have risen to 419,409, not including the military, which was thought to include an additional 176,000. The state simply cannot afford to maintain or expand such high levels of patronage, but it is simultaneously difficult to cut back through civil service reform, as this will endanger the consensus it has built through alliances. The state can afford to pay at the present pay rates, but these rates feed corruption because the state cannot afford to pay civil service employees a living wage.

Yemen's public financial vulnerability was one of the factors that impelled unification in 1990. In the south, for example, the former PDRY government had a debt twice the size of its GNP, with a staggering debt service ratio of over 50 percent. One of the key considerations that favored unification was the opportunity to exploit the promising oil fields that spanned the YAR-PDRY border. At the same time, however, the merger of the two countries led to a burgeoning of public costs, as the size of the civil bureaucracy virtually doubled.

Since unification, President Saleh has been keen to diversify his base of support to include some of the Shafi'i population of the south. This would reduce his traditional dependence on the more rural Zaydi of north Yemen, where his support was already well established during the pre-unification period, and where he found his own origins in the Sanhan tribe. President Saleh has also been anxious to counterbalance the influence of Sheikh Abdullah bin Hussein al-Ahmar, leader of the powerful northern Hashid tribal confederation of which President Saleh's tribe is a part. Al-Ahmar is thus President Saleh's superior within this Yemeni tribal hierarchy.

Given the problems associated with increasing tax revenues, Yemen increasingly relied upon migrant labor overseas, which generated a remittance stream upon which duties could be levied. After Yemen expressed solidarity with Iraq during the first Gulf War, however, Saudi Arabia alone rescinded the residency status of 700,000 Yemeni workers and their families, and the Gulf countries cut their assistance to Yemen by $200 million. Foreign assistance from the Soviet bloc and China had already dried up prior to unification. In addition, the United States reduced annual aid from $20.5 million to $2.9 million. Yemen's fiscal deficit as well as its current account spun out of control, and the government had to look for other financial sources to maintain broader stability.

The financial crisis was partially allayed through the government's promotion of oil concessions, and dependency grew on the exploitation of Yemen's oil. Oil dependence remains very high, providing around 70 percent of government revenues and 87 percent of export earnings. This dependency has translated into a fundamental vulnerability: Yemen now faces an imminent and marked reduction in its oil production, putting even more pressure on the ruling elite-government to engage in both economic and political reform.

1.2.5 …Impelling an Era of Reform

Yemen's reform era was thus impelled by both political and economic causes. Politically, the introduction of multipartyism and the opening of political space were accommodations necessary to facilitate unification and to widen the base of ruling elite political legitimacy. Economically, the collapse of public finances after the 1991 Gulf War forced the government to turn to the international financial community for emergency assistance. In 1995, Yemen embarked upon a stringent economic adjustment program negotiated with the International Monetary Fund (IMF). In 1996, Yemen had its debt rescheduled by the Paris Club. It has been difficult for the government to fully implement the measures of this reform package, however, because of opposition from the population to austerity measures such as the reduction in subsidies for basic goods, the reduction of the civil service, and privatization. Widespread popular unrest around such measures as the raising of diesel prices in 1998 helped to slow the reform process considerably. Even the IMF temporarily suspended its lending in 1999 as a result.

The government's commitment to democratization, however, was a favorable factor in helping the country to obtain foreign credit and assistance. The 1990 constitution states that Yemen's political system is based on political and partisan pluralism. Multiparty parliamentary elections were held in 1993 and again in 1997 and 2003. The number of political parties increased rapidly, as did the range of independent and opposition newspapers. This helped buy the ruling elite-ROYG time as the population responded positively to the hope for greater democracy leading to improved welfare.

Although the Yemeni leadership clearly recognizes the pressing need for reform, it has been unable to craft a consensus around the implementation of many of its crucial elements. In part, this has been due to opposition from vested interests, such as the civil service. It has also been due, in part, to the nature of Yemeni politics, where the balancing act involved in reaching consensus mitigates against the decisive change needed to further the reform process. Finally, the weakness of the state and the plurality of alternate social organizations make it difficult for the government to impose reform without first building a solid consensus. Thus far, what has occurred is the announcement of numerous reforms, but a failure to implement fully the measures.

1.2.6 Radicalism Contained through a Mix of Methods

The challenges for ruling elite democratization have been complicated recently by the regional spread of radical Islam and the global war on terror. Yemen has long been home to Islamic fundamentalists. For years, the gradual rise of the Islamists, especially in the north, was seen as non-threatening and as a means of helping communities better take care of their own needs. The Soviet-Afghan war, however, introduced a more radical fringe into the ranks of Yemeni Islamists. Thousands of Yemenis were recruited during the 1980s to fight against the Soviets in Afghanistan. When the Soviets left Afghanistan, many fighters returned to Yemen where they were allowed to set up camps in Yemen's ill-policed interior. These ex-fighters gained favor with the president's ruling elite supporters in the 1994 civil war, when they provided important support to the north in its fight against the southern secessionists.

Some of the "Afghan Arabs" have gone on to operate within the pluralistic party system, such as Abd al-Majid al-Zindani, one of the founders of Islah and a reported associate of Osama bin Laden. Others have been distinguished by their zealous commitment to radical Islamist causes. Two groups in particular have emerged as hardcore militant groups, the Islamic Jihad Movement (IJM)

and the Aden-Abyan Islamic Army (AAIA). The IJM has been implicated in the bombing of the USS Cole in 2000, and the AAIA is known to have been involved in past kidnapping of foreigners.

Islamism in Yemen and the state's response to it differ from elsewhere in the region. First, Yemen's multiple counterbalancing influences have meant that other tribal and other identities have mitigated the appeal of radical Islam by providing other avenues of influence. Tribal affiliation, for example, has helped to provide for incorporation of Islamist elements into mainstream political structures. This is the case with Islah, which has played a mediating role between the state and the country's conservative religious elements. Islah has evolved into a broad-based party representing tribal and non-tribal elements.

The government has thus allowed Islamists to participate in mainstream politics, challenging them to work within the consensual bounds of democratic governance. The GPC even accorded key government portfolios to the movement in the mid-1990s, furthering Islamist incorporation. The other identities of Islamists may also offer them some protection. For instance, their tribal roots sometimes make it difficult for the ruling elite-ROYG to repress them and risk activating bonds of tribal solidarity in protecting those concerned from government forces.

Despite efforts to incorporate moderate Islamists, the government has found itself increasingly caught up in a military struggle against radicals, with questions raised about the degree of foreign involvement in violent acts, including by Al-Qaeda. The escalation in terrorist attacks by extremist Islamists in recent years has further threatened the state's weak hold on the country, as well as its desire to see the economy develop. However, with the support of the USG, the ROYG is actively seeking to address the root social and economic causes of terrorism.

Whatever the reasons, the ruling elite-Yemen's participation in the war on terror has provided Islamists with a symbolism through which they can further attack the ruling elite-ROYG's credibility, although this was not utilized as an electoral campaign issue. This dynamic further complicates the difficult balancing act that President Saleh must execute to keep different constituencies under the same tent. It is indicative of the complex political situation that militant Islamist detainees in Yemen have reportedly been freed despite some suspected links to Al-Qaeda.

In short, the democratization process in Yemen is complicated by the presence and potential appeal of radical alternatives to participation in state-sponsored political forums. In order to introduce reforms and combat poverty, the executive needs to be able to consolidate its power and act decisively. At the same time, however, shaky state legitimacy means it must continue to court participation by a broad spectrum of political actors. The ruling elite-ROYG is trying to achieve these two goals through consolidation of presidential power and more reliance on the security forces, while simultaneously seeking to manage pluralism in order to keep the democratic process from losing further credibility.

1.2.7   *Hope for More Democratic Governance Persists*

Despite the countervailing trends and remaining obstacles, there is still considerable room for hope regarding Yemen's democratization process. For over a decade, the country has had a functioning multiparty system, a freer press than most of its counterparts in the region, and a remarkable degree of freedom of expression. The gradual consolidation of presidential power provides the executive with better means to enforce the implementation of badly needed economic and political reforms once a modicum of consensus is reached. Because the need for reform is so evident and widely

accepted, the remaining obstacles relate primarily to the political capacity to implement reforms, rather than a problem of political will. International donors are well placed to play a key role in assisting Yemen to build on the democratic foundations put in place as a result of the unification process.

Any realistic approach toward democratization, however, must take into full consideration Yemen's extreme poverty. Yemen's population is among the poorest in the world, with 42 percent below the poverty line. Over half of all Yemenis are illiterate. If democratic governance is to succeed, it must be linked to and accompanied by broader development. For this to happen, deeper political reforms beyond elections must take place, which reduce the current obstacles to economic growth, such as corruption and lack of accountability. The most promising type of political reform is that which enables society to better participate in its own development process via increasingly representative and efficacious political institutions, leading to tangible improvements in life conditions.

This Democracy and Governance Assessment of Yemen is intended to provide an analytical framework that can help develop a strategic approach according to the potential for success and impact of various types of interventions. The assessment examines the essential characteristics of the democracy and governance (DG) challenge in order to elaborate the nature of the political game and to identify the constraints that need to be overcome in furthering the democratization process. It then evaluates the interests of the key political actors to develop an understanding of the forces that might favor or oppose reform efforts. The nature of the political and regulatory frameworks within which democratic institutions operate are considered in order to provide an understanding of the enabling environment for certain programmatic possibilities. How best to integrate DG promotion in accordance with Post priorities is also considered as programmatic recommendations are advanced.

The Democracy and Governance Problem

Donors have a key role in facilitating positive developments during this era of transition in Yemen. Donors need to effect carefully possible assistance interventions so that they reinforce reforms that are most likely to lead to traction and not raise expectations that will not be fulfilled. Yemen is currently at a crossroads where it is essential that democratic governance be seen as a viable option for the pursuit of development and social justice. While past progress in elections and the opening of political space have left foundations upon which to build, they are in themselves insufficient to stem the declining credibility of the democratization process in the absence of supplementary reforms.

This section elaborates an analysis of the key challenges to democratic governance in Yemen by focusing on the five analytical dimensions of (1) consensus, (2) competition, (3) inclusion, (4) rule of law, and (5) governance.

2.1   Consensus

This dimension is indicative of the political issues yet to be worked out fully in Yemen. While there tends to be agreement over broad principles of democratization, many Yemenis seem to feel that these principles have not been translated effectively into reality and implemented. In a system of negotiated consensus such as in Yemen, consensus goes as far as do the resources and rewards that are distributed through balancing. Certainly, the overall legitimacy of the ROYG remains in question in parts of the country, and challenging the dominant status of the government is seen as part of the ongoing process of negotiation and flexible segmentation characterizing Yemen.

Many southerners, for example, still bridle at what they perceive as the rule of the north. The civil war a mere 10 years ago is another indicator that some of the basic agreements regarding unification were settled by force rather than dialogue.

Despite Yemen's many internal schisms, there is also a strong sense of national identity. The multiparty elections that have repeatedly taken place since the early 1990s have given many citizens a sense of ownership in the reform process. While there is widespread appreciation, however, for the need for reform as well as general agreement of democratic principles, the government has not yet been able to present a clear vision as to how to get to the improved situation in an incremental and stable fashion. Hence, consensus exists on the symbolism of a united democratic Yemen, but not on the reforms that will take the country in that direction.

The area of rule of law is another good example of the ongoing problems regarding national consensus. Yemen currently possesses a mix of legal and judicial systems in practice. Tribal law is more dominant in some areas, while there is still a lack of clarity as to how either tribal law or other customs can be brought into compliance with Islamic law (*shari'a*). While there is consensus on the need for improved rule of law, and progress has been made in reconciling northern and southern

legal codes, there is still a fundamental lack of agreement over the specifics of a system that might ultimately be implemented.

Rules of the Political Game. All political actors have remained committed to formal democratic rules of the game. Despite the waxing, waning, and incertitude of political reforms, democracy is not ideologically contested in Yemen. In addition, in spite of highly conservative social norms, there is also widespread consensus around women's political participation as voters, though less around their role as candidates.

From unification in 1990 to the civil war in 1994, there was broad agreement over, and abidance by, the rules of the game. Consensus was enshrined in, and reinforced by, executive and legislative power-sharing among the GPC and YSP, the former ruling parties of North and South Yemen, as well as Islah. The civil war was the death-knell for this arrangement between the dominant political parties. From 1994 to 1997, the political game was based on a narrow GPC-Islah coalition, which the GPC dominated and in which Islah was junior partner.

Since the late 1990s, however, Islah has taken on a more oppositionist stand vis-à-vis the ruling elite-ROYG. This distancing has contributed to Islah's renewed push for greater democratization. The GPC's overwhelming victory in the parliamentary elections of 1997 lessened the ruling party's need to remain in coalition with Islah. The government's more recent closing or bringing of Islah schools under state supervision has seemingly complicated the already eroding GPC-Islah relationship.

Religion and Politics. Yemen has become somewhat freer of the divide between Islamists and more secularist political figures and trends than was the case in the early 1990s. In part, this is because of Islah's heterogeneous social bases and the relative minority status of hard-line Islamists in the movement. In the early and mid-1990s, there was considerable ideological friction and bitterness between Islamists and the YSP. Rhetorically, many in Islah denounced the YSP as secularist and atheistic, while the Islamist agenda of *shari'a* was an anathema to many Socialists. The YSP's 1994 decimation removed the party as a sharp ideological competitor with Islah, lessening inter-party tensions.

Even with the YSP's incipient political renewal before the last elections, Islah-YSP dissonance has become further muted. A renewed political focus on weakening GPC domination has brought the two parties closer together. The two parties, along with several smaller parties, also formed the Joint Meeting Parties, a coalition aimed at leveraging opposition support for the April 2003 elections.

Culture of Dialogue. As with economic reform and structural adjustment, Yemen has a need to engage in meaningful public dialogue and consultation to forge a consensus over systemic political reforms. On the positive side, a strong tradition of consultation and dialogue in society and the political elite is widespread. The "culture of dialogue," as this is sometimes called, has cultural and political roots. The social grease that lubricates the culture of dialogue is the daily "qat chew." The political roots of the dialogue are North and South Yemen's legacies of weak central states and sociopolitical pluralism, not to mention unification, which brought these features together in one Yemen. This pattern of dialogue combined with the openness of political space contains foundations for reform that can be built upon.

"Decorative Democracy." Without greater consensus over a path of reform that can be implemented, the ruling elite state is likely to lose further legitimacy. The danger, however, is not

only to the credibility of the government, but also to the democratization process itself, which many Yemenis have started to view and label publicly as a "decorative democracy." This term was often used by leading Yemeni politicians to characterize the state of DG reforms in interviews with the Assessment Team. An important manifestation of the elite's discontent with the perceived lack of depth in democratic reforms came during the opposition's recent protest during the Sana'a Inter-Governmental Regional Conference on Democracy, Human Rights, and the Role of the International Criminal Court. The opposition cited Yemen's elections (with the exception of the 1993 races), single-party domination, and government control of nongovernmental organization (NGO) life as the hallmarks of what it sees as the country's democratic "decor."

2.2 Competition

After the dramatic opening of political space and increased competition associated with the post-unification period of the early 1990s, there has been a gradual narrowing of competition since the civil war. However, this constriction, in part, was reflective of a corrective reaction to the virtual explosion of political activity in the aftermath of unification. The liberalization of the political sphere back then was occasioned by the need to reach a consensus over power sharing in a unified Yemen. Parties competed hotly for seats in the House of Representatives, and the politicization of public space took place in regards to the press, civil society, academics, and even tribes.

Unfortunately for Yemen's bold experiment with democratization, however, the succeeding years were not propitious for political order. The economic crisis that followed the Gulf War in 1991 contributed to a malaise that led to civil unrest in late 1991 and 1992. The value of the riyal collapsed, unemployment soared with the returnees from Saudi Arabia and Kuwait, and public services continued to decline from their already unsatisfactory levels. Government corruption was becoming more entrenched as the public sector was grossly overstaffed and salaries were not enough for public officials to live on. Political assassinations were unfortunately another unsavory phenomenon that further contributed to questioning the wisdom of rapid liberalization.

Once the power sharing of unification collapsed, President Saleh used the military victory of the north in the civil war as an occasion to solidify the hold of the GPC on Yemeni politics. A constitutional amendment of 2001 further restricted the competition dimension by strengthening the executive branch at the expense of the legislature. The consolidation of the GPC's control over public resources allowed for the ruling elite-ROYG to deepen its networks of patronage and to cement its alliances with various actors. However, the reliance on such methods is inadequate given the limited financial reach of the state. The dimension of competition is currently surrounded with skepticism, though opposition parties continue to stay within the rules of the game.

Elections. The rules of the electoral game are sufficiently rigged to ensure the ruling party a secure position of dominance. The electoral system of single-member constituencies tends to favor traditionalists, which in turn favors the GPC. In addition, electoral districts are not numerically consistent in terms of the size of population. The semi-autonomous body that was set up to organize and administer elections, the Supreme Council for Elections and Referendum (SCER), has not been truly independent, and opposition parties complain that it is dominated by the GPC. However, after the April 2003 elections, NDI observed that there were "significant advancements in the professionalization" of the SCER's internal capacities and organization and administration of the elections compared with previous national elections.

In the last elections, Islah was expected to do better in rural areas but suffered setbacks because of electoral corruption during voter registration, campaigning, and vote counting. While Islah did set its electoral sights more on cities (it won 11 out of 19 seats in Sana'a – a significant victory), GPC malfeasance played a significant role in shaping multiple electoral outcomes. Illegal, underage voter registration (between 150,000 and 200,000) and voting was the chief means to these ends. There were also reported cases of the military taking ballot boxes and tampering with vote counting, in addition to pressuring military personnel to vote for certain candidates in certain areas. The judiciary, which adjudicates electoral disputes, only accepted ruling party complaints for consideration and rejected all opposition allegations against the ruling party.

Governmental and not just party leaders reportedly used resources to affect favorable electoral results. In general, there was an increased blurring in the distinction between the state and the ruling party. One Islah Member of Parliament (MP), for example, told the Assessment Team that the Prime Minister, Oil Minister, and other cabinet officials visited his district the night before the parliamentary elections to mobilize support against his candidacy.

Civil Society. The legal framework for Yemeni NGOs is fairly liberal by Arab standards. The government also provides a minimal level of resources for many NGOs in the form of a monthly subsidy for rent and electricity. However, the ruling party dominates and has thus attempted to co-opt key, mass-based organizations, such as the Yemen Women's Union and the national youth organization. The same is true for the Journalist Syndicate and other professional associations.

Association life in Yemen is fragmented and sometimes influenced by partisan bickering and competition. NGOs are usually quite poor in terms of resources and skills, though a handful is increasingly relatively well endowed, skilled, and active because of donor funding and training. Business associations are potentially influential though weak, in part because the economy is dominated by key families that oppose competition from smaller entrepreneurs.

Press. Yemen used to enjoy one of the most liberal press laws in the Arab world. However, the law was changed so that legal action could be brought against journalists and editors. Government opponents claim that opposition papers are brought to court on manufactured grounds. They also allege that punishments for journalists have included lashings and that journalists are subject to threats, kidnappings, and assaults. From 1997 to early 2003, most lawsuits have been against *al-Ayyam*, according to the paper's editors. International human rights reports also suggest that the independent press in Yemen has been increasingly under siege since the late 1990s and particularly since 2001.

The dominant newspaper and publishing house in Yemen is the semi-official *al-Thawra*. *Al-Thawra* has the largest daily circulation. It receives 15 percent of its revenues directly from the state, with the rest coming mostly from other papers paying to use its facilities. Despite claims to the contrary, clearly *al-Thawra* is an outlet for government ruling elite viewpoints. According to one estimate, the number of independent newspapers has fallen drastically since the civil war: from 120 to 12. Very high illiteracy and poverty mean that the market for independent—let alone official or semi-official—publications is extremely small.

Media professionalism in Yemen is both a substantive and political issue. On the one hand, the weekly party papers are often sensationalist. The YSP newspaper, for example, went to the morgue to photograph the corpse of the party's slain leader, Jarallah Omar, and then filled its pages with

those images, despite Muslim norms and customs regarding the recently deceased. On the other hand, the government actively uses the often unprofessional state of the independent media to discredit it among the public.

Mass Media. The ruling elite-ROYG dominates mass media. The state owns all television and radio stations through the Public Corporation for Television and Radio within the Ministry of Information. The state is very reluctant to relax this monopoly. *Al-Ayyam*, for example, applied and is waiting for official permission to open its own television and radio stations; so far, it has only been granted a license to publish a daily sports newspaper. Broadcast stations from Oman and Saudi Arabia may also be picked up, as well as satellite channels such as al-Jazeera.

Ruling elite-GPC media influence was clearly evidenced in the last elections. While opposition parties were allotted their 15 minutes of daily programming, state television ran a long historical program on GPC achievements the day before elections. However, this was not in technical violation of the country's electoral law banning party use of media the day before voting.

2.3   Inclusion

From a formalistic perspective, Yemen ranks high on the inclusion dimension of governance. According to the constitution, citizens are equal under the law and no groups are formally disenfranchised. However, in practice, other considerations inhibit the full participation of citizens and prevent them from having equal access to justice or public services. Part of this shortcoming is due to the high rates of illiteracy, the pronounced poverty, and the dispersed nature of the population in relatively inaccessible terrain. Such factors have limited inclusion in national political processes in practice. Instead, a greater reliance on less formal and more localized networks has offered more immediate utility for citizens seeking to engage in public life. In addition to the disenfranchisement by poverty and illiteracy, there are two other groups in Yemen that face inclusion issues: southerners and women.

North and South. Since the 1994 civil war, the north has dominated the south. Despite the reputation and even popularity of its current governor, northerners have controlled the administration of Aden governorate—according to one estimate, 32 out of 38 top officials are from the north. Aspects of a "war environment" still exist in the south, particularly vis-à-vis the Socialists. Thousands of southern government employees who were expelled from their homes after the civil war are still without resolution of their situation. Some YSP properties remain confiscated, and a few party leaders remain in exile, though some have returned. Aden has been particularly marginalized since it was once the capital of South Yemen and the seat of the YSP.

At the same time, southerners have been included in the central government. Prime Minister Abd al-Qadir Bajammal and others are from Hadramawt. This selective inclusion is due, in part, to the oil in the region, which accounts for an estimated 95 percent of the country's total output. It is also due in part to the presence of wealthy Hadramawtis in Saudi Arabia who have invested in their region of origin. In addition, with the GPC-YSP alliance of the early 1990s eviscerated in the current post-civil war period, the incorporation of Hadramawtis is an alternative way to maintain a semblance of a north-south balance in a unified Yemen. It may also be a way to further divide the south from within and thus reinforce the domination of the north. Finally, President Saleh seems to trust Bajammal as an individual ally.

Women. As already noted, women's political participation in Yemen is quite high in terms of voting and has increased during each election since unification. During the last elections, for example, NDI's observation team stated that women comprised around 43 percent of registered voters. However, the numbers of women running for and elected to office in Yemen remains extremely low. There is currently one woman parliamentarian from the ruling party, 'Uras Naji, and there were two women MPs in the previous parliament. Women have had slightly better success in winning seats in local races, with the vast majority of women local and governorate councilors in the south. Within the cabinet, Amat Aleem al-Soswa, the current Minister of Human Rights is a woman, as was her predecessor.

Each major political party also has women's sections, which are active in mobilizing women's support for party candidates in elections. However, with the partial exception of the YSP, no party has so far demonstrated a commitment to promoting women candidates. Nevertheless, the debate over women candidates within and between the parties has been active and continues, as does the more recent debate over a women's parliamentary quota.

The Yemen Women's Union (YWU), the major women's NGO, was recently reconstituted (having been founded originally in the south) and just held its first competitive elections. Women from all political trends voted in and competed for the organization's leadership. Other women's NGOs have benefited from YWU workshops and training, and many of Aden's women local and governorate council members were YWU members or encouraged by it. The YWU has a noteworthy national presence, including even in the poorer, rural governorates of the north, such as Marib.

2.4   Rule of Law

Yemen's fragmented political order is quite evident in the rule of law dimension of governance. It has long been a problem for Yemen's different and successive government authorities, including the imams of the north, the Ottoman and later British colonial authorities in the south, and most recently the socialists in the south—all who sought at times (though unsuccessfully) to bring the varying legal practices and traditions under a centralized judicial system. The legal system is currently an informal patchwork of Islamic law, Turkish law, English common law, and local tribal customary law. In many cases, both North and South laws remain on the books.

Yemen's political elite views the country's formal laws as generally quite well developed on paper, but lacking in implementation. In practice, however, ordinary citizens do not feel they have access to justice through the formal state system. Instead, the resolution of disputes tends to rest on a more consensual basis, whereby the objective is to obtain a consensus regarding closure by concerned parties rather than to ascertain a solution based on legal text or precedent. Hence, even when cases are brought before a court, it is not unusual for the judge to recommend that the parties first try to seek arbitration through tribal or other means.

Previous USAID DG assessments have noted that the administration of justice in Yemen is among the most underdeveloped in the Arab world. It has been a hindrance to investors and to privatization, since potential buyers know that the commercial court system cannot be relied upon to enforce legal agreements. Women are not able to exercise their legal rights and do not have adequate protection under the law.

The problems with rule of law in Yemen are multifold. First, neither a real consensus exists as to how the various justice practices might be aligned, nor does the state have the capacity to enforce a harmonization if such policy decisions were made. Second, the judiciary is not independent, but is best seen as an arm of the executive branch that is weak and resource poor. Third, in addition to interference from the executive, corruption remains a part of Yemen's rule of law that further underlines the lack of systematization of this dimension of governance.

Judiciary. Yemen's constitution provides for an autonomous judiciary, but the court system is effectively controlled by the executive via the Supreme Judicial Council. The Council makes all decisions concerning the hiring, firing, and assigning of judges. This structure ensures that the judiciary's impartiality is compromised by direct executive intervention. The State Department's Report on Human Rights Practices in 2002 for Yemen sums up the state of the judiciary in the following terms: "The nominally independent judiciary was weak and severely hampered by corruption, executive branch interference, and the frequent failure of the authorities to enforce judgments." This situation is explained in more detail below in Section 4.2.

Women. Women have almost full constitutional and considerable legal equality on paper. A number of laws have been amended that discriminated against women including provisions dealing with (1) the nationality of the children of divorced mothers, (2) the registration of newborn children, and (3) the custody of children of women prisoners. Among those laws women identify as requiring liberalization are those that deal with a woman's marriage age and divorce procedures.

The quasi-governmental National Women's Committee (NWC) is a primary lobby for women's legal reforms. In 1997, the NWC formed a professional legal committee to review women's legislative provisions. The committee then met with MPs who were generally supportive of recommended amendments. Obstruction apparently came at the cabinet level when the proposed reforms were bogged down in inter-ministerial committees. The previous parliament finally approved the package on the last day of its last session.

Human Rights. The increased role of Yemen's security forces has brought attention to Yemen's human rights situation. The Political Security Organization (PSO), which is the primary state security organization, reports to the president. There is also the Criminal Investigative Department (CID), which is part of the police and therefore reports to the Ministry of Interior. Government prosecutors see themselves as virtually an extension of the police, further limiting checks upon the exercise of executive force. In addition, the Central Security Organization (CSO) of the Ministry of Interior maintains its own paramilitary force.

The State Department's Country Report on Human Rights Practices in Yemen for 2002 asserts that "[m]embers of the security forces committed serious human rights abuses" during 2002. Regarding the Political Security Organization, the State Department states that "PSO officers have broad discretion over perceived national security issues. Despite constitutional constraints, security officers routinely monitored citizens' activities, searched their homes, detained citizens for questioning, and mistreated detainees. The Government usually failed to hold members of the security forces accountable for abuses."

The same report also suggests that these developments occurred against the backdrop of Yemen's participation in the war against terrorism. Thus, the number of instances of the PSO's use of prolonged and/or incommunicado detention of journalists rose for the first time since 1999 because of articles penned about related subjects the government deemed politically sensitive, such as

internal security issues. However in 2003, detention of journalists stopped although restrictions and harassment of some journalists have continued, especially in relation to security issues. In addition, the PSO and Ministry of Interior reportedly operated "extrajudicial detention facilities," which apparently had not been the case in past years.

At the same time, Yemen possesses an expanding official and quasi-official human rights infrastructure. The Ministry for Human Rights and the Public Freedoms Committees of the Consultative Council and the House of Representatives, the upper and lower chambers of Yemen's parliament, at least have monitoring and reporting capabilities though they seem to lack enforcement mechanisms essential to accountability. In October 2001, for example, the House of Representatives Committee published a report criticizing the use of pre-trial detention and prison overcrowding.

The recently created Ministry of Human Rights is establishing its mandate. The Ministry has created a mechanism to receive complaints from citizens and has started referring them to NGOs and lawyers for possible follow-up action. It has also formed an advisory committee of NGOs that will have input into the Ministry's activities. The Ministry recently published its first annual human rights report, which is a comprehensive survey of Yemen's laws as they pertain to human rights. The report, however, does not contain discussion of government authorities' abuses of human rights that have been documented by the USG and international human rights NGOs. The Ministry is treading carefully because, as its Minister put it to the Assessment Team, they "do not want to confront people" and "don't want people to confront us."

2.5   Governance

Yemen ranks particularly low on the governance scale. This is largely reflective of the political dynamics that impede functional rationalism in public administration, the justice system, and the overall lack of effective mechanisms of accountability. Add to this the low levels of public resources compared to the massive basic needs of the growing population, and it is clear why the problems in governance are so urgent.

Not only do the shortcomings in Yemen's governance hinder the performance of the state in responding to citizen needs and demands, but governance problems also impede private investment, which is so desperately needed for the economic growth that is required to help raise the standard of living. Capital is being taken out of the country due to the lack of security, such as in the absence of firm land titles. This also hinders the collection of property taxes.

Land disputes are prevalent, a problem that is compounded due to the lack of an effective court system. In general, private investors are deterred by the endless delays in customs (despite some improvement lately), red tape and business licensing, and the poor implementation of existing laws. Businesses have never really recovered from the economic crisis of 1991, and the economy has been dominated by a small number of powerful families.

In addition, the military is quite active in the economic sphere. The Yemeni Economic and Development Company, for example, was established by ex-generals, and even used to be called the Military Economic Development Corporation (MEDCO). There are no conflict of interest laws and no public disclosure laws, although one is under consideration in Parliament. The low levels of civil service pay mean that most public officials have some type of business on the side. In short,

Yemen's governance problems must be overcome for the country's overall development prospects to improve.

On the positive side, there appears to be growing political will to embark upon measures to improve governance, especially at the local level, where citizens and communities have such pressing needs. As discussed in Section 4 below, the decentralization law of 2000 (Local Authority Law No. 4 of 2000) has granted elected local councils at the district level the authority to propose development plans and programs based on the priorities identified by local stakeholders. This reform provides a platform upon which local government can seek to become more responsive and accountable to its constituents and thereby deliver more tangible benefits than in the past.

State Presence and Capacities. Formal government structures are in place, but Yemen is still a heavily tribal society. This means that political practice is largely informal, behind-the-scenes, and kin-based. Yemen is also highly decentralized: the state lacks serious reach in parts of the country, although administratively, state institutions are highly centralized. As a result, the central government has been generally unable to ensure security or stability in some of the peripheral areas.

Yemen has extensive, porous land borders with Saudi Arabia and Oman and very long stretches of coast. The state is stretched extremely thin in its capabilities to control these borders. Although Yemen settled border disputes with Saudi Arabia and Oman, smuggling is an endemic problem that has led to the rise of black-market entrepreneurs, as is the case with black market automobile sales. Smuggling has severely disadvantaged established legal local middlemen.

Corruption. Corruption in Yemen is pervasive. There is the everyday "petty" corruption of state employees who have incentives to ask for and/or accept bribes because of extremely low salaries. There is also "organized corruption"—a reference to established patron-client relations where multiple parties have interlocking interests. Thus, despite some claims to the contrary, the roots of corruption are political as well as economic and socio-cultural. Because of corruption (and other factors, like the lack of land titling and relative lack of security), many Yemeni entrepreneurs invest overseas (especially in Dubai, Malaysia, and Singapore). Judicial and administrative corruption also encourages businessmen to engage in corrupt acts to secure their desired ends, such as obtaining a particular ruling, permission, or license.

Civil Service. The civil service is viewed largely as a social safety net and not a professional bureaucracy. Yemen's extreme poverty makes civil service reform especially difficult. Laying off state employees is almost a political impossibility; state employees are considered a ruling party constituency. An estimated 200,000 former southern bureaucrats are paid their salaries but stay at home. "Double dipping" is also common in the north. However, determining who is on the payroll to eliminate double dipping and ghost workers is a possibility.

2.6 Distilling the DG Challenge

Yemen's principal DG dilemma is that the ruling elite's means of maintaining a hold on political life itself reinforces aspects of the system that are deleterious to the development that is so badly needed. In part, this is due to the ROYG's lack of full authority over its territory. It is also due, in part, to the balancing act that the ruling elite uses to maintain consensus, as well as to the use of authoritarian measures of control that evade accountability and undermine the rule of law. The lack of accountability is related to a blurring of the distinction between President Ali Abdullah Saleh's

inner circles, the ruling party, and the state. The electoral process and associated multipartyism have helped to provide for some degree of competition. The distribution of positions, resources, and opportunities through this process, however, needs to be augmented by improved representation and greater accountability.

The principal DG problem is that democratic institutions have not yet begun to play their role in an effective fashion. The justice system is dysfunctional; the parliament does not hold the executive consistently accountable, let alone legislate or effectively represent constituents; and local councils have yet to be given sufficient access or control over resources to achieve their mandate. The credibility gap has risen as Yemen's democracy is increasingly seen as décor for the continued rule and consolidation of power by the president and ruling party. Yemenis agree on the need for change, but currently there is neither strong consensus over reform nor are leaders able to effectively implement reforms without broader consensus.

As indicated by this review of the five dimensions of democratic governance, Yemen has many needs in the DG sector. However, not all areas of need are necessarily amenable to the same levels of effective assistance—nor will interventions in all areas yield the same level of results. *Therefore, the challenge for the USG is to identify and prioritize which interventions in addressing some of these needs may have the greatest prospect for impact.*

This section has indicated that the need for greater credibility and legitimacy of the democratization process will depend upon the rapid delivery of two things. First is the enhancement of the government's ability to respond to pressing citizen demands at the local level regarding their daily lives. Second, advances need to be made in the area of developing a stronger consensus over the implementation of reforms needed to gradually reduce the state's dependence on the elements of its rule that are dysfunctional to the broader democratization and developmental processes.

The next two sections help to identify where coalitions for reform are most likely to exist and where the most favorable enabling environment exists for impact. First, a review of key actors will help to identify where opposition to reform is likely to be strongest and, conversely, where political will for reform is most promising. Second, a review of institutional arenas evaluates the enabling environment for interventions in various DG subsectors.

Key Political Actors and Their Interests

Now that the basic political dynamics, pressures for change, and the principal DG challenges have been identified, this section briefly examines some of the key political actors to see which donor interventions will be feasible and well received. The multiplicity of actors in Yemen is indicative of the pluralistic nature of society. However, thus far, most of Yemen's citizens have not become active participants in the political system except during periodic elections. The representative functions of the political parties and elected bodies continue to leave much to be desired. The key actors covered here generally represent those with some stake in the existing political system; understanding their interests helps one to grasp the parameters of likely reform processes.

Political actors in Yemen typically see democratization in terms of how it might further their interests in some way. The governing elite sees the process, if carefully structured, as a way to balance and contain potential competitors. The ruling party sees it as a way to re-legitimize itself, especially given the stark developmental problems that have undermined the appeal of the established order. Opposition forces endorse political reforms as a means to gain popular support and weaken the ruling party's hold on power. It would be a mistake to try to assess which actors favor or oppose democratization *per se*, since the various elements of the democratization process will impact these actors in different ways.

3.1   Governing Elite

This small group includes President Saleh, key family members (e.g., his son and brother), heads of prominent tribal confederations (i.e., Shaykh al-Ahmar), and key Ministers (i.e., the Prime Minister and Deputy Prime Minister and Minister of Finance, and the other Deputy Prime Minister and Minister of Planning and International Cooperation). The governing elite is at the pinnacle of an interwoven four-part mosaic that includes (1) the major tribes/tribal confederations, (2) military and security forces, (3) religious elements, and (4) prominent business families. These social bases overlap and interlock as exemplified by the tribal status, political leadership, and business interests of Shaykh al-Ahmar's family.

President Saleh has maintained power through his unchallenged dominance of the security forces— with his son and other staunch loyalists in key positions—and upon the careful balancing of other Yemeni factions. The continued strong influence of Shaykh al-Ahmar, for instance, is an indication of how this alliance building can impede the institutionalization of democratic institutions. It is very unlikely that the key members of this governing elite will easily relinquish power to other groups. They do recognize, however, the pressing need for reform and are looking for ways to promote Yemen's development without losing control over the security situation. Decentralization reforms have considerable support to the extent to which they can help alleviate the expectations of the citizenry levied against the state in resolving basic needs. However, the governing elite is not homogeneous in composition or outlook, and there is no consensus over how to proceed with other key reforms, such as in the rule of law area.

3.2 Tribes

While tribes are ubiquitous, the Hashid and Bakeel are the largest and most powerful confederations. President Saleh's own tribe, al-Sanhan, hails from the Hashid confederation, of which Shaykh al-Ahmar is *shaykh al-shuyukh* ("shaykh of shaykhs"). The Bakeel has a larger population, while the Hashid has more arms and money at its disposal. The relationship between state and tribes fluctuates depending on each party's interests, and tribes are not homogeneous in terms of their relations to the state. They are in a similar structural situation to one another, however, in that they provide parallel channels through which citizens can seek personalized access to public resources or justice.

The tribes are likely to be wary of reforms that affect their influence. This is particularly true in regards to rule of law initiatives. Tribes historically have resisted measures to impose a centralized judicial system, which would directly reduce their discretion and role in adjudicating and resolving disputes. However, the tribes have learned by now to play a role in representative bodies, which bodes well for tribal support for the advancement of these institutions. While they were initially suspicious of decentralization, for instance, their effective role in working with parties in the electoral process makes them apt to be supportive of further efforts to increase the role of local councils, which the tribes may in turn influence through a democratic process.

3.3 Military/Security Forces

For a state with limited physical presence and reach in the countryside, the military and various security forces have a role in strengthening and supporting the state's actual authority. The military also represents the ROYG's post-unification balancing act. The national military has representatives of many tribes, but select prominent shayks have the prerogative to choose their own local military units. Multiple security forces not only fulfill different security functions but also can balance against one another, too. The military is dominated by northerners.

The military and security forces have assumed a greater role since September 11, 2001. Yemen's joining the war on terrorism provided these actors occasion to increase their share of the national budget and to play a more interventionist role in domestic politics, such as by clamping down on opposition groups and journalists. They are most likely to resist systematic efforts that would diminish the latitude with which they currently operate, especially with regard to a judiciary that is independent to the point of being able to try, prosecute, and punish them for alleged human rights violations. However, the security forces are likely to support reforms that improve prospects for political order. Decentralization would be such an area, as would an enhanced role for parliament as a forum in which representatives could engage in a dialogue over issues of national import.

3.4 GPC

The ruling party is a catchall, umbrella political coalition that has incorporated diverse political viewpoints and trends since President Saleh's first days ruling North Yemen in the 1970s. Prominent GPC members include tribal shayks, urban-based "modernist" figures (e.g., presidential advisor 'Abd al-Karim al-Iryani), "independents" (e.g., new members of the GPC parliamentary bloc) and some leftists, Arab nationalists, and even Islamists. The GPC's vague political definition allows it to cultivate new and diverse generations of leaders and supporters. The GPC provides the governing elite and government with a broad, flexible base of support for its policies. The party

also serves as an effective patronage machine through which local tribal and other prominent figures can be cultivated via public offices and other benefits. Centers of GPC dominance include not just government or state institutions but also ostensibly nongovernmental organizations.

Many within the GPC are likely to resist serious efforts to expand political space and, in fact, will tend to favor the opposite. It is less of a party than a loose coalition of interests with access to the state. Its key role in patronage suggests that it will mitigate against the sharing of much in the way of government resources with other political parties. The tribes tend to ally themselves more with the GPC as a result of the party's incorporation of local notables, whereas Islah recently has made more inroads in the urban areas.

Many GPC members are less likely to seek to enhance democratic institutions, as they themselves tend to favor personal relations within the party to achieve their goal. However, at the same time, their dominant role within elected institutions, such as parliament, make them an essential partner in the reform efforts. In addition, their interests are not directly opposed to institutional strengthening. Some within the GPC are advocates of greater democratic reforms, especially as they relate to parliament. It should be noted that this reformist trend seems guided by a strong belief that greater democratization is in its self-interest. The head of the GPC parliamentary bloc implied as much when he indicated to the Assessment Team that the GPC runs the risk of being tarred by the opposition as the "enemy of the people" if the GPC cannot deliver on democratization and especially development. However, in general, the GPC is likely to resist serious electoral reform efforts and to oppose the needed growth of independent electoral oversight.

3.5   Islah

Islah is an amalgamation of predominantly northern tribes, Islamists, and other elements. Islah is nominally headed by Shaykh al-Ahmar, who represents the movement's northern tribal base, and 'Abd al-Majid al-Zindani, a founder of Yemen's Muslim Brotherhood and leader of its hard-line Islamist wing. Islah's ranks also include a reformist camp, epitomized by the likes of former Health Minister and current MP Najeeb Ghanem, and some business-related figures. Islah serves to contain and channel many Islamist elements into the political mainstream. At the same time, there are also violent Islamist groupings beyond the Islahi pale, such as the Aden-Abyan Islamic Army.

Islah was founded in 1990 as an offshoot of the GPC. In part, it was formed to help counterbalance secular elements from the PDRY at unification, but many more within Islah tend to be more socially conservative than many within the ruling party. Throughout the 1990s, Islah and the GPC were close political allies. They found common cause against the YSP before and during the 1994 civil war. President Saleh's respective tribal and personal ties with al-Ahmar and al-Zindani reinforced this alliance. Again, al-Ahmar is the head of the tribal confederation within which President Saleh's own tribe is located. For his part, al-Zindani was an education advisor to President Saleh as early as the 1970s and was included in President Saleh's post-unification executive body.

Starting in 1997, for reasons discussed above, this relationship broke down. As a result, the president sent his Islahi cabinet ministers packing. The executive later started closing down Islah-run or affiliated schools and incorporating them into the Ministry of Education. In addition, Islah was anxious to distance itself from the GPC's unpopular economic reforms. The bombings of two Aden hotels by violent Islamists helped to further fuel the president's gradual divorce from Islah.

Finally, Yemen's participation in the war on terrorism has further accentuated some of the distinctions between GPC and Islah.

As the only opposition political party with nationwide appeal and membership, as well as a capacity for real grassroots mobilization, Islah tends to have a strong interest in the success of democratic reforms. If democratization does not continue, thereby allowing Islah to operate effectively through the rules of the game, then moderates will lose ground to more radical adherents within the party. They are thus particularly likely to favor improvements in representative forums where they have some chance to influence national politics.

However, their strong influence will make it difficult to reach consensus over broad reform of the rule of law, where Islamist ideology will tend to make them less willing to compromise on reaching a consensus over a unified body of law. Islah is also likely to be suspicious of reforms that could be perceived as further entrenching the ruling party.

3.6   YSP

The YSP was the southern equivalent to the GPC prior to unification. This political party traces its roots back to a communist party, with its genesis in the national liberation struggle against the British in Aden. As with the GPC, however, it is best not seen as a monolithic bloc, but as a patronage party reinforced by ties to certain tribes.

The YSP was largely decimated during the 1994 civil war. After the war, much of its leadership went into exile and the party has never really recovered. The remnants of the party were led by Ali Saleh Obad, but while the YSP remained legal, it has been barely tolerated by the government and often intimidated by heavy-handed tactics. It has not yet redefined itself fully or clearly, although in recent years, the party's ideological orientation has started to evolve away from its Marxist leanings.

The Socialist boycott of the 1997 parliamentary elections further stymied its political comeback. The 2002 murder of Jarallah 'Omar, the party's assistant general secretary, robbed the YSP of one its few leaders with potentially broad appeal. Finally, "old guard" figures associated with the former South Yemen government contributed to its electoral rout in the April 2003 parliamentary elections. The YSP holds 7 out of 301 seats in the current parliament. It occupies a larger number of elected local offices across the country.

The YSP currently has found a new purpose as part of an opposition alliance with smaller parties and Islah, who itself has previously abandoned its prior coalition with the ruling GPC. The YSP is thus likely to be in favor of most democratization reforms. However, their current resources to influence actively the course of events are not nearly as significant as before. They will be most effective through an alliance with Islah in promoting reform.

3.7   Civil Service

Civil servants represent a constituency that, as a whole, will tend to oppose reforms that will reduce the size or benefits of this grossly overstaffed group. The civil service grew exponentially following the merger of North and South Yemen and as a result of the absorption of around a million expatriate workers who were forced to return after the 1991 Gulf War. At the end of 1998, the

number of civil public employees had soared to over 400,000. This is in a context of high unemployment, and the government does not have the political capacity to engage in the type of civil service reform demanded by the IMF without some other means to help provide for these employees in the absence of more vibrant private sector economic growth. However, the government is taking steps to curb this problem.

A related problem is that the civil service pay scales are unrealistically low. It is estimated that the government would have to increase civil service salaries by a factor of ten to provide adequate compensation for the jobs. As a result, civil servants are also prone to augmenting their income either through other jobs or businesses, or through using their discretion to obtain additional payments, thereby contributing to corruption. Without equitable pay increases, civil servants are therefore likely to oppose reforms to improve transparency and the systematic implementation of policy as this would reduce their discretion. The civil service therefore represents an overall constraint to some democratic governance reforms.

3.8   Civil Society

Civil society as a whole has been a relatively weak actor thus far in Yemen. In part, this is because associations and nongovernmental organizations (NGOs) compete for political access and influence with more traditional forms of inclusion and participation, such as family, clan, tribes, political parties, and regional and personal networks. There are three types of NGOs. First, there are advocacy organizations, often with close ties to the ruling and/or opposition parties, such as human rights groups and the national women's organization. Second, there are small, local associations, which tend to be functionally specific. Finally, there are the professional associations, which thus far have not been able to play much of an advocacy role regarding policy.

Despite its aggregate weakness, there is considerable potential for growth in civil society that could contribute to the demand side of good governance. As discussed in Section 4 (below), the formal enabling environment does not preclude the development of this sector. Most civil society organizations will generally favor democratizing reforms, but thus far they do not have good access to decision makers.

Most NGOs in Yemen are located in urban areas, while few exist in rural areas. Most lack not only resources but also skills and experience in their respective fields. NGOs suffer from conflicts within, and perhaps between, their leaders. This phenomenon is likely compounded by competition for donor funds and perhaps the fact that the government has created and/or otherwise dominated some organizations. There is also reportedly considerable duplication of efforts among existing NGOs and a lack of cooperation and collaboration.

Notwithstanding these inherent weaknesses, there are a handful of active and vibrant NGOs. The Forum for Civil Society (FCS) is one example of a dynamic Yemeni advocacy CSO that has not only benefited from donor-funded capacity building but become increasingly active. FCS works across the DG sector and focuses in particular on anti-corruption and rule of law issues, including monitoring judicial independence and promoting legal education. Other DG advocacy CSOs include the Yemeni Organization for Defense for Human Rights and Democratic Freedom; the Human Rights Information and Training Center, based in Tai'z; the Sisters Arab Forum for Human Rights; and the more hybrid Civic Democratic Initiatives Support Foundation, which also runs several service-oriented centers for women, youth, and the poor.

The Society for the Development of Women and Children (SOUL) is prominent among the many service-oriented NGOs in Yemen and has found the rather unique niche of offering technical support to other organizations that focus on women's and children's socioeconomic development. SOUL itself has identified a core group of NGOs in these broad areas that seem relatively strong in terms of management and activities and projects conducted despite a serious lack of material and financial resources. This indicates potential for the future sustainability and enhanced impact of NGO life in Yemen.

3.9   Filtering in Political Actors

As in most political systems, vested interests tend to reinforce the status quo. In Yemen, the best organized social groups are those that benefit from the current situation. These include the GPC, the civil bureaucracy, public sector labor, and some tribal leadership. The governing elite, however, demonstrates a keen awareness of the longer-term costs of avoiding reform, and while not homogeneous, appears willing to allow those reforms to proceed that will not immediately affect their dominant position. Democratic reformers include reformist GPCers, moderate Islamists, opposition parties, intellectuals, civil society, and some tribal leaders. Such actors tend to be weaker than those who benefit from the existing patronage networks.

Given this array of interests, a major obstacle to reform in several areas tends to be political capacity even more than political will. The heterogeneous nature of Yemen's fluid alliance building and fragmentation means that it is a difficult context in which to build a consensus around the specifics of reform. Hence, this review of key political actors suggests that priority be placed on enhancing policy dialogues within and involving elected deliberative bodies. Yemen's pluralistic past and culture provides a tradition of consensus building through negotiation and dialogue, and this is sorely needed to advance the reform process in Yemen.

Local governance emerges as a particularly promising arena of intervention for the USG in terms of the interests of key actors. It offers clear advantages for the governing elite, and for both ruling and opposition political parties. While the decentralization initiative initially received some opposition from tribal sheikhs, who feared that it would undercut their influence, tribes have found that they have been able to do well through local elections and involvement in policy at the community level.

Despite the fact that many Yemenis would likely welcome rule of law reforms, this DG arena is the most problematic in terms of the interests of powerful forces in Yemen. It is unlikely that donor assistance in this area will yield much meaningful impact until Yemenis themselves have reached a consensus on, and further increased their demand for, such reforms, and until the government is more aligned in how to proceed. However, assisting the ROYG implement the decentralization law is a promising area for program consideration.

The overall array of interests in Yemen, the pluralistic nature of political actors, and the country's vulnerability to instability suggest that an incremental process of reform is the most likely route toward democratization. Those currently with influence will need the time and confidence to morph into the dominant actors in a more market-oriented economy and a more liberal political system. This will involve a gradual process of confidence building that will build upon the current willingness of most actors to abide by the rules of the game.

Institutional Arenas

The institutional arenas within which the key actors play the political game also have an impact on the dynamics of reform. This section examines the principal institutional arenas in order to assess how they structure and channel interactions. Attention is paid to both the rules and structures of institutional arrangements in an attempt to discern whether the enabling environment is propitious or detrimental to reform interventions.

4.1   Constitutionalism and the Rules of the Game

The principles of constitutionalism have been undermined to a dangerous extent in Yemen. This is largely due to an extreme gap between laws and practice, which has served to undermine the credibility of both the state and the democratization process. A common perception on the part of Yemen's literati is that the country is endowed with good laws, but the legislation is not implemented in the way it is intended.

The good news is that the Yemeni state views the constitution and formal institutional arrangements as malleable in the design and pursuit of reforms, regardless of whether they are intended to shore up the ROYG's power or a response to outside pressures. The president recently altered the constitution in 2001. The referendum process that was used led to a constitutional amendment, which extended the presidential and parliamentary terms. It also increased the power of the executive in regards to the parliament, and strengthened the role of the Consultative Council, which serves somewhat as an upper house of parliament and is appointed by the president. While these measures tended to strengthen the presidency and were not generally viewed as furthering democratization *per se*, they do indicate that the ROYG is not adverse to pursuing other legalistic and institutional innovations. This could provide for points of entry in the reform process, such as through the encouragement of electoral redistricting.

Altering the enabling environment for reform, therefore, does not seem to be as much of an obstacle as ensuring that the reforms are actually implemented. The constellation of interests and Yemen's political balancing act tend to mitigate against the strict enforcement of laws and constitutional provisions. This situation has had a pernicious effect on the legitimacy of the democratic process. Once again, the shortcomings appear to highlight the gap between the political will to create a favorable enabling environment and the political capacity to implement practices that constrain and condition the behavior of key actors in the system.

On the positive side, many of Yemen's current laws and institutional arrangements provide good foundations upon which to build. The decentralization framework, for example, has provided for an increased role for elected local councils, which have been allowed to come into existence. However, these councils have not yet had access to the resources or experienced a clear delineation of their roles and responsibilities that would allow them to play the full role that was conceived for them (see below for a more in-depth discussion of local governance). The constitutionally

enshrined pluralism and multipartyism also provide for foundations on which to enhance participation through representation. Yemen has had several competitive elections, and while compromised by heavy-handed tactics, this provides compelling reason for donors to seek to strengthen the role of the elected bodies.

Once again, as seen below, rule of law institutions are structured in such a way that the judiciary is far from independent in practice, and the groundwork is not yet sufficiently propitious for donor investment in this area with any likely expectation of results. Recently, there have been signs that the current government is concerned with judicial reforms, and *this stated commitment should be watched closely to see whether and to what degree it materializes into the political will and capacity for sustained reform.* In addition, as stated in the Recommendations section further below, commercial law courts may represent the most relatively ready area for such investment because of the state's compelling need to foster economic development and donor pressures to this effect.

4.2   Judicial and Legal Sphere

As one interviewee put it, there is a judiciary in Yemen but no judicial authority. This is a reference to the precedence of tribal norms over civil law and the judiciary's weak ability to exercise its role in civil law. A European development officer in Yemen estimated that only 20 percent of the population relies on the formal judiciary, while the vast majority (80 percent) relies on tribal leaders and mechanisms to resolve disputes. While notional, these figures strongly suggest that the formal judicial system is not only inaccessible but also widely seen as corrupt and illegitimate.

Judicial Structure. The judiciary's independence is severely compromised by institutionalized and informal executive intervention. Reportedly, almost 80 clauses in the judicial law violate Yemen's constitution, as well as its own provisions regarding the independence of the judiciary. Article 149 of the Constitution states that "judges are independent and not subject to any authority, except the law. No other bodies may interfere in any way in the affairs and procedures of justice. Such interference shall be considered a crime that must be punished by the law."

Despite this strong language, the actual situation could not be further removed, with the judiciary essentially administratively subservient to the executive. The Minister of Justice directly supervises judges and the courts, while the constitution guarantees their independence. The president is the head of the Supreme Judicial Council, and he appoints three of the Council members, who, in turn, appoint the next three members.

The Council determines the assignment, transfer, hiring, and firing of judges. The judges that are appointed are not always well qualified, since judicial appointments are often determined according to political, territorial, and tribal criteria as well as technical considerations. The Prime Minister decides on judicial salaries with cabinet approval. The Chief Justice of the Supreme Court is also appointed by the president. Prosecutors all belong to the Ministry of Justice (MOJ). Even the judicial inspectorate is a branch of the Ministry of Justice, which determines the regulations of the work of its inspectors.

Administration of Justice (AOJ). The courts are widely viewed as corrupt, inefficient, and rudimentary in their functioning. There are fundamental AOJ shortcomings in the current system. Administrative procedures of courts need to be clarified to reduce the discretionary power of judges, which currently enables corruption. Case management and tracking is virtually nonexistent,

and physical infrastructure is quite limited. Judges reportedly work out of their homes because they lack adequate (if any) office space. Judges are also burdened with inordinate administrative and clerical responsibilities because of a lack of knowledgeable, trained personnel.

Judicial Norms & "Activism." The Supreme Judicial Institute is controlled by traditional Islamic judges who have not changed the curriculum in some years. The head of the Supreme Court is an 83-year-old Islamic judge who reportedly sees the president in primordial terms as the Caliph. However, among traditional judges, there may be the belief that Islamic law is limited in its specificity and applicability. A Supreme Court justice spoke at length about this feature of *shari'a* and cited Islam's "general interest" principle which allows for independent judicial reasoning in matters not addressed by Islamic law. This justice also worked with Amnesty International to draft a new law on Islamic punishments and expressed some interest in further reforms.

The Judges Forum, a grouping of jurists established just after unification, may be similarly populated with like-minded conservative figures. However, the same Supreme Court justice, one of the Forum's founders, claimed that the group had been able to leverage certain constitutional provisions during unified Yemen's transition, such as Article 149 which states that the judiciary is to be independent. There have also been ongoing disagreements between some in the Judges Forum and the Ministry of Justice over the latter's role; some jurists, for example, have advocated that the Ministry of Justice be replaced with a Ministry of State for Judicial Affairs that would play merely a coordinating role.

Reform of the Judicial Sector. The shortcomings in the rule of law (ROL) sector are so pronounced that nearly everyone agrees with the pressing need for reform. At the same time, the manner in which the system operates is closely related to the prevailing political dynamics in Yemen, as described earlier. Until greater consensus is reached concerning the actual implementation of reforms, and political rhetoric is translated into political will and capacity for longer-term and/or more fundamental reforms, it would be premature for donors to invest heavily in this sector. At this time, the first problem to overcome is more political than technical, with subsequent technical solutions to obstacles better coming at a more propitious time.

The Yemeni government announced a judicial reform initiative in 1997, when they reduced the number of Supreme Court justices from 90 to 40 and increased the salaries of judges. The measures that were undertaken, however, had no real discernible impact on the overall functioning or integrity of the system. The current Minister of Justice has formulated a reform plan that warrants scrutiny. Current and recent donor programs either failed or have not yet borne fruit. The World Bank had a small judicial program to train judges and develop software, but it did not work well because of a lack of will to engage effectively on the Yemeni side. The current United Nations Development Program (UNDP) program focuses on two pilot courts, one in Sana'a and one in Aden.

In sum, this assessment verifies the findings of previous USAID DG Assessments of Yemen that it would be unwise for the USG to get ahead of the government in the ROL area. The fact that the same findings still persist several years later reflects the deep-rooted nature of the problem in Yemen. However, given positive efforts by the ROYG in 2003 to develop a comprehensive written plan for judicial reform, the USG should monitor developments closely to determine if and how it can assist in this area. It will be important for donors to respond rapidly and positively to movement in this important area should new windows of opportunity emerge.

4.3   Governance Sphere

4.3.1   Legislative Arena

Yemen has a bicameral parliament composed of the Consultative Council (*Majlis al-Shura*) and the House of Representatives (*Majlis Al-Nuwaab*). The 111 members of the Consultative Council are appointed by the president, and it has limited legislative powers. Several new members of the Shura Council were appointed in May 2003. The House consists of 301 members who were elected by plurality vote from single-member constituencies. The most recent elections were this year. Their current term runs until 2009 as a result of the 2001 constitutional referendum, which extended the term from four to six years. For purposes of this assessment, the term "parliament" is used to refer to the elected House of Representatives. As discussed in the final section, the analysis leads to the conclusion that the elected deliberative bodies such as the House of Representatives are particularly relevant to the democratization process.

Parliamentary Leadership

Parliament is led by a House Presidium, which consists of the Speaker and three Deputy Speakers. One deputy is from the Ba'ath Party, and the other two are from the GPC; one of the GPC deputies is described as quite active. House Speaker Shaykh 'Abdallah bin Hussein al-Ahmar reportedly views the parliament as a domain of personal power. However, he also possesses a sense of institutional autonomy vis-à-vis the executive. Apparently, he recently expressed his irritation with the current Prime Minister's approach to the parliament during the presentation of the government's program.

Al-Ahmar, who is also head of the opposition Islah party, was appointed as the head of parliament as a result of his tribal ties with President Saleh and his status as paramount sheikh of the Hashid confederation. Many of the current members of parliament have tribal identities, indicating the extent to which parliament has the potential to represent many of the country's pluralistic factions, even though the number of parties represented is not high.

The parliamentary speaker and his deputies have almost the exclusive right to set the body's agenda. Some current deputies complained of not knowing the agenda for a session until the morning they arrived for a session. As a result, attendance is often not robust. The parliamentary leadership controls funds for MPs to pay their salaries, benefits, and travel. There are cases of the leadership holding up pay. MPs also do not have access to parliamentary budget figures if they inquire.

Institutional Authority

Legislative Review. In practice, all laws emanate from the executive. Sixty members are needed to introduce legislation in parliament. However, to date, parliament has not used this provision nor has it initiated legislation. From a comparative perspective, this role mirrors that of other more autonomous and active Arab parliaments, as in Jordan, Algeria, and Morocco.

However, some GPC bloc leaders see their role as one of review of government-initiated draft laws, and occasionally parliament has succeeded in revising or blocking draft legislation. GPC MPs cited the holding up and/or correcting of proposed economic policies deemed to have harmful effects on common people—such as raising taxes and cutting subsidies on basic utilities like electricity.

They also cited the apparent obstruction of a pending civil service bill that may have let some government workers go. The local administration law went through six versions before the parliament passed the final version. The bill on higher education presented to parliament took three years to pass. As a result, senior parliamentary leaders are often consulted by the executive at the policy formulation phase.

This margin of GPC bloc independence can be attributed to (1) the party's heterogeneous composition, (2) the executive's relative inattention to issues considered "low politics," and (3) the desire of some GPC deputies to be seen as delivering increased prosperity—and thus to avoid being labeled "an enemy of the people" by the opposition. Despite some activism and assertiveness, GPC parliamentary behavior is more often characterized by top-down control forcing members to vote with the government. For example, ruling party MPs were reportedly pressured to pass the current government's program in its entirety despite some GPC deputies taking exception to certain aspects of it.

Oversight. The body's internal rules were recently changed so that its power to exercise oversight was weakened; now, the parliamentary leadership needs to approve calling Ministers for questioning during an investigation. However, it is easier and seems routine for MPs to call Ministers (e.g., recently Ministers of Interior and Transportation) for general questioning.

Parliament also has the right to make comments and give advice on the government's draft budget. It then goes to the Finance Committee where the opposition tries to raise issues, but typically there is a phone call pushing for approval and the budget is voted through along party lines. The budget is voted on through a straight up or down vote on the parliament's floor, and no amendments are allowed. Several GPC voices expressed a desire to play a greater oversight role in auditing executive spending.

GPC figures also point to the local government and elections laws as chief pieces of legislation that need amendment. According to at least one MP, for example, 80 laws dealing with the local administration law need to be amended. While this is hardly tantamount to parliamentary oversight, it clearly suggests a desire to broaden the institution's role beyond one of occasional legislative review. Many opposition party MPs also seek to expand the authority that the institution actually exercises.

Legislative-Executive Relations

Correction and Cooperation. The GPC parliamentary approach to the executive is one of debate of executive proposals and of cooperation to affect changes in draft legislation. The mechanism for this cooperation seems largely extra-parliamentary: informal meetings between leading GPC MPs and relevant Ministers. In the words of GPC parliamentary luminaries, the parliament corrects the government by sometimes "giving it a hard time" but also by working "in parallel" with the executive to face Yemen's development challenges.

Preemption: In addition to initiating and guiding legislation, the executive can also preempt the House of Representatives. In one instance, some MPs were beginning to act on legislation concerning fees charged to evade compulsory military service. The president, however, called for the Supreme Defense Council to issue a decree on the matter in the meantime. It seemed that the executive feared having the political rug pulled out from under it on such an important issue with such a chief constituency.

Parliamentary Committees

Knowledge & Activities: Parliament is structured with numerous permanent committees, but there is a general lack of technical knowledge across parliamentary committees. However, some committees actively conduct studies and write reports. The Committee on Agriculture and Fisheries recently wrote a substantive, critical report on fisheries. However, MPs are often uncertain how to proceed from committee to chamber to hold the government more accountable on issues their committees have researched. On some issues, a number of MPs consult informally with professionals or subject matter experts outside the institution. Yet, this does not appear to be a routine practice among many MPs and is certainly not an option exercised by parliamentary committees.

Leadership Selection & Leverage: The GPC usually captures the committee leadership positions and appointments are based on political payoff rather than background or expertise. Opposition and GPC MPs gave the following examples of patronage-oriented committee leadership selection: (1) the Foreign Affairs Committee chair is a student of another committee member who is a professor of international relations; (2) the uneducated son of a shaykh is the head of the Education Committee while five members are professors of education; and (3) the Public Freedoms Committee chair is the son of a shaykh who owns private prisons, while the committee rapporteur is a son of the Minister of Interior.

Only three committees are headed by opposition parties. The Socialists lead the Water and Environment Committee. Islah heads the Health and Awqaaf Committees. However, opposition numbers in the parliament are so small that their representation on even these committees is overwhelmed by the GPC. In this regard, the Islah Health Committee chair noted that while he has a good relationship with the Health Minister, he can only secure *ad hoc*, piecemeal achievements rather than influence policy.

Members

Reflecting the party's catchall nature, the GPC majority contains a wide range of members. A larger number of current GPC MPs are better educated, professional, and not as directly tied to tribes (i.e., sons of shaykhs). However, a large majority of GPC parliamentarians are still tribal figures and military officers: estimates indicate that out of a total of 301 MPs, 100 are tribal and 80 are current or former military figures. Opposition ranks may include a relatively higher percentage of educated and/or professional members. Many deputies do not fulfill their basic duties either because they view their role in narrow terms (i.e., constituent services provision), are ignorant of their basic roles and responsibilities as well as institutional rules, or are simply uninterested. One estimate is that only 50 to 75 MPs typically show up for a vote on the chamber floor.

Staff

It is estimated that the overall parliamentary staff numbers around 500. Parliamentary staffers are poorly trained. In committees, a general secretary takes the minutes of meetings, and clerks type them. Sometimes, committee members are able to influence staff to delete their previous comments from the committee record. In contrast, the Consultative Council is reportedly well-endowed with staff resources.

Public Perceptions

Anecdotally, the public perception of parliament's performance seems quite low. One interviewee observed that after unification, Yemenis watched parliamentary debates on television, but that this public interest has died and, to paraphrase the same respondent, now Yemenis turn the television off when it comes to parliamentary proceedings.

Reform Potential

Parliament remains a potent symbol of national unity and has the diversity of membership to represent Yemen's pluralistic traditions and tendencies. The fact that the dominant GPC is itself so heterogeneous makes it difficult for the parliament to be used as a rubber stamp; indeed, the institution has some history of actively balancing the executive. The parliament's role, however, as an arena for fruitful dialogue and national consensus building has been grossly underutilized. Part of this is due to the Speaker, whose interests run more toward maintaining his influence than toward democratization. Many members, parliamentary caucuses, and committees, however, could also play a more active role in carrying out many of the important deliberative, consultative, and representative functions that are needed at this time in Yemen's political evolution. As documented in this section, there is already firm political will within the ranks of the institution's membership upon which further gains can be based.

4.3.2   Local Governance

In the past, local governance in Yemen has been a mixture of informal self-help social organizations and a centralized administration that lacks resources and has generally been unresponsive to the needs and demands of the citizens. In spite of its long traditions of community and kinship-oriented social structures, the Yemeni state had superimposed a highly centralized administrative structure. Prior to the enactment of the Local Administration Law of 2000, the cities and towns were all administered by a centrally appointed Director General of Municipality who reported directly to the Ministry of Construction and Urban Planning. Decision making in resource allocation, planning, and management of development at the local level were marked by strict central control.

Such a system was notoriously inefficient and did little to strengthen the legitimacy of the state in peripheral regions. As a result, since 1994, the government began seeking means to decentralize its administrative structures by devolving some degree of planning and project management to sub-national governments to improve delivery of public services and address regional disparities. After six years of difficult debate and revisions, Law No. 4 of February 10, 2000 was promulgated. This new regulatory framework devolved more authority to the governorates and their subdivisions, the Districts, with elected councils being put in place at both levels in order to provide for more representative mechanisms to increase the responsiveness of government units to the citizenry. It was hoped that these changes would improve local governance so that communities themselves would take more ownership and initiative in ensuring that public services and projects were more in line with their needs and priorities.

There are currently 20 governorates in Yemen. Depending on the size of the governorates, Ministries are often represented by branch offices at this regional level. Typically these include the most important Ministries such as Finance, Planning, Local Administration, Education, Health,

Agriculture, Social Affairs, Urban Planning, and Construction. Below the governorates, there are currently 332 districts, comprised primarily of villages and hamlets.

The Yemeni decentralization initiative has created elected local councils at both the governorate and the district levels. The intent of this measure was to provide for a representative means to facilitate citizen participation in the selection of developmental priorities and in the oversight of local spending. The district councils are directly elected, whereas governorate council members are elected by the district councils. The councils at both levels are broken into three specialized committees: (1) Planning, Development, and Finance; (2) Services; and (3) Social Affairs.

The intent of this new institutional architecture is to transfer some degree of autonomy in local development planning and identification of priorities by the local population. At the same time, however, it maintains central government oversight over local elected authorities, with even district plans and budgets still sent to Sana'a for final approval by a national committee comprised of representatives of the Ministries of Local Administration, Finance and Planning.

Three years after the enactment of the Local Administration Law, which was followed by local elections in 2001, Yemeni authorities are still faced with a number of challenges hampering the effective implementation of this ambitious reform. One of the most important constraints is simply the very limited resource base of most districts, especially those located in the poor peripheral areas. Secondly, the opaque and centralized nature of government transfers inhibits predictability for planning by local councils. Third, the local councils are inexperienced in understanding their mandated roles and relations with the central authorities, and they lack experience with participatory means of regularly interacting with the citizenry.

In short, the Local Administration law has created a more favorable enabling environment for fostering local initiative and popular participation in decision making, management, and oversight. It has also planted the seeds for further reforms to intergovernmental relations as confidence grows in the capacities of the local councils, but the measures that have been adopted on paper need to be better utilized to continue to develop. The USG and other donors could play a catalytic role in working within this promising window of opportunity by assisting local councils to build on their proximity to the people to improve local governance. The motivating factor to engage the citizenry with the councils would be improvements in meeting the basic needs of the people.

4.4   Civil Society

A new law regulating associations was passed in February 2001. This legislation placed the NGO regulatory framework under the jurisdiction of the Ministry of Labor and Social Affairs. If the Ministry fails to process an application for registration within a month, it is automatically granted. The regulations for receiving foreign funding were loosened, although such funding needs to be disclosed to the authorities and related activities still need explicit approval. A minimum of 41 members is required to establish an association.

The regulatory framework for associations thus has not been the principal limiting factor in what, to date, has been a relatively slow growth in this sector. Instead, limits to the growth and effectiveness of associations have come for three other reasons. First, the government has tended to dilute the important professional associations with public employees that are beholden to the civil service. This reduces the independence of such associations and makes it difficult for them to advocate

effectively for reform. This has been the case with both the syndicate of journalists and the bar association, for example. Second, the appeal of associational means of participation has been reduced because of the availability of alternate means of pursuing interests, as discussed earlier. Third, there has been a lack of access to deliberative bodies, such as parliament, that have not yet themselves lived up to their potential in terms of providing a forum for public input on policy issues.

In sum, the potential for more robust growth exists in this sector given the legal framework. The key will be to increase accessibility to meaningful participation through democratic institutions, most notably parliament and the local councils.

The enabling environment for the printed media is curtailed through several rather vague legal provisions, such as those relating to national security. Fines, suspension, and the possibility of imprisonment face journalists and editors who cross the rather ill-defined line. As mentioned earlier, these provisions have been increasingly exercised since the second half of the 1990s, and some subjects have become even more sensitive, such as security-related issues. However, the history of pluralism and a core of independent media continue to provide hope for improvement in this area. There is room for greater professionalization on the sides of both the government-sponsored media and the independent press.

4.5   Filtering in Institutional Considerations

This review of the institutional arenas presents a mixed picture, but one which has some positive aspects. The rule of law arena is less developed, and the lack of consensus over fundamental issues relating to this area suggests that little progress is likely in the short term. Other areas require some changes in the rules of the game, such as electoral districting and voter registration processes, but there is a greater likelihood of making some progress in these areas than in the rule of law, although electoral redistricting will also require extensive policy dialogue and negotiation. The representative and deliberative processes could progress quite considerably within the current regulatory environment, but this will require developing a stronger consensus and coalition of reformists around the democratization movement. The decentralization policy took years to work out, but it has provided a viable framework to increase participation and to make local governance more responsive.

Strategic and Programmatic Recommendations

5.1   Strategic Approach

Yemen is at a critical phase in its democratization process. There is an urgent need for the process of political reform that has already taken place to begin to yield some concrete and tangible results to stem the decline of credibility regarding democratization. Yemen's future political stability depends upon being able to work out a negotiated consensus over political reforms that will enable broader development. This, in turn, will require that the democratization process be seen as viable, which currently is in doubt.

It is all the more important that meaningful progress be made toward democratization in Yemen since that situation offers several advantages that are not common in the region:

1) Yemen has had both a political opening and a tradition of pluralism that has provided the political space and sense of entitlement that have created a propitious environment for participation.

2) Yemen has successfully incorporated many Islamists into the mainstream political process by providing them with an opportunity to participate through the democratic rules of the game. While there are still some extremist factions who reject the ROYG's qualified democratic game, most Islamists have been willing to work within these bounds. It is very important, however, that the large numbers of moderate Islamists who participate via Islah feel that this approach has the potential to bear fruit via the democratic process—something that is currently in jeopardy unless more progress is made in the short term.

3) Yemen has held multiple competitive elections since 1993, and while these elections have not been without blemish, they have provided a base upon which to build. By the same token, however, unless the elected bodies and the political parties provide more of a representative function, the elections will increasingly become seen as merely décor to cover the consolidation of authoritarian rule.

It is essential that donors move quickly to help ensure that the democratic process is able to produce positive results in terms of improved development. In order to preserve stability, the state continues to rely on a system of rule that itself tends to undermine simultaneous formal steps toward more democratic governance. It is unlikely that the government will easily be able to back away from patterns of rule that are an important part of its building consensus and maintaining stability. The DG reforms need instead to be able to multiply the means of participation and representation so that access to policymaking forums is increased rather than doing away with alternative means of influence. To a certain extent, this has already begun with the overlap of multiple social forces into the representative institutions.

In keeping with the Assessment Team's findings, the programmatic recommendations therefore seek to increase the efficacy and responsiveness of political institutions to citizen needs and demands. Elections in Yemen have helped to prolong the legitimacy of the political system, and considerable strides have been made in electoral organization and administration, despite continued problems with registration and voting.

However, it is paramount that the forums that are the outcomes of the electoral process be strengthened. The elections will mean little by themselves unless the representative institutions to which they are related are better able to carry out a substantive role. Elected representatives must be empowered in *strategic and sustained* ways to better carry out their functions. Without this shift in relative priorities from political process to institutions, widespread perceptions of Yemen's "decorative democracy" will deepen. There is a concomitant immediate opportunity with regard to local councils to have a tangible impact on community welfare, and parliament's role in the national process of building a consensus over reform has much greater potential than has been realized.

The following recommendations cover all major DG subsectors. They include longer and sequenced shorter-term goals and notional activities under each short-term goal. Finally, the recommendations include justifications for the recommendations and operational suggestions to guide Post in program design.

Strategic Themes & Priority Areas

There are three principal strategic themes that emerge from the preceding analysis.

1) There is a pressing need to promote a type of political reform that demonstrates concrete and tangible benefits of democratic governance for the process of development. This strategic theme may be pursued effectively in the short term through local governance. There is a regulatory environment in place that has created the local councils, but they need to be improve their ability to respond to citizen needs. By utilizing this representative forum to increase the participation of the citizenry in identifying and overcoming development challenges, the councils can help to deliver tangible benefits through more democratic governance. A programmatic approach toward these ends is described in more detail below.

2) The second strategic theme is the need to increase the role of elected democratic institutions in contributing to policy dialogues that can increase consensus on the modalities of reform. This may be done through both the local council initiative with regard to decentralization, and through the parliament in terms of national reform. While the parliament is currently constrained to some extent, certain initiatives could strengthen the institution's deliberative and consultative process, as well as the representative functions of its members.

3) The third strategic theme that emerges is the opportunity to work on the demand side to help build and strengthen constituencies for reform. This could be achieved through several areas of intervention. Political parties need to play a more meaningful role in enabling participation and representation. Development and articulation of clear policy platforms is key, and could be done in conjunction with the work on parliament and, to a lesser extent, with the local councils.

In addition, civil society represents an underdeveloped potential. As democratic institutions become more active, CSOs will have greater access to the policy dialogue at both the local and national

levels. Locally, community and producer organizations could be mobilized to organize more productive citizen interactions with the councils. At the national level, CSOs could contribute to the policy dialogue more effectively through public hearings and meetings with parliamentary committees and members.

Finally, the media represents another legacy of Yemen's democratic spring that could be built upon to better contribute to the national policy dialogue. Professionalism across Yemen's diverse press could be developed so that alternative perspectives are good reporting rather than polemics.

Other DG Areas

Depending on funding availability, it is also recommended that the USG keep some engagement in other DG areas. These other areas are not identified as being of the same priority as the preceding recommendations. It is worthwhile to monitor developments in these areas, however, and encouragement should be provided to governmental initiatives that break new ground.

There are three such areas:

1) *Elections*. This area has received considerable donor support in the past. Additional impact will require improved performance and commitment by the parties and elected bodies themselves. Practical issues that could benefit from donor assistance include voter registration and electoral districting. *Interventions in these areas should contribute to leveling the electoral playing field by contributing to greater fairness in electoral outcomes.*

2) *Rule of law*. This area unfortunately remains very problematic for Yemen's developmental prospects. It would be unwise to invest heavily in this sector until more of a consensus has been established over the implementation of reform and greater political will and capacity are demonstrated in moving ahead. However, recent and ongoing developments are somewhat heartening in this respect and bear close scrutiny.

3) *Anti-corruption/transparency*. This is so important in Yemen that it should be incorporated as a crosscutting theme into work with the monitoring and oversight functions of parliament, the local councils, civil society, and the media. It would also be advisable to closely follow the evolution of Central Organization for Control and Auditing (COCA) and be prepared to engage as appropriate, as described in the recommendations below.

Women's Empowerment

Women's empowerment is a final theme that touches upon another area of Yemen's untapped potential. While past assistance efforts to directly provide support to women parliamentary candidates did not result in increased numbers of women MPs (women were more successful in gaining local council seats), there is reason to believe that women's empowerment may be effectively enhanced as a crosscutting theme in both the local governance and civil society recommendations. The local governance activity described below contains a component that could directly foster greater and more effective women's participation. Likewise, civil society organizations can be helped to advocate for more effective women's participation.

5.2   Programmatic Recommendations

5.2.1   Local Governance

Local governance offers excellent opportunities to engage a coalition of actors at both the national and local level in the pursuit of more democratic governance that directly contributes to poverty alleviation. The Ministries of Finance, Planning, and Local Administration along with local councils all have an interest in seeing communities play a more participatory role in mobilizing resources and initiative in overcoming local developmental challenges. By structuring assistance in such a way as to take into consideration the interests of the multiple actors involved, a local governance program could immediately begin to achieve impact and results. For example, the Minister of Local Administration, who is a tribal leader himself, views the new decentralization framework as a more effective means by which local communities can work with the state to better address and resolve community challenges. Local Councils tend in part to reflect the prominent role of tribes in the social fabric rather than being removed from their influence. The Minister directly expressed his interest in collaborating with the program described below.

The needs at the local level (especially in the poorest governorates and districts) are so great that no single donor can adequately respond to them alone. Therefore, the recommendations proposed below focus on a limited set of interventions to be implemented on a pilot basis, first in two governorates—possibly one in the south and possibly one in the north—for two years and scaled-up later. In addition, the proposed interventions could be linked easily with other ongoing or forthcoming USG interventions in other sectors in the above two governorates. Also, the proposed interventions below could be initiated rapidly, starting in FY 04 through FY 06, when the next local elections are due to take place.

The proposed program adopts an approach that integrates several subcomponents around concrete and tangible benefits to communities that may be achieved through *more effective and responsive local governance*. The key element of the component is the creation of an infrastructure fund that can be accessed through small-scale proposals (up to $25,000 of USAID funding plus counterpart contributions) on the condition that they include elements of community participation in prioritization and in oversight functions.

This fund will be used to finance small-scale infrastructure projects that are identified by communities as of highest priority. Community groups will work with both the governorate and district councils to define and include these projects in their development plans. The capacity of the councils to carry out planning and budgetary functions in regards to these specific projects will be a target for limited technical assistance. A transparency and accountability function will be built in through project committees that will review all expenditures and implementation of the project in light of the approved proposals and project plans. Funding for the projects could be dispersed through a phased approach that allows for ongoing oversight of the implementation process.

The integrated approach of the component will motivate citizens and community groups to actively become engaged in local governance. The strengthening of select local councils will best take place if structured around concrete community challenges. Assistance in such basic functions as holding participatory meetings and working with budgets will be most meaningful if it is linked to achievement of tangible developmental goals. It will use existing structures (such as farmers' associations and the women's union local branches, for example) that have heretofore had functions

that exist mostly on paper. It will tap into development resources available through the devolution structure by allowing district councils to leverage their resources to reach a much wider constituency.

It will practically demonstrate the benefits of transparency and accountability and will allow for a greater sense of citizen ownership over the joint activities undertaken in partnership with governorate and district councils. It will provide a solid basis for policy discussions that can constructively contribute to the policy dialogue over future refinements of the decentralization policy by drawing on lessons learned through implementation of relevant program activities.

COMPONENT 1 – IMPROVING LOCAL RESOURCES MOBILIZATION, FINANCIAL MANAGEMENT, AND
            PLANNING BY LOCAL COUNCILS

This component will focus on the supply side of local governance by improving the ability of the local council committees (planning, finance, social) to carry out their mandates. Assistance could be provided to assist the committees in clarifying their respective roles and relations with technical Ministries at the district level. The assistance would be provided in the context of conceiving and implementing the small-scale projects identified through citizen participation. This component of the proposed program could work with the newly created local "accounting offices" of the Ministry of Finance in providing technical support and training to the local councils in the functions of financial management.

Again, using the incentives of the fund, this modest capacity-building effort will help first to establish a transparent and systematized preparation of budgets and controls over expenditures. Second, it will introduce a more responsible planning process linked to local resources mobilization capacity and proper and transparent financial management procedures (key concerns of the central government in Sana'a). Third, on the demand side, it will increase the awareness of local communities of the need to be more selective in identifying their needs and priorities and the cost implications for maintenance and operations for the infrastructure investment projects submitted for USAID funding under this program. It will be important to gain top-down collaboration from the Ministry of Finance in this component. Minister Salami expressed to the team his interest in facilitating such initiatives as part of a local governance assistance program that sought to mobilize both local and donor resources to complement those of the state.

COMPONENT 2 – IMPROVING CITIZEN PARTICIPATION IN THE PRIORITIZATION, PLANNING,
            IMPLEMENTATION, AND OVERSIGHT OF SOCIAL INFRASTRUCTURE PROJECTS

Once more adequate funding sources are identified, the local councils provide a promising forum through which to channel greater citizen participation. Technical assistance could be provided to both the local councils in developing participatory mechanisms for interacting with citizens and to community groups in aggregating and articulating their interests. Using the fund resources for small infrastructure projects as incentives for community participation, this subcomponent will help establish and develop mechanisms for citizens' participation as envisioned by the Local Administration Law. This will thus broaden the role of citizen participation in the prioritization of community needs and their reflection in local development plans and budgets submitted to the central level.

COMPONENT 3 – FOSTERING DEVELOPMENT PARTNERSHIPS FOR LOCAL DEVELOPMENT

This component, the motor of the program, will consist of the formation of funding partnerships between local councils and the central government in pursuit of the specific developmental priorities identified through a participatory process. These partnerships will involve USAID, Local Councils in the pilot governorates, and the three central Ministries involved right now in the approval process of local development plan and budgets.

The partnerships will involve counterpart contributions from the both the community and local council side (including both local revenues and transfers from the central government) to complement the infrastructure funding provided by USAID. It is essential that counterpart contributions be heavily weighed in the evaluation of proposals, as this will help heighten the sense of ownership over the projects, increasing the prospects for their maintenance and sustainability.

Memoranda of Understanding (MOUs) would be used to detail the respective roles and responsibilities of the partnerships. This will also help set the parameters for (a) the functioning of the Fund (such as management setup and composition, procedures for control and monitoring of disbursement); and (b) eligibility criteria for accessing the fund resources (priority projects/areas, level of contribution, performance indicators, and triggers for continuous accessibility to the Fund resources). Furthermore, and to complement other USAID activities, funding could be prioritized for certain other sectors, such as health, agriculture, and other social basic infrastructure and income-generating activities.

This partnership will seek mainly to strengthen through dialogue and constructive cooperation intergovernmental relations and local communities and clarify the "reciprocal obligations" of the partners in the sustainability of the service delivery system. The MOU will specify, as mentioned above, the details of the obligations of each actor: central and local governments, the community, and of course USAID.

Based on the socioeconomic profile and geographic location of the governorates/districts to be selected, the activity could have three tracks:

1. **Quick Start**: Elected councilors prioritize projects based on existing knowledge of needs;

2. **Bottom-up Track**: Local councilors convene participatory meetings to engage community groups directly in consensus-building exercises for prioritization; and

3. **Women's Economic Empowerment**: Establish set-aside funds for elected councilors to work with representative women's groups to better engage them in the public process to provide them more access to economic opportunities and income-generating small investments.

COMPONENT 4 – PROMOTE TRANSPARENCY AND THE OVERSIGHT ROLE OF CITIZENS

On a pilot basis and through all projects supported by the proposed Fund, new mechanisms for oversight and control involving representatives of the local council, USAID, concerned Ministries, and representatives of local citizens groups could also be tested. On a regular basis, both implementation and financial reports for the projects will be submitted and reviewed by an oversight body, the composition of which should be agreed on in the signed MOU, but would include representatives from beneficiaries of the projects. The oversight body will report to the

local council and USAID. As with the other program components, this anti-corruption element of the program will be undertaken with specific regard to the development partnerships and the infrastructure projects they will undertake. The plans and the budgets for the projects will be submitted and reviewed, and implementation monitored. The oversight body will report to the local council who will certify that the funds are used for the appropriate purposes and that maintenance and sustainability plans are developed.

COMPONENT 5 – IMPROVE CENTRAL/LOCAL POLICY DIALOGUE ON THE IMPLEMENTATION
                     OF THE LOCAL ADMINISTRATION LAW

This activity will focus USAID assistance on improving the central/local policy dialogue through the publication and dissemination of lessons learned on the ground. This will further improve the future of the legal framework put in place by the LA Law 4.

The premise of this component is that, while there is an urgent need "to deliver" concrete results on the ground rapidly so that local populations can see and "touch" the positive impact of decentralization, longer-term improvements in the legal and institutional architecture of the decentralization law are also important. Overall, this could further move the reform forward and mitigate some remaining hurdles. Policy issues that are likely to be addressed include fiscal relations and resource transfers among the various levels of government, recruitment issues, and transfers of personnel from the center.

The policy dialogue over local governance might be facilitated via three approaches.

1) Documentation of best practices may be achieved and propagated based on the initiatives developed in practice;

2) As successful experiences with developmental partnerships in local governance are established, regional and national forums may be held in which experiences are brought to bear on the specific areas in which the enabling policy environment could be further strengthened; and

3) Media outlets could propagate success stories and local participatory experiences, thus further enhancing citizen and government awareness of the benefits of democratic and participatory governance.

NDI has begun to examine needs to strengthen the ability of local councils to better play their formally mandated role. They have identified a lack of familiarity with the law as a key obstacle at the local level. NDI also has highlighted the importance of getting MOLA buy-in to empower select pilot district councils through the dedication of trained staff to assist councils in accounting, budgeting, and planning, and in requiring elements of transparency in local expenditures. The needs identified by NDI are all addressed in the proposed program with the difference being that the fund described above would provide an incentive for more rapid achievement of the objectives. The lessons offered by NDI should be incorporated into the design of the new program.

5.2.2 Parliament

The goal of this proposed area of intervention is to increase the deliberative and consultative functions of parliament. The importance of this area was signaled in a prescient USAID DG Assessment of Yemen eight years ago, where it was stated that "elections mean little in and of

themselves. It is the representative institutions to which they are related that ultimately is the proof of the democratic pudding. *Parliament has to prove that it can contribute to the development of democracy in Yemen before elections will be again as politically meaningful as they were in 1993. At this time, therefore, parliament is a more important focus for activities in support of democracy...*" Since this statement was made, parliament has unfortunately lost some ground in terms of credibility. Consequently, even the progress that has been made in elections has not done much to stem the declining credibility of the democratization process.

One of the principal obstacles to legislative strengthening has been the leadership of Sheikh al-Ahmar, who has treated parliament as a political power base, sometimes exercising his authority to block the government's legislation. While this dynamic continues to mitigate against a large-scale modernization of Yemen's legislature, there are several substantial, sequenced, short-term results that could increase the legislature's role in engaging in policy dialogues and formulation. Other parliamentary strengthening projects in the region, such as in the West Bank and Gaza, provide examples of how USG programs may be structured to avoid becoming captured by any parliamentary leader or faction.

NDI has already done some work in political party development, legislative strengthening, and women's political participation that provide a foundation upon which further activities could be based. In particular, NDI has found that working with second-tier members of parliament has been more promising than working with the parliamentary leadership in terms of generating momentum for further democratic reform. Yemen's work with parliament has included working with a multi-partisan group of parliamentarians to increase their capacity to influence the policymaking process and address constituent needs at the national level. This is precisely the type of activity that could be expanded upon to increase the representative role of this democratic institution in contributing to policy dialogue and formulation.

In general, Post might avoid investing in hardware or generalized, extensive training for parliamentary staff. These kinds of intervention are usually costly and are of little impact absent larger institutional political will and existing capacity. Moreover, large investments run the risk of turning assistance into additional sources of patronage for the parliament's leadership. This was the unintended result of a recently attempted legislative strengthening program in Guatemala under a former president who co-opted the assistance, and the program was subsequently canceled. Parliamentary tours to Europe or the United States should likewise be avoided as they are generally costly and often result in little impact on broader segments of MPs or their practices.

Post could take advantage of MEPI-sponsored in-country programs, and regional training in legislative strengthening, in which reform-minded Yemeni MPs could interact with like-minded Arab counterparts. Because many Arab parliaments are broadly similar in their potential and actual roles, this would likely be the most profitable foreign-based activity for a Yemen-focused parliamentary program. An in-country, follow-up activity to share and disseminate "lessons learned" would contribute to greater impact of a regional program for Yemen. Finally, Post may need to balance and diversify the selection of MPs that participate so that access to the regional program does not become a source of competition among parliamentarians.

This program would achieve the following short-term goals and illustrative activities:

1. Strengthen professional and institutional knowledge of MPs

Notional Activities: Train MPs in basic roles and responsibilities of being a deputy, as well as institutional rules and regulations; train select Yemeni parliamentary staff in MP orientation to institutionalize knowledge and practice of trainings.

Justification/Operationalization: This intervention would be a way to reach out and bring in a wider cross-section of MPs than reformists, whom the following interventions are more tailored to address. More senior and/or former MPs could be integrated into the trainings not only to impart firsthand experience to colleagues, but also to imbue the activity with greater authenticity/legitimacy. Sessions could be videotaped and any written materials archived to contribute to the institutionalization and sustainability of the program.

2. Increase involvement in policy issues

Notional Activity: Initiate policy dialogues with MPs.

Justification/Operationalization: This is a financially and politically low-cost approach to beginning a parliamentary program. It is in keeping with Yemen's culture of dialogue among political elites and the GPC parliamentary bloc's informal, extra-institutional approach to dealing with the executive. The dialogues should be focused around issues that are of key, ongoing concern for Yemen, but relatively low stakes for the executive: education, health, agriculture, and water/environment. Women could be woven into the dialogues as a crosscutting theme and/or a standalone dialogue.

These policy areas are also sectors of other USAID activities. Health is an obviously critical issue for many Yemenis because of the country's widespread and profound levels of poverty. Agriculture figures as a prominent issue because of Yemen's fertile areas and future economic potential in this sector.

Next to the economy, education is perhaps the most publicly reported on and discussed domestic policy-related issue area in Yemen. Yemen's newspapers often feature articles, editorials, and commentaries—whatever their level of accuracy or sophistication—on this subject. As recently as late January 2004, the weekly *al-Shumu'a* included an article lamenting what it saw as the backward state of Yemeni curricula. The Assessment Team also heard from a number of interviewees (including GPC parliamentarians) about either the general need for more and/or better education or the particular challenges to, and reforms that should occur in, this sector.

Since they are the preserves of the president, foreign affairs, defense, and even economic reform policies should be avoided. Depending on the orientations of those Islah parliamentarians participating, care should be taken in how education issues are tackled. Vocational education and training, for example, will likely prove a less controversial issue than religious curricula.

Policy dialogues should include reformist MPs from all parties as well as independents. Heads of relevant committees should be particularly targeted, as should politically prominent and/or technically knowledgeable committee members. The aforementioned issues also include a chance to involve committees that are led by opposition parties (i.e., Health and Environment) and the GPC, without creating the impression that opposition forces are being targeted or favored.

Parliament's top leaders could be invited to opening sessions of policy dialogues as Keynote Speakers. This could encourage their symbolic political blessing without creating too high a level of involvement. Shaykh al-Ahmar is a frequently featured speaker at political meetings (including the recent YSP annual conference). The engagement of one or more of the Deputy Speakers may also be worthy of consideration.

Dialogues could be held both away from the parliament and on the parliament premises depending on political considerations. Holding dialogues away from parliament premises contributes to an image of the dialogues as society-wide. Holding them on parliament premises of course makes the institution more of a focal point.

Inclusion of Consultative Council members in the policy dialogues should be very carefully weighed by Post. This body, of course, was created in large part as a counterbalance to the popularly elected House of Representatives. Including members in policy dialogues could unintentionally lend it legitimacy. On the other hand, the Council reportedly contains technocrats who could contribute substantively to the policy dialogues and who could emerge as additional allies for policy reforms. Over the longer term, incorporation of Council members could also contribute to building relationships across the legislative houses.

3. Professionalize committee functions

Notional Activities: Train committee members in how to obtain public and specialized input; convene MP consultations with experts, NGOs, and government officials; train committee members in report and research writing; train top committee staff (i.e., general secretaries) in committee functions.

Justification/Operationalization: This activity area builds on the substantive momentum generated in the policy dialogues. The targeted committees should be those that address the issues discussed in the dialogues: health, education, agriculture, and water/environment. Again, these are areas that intersect with USAID's other work, and two of these four committees are headed by opposition party leaders, which will indirectly (and in a non-confrontational fashion) contribute to counterbalancing GPC institutional domination. To legitimate these kinds of activities and attract the participation and engagement of more committee members, MPs and/or staff from other committees who have been particularly active and/or professional in performing their roles could be tapped to participate in these trainings.

4. Better articulate policy alternatives

Notional Activity: Develop parliamentary caucuses.

Justification/Operationalization: The central issue areas addressed in MP policy dialogue and committee development activities can be further crystallized and disseminated via work with parliamentary caucuses focusing on policy development. This is one way to incorporate previously unengaged MPs. With three fairly established parties, Yemen has a clear advantage over most Arab countries for this kind of activity; therefore, considerable resources should not have to be expended on helping define caucuses and keeping them together. This kind of institutional activity will also pave the way for, and dovetail with, political party development efforts, which are detailed below.

5. Strengthen "low-level" oversight

Notional Activity: Prepare committee members to question Ministers.

Justification/Operationalization: This builds naturally on committee work and starts moving the parliamentary program from a deliberation/consultation to an oversight focus. It is in keeping with the questioning of Ministers as a parliamentary prerogative that is apparently frequently exercised and therefore politically low-risk.

6. Develop budgetary oversight

Notional Activity: Train Finance Committee members to review annual budgets.

Justification/Operationalization: This raises the program's emphasis on oversight to an area that is technically within parliament's mandate, but that is not practiced as much as questioning Ministers. Therefore, Post should consider the institution's political dynamics before taking on this goal and related activities.

5.2.3   Political Party Development

The goal of this proposed area of intervention is to enhance the representative functions of political parties. The political parties have thus far served more as umbrella groups and patronage machines at the expense of presenting clear policy alternatives. NDI has done some groundbreaking work recently in assisting the three major parties to enhance their ability to recruit members, communicate with voters, and support candidates running for office. Islah has recently requested from NDI some assistance in developing and disseminating its platforms, which provides a good base from which to start pursuing the second notional goal area below. NDI's work with women branches of political parties represents another start in empowering women in regards to political party development.

This program would achieve the following short-term goals and illustrative activities:

1. Enhance clarity of party policy positions

Notional Activity: Train party leaders and activists in crafting policies and issue positions.

Justification/Operationalization: This activity builds off the policy dialogues and caucus phases of the parliamentary program, though it need not remain exclusively focused on those same issues.

2. Increase party efficacy in public dissemination of messages

Notional Activity: Train party leaders, activists, and press in public (and media) outreach.

Justification/Operationalization: This would capitalize on NDI's good relationships with parties and the latter's receptivity to such assistance and build on NDI's previous work with parties. It would also better pre-position opposition parties for more effective competition in the 2006 elections. More fundamentally, it would contribute to moving parties away from broad pronouncements and political grandstanding, which only increases the ruling party and government's political threat perception of the opposition. Finally, by including party newspapers,

these kinds of activities could also help to improve the professionalism and credibility of the opposition press and make it somewhat less susceptible to official charges of yellow journalism.

3. Work with parties to promote support for women candidates

Notional Activities: Foster strategy dialogues across women's sections of parties and women's NGOs for more women candidatures; convene "town hall" meetings between party leaders and women's NGOs; and train women candidates and women party activists with a focus on voter outreach.

Justification/Operationalization: These activities would take advantage of increases in and the rising legitimacy of women's political participation in Yemen. It would also pick up where past debates between party leaders over *de facto* women's electoral quota left off. Finally, by targeting candidate skills well in advance of the 2006 elections, potentially more can be done to address one of the biggest obstacles to women getting elected: voter reluctance to cast ballots for women in the first place.

5.2.4   Civil Society

Civil society offers a promising means to selectively diversify the means of participation in the policy dialogues over health, education, agriculture, and water/environment. Incorporating CSOs into policy dialogues also builds a greater demand-side into the dialogues and provides civil society with an immediate means through which to acquire and practice advocacy skills. Finally, policy dialogues offer Post the option of ongoing strategic focal points around which to target its other NGO grant giving.

This program would achieve the following short-term goals and illustrative activities:

1. Increase technical knowledge of key NGOs

Notional Activity: Integrate appropriate NGOs into parliamentary policy dialogues.

Justification/Operationalization: This activity would give NGOs a ready-made advocacy forum and thus more public exposure via media coverage. A mix of both more established and incipient but promising NGOs might be selected. NGO participants in the dialogues could be more substantively briefed in their issue areas if necessary. Informational briefings could provide a setting in which not only NGO representatives gain more substantive knowledge to assist in articulating their demands, but also an opportunity to foster informal dialogue among like-minded groups.

2. Increase NGO role as parliamentary interlocutor

Notional Activity: Train NGOs in preparing/presenting testimony in public hearings.

Justification/Operationalization: This intervention would put to the test and upscale NGO skills learned and/or practiced in policy dialogues and via previous, donor-funded trainings by preparing them to engage more formally with parliamentarians. Implementation of the activities should stress collaboration and cooperation wherever possible among organizations. This would assist in mitigating the considerable fragmentation that characterizes the civil society landscape in Yemen.

The skills accrued and practiced by NGOs could also be directed at NGO interaction with executive branch officials.

5.2.5   Media

The goal of this proposed program would be to enhance media professionalism and expand the margin of freedom for independent reporting. This program would achieve the following short-term goals and illustrative activities:

1. Promote substantive, public policy knowledge of journalists

Notional Activities: Integrate journalists into ongoing parliamentary policy dialogues and subsequent parliamentary activities.

Justification/Operationalization: This synergy will provide substantive, policy-oriented, and sustained entry points for engaging Yemeni journalists. Being built into ongoing activities, it will be of very little cost to Post. Post could decide to accompany this incorporation of journalists with informational briefings for them on the general issues and parliament as an institution.

It will increase public awareness of major issues and give visibility and perhaps credibility to parliamentarians and their institution. To this end, journalists who work in mass media and may have reported on parliament and/or key issues should be targeted in particular. This will ensure the greatest public dissemination of the issues and parliament as a rising political actor.

2. Strengthen journalist skills

Notional Activities: Train select journalists in basic skills via MEPI's regional program; work with journalists to develop informal codes for professional conduct.

Justification/Operationalization: First and foremost, this will address a real need in Yemeni media. The identification and/or selection of journalists for the MEPI regional program could be based on tapping the pool of journalists who have covered the policy dialogues. This would ensure a more continuous investment targeting the same cadre of journalists in Yemen. Journalists who have received this training could be involved in translating their knowledge into developing professional codes and encouraging collegial exposure, support, and ultimately buy-in. Editors could also be involved in fashioning the codes. If politically opportune, the Press Syndicate could provide buy-in.

3. Support defense of media freedoms

Notional Activities: Train journalists in media law and advocacy via MEPI's regional program; help to organize coalition for media reforms.

Justification/Operationalization: Those journalists who benefit from MEPI regional programs could be involved in domestic efforts to shape a reformist media agenda. This would provide low-cost sustainability to regional training and create more public momentum for reform. Lawyers, human rights groups, and other CSOs would be natural partners in such a coalition.

5.2.6   Elections

The next elections are in the spring of 2006. It is important to maintain the momentum built up in the past through the electoral process, even while giving priority to the strengthening of elected bodies themselves. The goal of this activity area should be to improve the fairness of political competition through continued electoral reform. The internal capacities of the election authority are well developed and do not pose as much of a constraint as other technical issues, such as technical improvements (i.e., redistricting and voter registration).

1. Promote election law reform

Notional Activity: Continue to provide technical assistance in the reform of election law, such as in regards to district delimitation.

Justification/Operationalization: Several elements of the existing laws were identified in the last elections as counterproductive, including the delineation of electoral districts, which were numerically inconsistent. Targeted technical assistance could be provided to the SCER in identifying areas in need of reform and in mobilizing a constituency for reform. Electoral reforms could also include amending the composition of the electoral commission itself so that only one member from each party sits on the commission.

2. Improve voter registration through support to a civil registry

Notional Activity: Provide assistance to the SCER and the Ministry of Interior in developing a comprehensive civil registry, which has heretofore not existed in Yemen.

Justification/Operationalization: In the last parliamentary elections, an estimated 150,000 to 200,000 underage Yemenis were able to register and later vote. These voters were a factor in skewing some electoral outcomes and need to be purged from the rolls. The SCER's voter registry, however, is itself handicapped by the lack of a comprehensive civil registry. To improve the former, it would be most efficacious to develop a nationwide civil registry first. This would also have synergistic benefits in other governance sectors as well, including civil service reform and security.

5.2.7   Rule of Law

As a result of the constraints discussed previously, the rule of law assistance that is proposed is primarily aimed at fostering more effective public demand for judicial reform. Some supply-side assistance is recommended with regard to commercial courts as a means to continue to monitor political will in a subsector that has key synergies with economic growth. Overall, the Assessment Team recommends an elemental approach to rule of law in Yemen that represents modest initial investment. However, should political circumstances change, there are also suggested areas for further intervention.

1. Promote public consensus around judicial reform

Notional Activity: Public dialogues with rule-of-law NGOs, lawyers, Bar Association, prosecutors, and judges (including the Judges Forum).

Justification/Operationalization: This would be a cautious, low-cost intervention that could take advantage of the current public attention being given to judicial reform. The Minister of Justice, for example, recently held rule-of-law meetings around the country. There are also minorities within the judiciary and Bar Association that seek reforms that could be tapped to lead and organize such an initiative.

The public dialogue could be structured to address the key ROL issues that Yemeni actors have identified as needing discussion, consensus, and resolution. Yemenis would shape the nature of the deliberations, which would also provide opportunities for Yemeni ROL NGOs to assume a seat at the table. There is precedent for the USG to participate in Yemen's rule of law sector in these ways. In May 1998, for example, the former U.S. Information Service in Sana'a organized the first-ever national seminar on the rights of the accused in Islamic *shari'a* and Yemeni law. It was held at the Higher Institute for the Judiciary (HIJ).

Such a foundational intervention is warranted given that Yemen's legal system is still seemingly caught between Western and traditional Islamic law and yet-to-be-reconciled northern and southern legal codes. There has been no substantive public discussion or consensus around how the legal system should further evolve. This kind of debate seems a fundamental precondition to substantial donor investment in judicial reform and is the primary purpose behind this intervention.

In addition, absent the demonstrated (versus rhetorical) lack of executive will to promote judicial independence, other kinds of programming would likely not yield impact. For example, one Sana'a lawyer and civil society activist said "good luck" trying to reform the judiciary. While the current Minister of Justice is seen as a reformer, a southern lawyer noted that "even the most powerful Minister is a superior civil servant" subject to presidential whims. This argument is supported by the experience of a former Justice Minister who advanced a reform plan to the cabinet in 1997 that largely stalled.

Consequently, Post should avoid administration of justice (AOJ) programs at this time. AOJ typically is an extremely costly area, which would see little return in the current environment. Comparative experience in the Middle East does not suggest that results will be forthcoming. The UNDP is planning substantial investments in pilot courts first in Sana'a and then in Aden. This experience will provide Post with the best information regarding the real extent of political will in Yemen.

Similarly, generalized judicial training is not a recommendable intervention at this time. When queried about training to assist the judiciary, a prominent Tai'z businessman responded: "All these trainings, but for what?" The World Bank provided training and computer upgrade credits for judicial reform. The Bank considered this intervention a failed investment and apparently will not invest again in this area until official political will changes.

2. Activate public consensus vis-à-vis national institutions

Notional Activity: Training of ROL NGO/stakeholder lobbying of parliament via consultations and media outreach.

Justification/Operationalization: This activity would be a logical extension of the public dialogue. It would build off the public dialogue by using that momentum to promote a coalition for reform that may help to sway political will of parliamentarians, among others. Advocacy vis-à-vis this

institutional constituency, for example, could center on the amendment of judicial laws to lay the legal foundation for greater judicial independence from the executive.

3. Test commercial courts as locus of intervention

Notional Activities: Organize consultations with entrepreneurs and judges to identify opportunities in commercial courts; open a pilot commercial alternative dispute resolution (ADR) center.

Justification/Operationalization: Commercial courts may offer a less politically constrained judicial arena because of the imperative of economic reforms and donor pressures in this area. One need/possible area for intervention might be technically focused, English language training. Commercial court judges do not have a facility in English to read international commercial documents, which have to be translated for use in court cases. Post should coordinate closely with other donors, particularly the EU, in this area to avoid any duplication of efforts.

Because of the national need for and USG interest in promoting Yemen's economic growth, Post should consider a pilot commercial ADR center as a good governance initiative. This intervention has somewhat of a precedent in that the Embassy's Public Affairs Office funded a project on electronic commercial arbitration in 2001. DPK is implementing the current program. Consulting in the West Bank and Gaza is worthy of Post's consideration as a comparative model on which to draw.

Commercial ADR may also provide a more results-oriented approach than working with the commercial courts. Given the European Union's (EU) strong interest in promoting trade liberalization in Yemen, Post could partner with the EU in a commercial ADR pilot and/or its upscaling.

4. Explore judicial curriculum reform

Curriculum reform at the Higher Institute for the Judiciary (HIJ) represents yet another possible locus of intervention and arguably the area where ROL in Yemen needs the most modernization. Considering all jurists must attend the HIJ for three years before becoming judges, this would be a unique and foundational contribution to the development of rule of law and the judiciary in Yemen. As the Dutch judicial work plan maintains: "If we are to modernize the judiciary in Yemen, the curriculum of the HIJ should be modernized as well."

However, a program of this nature would have to be incremental and would likely see positive outcomes or subsector impact only over the longer-term, as more judges are exposed to a gradually reforming curriculum. If a curriculum reform program can be sustained over time, it could lead to a more lasting subsector impact compared with *ad hoc*, short-term judicial trainings for small numbers of judges. Such an intervention could be closely coordinated with curriculum reform in Yemeni law schools, as the HIJ's courses often duplicate those in law faculties.

Continuing education seminars or workshops for sitting judges could be a first and easy entry point for Post with the HIJ. This kind of initial intervention might make it easier for the following reasons: (1) it represents a very small financial investment; (2) politically, it is a low risk; (3) it could create an HIJ sense of ownership that could be built upon in the future; (4) it would avoid a sense of competition that could be engendered via judicial trainings not involving the HIJ; and (5) it could be an opportunity to establish trust and a working relationship with HIJ leaders.

The HIJ's leadership has a reputation for being strongly conservative. Thus, there may be strong cultural and political sensitivities that would need to be appreciated in approaching this body. The Dutch government noted this in its judicial assessment, but also clearly observed an HIJ willingness to cooperate with and benefit from foreign donors in certain respects. In addition, the HIJ has recently added courses in criminal procedure and commercial litigation. This indicates that Western-inspired or supported curriculum modernization is acceptable as long as it does not directly supplant the HIJ's Islamic core and as long as the Institute sees itself as a key stakeholder.

5. Consider other supply-side interventions when warranted

Should Yemen's ruling elite demonstrate serious political will in the judicial sector, Post could consider supporting more AOJ-oriented activities. These could include the Supreme Court's Technical Bureau, which is theoretically empowered to derive legal principles from Supreme Court decisions, publish them, and prepare legal studies. If resources are available, Post could also consider work at higher levels of the exemplary courts in which the UNDP has currently launched its AOJ program or otherwise supplementing or complementing the UNDP's ongoing efforts in these courts in other ways.

5.2.8   Transparency and Anti-Corruption

1. Assess the government's audit capacity

In order to remain poised to support fiscal transparency enforcement, it is recommended that the newly created COCA be assessed.

Notional Activity: Survey needs and strengthen the Central Organization for Control and Auditing (COCA).

Justification/Operationalization: COCA appears to have some degree of autonomy and follow-through in its audit review and reporting functions. Some prosecutable cases are apparently referred to the Public Funds Prosecutor for action. The current government has also made anti-corruption one of its top stated objectives.