Report No.: 34008-YE

Republic of Yemen

Country Social Analysis

January 11, 2006

Water, Environment, Social and Rural Development Department

Middle East and North Africa Region

Document of the World Bank

CURRENCY EQUIVALENTS
(As of August 1, 2005)

Currency Unit: Yemeni Rials (YRl)
Exchange Rate: US$1 = 183.13 YRl

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
CSA	Country Social Analysis
CSO	Central Statistical Organization
DPR	Development Policy Review
FHS	Family Health Survey
GDI	Gender Development Index
HBS	Household Budget Survey
MDGs	Millennium Development Goals
PDRY	Peoples Democratic Republic of Yemen
PRSP	Poverty Reduction Strategy Paper
YAR	Yemen Arab Republic

Vice President	:	Christiaan J. Poortman
Country Director	:	Emmanuel Mbi
Country Manager	:	Mustapha Rouis
Sector Director	:	Inger Andersen
Sector Manager	:	Luis Constantino
Task Manager	:	Meskerem Brhane

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF MAPS

ACKNOWLEDGEMENTS

This Country Social Analysis is based on a series of missions and six background reports carried out by a team consisting of a Meskerem Brhane (TTL, Social Scientist, MNSRE), Daniel Varisco (Anthropologist, International Consultant), Thirumalai G. Srinivasan (Sr. Country Economist, MNSED), Angelo Bonfiglioli (Sociologist, International Consultant), Abdo Ali Outhman (Sociologist, National Consultant), Najat Al-Faqhi (Geographer, National Consultant), Gudivada V. Rao (Econometrician, Consultant) and Lisa Wedeen (Political Scientist, Consultant). Field researchers were Abdul Wahab Al-Ashwal, Bushra Al Sayed Abu Hathem, Fatima Jubran, Jamil Al-Sabry, Mohammed Al-Amrani and Mohammed Faddaq. Maria Victor Handal (Office Administrator, MNCYE) provided administrative support for the task. Josephine Salang (Sr. Program Assistant, MNSRE) assisted with formatting the report.

The team would like to recognize the significant role of the Deputy Minister for Planning and International Cooperation, Dr. Mutahar Al-Abassy, the main partner for this work. A number of workshops and discussions were organized under his guidance with stakeholders drawn from the public sector, civic associations, academics, local government representatives and donors. We would like to thank all the participants for their valuable input during these early days of the research. In addition, Dr. Mohamed Al-Shargabi, sociologist in the PRSP monitoring unit and Dr. Yahia Al-Mutawakil, Vice Minister of Planning also offered advice during implementation of the study. The Yemeni Center for Social Studies and Labor, under the direction of Fatima Mashoor commented on the background reports.

The team also benefited from extensive collaboration and consultation with DFID. Dominique O'Neil, Country Manager, facilitated collaboration with DFID. Shiona Hood, (Social Development Advisor), Najwa Adra (DFID Consultant) and Saul Morris (Statistical Advisor) provided timely and valuable comments. In addition, DFID commissioned a study on social exclusion integrating secondary sources and the CSA background reports which then served as an input for the present report.

This report was part of an initial set of 6 CSA pilots launched Bank-wide. It received generous funding from the TFESSD and benefited from the guidance of the Social Development Anchor. The background reports and CSA drafts were widely discussed and benefited from the feedback of Stephen Karam (Sr. Urban Economist, MNSIF), Sameh Naguib Wahba (Urban Specialist, MNSIF), Rosanna Nitti (Urban Specialist, MNSIF), Maher Abu-Taleb (Sr. Water Res. Mang Specialist, MNSRE), Knut Opsal (Sr. Social Scientist, MNSRE), M. Yaa Oppong (Social Scientist, MNSRE), Bachir Souhlal (Lead Social Development Specialist, MNSRE), Jean-Phillipe Tre (Rural Development Specialist, MNSRE), Naji Abu-Hatim (Sr. Rural Development Specialist), Gail Richardson (Sr. Health Specialist, MNSHD), Paul Francis (Sr. Social Scientist, AFTS2), Willy Egset (Social Scientist, SDV) and Sabine Beddies (Social Scientist, SDV).

Peer reviewers, Robert Hindle (Former Country Manager, Yemen) and Estanislao Guacito Mario (Sr. Social Scientist, SDV) and Mustapha Rouis (Country Manager) provided insightful comments to strengthen the report. In addition, Ai Chin Wee (Sr. Operations Officer, MNSRE) provided important guidance on the overall quality of the report. Emmanuel Mbi (Country Director) chaired the Review Meeting and provided follow up guidance to the team. The CSA was issued under the guidance of the MNSRE Sector Management, Luis Constantino (Sector Manager, MNSRE) and Inger Andersen (Sector Director, MNSRE).

EXECUTIVE SUMMARY

Yemeni society has experienced dramatic change over the last three decades. The shift to a market economy from the former subsistence agriculture of the north and command economy of the south has transformed livelihood systems. Changes in the economy have coincided with the emergence of a new governance system with the creation of the modern unified state in 1990. Consolidation of the state significantly expanded public access to services such as education and health. But the extension of government has also had intended and unintended consequences for local institutions. Formal and informal 'rules of the game,' ranging from management of communal and individual resources (e.g., water and land) to conflict mediation, were altered. These changes have had significant implications for equity (including asset distribution and access to justice and voice) as well as poverty. The increasing concentration of economic and political power suggests that it carries with it the risk of elite capture of development benefits and the further widening of the gap between rich and poor. These transformations in livelihoods and governance structures shape the outcomes of Yemen's efforts at reducing poverty and promoting equity.

The objectives of the Country Social Analysis (CSA) are to:

(a) analyze the social context and trends in Yemen to identify the risks and opportunities for development;

(b) provide upstream social analysis that can inform and guide future investment projects (and minimize the duplication of effort in project specific social assessments); and

(c) suggest strategies and priorities for policies and development programs that enhance social development outcomes.

The CSA addresses the following central questions:

(a) Why is poverty and inequality increasing in Yemen and what are the social factors that contribute to this?

(b) What are the main social changes occurring in Yemeni society today? And what are their causes?

(c) How are people coping with and adapting to these changes?

(d) How are institutions evolving as a result of these changing conditions? And how are these institutional changes impinging on poverty and inequality?

The CSA examines changes in Yemeni society as dynamic processes of cause and effect in which social and political processes are linked to economic and institutional ones to better understand poverty and inequality. It pays particular attention to regional diversity. A central thesis of this work is that Yemen's social, economic and governance systems are under transformation as a result of two key historical processes:

(a) Systems of production are shifting to a market economy from those primarily based on subsistence agriculture (in the north) and command economy (in the south) following unification in 1990; and

(b) The role of the state is expanding, thereby changing local institutions – both formal and informal rules – and changing local power dynamics.

ORGANIZATION OF THE REPORT

The report is organized as follows: The introduction sets out the rationale for the CSA. Using existing statistical data, the introduction shows that although Yemen has made significant development progress over the past 30 years, poverty and inequality are entrenched. Chapter 2 "Social Diversity and Livelihoods" shows how assets (especially land and water) are distributed across social and geographic space and how they shape the main livelihood strategies of both urban and rural inhabitants. Chapter 3, "Power, Institutions and Governance," presents a socially rooted analysis of the systems of governance. It discusses service provision in education, health and justice in terms of equity of access and quality and the extent to which financial resources flowing from the center to local government are poverty targeted. Further, it analyzes how informal and formal institutions mediate the access of different social groups to assets, public goods and services. It particularly focuses on how the integration of traditional governance structures with those of the modern state affects different groups' access to resources. Chapter 4, presents the challenges and opportunities the country faces in achieving social inclusion, cohesion and accountability. It then presents a set of strategic recommendations that emerge out of the study. The Annexes present the various methods used and summarizes the 7 background papers upon which this CSA is based.

MAIN FINDINGS

Inequality is becoming an increasing issue in Yemen: (i) access to water and land is increasingly concentrated in fewer hands; (ii) youth, women and rural people are becoming increasingly marginalized from the economy as traditional livelihood systems decline but are not replaced with new opportunities; (iii) with rapid urbanization shanty dwellers are becoming increasingly socially and economically marginalized; and (iv) state expenditures tend to favor the non-poor.

Insufficient and haphazard integration of modern and customary norms are rapidly changing the rules for managing communal resources such as land and water. This is resulting in the concentration of productive land in the hands of a small number of powerful families, while the poor have diminishing access to either rural or urban land. Systems for protecting the property rights of the poor or otherwise politically unconnected are weak. The weakness of the judicial system and formal mechanisms of redressing wrongs puts weaker social groups at a distinct disadvantage, limiting their voice and capacity to act.

Poverty, inequality and patronage also threaten social cohesion in Yemen. Current systems of social solidarity at the household and communal levels are stressed as a result of deepening poverty. The integration of formal and informal systems of governance is conferring undue power to a small circle of decision makers, weakening traditional systems of accountability. As power, wealth and influence become increasingly situated in urban areas, the poor have less

opportunities for accessing networks of influence. A growing class-based system of social cleavage, coupled with patronage as the main means of redistribution, risks promoting the fragmentation of Yemeni society. The weakening of traditional systems of governance also suggests that the tribal customs for mediating and preventing conflict are not always respected. The tendency to solve conflict (among tribes or between individuals) through firearms continues to put society at risk.

But there are also new opportunities for socioeconomic inclusion. Where social mobility in Yemen used to be based on social status, the cash economy and state provisioned education are providing the means for social advancement of historically marginalized groups.

Yemeni society is still largely sensitive to religious and cultural values reinforcing traditional mechanisms of solidarity and conflict resolution mechanisms which recall principles of generosity, support to the weak, fairness, reconciliation and integrity. The tradition of alms giving to the poor, anchored in Islamic practice and mutual self-help are important traditions that continue to be practiced. Systems of communal organization are still vibrant, especially in managing water crises through collective means and can be further strengthened.

Decentralization, if appropriately resourced, provides citizens with an opportunity for more equity and voice since it supports the power of local community institutions. It also builds on existing indigenous forms of civil society and values of local governance.

Figure 1: Livelihoods and the Transformation of Yemeni Society

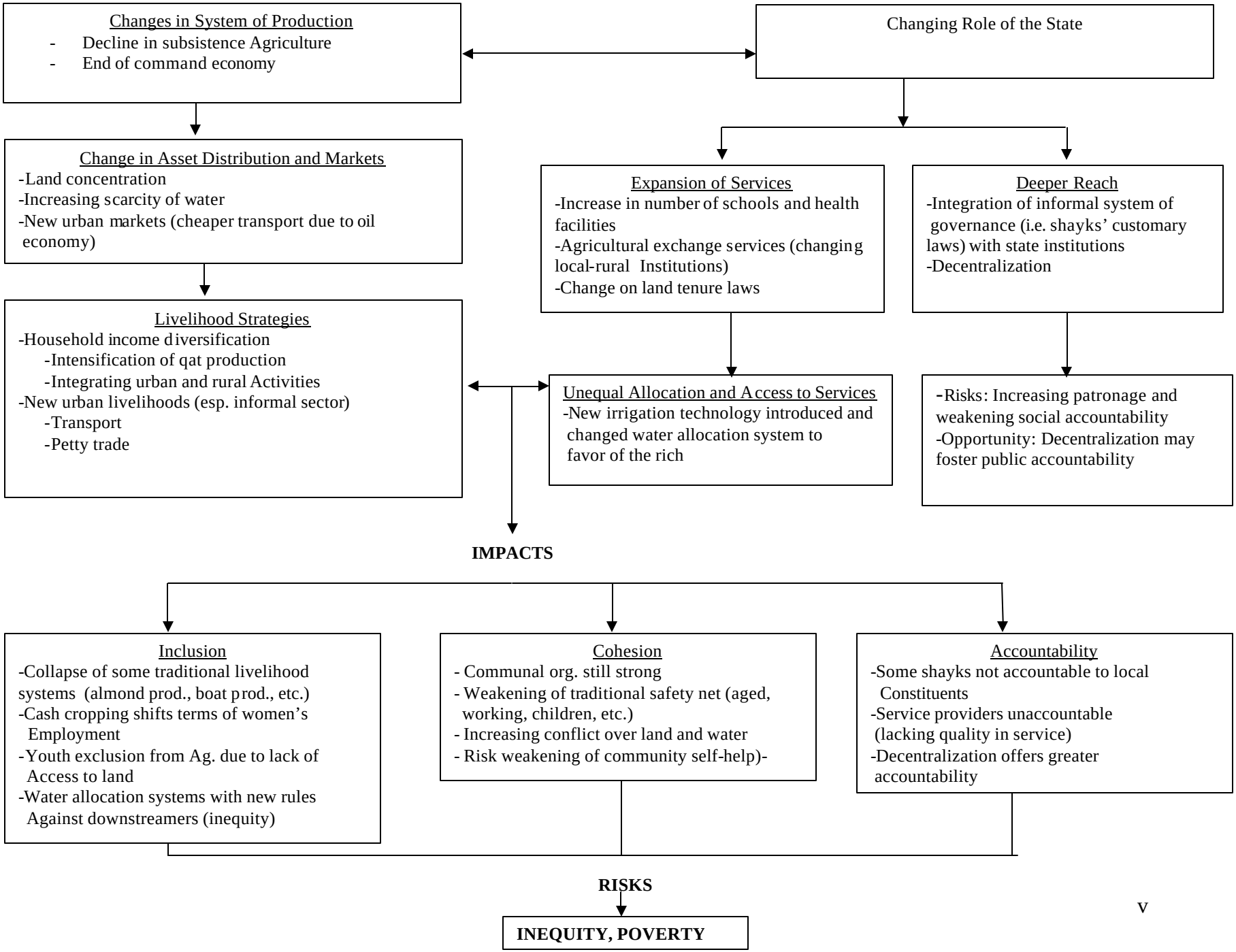


Table 1: Recommendations for Action

Issue	Strategic Area of intervention	Urgency	Expected Outcome
Improving Equity in Distribution of Natural Resources			
Inequitable distribution of water resources.	A Poverty and Social Impact Analysis will be conducted to assess the distributional impacts of the new water policies and laws.	*Immediate*	Improved prospects for more equitable distribution through community control over water resource allocation.
	Conduct pilot community level water management projects designed to harmonize customary laws and practices with new policies and law (outlined in the National Water Sector Strategy Investment Plan).	*Medium-term*	More equitable distribution thru community control over water resource allocation.
Concentration of land ownership.	Conduct a study to document present ownership patterns and changes (transfers, loss of ownership, land & socioeconomic status etc) of rural land to: (i) determine factors leading to increased inequity of ownership and access; and (ii) recommend mechanisms for improving equity and access to land for the poor to be incorporated in future program design.	*Short-term*	Better understanding of rural land tenure issues by government, citizens and donors.
	Conduct a study on the system of rural land management to: (i) understand changes in customary laws and practices in different regions; and (ii) recommend measures for how to reconcile customary and state laws in a manner that promises equity .	*Short-term*	Government endorses recommendations at highest level and creates the environment to promote greater equity and access through local level management of land.
	Review the distribution of rural land in the Southern Governorates and the legislative and socio-political factors determining lack of access by poor farmers and recommend measures for promoting such access.	*Medium-term*	Government institutes systems to improve access to land for the rural poor.
	Pilot interventions that enable youth and women to gain access and ownership of productive land resources.	*Long-term*	Improved economic opportunities for youth and women through better access to land.
Enforcement of expropriation laws is	Develop oversight capacity (including public awareness of legal rights) to ensure that the country's expropriation laws are not	*Medium-term*	Negative impacts of expropriation measures are mitigated.

both arbitrary and weak, and disproportionately affects poor and marginalized social groups.	arbitrarily applied. Ensure that the poor and disadvantaged groups have legal access and other recourse to address injustices, such as land evictions (especially in urban areas).		
	Improving Equity in Distribution of Public Resources and Services		
Inequity in Public Expenditures.	Use district level poverty criteria as a means for better planning and targeting government financial allocations to address poverty and inequality.	*Short-term*	Progress in reaching the MDGs
Inequity in access to health care.	Improve the transparency of healthcare cost sharing mechanisms (including exemptions for the poor).	*Short-term*	Poor have better access to healthcare.
Mismatch between education provided and labor market demands (especially for rural inhabitants).	Design an education program that better matches the needs of the rural economy (including vocational training programs for those with just basic education).	*Short-term*	Improved employment opportunities for people (especially youth) in rural areas.
	Promoting Inclusion in Economic Opportunities		
High rates of youth unemployment and underemployment.	Improve rural employment opportunities through off-farm activities	*Medium-term*	Improved livelihood options for the rural poor
	Develop youth targeted employment programs at urban and rural levels (e.g. internship and apprenticeship programs in partnership with the private sector)	*Short-term*	Improved livelihood options for youth
	Develop youth targeted programs designed to strengthen civic responsibility, community service, etc	*Medium-term*	Improve social cohesion
Women in rural areas are "underemployed"	Develop employment programs for rural women to increase their participation in the labor market.	*Short-term*	Women's role in the economy strengthened
	Improving Social Accountability		
Traditional civil society institutions still strong (though weakening).	Promote the demand side of governance by strengthening indigenous forms of locally based civil society to hold elected officials and service providers accountable.	*Short term*	Corruption lowered and services improved.

	Pilot community score cards to evaluate the quality of service provision by key public service providers.	*Short term*	Service providers begin to acting accountably.
Inequitable access to justice (especially for women and the poor).	Better integrate customary and modern systems of conflict management and mitigation.	*Short-term*	Rights of the poor are protected.
	Promote a pilot program that provides legal defense services for the poor.	*Medium term*	Rights of the poor and women are protected.
Women absent from decision-making.	Strengthen locally based organizations that work towards strengthening women's rights.	*Medium-term*	Women's voices and needs expressed.
	Launch a communication strategy that highlights the importance of women's active role in public and economic life.	*Medium-term*	Women's economic and public position strengthened.
Areas for future Research			
Rapid change in Yemeni society.	Urban-rural and rural-urban migration and its role on social and economic development.	*Medium-term*	Improve knowledge on urban-rural relations.
	Role of the oil economy on society.	*Medium-term*	Improve knowledge on impact of the oil economy on Yemeni society.

1. INTRODUCTION

1.1 *Yemen has made significant development progress over the last three decades, the result of government effort and donor involvement*. Improvements in infrastructure, literacy and life expectancy have been significant. Life expectancy has increased from about 40 years in 1975 to 60 years today, adult literacy jumped from 10 to 49 percent; primary school enrolment rates increased from 57 percent to 72 percent;[1] female illiteracy rates dropped from 94.5 percent to 69 percent and fertility rates declined from 7.9 births to 6.2 per woman.[2] Over the same period, the extent of paved roads in the country increased from 961 kilometers to over 6,000 km today. However, the pace of improvement as measured by Human Development Indicators has declined from an annual rate of 2.2 percent from the 1990-1995 period to 1.6 percent in the 1995-2000 period and only to 1.3 percent per year in the 2000-2003 period.[3]

1.2 *Despite improvement, some social and economic conditions might even be worsening in some critical areas, though the lack of reliable data makes it difficult to quantify.* Poverty, when last measured in 1998[4], was widespread (over 40 percent of the population lived on less than a dollar a day). Weak per-capita growth during the first PRSP period (2003-05) is likely to have made little difference to income poverty in Yemen. In fact, the deterioration of some critical social indicators suggests that non-income based deprivation measures might have increased through the 1990s. For example, food poverty almost doubled from 9 percent to 17.5 percent between 1992 and 1998.[5] Child malnutrition has steadily increased over the past two decades: stunting rates rose from 33.4 percent in 1983 to 42 percent in 1992 and 53 percent in 2003.[6] The percentage of children under five who are under weight has also increased from 30 percent in 1992 to 46 percent in 1997.[7]

1.3 The Government acknowledges that it has made less than satisfactory progress in fulfilling the 2002 PRSP objectives[8] and further recognizes that it is unlikely to meet most of the Millennium Development Goals (MDGs) (Table 2).

---

[1] UNDP, *Human Development Report, 2005: International Cooperation at a Crossroads, Aid, Trade and Security in an Unequal World*, New York, 2005. The 10% adult literacy rate in 1975 was reported in *Yemen Arab Republic, Economic Report*, World Bank, 1973.

[2] Ministry of Health and Population and Central Statistical Organization, Republic of Yemen. 2004. The Family Health Survey (FHS) in the Republic of Yemen. League of Arab States Pan Arab Project for Family Health (PAPFAM). Sana'a. The illiteracy data for 1975 are reported in the World Bank Group, GenderStats: Data Base of Gender Statistics.

[3] Walid Al Saqqaf Mohamed Al Jabri. Oct. 17, 2005. "Yemen Unlikely to Reach MDGs," *Yemen Times*. Figures were quoted from a speech made by the UNDP Resident Representative during the launch of the UN Human Development Report 2005.

[4] Household Budget Survey (HBS), 1998. A new HBS is currently underway and the results are expected in 2007.

[5] World Bank, 2002. *Poverty Update*, Republic of Yemen. Washington, D.C.

[6] FHS and *UN Human Development Report 2005*.

[7] Ministry of Planning. 2003. *MDG Progress Report for Yemen*.

[8] Ministry of Planning. June 2005. *PRSP Progress Report ,2003- 2004*.

Table 2: Yemen's Likelihood of Meeting the MDGs

MDG	Will MDGs be reached?	Indicators
Halve the proportion of people living below the poverty line	Unlikely	10% live on less than $1
Halve the proportion of underweight children under-five years old	Potentially	46% of children under-five are under weight
Universal primary education	Potentially	59% primary enrolment rates
Equal access for boys and girls to primary and secondary schools	Unlikely	
Reduce under-five mortality by two-thirds	Potentially	Mortality for children under-five: 94 per 1,000 live births
Reduce maternal mortality ratio by three quarters	Unlikely	Maternal Mortality rates: 351 per 100,000 live births
Halt and reverse the spread of HIV/AIDS	No data[9]	
Halt and reverse the spread of malaria and other major diseases	Unlikely	35% of all reported diseases are malarial infections
Reverse loss of environmental resources	Unlikely	---------
Halve the proportion of people without access to safe drinking water	Unlikely	64% of population is without sustainable access to safe drinking water

Source: Ministry of Planning: MDG Progress Report, 2003.

1.4 *Income inequality may also be on the rise, an issue identified in the Government's 2002 Poverty Reduction Strategy Paper (PRSP).* In the past, poverty was a widely shared condition but there is now a small but highly visible number of a wealthy urban-based class which benefited from better opportunities afforded by the oil boom, while the vast majority of people perceive their life chances as shrinking. For instance, by 1998, the poorest 10 percent of households accounted for just 3 percent of national consumption, while the richest ten percent accounted for 26 percent.[10] The country's Gini coefficient score as reported in 1998 is 33.4 and suggests that inequality is not yet as severe as in other countries of the Middle East (Jordan, Tunisia, Iran, Algeria, Egypt or Morocco), most Latin American countries or even in the United States, (where the Gini coefficient is 40.8). However, no other Gini coefficient scores are recorded and therefore there is no evidence on how inequality might have changed over time. Conspicuous patterns of consumption by the wealthy are also leading to popular resentment. Yemenis increasingly see a widening gap between rich and poor, as evidenced by consumption patterns and opportunities.

1.5 *High rates of gender inequality stubbornly persist, although some progress has been made*. Gender inequalities are amongst the highest in the world, where Yemen ranks 121st out of 140 countries on the Gender Development Index (GDI). Only 33 percent of rural girls were enrolled in school, compared to 73 percent of rural boys and 78 percent of urban girls. Female adult illiteracy (at 78 percent in rural areas and 40 percent in urban areas) is twice that of males (32 percent in rural areas and 15 percent in urban areas).[11] Young relatively educated women

[9] No HIV prevalence surveys have been conducted. UNAIDS, however, estimates that 11,227 persons were infected as of the end of 2003. See also, USAID. March 2005. "Assessment of the HIV/AIDS Situation in the Republic of Yemen: A Framework for USAID Assistance." Washington, D.C.

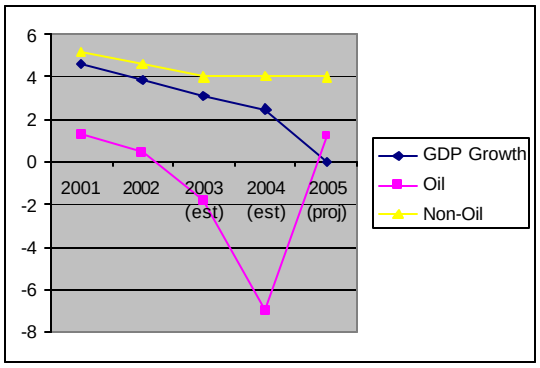
[10] UN Human Development Indicators, 2005.

[11] World Bank. 2002. *Yemen Poverty Update*.

(aged 15-29) have a higher rate of unemployment than their male counterparts (56 percent of all female unemployment is among young women compared to 47 percent for young men).[12]

1.6 *The macroeconomic picture is equally dismal*. Yemen's GNI per capita is US$521, compared to US$2,390 in the MENA Region and the GDP growth rate has steadily been falling (see Figure 2). Inflation has been averaging of almost 12 percent since 2002 rapidly increasing the cost of living. Oil income accounts for an estimated 70 percent of government revenue. However, Yemen is the smallest oil producer in the Middle East and its reserves are rapidly being exhausted. At current rates of extraction and in the absence of new discoveries, the country's oil resources will be depleted by 2012.

Figure 2: GDP Growth Rate in Yemen



Source: World Bank, Yemen Economic Monitoring Report, September 2005.

1.7 *Why is Yemen facing such difficulty in reducing poverty and inequality?* Why do well-designed projects, including World Bank-assisted ones, encounter serious implementation challenges that make it difficult to achieve development objectives? The Government, the Bank and other donors increasingly recognize that addressing social and institutional issues are critical, and have sought to do so in their programs. The following are illustrative:

(a) Working through local organizations, both formal and informal, in a variety of participatory, demand-driven or community-based operations across all sectors. Examples include the Public Works Project, the Social Fund, Port Cities Development Project, Taiz Municipal Development Project and Irrigation Improvement Project. Such work requires a macro-level understanding of social organization and processes of social change;

(b) Reforming institutions and introducing new legal frameworks for the management of natural resources such as water and land. Examples are the Southern Governorates Rural Development Project, Groundwater and Soil Conservation Project and Sana'a Basin Water Management Project. Institutional reform can introduce new forms of competition among different groups leading to new sources of conflict. New institutional systems are most effective if they are harmonized with customary practices grounded in an understanding of systems of resource allocation, community organization and local systems of conflict resolution and prevention;

[12] Niethammer, Carmen. April 2005. "Gender and Development in Yemen: Women in the Public Sphere," Yemen MENA Regional Development Reports Roundtable.

(c) Ensuring sustainability of infrastructure investments (ranging from schools and markets to irrigation systems) through community involvement in asset management; and

(d) Addressing gender inequality. This can only be effective if approaches adopted are rooted in a culturally-based understanding of gender relations and its changes as a consequence of larger social transformations.

Understanding social processes of change at the national and regional levels are thus of critical operational relevance. The Bank initiated the Yemen Country Social Analysis (CSA) to understand the social processes which shape the lives of households and communities and pose significant challenges and opportunities for achieving positive development outcomes.

OBJECTIVES AND RATIONALE

1.8 The objectives of the CSA are to:

(a) Analyze the social context and trends in Yemen to identify the risks and opportunities for development;

(b) Provide upstream social analysis that can inform and guide future investment projects (and minimize the duplication of effort in project specific social assessments); and

(c) Suggest strategies and priorities for policies and development programs that enhance social development outcomes.

1.9 The rationale for undertaking the Country Social Analysis (CSA) at this time is to provide analytical input for the Development Policy Review (DPR) due in February 2006 and identify strategic directions for the Bank's Country Assistance Strategy (CAS) due in June 2006. Work on the CSA also has already provided timely inputs for the Government's Five-Year Plan for Poverty Reduction, which is about to be finalized in January 2006. To ensure its operational relevance, the CSA was undertaken using extensive field consultations in towns and villages. Two major workshops were also held in-country and with strong collaboration from Yemen's Ministry of Planning (in particular the unit preparing the Five Year Plan for Poverty Reduction) and the Yemeni Center for Social Studies and Labor, an autonomous research agency attached to the Ministry of Social Affairs. Within the Bank, there was strong coordination between Country and Sectoral units in reviewing the work from conception to finalization. The work also benefited from close consultation and collaboration with DFID and has contributed to their Country Assistance Plan, also to be completed in January 2006.

CENTRAL QUESTION AND ARGUMENT

1.10 The CSA addresses the following central questions:

(a) Why is poverty and inequality increasing in Yemen and what are the social factors that contribute to this?

(b) What are the main social changes occurring in Yemeni society today? And what are their causes?

(c) How are people coping with and adapting to these changes?

(d) How are institutions evolving as a result of these changing conditions? And how are these institutional changes impinging on poverty and inequality?

The CSA analyzes changes in Yemeni society as dynamic processes of cause and effect in which social and political processes are linked to economic and institutional ones to better understand trends in poverty and inequality. The analysis pays particular attention to regional diversity, which is the result of different historical, political and ecological experiences. It ***does not*** attempt to measure poverty and inequality outcomes but rather examines the underlying social, economic and political processes across time and space.

1.11 A central thesis of this work is that Yemen's social, economic and governance systems are under transformation as a result of two key historical processes:

(a) Systems of production are shifting to a market economy from those primarily based on subsistence agriculture (in the north) and command economy (in the south) following unification in 1990; and

(b) The role of the state is expanding, thereby changing local institutions – both formal and informal rules – and changing local power dynamics.

1.12 The effects of these twin processes are complex and vary by region. The paper focuses on those factors that are changing the 'rules of the game' in terms of who does or does not access resources, thereby contributing to the inclusion or exclusion of specific socio-economic groups, the processes that enhance or weaken cohesion within and among groups, and the modalities by which people can hold institutions accountable. These reflect the Bank's core operational principles for achieving social development[13]:

(a) ***Inclusive institutions*** *promote equal access to opportunities, enabling everyone to contribute to social and economic progress and share in its rewards.* This report evaluates the formal and informal systems of distribution of resources which facilitate the economic inclusion of specific groups and provide **equity of** access to services (such as education, health) or citizenship rights (e.g., equity of access to justice).

(b) ***Cohesive societies*** *enable women and men to work together to address common needs, overcome constraints and consider diverse interests. They resolve differences in a civil, non-confrontational way, promoting peace and security.* The analysis examines the informal systems of social organization (ranging from the household level to tribal institutions) that provide mechanisms for social solidarity, including support systems for weak and vulnerable groups and examines how these have changed over time.

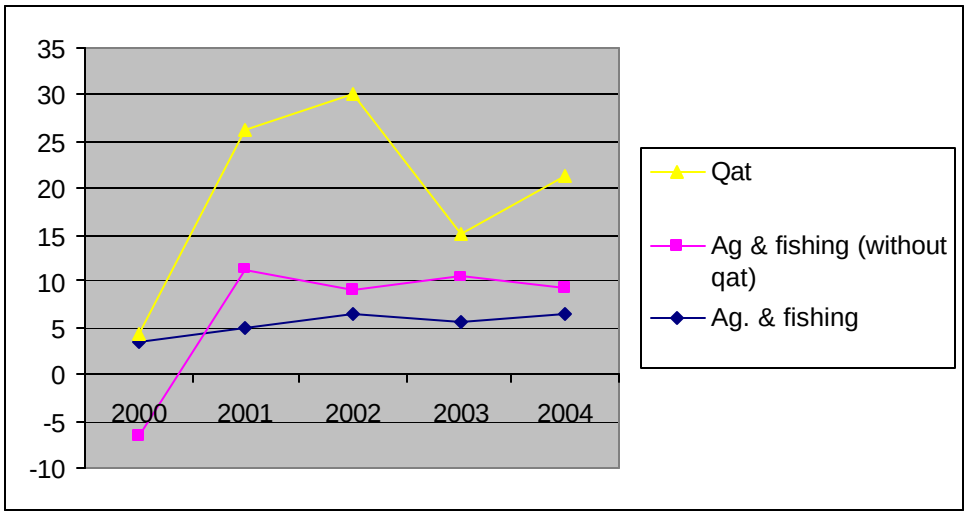
[13] World Bank, July 2005. *Empowering People By Transforming Institutions: Social Development in World Bank Operations.* p. 2. The definitions of these concepts are drawn from this report.

(c) ***Accountable institutions*** *are transparent and respond to the public interest in an effective, efficient and fair way*. The study examines systems of local/national governance as well as service delivery systems and the extent to which mechanisms for expressing and addressing grievances exist. It examines both formal and informal systems of governance and the extent to which citizens can hold their leaders and service providers accountable.

1.13 The study documents how changes in the system of production which have resulted from, on the one hand, a decline in the conditions for subsistence agriculture (in the north) and, on the other, the collapse of the command economy (in the former socialist part of the country) are transforming livelihood systems. Underlying these shifts is a change in the pattern of asset distribution and the emergence of new opportunities stemming from the oil economy. A central theme of the study is the way in which households of different regions, income strata and social statuses have responded to these changes.

1.14 *As traditional livelihood systems in rural areas are eroded by increasingly constrained access to natural resources (most critically groundwater and land), few rural households continue to be able to survive on agriculture alone*. At the same time, few alternative opportunities are emerging to replace subsistence agriculture, especially for the poor, suggesting rural *underemployment*. The agriculture sector, as shown in Figure 3, mostly due to qat has grown and offers modest employment for land owning rural households. Most households cope by attempting to diversify their income sources. A widely observed strategy for this is a closer integration of urban and rural livelihoods such that money, people and information circulate freely. In this way, rural assets and agriculture (e.g., production of qat in rural areas) continue to play an important role in *urban* household income. In rural areas, there is an increasing divergence between a feminized subsistence agriculture and masculinized cash-based agricultural production.

Figure 3: Agriculture Growth Rate in GDP



Source: Central Statistics Organization, National Accounts Data.

1.15 The second key transitional process is the consolidation of the Yemeni state following unification. This has two dimensions: service expansion and politico-administrative integration. First, the state has expanded its administrative reach as evident through the expanded provision of services in education, health, infrastructure, etc. Second, the state is also deepening its reach through the ambitious decentralization program and by incorporating locally-based informal

systems of authority and legitimacy into its formal structures. As a result, traditional systems of resource allocation (especially land and water), as well as conflict mediation around these themes are rapidly changing. The study examines the institutional and governance structures that mediate access and allocate resources and the extent to which these are equitable and accountable.

1.16 *The overall trend is towards a state that is more centralized than any time in its history. Though services have expanded significantly these are unevenly redistributed and have an anti-poor bias*. The quality of service provision is also a significant challenge. Further, the incorporation of informal but influential local leaders into the state structure risks undermining customary systems of accountability. Whereas traditional leaders were, in the past, accountable to their local constituents through a complex set of rules and practices, the support they receive from the central government has changed the 'rules of the game' and provides autonomy from their traditional base. Local communities are also increasingly dependent on such leaders because goods are redistributed through patronage networks.

METHODS

1.17 The main methods for the CSA include secondary research, targeted fieldwork, and an econometric analysis of financial allocation to local governments. The report has been constrained by a severe lack of quantitative data on a national level.[14]

1.18 *Primary field research using Participatory Rapid Appraisal methods*: Six villages and six secondary towns were selected based on their geographic and cultural representation. A team of Yemeni researchers with the support of international consultants conducted research using focus group discussions, key informant interviews, life stories and case studies to evaluate livelihood systems. The research was conducted between January and March 2004. A detailed discussion of the methods used is presented in Annex 1 of this report. Two reports analyzing findings were produced and are included in Volume II of the technical annexes.

1.19 *Fiscal incidence of pro-poor targeting:* An econometric analysis was conducted to evaluate the extent to which financial allocations from the central government to local governments are pro-poor. A summary of the methods used can be found in Annex 1 of this report. The full report appears in Volume II of the technical annexes.

ORGANIZATION OF THE REPORT

The report is organized as follows: Chapter 2 "Social Diversity and Livelihoods" begins with a summary of the country context (brief history, main social groups and the distribution of assets among them). It then demonstrates how these assets impinge on the main livelihood strategies of people living across the four main geographic zones of the country. It also explores variation across rural and urban spaces and the linkages between the two. Chapter 3, "Power, Institutions

[14]The last Household Budget Survey (HBS) was conducted in 1998 followed by a Poverty Survey in 1999 and forms the basis of most poverty related analysis. A health and population survey the Family Health Survey (FHS) was conducted in 2003. Therefore, much of the data available are dated. Other data on rates of migration (urban-rural, rural-rural, etc) do not exist. The 2004 census was completed during the preparation of the CSA but disaggregated data are still not available.

and Governance," presents a socially rooted analysis of the systems of governance. It discusses service provision in education, health and justice in terms of equity of access and quality and the extent to which financial resources flowing from the center to local government are poverty targeted. Further, it analyzes how informal and formal institutions mediate the access of different social groups to assets, public goods and services. It particularly focuses on how the integration of traditional governance structures with those of the modern state affects different groups' access to resources. Chapter 4, presents the challenges and opportunities the country faces in achieving social inclusion, cohesion and accountability. It then presents a set of strategic recommendations that emerge out of the study. The Annexes present methods used in the primary data analysis and presents a summary of the 7 background papers upon which this CSA is based.

2. SOCIAL DIVERSITY AND LIVELIHOODS

2.1 This chapter presents the country's population and historical background, it then describes the main social groups in Yemeni society, assesses how key development assets (land and water) are distributed across these groups and explains the mechanisms by which people may (or may not) access these resources. Using the 1970s as the baseline period, it shows how and why the system for managing land and water has changed and its implication for poverty and equity in the country. It then goes on to examine how these impact people's livelihood strategies, which vary significantly across the country's main geographic regions (Highlands, Red Sea coastal zone, Eastern plateau and Coastal zone of the Arabian sea). The chapter also stresses that although people use different strategies in urban and rural areas, these are dynamically interlinked.

Population

2.2 The population of Yemen numbers almost 20 million. As Table 3 below shows, this population has been growing steadily (at an annual rate of 3.1 percent) a reflection of one of the highest birth rates in the MNA Region. The population is a young one, with two-thirds under 25 and one in five persons aged between 15 and 24. Although the vast majority of the population is rural (at over 75 percent), living in over 41,800 scattered hamlets, the rate of urbanization has been steadily increasing over the last two decades.

Table 3: Social Context Indicators

Country Context	**1980**	**1990**	**2000**	**2004***
Population (million)	8.54	11.88	17.51	19.7
Population % urban	19.2	22.85	24.71	
Population % youth (15-24 years)	20.6	19	19.8	
Employment in agriculture (%)	72.5	61		

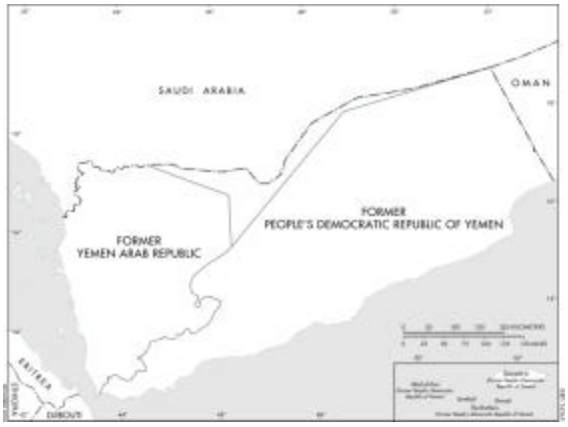
Source: World Bank Social Development Indicators 2004 and WDI 2004.
Central Statistics Office, Ministry of Planning, Yemen, 2004 Census.

Political History

2.3 The Republic of Yemen, unified in 1990, amalgamated the formerly Yemen Arab Republic (YAR) in the north and the Peoples Democratic Republic of Yemen (PDRY) in the south. Although culturally uniform, the region had never previously been governed as a single state. Hence, it is only three decades since Yemen evolved from two governments established as secular military regime to an emerging democratic state.

2.4 Until 1962, the north was ruled by an imamate which was toppled by an army revolution backed by Egypt which led to an 8-year civil war but eventual reconciliation. From 1970, the YAR adopted a market-based economic system although the government continued to play an important role in the economy through the establishment of public enterprises and protective trade policies. These overstretched a government structure that was unable to provide basic services to much of the country and was dependent on grant aid from neighboring oil-producing states and other international donors.

Map 1: Pre-unification Yemen



2.5 Up until 1990 the market-oriented private sector economy was supplemented in large part by remittances from Yemenis working abroad, who accounted for almost a third of the labor force.[15] During the 1970s, 90 percent of the population in North Yemen lived in rural areas and relied on a traditional subsistence farming economy. In areas with low rainfall and limited irrigation, land ownership was relatively evenly distributed on rugged terrain, in plots that grew more fragmented with each generation. The oil boom of the 1970s provided new economic opportunities for rural inhabitants who emigrated in large numbers to the Gulf Countries. They sent much needed remittances to rural communities at a time when government investments were limited, accounting for $1.5 billion per year. Communities used their remittances to invest in local infrastructure, such as roads, schools, housing and irrigation systems. They also invested in local economic activities, introducing more water-intensive cash crops such as *qat*, new kinds of vegetables and fruit trees using expanded tubewell irrigation (thereby precipitating a ground water crisis). Others invested in local businesses, shops and restaurants. Growing imports of basic commodities such as wheat, sold to consumers at subsidized prices until 1999-2000, meant that local cereal farmers were no longer competitive. Farmers abandoned substantial areas of rain-fed and runoff agricultural terraces by the 1980s, contributing to severe erosion.[16] The expanded road network[17] in the Highlands, built first in the 1970s and 1980s through remittances of immigrant workers and later by intense government efforts, transformed local economies. Small commercial centers sprang up along paved roads, in secondary towns, turning weekly makeshift barter-based markets into permanent businesses. This contributed to the growth of secondary towns, generating a local economy that was directly tied to nearby villages.

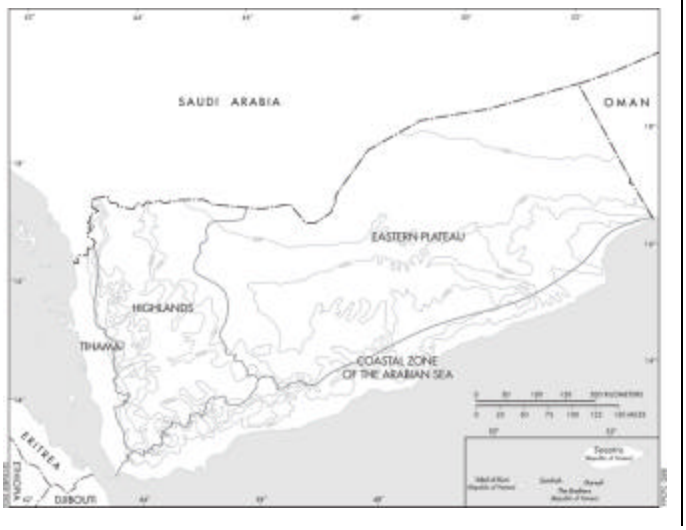
[15] World Bank. 2001. "Yemen: Country Assistance Evaluation," Operations and Evaluation Department.
[16] Yemen now imports 75% of its wheat where three decades ago it had been self-sufficient in cereal production. Wheat consumption largely replaced sorghum, the dominant subsistence crop in Yemen, but sorghum also provided much needed animal fodder. The overexploitation of water is due to qat cultivation.
[17] There were no paved roads in the country in 1960, except in the city of Aden. Today, 11.5 percent of roads in the country are paved through several infrastructure development projects: Public Works Project, Social Fund for Development, Rural Access Project.

2.6 In contrast, much of the south became a British colony centered on Aden. An anti-colonial movement succeeded in establishing a socialist state in 1967. The national economy during the socialist regime (1970-1990) was stimulated by the strategic importance of Aden, until 1958, the second largest port in the world after New York. Nevertheless, Aden's international economic importance declined during the socialist era as did employment in the port sector. Under the centrally-planned economy, large state factories (e.g. canning, beer, shoe manufacturing, etc.) were established, especially in Aden, and offered new employment opportunities, especially for women. After unification, the collapse of state industries led to massive layoffs where women were among the first to lose their jobs and had few alternative employment opportunities. In coastal villages, small-scale fishing was practiced primarily for local consumption, until the introduction of refrigerated transport in the 1970s expanded the economic opportunities of artisanal fishing. The socialist regime nationalized land in 1970 and organized peasants into cooperatives through which they could lease land from the state.

Key historical Events	Date
Ottoman rule (esp., Tihama, Highlands)	19th cent.
British occupation of Aden	1839
Zaydi Imamate established in Highlands and Tihama	1904
Aden Protectorate established, divided into Western and Eastern protectorates	1937
Army revolution topples Imam in north	1962
Aden protectorate gains independence from Britain	1967
Socialist state established combining Aden, coastal areas of Arabian sea and eastern plateaus	1967
Protracted civil war in Highlands	1962-'70
Out-migration to Gulf countries after oil boom	1970s
Discovery of oil in north and south Yemen	Mid '80s
Unification	1990
Expulsion of 800,000 Yemeni workers following Gulf war	1990-'91
First democratic elections	1993
60 day North-South Civil War	1994
Decentralization law approved	2000

2.7 Oil was discovered in both southern and northern Yemen during the late 1980s and now accounts for 70 percent of the government's revenue, although this has already started to decline. The sector employs only 5,500 people, or less than .01 percent of the labor force. Much of it is used to cover petroleum[18] subsidies, public works and the civil service wage bill.

Map 2: Yemen's Geographic Zones



2.8 In the mid-1990s, with international assistance, Yemen launched a substantial program of economic and administrative reform. Yemen enjoyed three Paris Club debt cancellations/reschedulings that reduced the debt burden by half, serving as incentives to carry out reforms. These include reduction of tariff barriers, unification of exchange rate, and improvement in financial sector, prudential regulation and control of monetary expansion. However, the current rates of donor support have declined to $350 million, compared to about $700 million in the 1980s. The economic

[18] Although an oil producer, because of limited refining capacity, Yemen imports some petroleum products at international prices but sells them to citizens at subsidized rates, severely straining public budget.

policies of unified Yemen are oriented to a private sector market economy.

MAIN SOCIAL GROUPS AND KEY STAKEHOLDERS

2.9 Yemenis are Muslim and overwhelmingly native Arabic speakers (with the exception of two ethnic minorities, the Mahri and Socotri). Social differentiation varies widely across the country's main geographic zones and even within a region, it may differ between neighboring villages. Historically, in most of Yemen, social organization was based on variations along four broad types of social categories:

(a) a minority of elites belonging to scholarly families, sometimes claiming descent from the Prophet Mohammed (*Saada*), saints or revered religious men or large landowners (estimated at no more than 5 percent of the population);

(b) the vast majority consisting of sedentary landowning agriculturalists (often members of tribal groups or *qab'ail*, who traditionally bore arms) and fishermen (estimated at 80 percent of the population);

(c) a minority of service providers (e.g., entertainers, butchers, barbers etc), were landless, unable to defend themselves by arms and depended on tribesmen for protection (estimated at 5 percent of the population); and

(d) a variety of marginalized mainly landless people who do not have recorded genealogies (*ahgur, abid, akhdam*, etc.) and are the most excluded (estimated at 10 percent of the population).

2.10 Although these distinctions are largely schematic and were fluid to some extent, they continue to shape social relations, political power and economic opportunities. For example, marriage between the *Saada* and other social categories remains rare, although in some areas a *Sayyid* (singular of *Saada*) man may marry a *qabili* woman, but not the other way around. Tribal identity is based on a set of shared real or fictive genealogical ties, territory and values. In general, tribes in the Highlands have a system of social organization with "Shaykhs" as leaders who play an important role in conflict resolution and mobilizing the group for communal purposes (e.g. for building local infrastructure, paying for wedding expenses or blood money). However, not all tribes are well organized or have power. Those that are organized into a confederation, the Bakil and Hashid, wield more power. At present, the Hashid are the most politically influential confederation and hail from north of Sana'a, the capital located in the Highlands. The vast majority of Yemeni tribes are sedentary agriculturalists, with only a shrinking minority of nomadic pastoralists in the eastern region of Jawf, Mahra, Hadramut, Shabwa and Socotra.

2.11 Since genealogy is a key determinant of the social order, the less widely known one's genealogy, the lower one's social status. Until the middle of the 20th century, the genealogies of those who lived in towns and villages, working as small merchants and artisans were considered "untraceable" by tribes and they were therefore considered "weak" or needing tribal protection. This condition extended to those who traditionally performed ritual, menial or market services (e.g. barbers, musicians, garden vegetable growers, etc.). As will be shown later, this is changing, largely due to urbanization.

Map 3: Key tribal areas

2.12 Along the lowlands of the Red Sea area of the Tihama and the Arabian sea, tribal institutions are weak or virtually non-existent. There is little social differentiation, and the main basis of organization here is the locality. The Tihama's extensive coastline and rich maritime history have brought diverse peoples (Ottomans, Ethiopians, Eritreans, Somalis, Indians, British, etc.), cultural traditions and social institutions. This is reflected in the distinctive architectural styles (round huts with thatched roofs) in the dress of women, as well as their visible market presence. In the coastal areas of the Arabian Sea, tribal institutions were weakened, first by British colonial occupation (especially in Aden) and then the socialist government. The main social groups in both regions are landless peasants, a small number of landowning families and fishing communities.

2.13 Yemen also has two non-Arabic speaking ethnic groups. The Mahri inhabit Al-Mahara, a vast desert bordering Oman, and Socotrans living in the island of Socotra in the Arabian sea. Yemeni Mahri speakers number roughly 60,000 and an additional 40,000 are Omani and Kuwaiti. Both these populations are bilingual Arabic speakers and, in fact, the number of people speaking these languages is declining rapidly. Total population of al Mahra governorate according to the 2004 census is 89,000 and that of Socotra is 80,000. Due to the geographic isolation of these localities, their integration into the rest of the country has been slow in terms of access to infrastructure, social services and other government investments.

2.14 A small minority (less than 5,000) of Yemenite Jews remain in a couple of villages in Amran governorate in the northern Highlands. The bulk of the community immigrated to Israel in the early 1950s, although some converted to Islam and were mainstreamed into Yemeni society.

2.15 In urban areas, there are also specific social groups, mostly relating to occupational categories. There is a relatively high degree of social differentiation and economic stratification because success in a town requires not only capital and technical skills but also access to credit and integration into a variety of social and economic networks.

Table 4: Key Socio-professional Groups in Secondary Towns

Category	Characteristics
Commercial entrepreneurs (*bayya', tujjar, or ahl as-suq*),	•Traders, auctioneers, dealers, brokers, middlemen, shop-owners and money-lenders and may experience high level of social mobility according commercial success. •Financial capital perceived as the most important asset. •High degree of internal differentiation based on economic and social hierarchy; institutional affiliation and roles and statuses. •Kinship relations constitute the backbone of professional organization.
Artisans (*hirrafin*)	• Generally self-employed and involved in production (carpenters, crafts) and service providers (blacksmiths, welders, auto repair). • Some services are considered lower status but are accumulating cash (barbers, musicians).
Salaried white-collar workers	• Civil servants (e.g., judges, teachers, nurses, military). • Private sector (lawyers, religious teachers and scholars.
Agriculturalists (*muzara'*)	• Primarily live in towns but maintain considerable interests in nearby rural areas: absentee urban-based landowners; tenants or sharecroppers; landless agricultural workers.
Marginal groups	• Low-status Akhdam and similar landless groups. • Unskilled newcomers without connections, usually temporary.

LIVELIHOOD STRATEGIES

2.16 The pattern of social organization shapes access to resources, including assets (land, water), public goods and services. These patterns in turn influence people's opportunities and their livelihood strategies. These strategies are additionally affected by historical experience, cultural practices and geographic location. Using the 1970s as the baseline period, the following sections will trace how systems for management of land and water have changed. This is in large part due to weakening of customary norms and the fragmentation of (bases for) local authority, threatening systems of social cohesion: the ability to solve shared problems in a non-confrontational way. As will be shown, access to land and water is increasingly inequitable in both rural and urban areas. Although the majority of the population lives in rural areas, the trend is towards greater urbanization, and the following sections of the chapter will show that people's livelihood strategies center on bridging the two.

Institutional Change and Equity of Access to Land

2.17 *A mixture of traditional and modern rights and responsibilities characterize the management and use of land and water*. However, transgression of traditional rights is increasingly common, while modern rights often lack grounding in the legal system.[19] Moreover, the nature of land and water ownership and distribution issues is such that law enforcement and judicial powers, if exercised at all, are subject to political and social influence, putting weaker social groups at a disadvantage.

[19] The Water Law has been recently approved by Parliament but not yet published in the Official Gazette. Laws governing land tenure are equally problematic.

2.18 *There is a trend towards inequitable distribution of land in Yemen, with ownership increasingly concentrated in the hands of a few influential families.* This trend is due to significant changes in the system of land management – prompted by incentives in the market economy for privatizing ownership – which haphazardly amalgamates customary and modern tenure rights thereby creating new 'rules' for governing the ownership, use and alienation of land. Competition for land is stiff because of the scarcity of fertile land. Only 2.9 percent of land in Yemen is prime farmland, with an additional 3.7 percent marginal farmland.[20]

2.19 Land ownership is based on principles of Islamic law and has four categories: privately-owned (mulk), state-owned (referred to as mîrî historically), communal property, and land endowed to a religious trust (waqf). Privately-owned land is administered under customary law and is almost always documented by a written deed or contract, usually signed by a religious authority or a shaykh who is also charged with updating records (e.g., inheritance changes). Thus, documentation is available on the most productive plots in the country (and includes information on boundaries, history of ownership, etc.). However, since there is neither a system for authenticating these deeds nor a national cadastral system, there is conflict over land ownership. The effectiveness of locally-based traditional systems for managing land-related conflicts are weakened because the central government, a higher authority, may intervene. Second, local shaykhs who might adjudicate land-related conflicts are no longer perceived as neutral arbitrators since they are the primary beneficiaries of land concentration.[21] The court system is also ineffective and overburdened with adjudicating land conflicts.[22]

> "*Our tribe had land in the mountains that we used to use for grazing and firewood. It was close to the city of Taiz. Nice area and our Sheik sold it to someone outside the tribe.*"
>
> Banker living in Sana'a

2.20 *There is a trend towards increasing private appropriation of communal land.* Customary law entrusts shaykhs with the management of communal lands, primarily used for grazing and firewood collection. In recent years, as land speculation has increased (especially in areas close to towns), there is growing confusion over communal land entrusted to shaykhs and the land that they hold privately. Some shaykhs have sold land alleged to be communal to private owners outside the tribe, a contravention of customary norms.

2.21 *In the past, entrusting land to a religious trust or waqf mitigated land concentration and provided land access to the poor through affordable rent, but this system is also under pressure since the poor quality of records of Awqaf land facilitates abuse.* At a time when wealth in itself held limited social value, rich men gained prestige for their families by donating land and property as waqf for the public good. When families could lose land for political reasons, putting land into a waqf protected the land from appropriation by powerful individuals and offered continuing benefits to one's heirs.

2.22 *The more effective the tribal organization, the more likely it is for land to be distributed equitably.* In some areas of the Highlands, land tends to be more or less equitably distributed.

[20] World Bank, *Rural Development Strategy Republic of Yemen.*

[21] Ward, Chris, 2005 "Coping with Water Scarcity in Yemen: Conflict and Adaptation," Background paper for the MNA Regional Water Report, World Bank. See also Lichtenthaler, Gerhard, 1999. "Water Management and Community Participation in the Sa'adah Basin of Yemen," World Bank, Sana'a.

[22] World Bank. June 2005. "Republic of Yemen: Urban Land Policy and Administration."

Though the holding sizes may differ, the bulk of the population owns land and there does not seem to be significant loss of ownership, though here too there are signs of concentration.

2.23 *In the southern governorates, in contrast, the holdings of large agricultural land owners are expanding at the expense of small farmers*. After unification, land was returned to absentee owners forced out of the southern governorates during the socialist era without adequate safeguards to protect small farmers. In addition, weak systems of land registry are leading to a proliferation of claims made on public land (land recorded in the Land Registry Department at the Ministry of Finance) even by some who could not establish prior legitimate claim. Rampant land grabbing occurred, often by influential and powerful figures.

2.24 *Women do not have equal access to land ownership though they are active participants in the agricultural economy.* The most common way for women to acquire land is through inheritance which following Islamic law entitles them to half a share if inheriting from their fathers, one sixteenth (from a son) and one eighth from a husband. But these rights are seldom realized. By custom, women exchange their rights to land ownership for lifelong support and economic security (including housing in case of divorce or widowhood) from their male kin or by laying claims to moveable property.

2.25 *Youth also have limited access to land ownership since the avenues available for land accumulation are restricted*: inheritance (must wait until their father passes), cash purchase (limited opportunities for accumulating cash or credit), or political influence (excluded from local and national processes of decision-making).

Institutional Change and Equity of Access to Water

2.26 *Water is scarce and inequitably distributed across regions and social groups.* Yemen has one of the lowest per capita water availability rates in the world – 150 m^3 per person per year, compared to 1,250 m^3 in the Middle East and North Africa and 7,500 m^3 world wide.[23] Water scarcity is most severe in the Western half of the country (Highlands, Tihama and Arabian sea) home to 90 percent of the population but where per capita availability is only 90 m^3. Fewer than half of rural households have access to safe drinking water, compared to 82 percent in the Region as a whole.

In Taiz, Yemen's third largest city, households receive public water only once every 30-40 days.

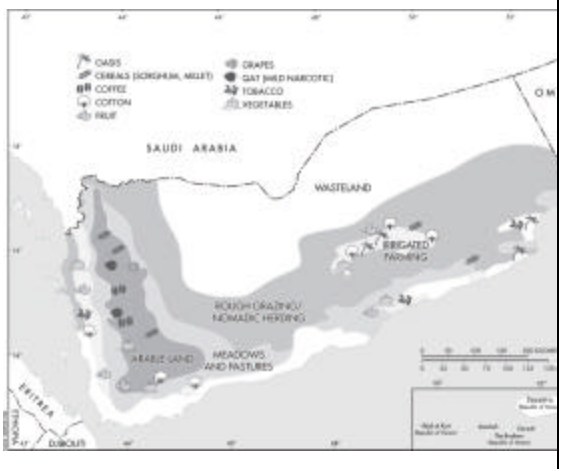
2.27 For centuries, Yemenis skillfully managed their water. They developed elaborate terrace agriculture systems, which used runoff, spate diversion and shallow groundwater extraction, varying according to the resource and social organization. These technologies were accompanied by elaborately negotiated systems of rules and organization; disputes arose, were resolved by force of arms, local mediation processes or adjudication.[24] Water rights are based on a combination of Islamic principles, customary practice and state intervention and employ the following principles: (i) water is an ownerless resource but usufruct can be appropriated to those who develop it; (ii) upstream riparians have priority; (iii) water may not be alienated from land;

[23] World Bank. March 2005. "Republic of Yemen: Country Water Resources Assistance Strategy."
[24] Ward, p. 3.

(iv) wells must be spaced a certain distance apart; (v) no one may deny a person's rights to drinking water.[25]

2.28 Over the last three decades, a rapid change is occurring in the system of water management due to: (i) privatization of communal land; (ii) private appropriation of open access natural resources; and (iii) introduction of new technologies for irrigation often with public investment. Public interventions have tended to focus more on improving physical structures while ignoring the management systems, inadvertently undermining the traditional management systems and resulting in inequitable systems of allocation. For example, improved upstream diversion structures built with central government support have allowed better-off upstream farmers to receive more water than poorer downstream farmers.

Map 4: Major livelihoods by region



2.29 *The local systems for solving water-related conflicts are weakened since shaykhs, entrusted with traditional dispute resolution functions over water have also become one of the largest consumers of groundwater as large commercial farmers.*[26]

2.30 *Women and children pay the price for the increasing scarcity and high cost of water, especially for domestic consumption*. Because of high transport costs associated with trucked water, families resort to sending out women and children to fetch water to increasingly distant wells. In Dhi Uqayb, Taiz governorate, for example, women travel at midnight to a well in a neighboring village to avoid the crowds and the prohibited trek across private agricultural fields. As well as consuming significant amounts of time, this puts their personal safety at risk.

RURAL LIVELIHOOD STRATEGIES

2.31 Rural livelihood strategies vary widely across the country's main geographic zones (see Map 4), depending on the social structure, ecology, available resources, cultural practices, historical experience and the political economy. The paragraphs below describe the common features in rural livelihoods before discussing the livelihood characteristics particular to each region.

2.32 *For rural inhabitants, agriculture remains the primary means of livelihood, with 50 percent of the country's population employed in the sector*. Moreover, in the last decade, agriculture has grown faster than the rest of the economy, notching up a 5.5 percent growth rate between 1996 and 2000. It also created most of the new jobs in the 1990s, with employment in

[25] Ward, p. 7.
[26] Ward, p. 17.

the sector growing at 4 percent. Expectations are higher still: almost 7 percent annual growth in agricultural employment is anticipated in the 2001-5 period.[27] However, agricultural contribution as a portion of the GNP declined from 25 percent in 1990 to about 16 percent in 2000.

2.33 *Across the country, farmers have managed to expand agricultural production and employment thanks to improved irrigation systems (especially tubewells) with a progressive shift from subsistence farming to cash cropping*. In 1970, only 3 percent of the total cultivable land was irrigated with wells by 2003 and this had risen to 37 percent. This expansion, however, is unsustainable due to the severe water scarcity in the country.

2.34 *However, access to groundwater is increasingly becoming inequitable as land is being concentrated in private hands*. Increasingly, there is unequal competition between large farmers who have bigger land areas and more financial resources to dig deeper and adjacent small farmers whose wells are drying up due to the violation of the "well spacing" norms.[28] Due to the growing scarcity of water, some rural areas are having to resort to trucking water for both domestic use and irrigation. In al-Sha'lan, all irrigation water is trucked although this is a region with sufficient rainfall for agriculture. 12 m^3 of water at the source costs roughly US$5 but US$27 in the village.

> *In al-Dumayd, a big trader established a 10 ha citrus orchard with 8 pumps, drying up many of the wells in the small adjacent plots which were eventually abandoned. The small farmers felt powerless since they knew a "big neighbor has no obligation to share."*
>
> Chris Ward, "Coping with Water Scarcity in Yemen"

2.35 *The modernization of agriculture has not been supported by the acquisition of appropriate skills. Indigenous agricultural knowledge still has relevance for modern farming strategies but this is not valorized by extension agents or younger farmers*. There is a growing sense that traditional knowledge is no longer applicable yet younger farmers do not have the proper training to adopt new methods. In al-Qasamiya in the Tihama region, there has been an influx of new pests infesting recently introduced fruit and vegetable crops. Traditional pest control methods are either forgotten or no longer sufficient: most farmers cannot afford to purchase pesticides and for those who can, there is no appropriate assistance for proper application.

2.36 *Consequently, few rural households are now able to survive on agriculture alone*. A key livelihood strategy for rural inhabitants is to reduce risk through diversification of the household's income sources: migration to urban and rural areas and when possible outside the country, seasonal farming, livestock keeping etc.[29] Poverty and food insecurity is pervasive, however, since increasingly, rural households must rely on purchased food rather than farm produce.

2.37 *Out-migration of at least one family member is a common feature of rural coping strategies and as poverty deepens, it is increasingly younger boys that are sent out*. Surveys indicate that 70 percent of working children come from homes with a male breadwinner rather

[27] World Bank. June 2005. *Yemen Country Water Assistance Strategy*.
[28] Ward, p. 13.
[29] The FIVIMS study found that close to 50 percent of households with some agricultural activity relied on non-agriculture activities as a primary income.

than orphans.[30] In Dhi 'Uqayb, an area near Taiz governorate, young boys (9-14 year olds) are sent to nearby towns to peddle ice cream and other goods resulting in school drop out rates for boys. In the villages of Wadi Hadramut, when boys reach 15, they are expected to travel to Oman for work through a network of older male relatives already established there. Similarly, child trafficking, especially to Saudi Arabia has become a new and rising phenomenon. UNICEF estimates that during the first quarter of 2004 alone, an estimated 10,000 children were deported from Saudi Arabia.[31] In most cases, parents actually seek out traffickers (even pay them to cross the border) and are unaware of the potential dangers children may encounter there. Once at their destination, the children provide as much as 80 percent of the household income.[32] However, remittances only account for 7 percent of total household income of rural inhabitants (compared to the slightly higher level of 9 percent rate of urban households).[33] As regards the population receiving remittances, 17 percent of the rural population lives in households receiving private transfers, compared to 20 percent of urban. [34]

2.38 Rural women are an essential part of the agrarian economy and their tasks of caring for livestock and work in the fields provided them with freedom of physical mobility. Historically, rural women also openly participated in weekly rural markets. With the expansion of the road network, its concomitant dependence on market towns and increased traffic that brings "outsiders" close to their communities, rural women now avoid markets and car roads, a development that significantly decreases their traditional mobility.

2.39 *Across the four governorates, the consumption of qat (Catha edulis) – a pseudo-ephedrine stimulant whose fresh leaves are chewed– has increased dramatically, contributing to a range of social problems.* Qat is generally chewed in large, male only afternoon gatherings that last several hours and constitutes the primary form of leisure activity in the country. At times it provides a public sphere where information is exchanged, business is conducted, and community problems are discussed. As it is a male only space, however, women are excluded from these important forums of decision-making. Formerly, qat was chewed in the afternoon in a social setting, after the day's work was done but there is a growing trend of chewing earlier in the day, affecting productivity. It is also becoming an increasingly individualized habit, reaching an increasingly younger age group (10 year olds). In fact, qat chewing has become a favorite past-time for youth. Qat purchase accounts for 11 percent of the average household budget; poverty incidence would decline from 42 percent to 36 percent if qat money were spent on food and clothing.[35] Students spend about 300-800 Yemeni rials per day on the habit, which exceeds the cost of the daily food requirement.[36] By some estimates, 80 to 85 percent of men and 30 percent of women chew.[37] Households headed by habitual qat chewers suffer from a higher degree of

[30] Higher Council for Motherhood and Childhood, Social Fund for Development and World Bank. 2003. "Yemen's Disadvantaged Children."
[31] Yemeni Center for Social Studies and Labor. 2004. "Rapid Assessment of Child Trafficking in Yemen: Case Study of Hajja and Al-Mahweet Governorotes" Sana'a. Report prepared for UNICF and Ministry of Social Affairs.
[32] Yemeni Center for Social Studies and Labor, 2004. "Rapid Assessment of Child Trafficking in Yemen: Case Study of Hajja and Al-Mahweet Governorotes," Sana'a. Report prepared for UNICF and Ministry of Social Affairs.
[33] Van de Walle, p. 25. Based on the 1998 Household Budget Survey.
[34] Ibid, p. 27.
[35] World Bank, Republic of Yemen, *Country Water Assistance Strategy*, March 2005.
[36] Ibid.
[37] Mohamed bin Sallam, "Qat: 22 Million Hours Wasted Every Day" *Yemen Times* Issue 785, Volume 13, Oct 28-31, 2004 However, no reliable nationwide surveys on the topic exist.

food insecurity.[38] Qat chewing leads to weight loss, insomnia and periodontal disease. Some studies have suggested that it might lead to cancer and heart disease.

Livelihood Systems in the Highlands

2.40 The Highlands represent the most densely populated part of the country and account for nearly 60 percent of Yemen's population. Land holdings are small and fragmented. During the 1970s, the baseline period for the CSA, those in the Highlands primarily lived from rainfed subsistence agriculture, mostly for cereal production. The main summer crop was sorghum, with wheat, barley and lentils grown during the winter at higher elevations. Although the terrain was rugged, Yemeni farmers were adept at terracing steep mountain slopes to create fertile agricultural plots through intensive inputs of labor and technical knowledge passed down through the generations, a technique which made most of minimal rainfall. Since this was a subsistence-based production system, men and women of the household worked side by side. Wells were hand-dug and mainly irrigated small gardens of onions, chives and white radish – few other vegetables were grown. Due to the lack of roads and rugged terrain, travel was difficult and produce was mainly distributed in a weekly market system in nearby areas. Since conflict was frequent, markets were designated safe zones by tribal custom and were important spaces for social interaction and exchange of information. Both vegetable growers and those working in the markets were socially stigmatized but the emergence of a cash economy over the last three decades – as will be shown in subsequent sections – has valorized commerce as a profession and allowed social mobility for these groups.

2.41 With the introduction of modern irrigation techniques, financed in part by remittances of migrants to Gulf Countries, rainfed agriculture has dramatically declined since the 1970s, from 85 percent of total production to just 45 percent in 2003.

2.42 *Rural households have intensified the production of qat tree making it the most important agricultural produce*. Highland farmers have expanded qat hectarage from 45,000 in 1980, to 80,000 in 1990 and 111,000 in 2003. In 1999, qat accounted for 25 percent of the agricultural labor force, by far the highest source of rural employment.[39] In some areas, such as Sha'lan, the land is exclusively given over to qat. Annual returns from qat are almost three times that of coffee, the main export crop, and provides households with essential cash. Households producing qat are more than twice as likely to be food secure than those not doing so.[40] Qat is popular because production costs – aside from water – are low as it requires limited labor and few pests and diseases affect the crop. Further, there is no external competition due to prohibition on imports and marketing is also easy given the effective local distribution system.

2.43 *Farmers have intensified qat production at the expense of staple cereals, especially sorghum, with ripple effects on the quality of nutritional intake.* Rural households are increasingly relying on highly processed starchy and sugary foods with low nutritional content. Nutritious whole-grain bread and porridge

> *"Without the road for trucking well water, the qat would die when it didn't rain and we would die along with it."*
> Farmer in Sha'lian, an area with relatively high rainfall

[38] FAO and Central Statistics Office, October 2004. "Food insecurity in Yemen: Results of the 2003 (FIVIMS Survey)." "Towards the Formulation of a comprehensive Qat Policy in Yemen," FAO, March 2002.
[39] FAO. March 2002. "Towards the Formulation of a Comprehensive Qat Policy in Yemen."
[40] FIVIMS.

have made way for imported white flour and sugar. Households are increasingly relying on imported food purchases which account for the highest household expenditure for both rural and urban households (60 percent of rural household income compared to 46 percent for urban households).[41] The rise in diabetes and cancer may be associated with this dietary shift.

2.44 *The shift to qat production has also reduced livestock production*. In the absence of sorghum or other fodder crops, households find maintaining domestic animals unaffordable. In Hadran for example, where 80 percent of the land is used for qat cultivation, the population of small ruminants had declined from 2,000 in 1990 to 100 in 1999.[42] Lack of livestock ownership is also associated with increasing rates of food security.[43] The decrease in livestock production has an obvious negative impact on women's capital accumulation since it constitutes an important part of their asset.

2.45 The transition to flatter valley land irrigated by wells combined with out-migration of males has led to abandonment of many of the terrace systems, especially those that relied on runoff water harvesting. In case of pump operated irrigation systems, many farmers do not apply proper irrigation techniques, resulting in water loss. This has resulted in increasing loss of productive agricultural land and increasing vulnerability of the population.

2.46 *The shift in the agricultural system of production is feminizing subsistence agriculture and puts women at a disadvantage*. Women have always been and continue to be active participants in the agricultural economy. They seed, weed, harvest and process grain. Women's active role in agricultural production used to provide them with significant economic power, physical mobility and voice within the household and community. However, as males increasingly migrate in search of wage employment, the household-based system of subsistence production is declining. Women who are left behind continue to work in subsistence-based agriculture but on land that has become more marginal because the terraces are collapsing due to the lack of male labor. The men who do remain in the Highlands are increasingly involved in *cash* cropping (such as qat) which requires greater labor specialization but a more limited role for women. Thus, when women work on land that belongs to the household, it is increasingly on a subsistence basis. Some women are indeed employed in cash cropping as agricultural laborers. However, they are generally hired at half the wages of men, often for the most strenuous and labor intensive tasks.

2.47 *Growth in cash economy, especially increasing reliance of rural households on imported foods has created new opportunities for commerce*. In the 1970s, there were few shops and businesses in villages. With the influx of remittances of migrants in the Gulf, new rural business opportunities emerged, such as selling basic supplies (milk, sugar, flour, kerosene, soft drinks etc). The weekly market system which had been based on barter trade of locally-produced goods has now given way to small roadside "market towns" with permanent stalls, small shops and services. Growth in the cash economy has also meant that landless social categories, such as the *muzayin,* can now purchase and own land.

[41] PRSP based on the HBS, 1998.
[42] Othman, Abdo A. and Norman Messer. 1999. Comparative Analysis of Traditional Structures in Decentralisation Policies and Programmes: Yemen Case Study. FAO, Rural Development Division. p. 31
[43] FIVIMS.

2.48 Important local crafts such as leather tanning were historically carried out by service (non-agricultural) social groups such as the *mazayina*. In many parts of the Highlands, this trade is dying out due to chronic water shortage and perhaps even the decline in livestock production. Many are now engaged in commerce.

Livelihood Systems in the Tihama

2.49 Stretching along Yemen's Red Sea coast line, the Tihama accounts for about 15 percent of the national population and represents one of the poorest regions in the country. Hodiedah, which is home to almost two thirds of the zones population, is the poorest governorate in Yemen.[44] Land here is concentrated in the hands of a few owners. During the 1970s, agricultural production, some fishing, and limited maritime trade with the horn of Africa were the primary means of subsistence. Low rainfall meant that agricultural production was largely restricted to seasonal flood irrigation from temporary barrages and under customary allocation systems. Wells were mainly hand-dug and depended on animal draft power to lift water. Land was in the hands of a handful of landowners, with the bulk of the farmers engaged in sharecropping. The waqf system flourished here, and made rental land available to poorer farmers but this system is weakened through private misappropriation of waqf land.[45]

2.50 Farmers grew sorghum, millet and dates for subsistence and sesame and tobacco as cash crops. The Government's intervention through the Tihama Development Association in the mid-1970s introduced new agricultural technologies (e.g. a permanent dam, support in irrigation, etc.). This brought water to fallow land and thus new agricultural areas were brought into use. The Government introduced new cash crops (melons, bananas, cotton, papaya, mangos, etc.) to the area which are marketed domestically and exported to neighboring Saudi Arabia.

2.51 *Small destitute farmers have increasingly been selling their land holdings leading to greater land consolidation*. The use of these new technologies and farm inputs require significant cash investments which are out of reach for most small farmers. Many have been forced to sell their land and now working as wage laborers. In addition, a key coping strategy for such destitute farmers is to migrate to urban areas or other rural areas. Many have moved to populate shanties in urban and even rural areas, progressively becoming assimilated into the Akhdam social category (discussed in the section on urban livelihoods).

2.52 Since the development of the road network over the last two decades and the appearance of refrigerated trucks, small-scale fishing is becoming an increasingly important means of livelihood for people in the Tihama. About 20,000 artisanal fishermen operate in the zone and exports have steadily been climbing. The fishing trade is controlled by a handful of brokers, middlemen and exporters. The Government's new commitment to support small-scale fishing communities and its ban on competition from foreign trawlers is a promising development.

2.53 *Artisanal boat building (including large wooden ships) is a traditional skill in the area which has rapidly declined*. Tihama boat-builders were known for their craft throughout the region, providing an important livelihood that spanned centuries. They built solid boats for trade

[44] 1999 National Poverty Survey.
[45] Historically, tribal institutions have served as social equalizers in Yemen. Waqf endowments are weakest in the strongest tribal areas in part because of tribal customary law which hinders alienation of land from tribal segments.

and fishing, capable of crossing the Red Sea (in less than a day) and traveling down the Arabian Gulf. The emergence of fiberglass boat factories has precipitated the rapid decline of this trade. There are several deserted shipyards, with dozens of half finished boats lining the beaches. Boat builders have had to abandon their profitable trade in exchange for the lower paying fishing or boat repair activities.

2.54 To cope with deepening poverty, people of the Tihama are migrating in significant numbers (though national statistics on migration patterns are unavailable) to other parts of the country. As opportunities for legal international migration are declining, increasing numbers of people from this area are illegally crossing the border to Saudi Arabia to work in low-skill service jobs. While women in other parts of Yemen rarely migrate as wage earners, women from the Tihama do so seasonally and work in the agricultural fields of Saudi Arabia. The recent trend in child trafficking is mostly a Tihama phenomenon.

Livelihood Systems along the Southern Coastal Zone

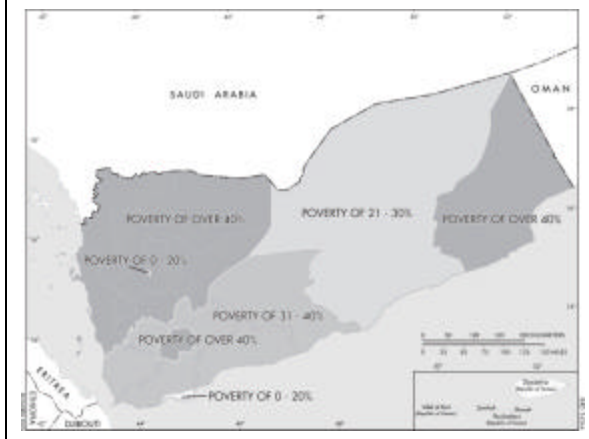
2.55 The Southern Coastal Zone is centered on the major port of Aden and extends the length of the Arabian sea to Oman. The population accounts for roughly 10 percent of the country's total population. Prior to the emergence of the PDRY, most of the land was owned by a few shaykhs who controlled both land and water rights. Eighty percent of the land was cultivated by tenant farmers who produced cotton and tobacco as cash crops.[46] Similarly, fishing was also an important source of livelihood but the trade was dominated by the fish merchants and local shaykhs who owned most of the nets, the larger boats and other means of production.

2.56 With independence from the British in 1970 and the establishment of a socialist regime, most of the sultans (a term used to describe shaykhs in the south) fled the country. The 1970s saw a number of land reforms which resulted in: (i) confiscation of land of former protectorate officials and rural elites without compensation; (ii) limiting landholdings to 20 feddans of irrigated land or 40 feddans of unirrigated land per person and twice this amount per family (in reality 5-10 feddans per family); (iii) agricultural cooperatives were established on confiscated land; (iv) private agricultural land was permitted so long as peasants were not exploited; and (v) model farms were established by the state to encourage peasants and cooperatives to work collectively. The result was that large-scale land ownership was abolished. Nearly half of the country's cultivated land was redistributed among 25,778 landless or near landless families.[47] In most instances, these were people from low status groups.

[46] Hashem, Mouna. 1995. *Goals for social integration and realities of social exclusion in the Republic of Yemen*. ILO. p. 24.
[47] Hashem, p. 36.

2.57 The socialist state also established processing factories (tomato canning, textile, etc.) for agricultural output and regulated production so as to coordinate the market (e.g., determining when different crops would be produced to make them available year round). Significant investments in health and education were also made, especially raising the educational attainments of women. This legacy is still noticeable today in the relatively lower levels of unmet basic needs (an index measuring access to health care, education and housing) as compared to the northern governorates.

Map 5: Distribution of Unmet Basic Needs



2.58 *The collapse of the socialist regime has exacerbated the gap between the rich and the poor and allowed the re-establishment of social hierarchies that had earlier been weakened*. The system of agricultural cooperatives collapsed with the socialist regime, as did the canning factories and other industries. With the absence of a centrally coordinating body, farms now produce the same product at the same time resulting in plummeting prices. In Dar al-Manasra, for instance, due to the overproduction of tomatoes in the area, prices fell dramatically and farmers were reduced to dumping their produce on their land as fertilizer. Following unification, the new government reinstated land confiscated by the socialist regime in the spirit of protecting private property rights and promoting the market economy. Poor farmers who were granted land rights suddenly became landless and social hierarchies that had weakened with socialist rule were reintroduced. In some instances, the laborers continue to work on their farms as wage laborers, while in other cases they have been expelled from their land and must make a living as transient farmers or unskilled construction workers.

2.59 *The free market has revitalized the economy, resulting in a boom in construction and increase in land prices and has provided new employment opportunities for rural people.* Yemeni businessmen based in Saudi Arabia are now returning to invest in the southern governorates (especially Aden and Mukallah).[48] Many agricultural laborers are working in construction which is higher paid and more reliable than the uncertainty of farming.

2.60 *However, women in rural areas of the southern coastal zone are being left behind, even losing many of the opportunities they had gained under the socialist period*. Whereas girls went to mixed gender schools under mandatory state instruction, rural households are now refusing to send their daughters to school without the presence of female teachers. In terms of wages, as in the Highlands, women are generally paid about 50 percent less than men when they work as hired laborers.

> *"He is a man and she is a woman,"* Landowner in the village of Dar al-Manasira, explaining why he pays men twice the wages of women.

[48] Not all Yemenis in Saudi Arabia were expelled during the Gulf War. Many had Saudi citizenship and long established successful businesses and remained (still remain) in Saudi Arabia, until new opportunities opened in Yemen.

Livelihood Systems in the Eastern plateau

2.61 This region is the most sparsely inhabited zone of the country, containing roughly 8 percent of the total population over a vast desert area stretching from Saudi Arabia to the north and Oman to the east. The main livelihood system in the 1970s was nomadic herding and some farming in the fertile valleys of the Hadramut. In addition, there has been historic migration from this region to places as far flung as Malaysia and Indonesia as well as to neighboring Saudi Arabia and Oman. In fact, early migrants to Saudi Arabia from this region have acquired enormous wealth and earned Saudi citizenship. When Yemeni migrants were expelled from the Gulf, few from this area were affected and they continue to work as international migrants.

> "*Today we live, but tomorrow we survive only by the grace of God*."
>
> Village elder in al-Qâsimiya, Tihama

2.62 With the discovery of oil in this region, some small towns have sprung up, and brought a limited stimulus to the local economy. However, since the industry employs so few Yemenis, it has not generated many jobs. An important means of livelihood here is informal cross-border trade (i.e., smuggling). Sedantarization has also increased rapidly.

Table 5: Summary of Changes in Rural Livelihood Systems

Region	Highland	Tihama	Eastern Plateau	Arabian Sea
Conditions in '70s	Subsistence agriculture with focus on grains (sorghum, wheat, barley). Rainfed terraces, limited spring and spate irrigation, hand dug wells for small gardens. Small individualized plots. Production unit was household (husband, wife, children, extended family). Limited infrastructure and lack of improved roads. Local, weekly market system.	Spate irrigation system along major wadis with few hand dug wells. Sorghum & millet for subsistence. Sesame for cash crop. Large landholdings in few hands. Limited small holdings. Landless peasants as sharecroppers. Boat building craft important. Some artisanal fishing. Growing importance of Hodeidah as main port.	Declining semi-nomadic and nomadic pastoralism Limited grains, grapes and date production along interior wadis and oases. Porous border allowing for smuggling of consumer goods and oil. No large cities or major markets.	Cash cropping (cotton, tobacco) in Lahj & Abyan. Spate irrigation from wadis Agrarian reforms and cooperative system under socialist government. Command economy (regulated agricultural markets and industry). Continued labor emigration, especially from Hadramawt, to South Asia. Aden as major, but isolated, international port.
Changes over last 3 decades	Qat becomes main cash crop but grapes and coffee also increased. Unchecked expansion of tubewells with massive aquifer drawdowns. Terraces relying on runoff systems progressively abandoned. Decline in grain production, but new markets for vegetables (tomatoes, potatoes, onions). Market towns and road stalls replace weekly markets.	Deep well irrigation and dams. Improved irrigation through Tihama Development Association projects brings more land into production. Introduction of new cash crops (cotton, papaya, mangos, melon). Boat building craft disappears. Small scale fisheries expands and intensifies but is poorly organized. Large number of emigrants from Zabid area to main cities and other areas within Yemen.	Expansion of irrigated agriculture through Marib dam and deep wells. Oil production generates oil revenue through grants to tribes but with limited local employment. Links maintained with related tribal groups across Yemen border.	Progressive privatization of land after unification. Collapse of agricultural cooperative system Revitalization of small scale fisheries through cooperatives. Continued importance of migrant labor abroad, especially to South Asia. Plans in place for creation of free trade zone in Aden.
Causes	Infusion of investment cash from remittances. Dramatic increase in demand for qat. Cheaper prices for basic imported foodstuffs.	Gov't. programs introduce new systems/technologies of production (crops, dams, tube wells, etc.).	Continued autonomy of local tribes. Major government investment in Marib dam project.	Change in the political system after unification. Restitution of land to original owners from abroad.
Effects	Terraces collapsed, environmental degradation. Severe water crisis. Decline in agricultural labor due to qat production. Lack of jobs in rural sector. Reliance on imported, nutritionally low food. Differentiation of household labor. Local produce unable to compete in price with imports (e.g. almonds) even when there is local taste based preference.	Consolidation of large land holdings with limited investment opportunities for small households. Increased dependence on imported fertilizers and pesticides. Lack of rural jobs.	Decline in livestock production and date farming. Overall lack of rural jobs. Continued extralegal activities along border.	Increase in number of landless farmers. Loss of alternative jobs with closing of state-run factories. Land speculation, especially along major wadis and in Aden.

Region	Highland	Tihama	Eastern Plateau	Arabian Sea
	Fragmentation of land.			
Livelihood responses	Migration to urban areas. Feminization of subsistence agriculture. Masculinization of cash cropping.	Migration of the poor to urban and other rural areas, populating urban and rural shanties. Shanty residents assimilated into Akhdam category. Illegal immigration to Saudi Arabia, child trafficking, cross border smuggling increases.	Sedentarization and the associated increased restriction on women's mobility. Migration to Saudi Arabia & Oman.	International migration (Indonesia/Malaysia for Sada), peasants to East Africa and Middle East. Sedantarization of Bedouins.

Urban livelihood Strategies

2.63 Urban growth in Yemen has been rapid. In 1975, 90 percent of the population lived in rural areas, it is now 73 percent. Sanaa's population was 135,000 compared to 1.75 million today. Urbanization has been driven by rural-urban migration, high natural demographic growth, liberalization of the market and the massive return of migrants expelled from the Gulf countries. There are only a handful of primary cities (Sana'a, Aden, Hodeidah and Mukalalla) but there are a number of smaller secondary towns that have grown as a result of their linkages to rural areas. Many Yemeni towns emerged outside the political sphere of tribal groupings and therefore developed as an integrating space for those from different tribes, regions and social status groups and allowing those from lower social status groups to escape social stigma.

2.64 State provisioned education, as well as domestic and international migration, created opportunities for economic mobility, especially for traditionally excluded groups. Many were able to accumulate wealth by investing in land, housing, commerce, etc. The relative anonymity of the city also allowed these socially stigmatized groups to escape their former identity. The cash economy has also valorized commerce as a means of livelihood so that most farming households no longer hold prejudice against market-based occupations. The net impact of these trends is to promote the social inclusion of traditionally stigmatized groups.

2.65 Although Yemen has few towns, these are marked by their diversity due to the historical, ecological and socio-cultural variation of the country. In the Highlands, for instance, secondary towns are anchored by a strong network of large agricultural villages; along the Arabian sea, new urban areas are established for administrative (political reasons); in the Tihama, towns have a linear distribution along the main road linking several small ports and in the Eastern plateau (especially in the Hadramut) towns and large villages are distributed along the fertile wadi areas. Consequently, livelihood opportunities and strategies for urban residents are largely dependent on the role of the towns in which they live. There are four distinct types of towns in Yemen: market, administrative, service and satellite towns.

Table 6: Types of Secondary Towns in Yemen

Type of Town	Characteristics of Town's Vocation	Opportunities	Example
Market town	Markets and distributes goods produced in surrounding rural areas; point of purchase for durable and non-durable goods. Often situated at a cross-road of major road intersection.	Livelihoods are more secure here as there is a diversity of occupations and services, providing a means for upward social mobility.	Yarim, Ibb, Highlands
Administrative town	No specific economic vocation but employment revolves around the civil service. Agriculture and businesses are only a secondary source of livelihood.	Potentials for growth are limited, livelihoods are insecure and upward social mobility is limited.	Thula, Amran, Highlands
Service town	Provides specific services to other urban and rural areas such as education or health.	Requires skilled labor force and therefore high unemployment rates among unskilled workers.	Zabid, Hodeidah, Tihama
Satellite Town	Part of a larger complex urban area comprised of several towns within a small geographic town. Characterized by strong social and economic links within and between socio-professional categories.	Strong economic networks allow for labor mobility and diversity of employment opportunities and hence social mobility.	Tarim, Hadramut, Eastern plateau

2.66 A common livelihood strategy across these four types of towns is the following: (i) the household's diversification of economic activities; (ii) use of social networks and solidarities; (iii) development of patron-client relations; and (iv) migration. Because wages are low and unemployment high, urban dwellers use a combination of the above to make ends meet. There are four main categories of employment in secondary towns:

(a) *Public sector jobs*: these comprise the largest number of formal sector employment in urban areas and are highly sought after because they provide a stable income (even if limited), allow a degree of flexibility to take on additional part time jobs in the informal sector. Educated women are especially attracted to the public sector (especially in health and education) since it represents a socially acceptable form of employment (in contrast to trade, for instance).

(b) *Self employment*: this provides a better opportunity for upward economic mobility, although lack of skills and capital make it a challenge for many. Types of self employment include:

(i) *commercial enterprises*, provided substantial working capital and a large social network (patrons and customers) this can be highly profitable;

(ii) *small artisans*; and

Monthly incomes of self-employed people
(in secondary towns)
Unskilled work, street seller: 6,000 - 10,000 YR
Semi-skilled workers: 10,000 – 15,000 YR
Construction workers: 21,000-24,000 YR
Artisans: 20,000 – 30,000 YR
Small traders, shopkeepers: 15,000 – 30,000 YR
Masons, carpenters, technicians: 30,000 – 50,000 YR
Taxi & bus drivers: 30,000 – 70,000 YR
Doctors, engineers: 50,000 – 100,000 YR
Merchants, contractors: 100,000–150,000 YR

(iii) *the urban transport sector*, especially in market towns, provides a wide array of employment opportunities such as drivers, attendants, mechanics, etc.

(c) School teachers, for instance, earn roughly 17,000 to 20,000 rials per month ($92-$100) and many have to supplement this income by taking on additional part-time jobs such as "motorcycle taxing" which would allow an additional YR 200-300 ($2-$3) per day.

> "*Something is wrong when a teacher not knowing how to make ends meet, has to drive a motorcycle-taxi, then pick up his students as paying passengers! His relationship with them will never, ever be the same!*"
>
> Zabidi teacher

2.67 The informal sector is the most important source of income for the urban poor but jobs in the sector are precarious and low paying. These jobs generally require limited education and skills, are small scale and tend to be in small family-owned enterprises (where many work without formal wages). They also make use of labor-intensive and adaptive technologies. Among women, the most important activities are related to knitting, sewing, incense making and food processing

2.68 There is a sense of frustration among the poor that the livelihood strategies they have adopted are simply not paying off. Since people's incomes have not kept pace with the cost of living, even middle income households are being pushed on to the brink of poverty.

> "*No matter how hard I work, I just get poorer, but important shaykhs and merchants just keep getting richer. When I can't afford gas for my taxi, what will I do? Carry passengers on my back?*"
>
> Taxi driver, Sana'a City

2.69 Cultivating patron-client ties with wealthy individuals who have links to the state. The patron receives prestige, visibility and a stable clientele and the client receives support, protection, advice and assistance. The importance of these relations is partly attributed to the absence of a strong central state and numerous "decentralized" networks of power.

2.70 *Land is an important urban asset but it is increasingly concentrated in the hands of a minority of wealthy families.* The poor are increasingly vulnerable because of distress sales of urban and agricultural land as a coping strategy.

2.71 *Improved educational attainment for urban women has not resulted in their higher participation in the formal employment sector. Unemployment among women between 15 to 29 accounts for 56 percent of all female unemployment (compared to 47 percent of men of the same age group).* This suggests that relatively well educated women are having difficult finding jobs.[49] *In the southern governorates, especially Aden where women were active in the formal labor force, they are gradually losing their foothold.* As the Adeni economy shifts from public sector-led development to a free market, public enterprises are becoming privatized and the percentage of women employees is decreasing. The emergent private sector is not creating enough new job opportunities for women. Constraints in women's employment are reinforced by changing cultural ideologies such as the belief that it is inappropriate for women to interact closely with

[49] Niethammer, Carmen, "Gender and Development in Yemen: Women in the Public Sphere," Yemen MENA Regional Development Reports Roundtable, April 2005.

men who are non-relations. Women are now resorting to the low-paying and comparatively less secure informal sector as a coping strategy.[50]

2.72 Networks of solidarity in urban contexts are weak, in part due to the stresses of urban life but also the heterogeneity of urban dwellers. The main means of solidarity remains the kin group. However, only mid-income and wealthy families tend to form large families (10-15 people). Poor families tend to split and fragment. In some areas, such as Yarim and Attaq, tribal solidarity networks remain strong.

2.73 *Urban migration is also resulting in new forms of social exclusion with the growth in squatter settlements in the industrial areas of most of the major cities and secondary towns*. Sixty-five percent of the urban population dwells in slums.[51] Class in urban areas is emerging as an important line of social cleavage, in contrast to rural areas where rich and poor live in the same locality and interact socially. This is creating a spatial marginalization of people living in shantytowns. Shantytown dwellers tend to be poor migrants who lack political connections (and informal representation, such as a shaykh to defend their interests). There is a growing tendency of labeling all shantytown dwellers as "akhdam," irrespective of their social status. In Sana'a, the first settlers in Bab Sabah neighborhood were people from Zabid, some were Akhdam and brought in as street sweepers. As conditions in Zabid worsened for the poor, others (non-Akhdam) joined them until the derogatory term of Akhdam became synonymous with dark-skinned shanty dwellers. This labeling deepens the social marginalization and vulnerability of shanty dwellers as many ***unfounded beliefs*** about the akhdam are widespread (e.g,. they do not follow Islamic burial practices, though they do) and provides license for discrimination. There are indications that rates of unemployment and underemployment in shantytowns are high (though data are unavailable on a national scale).[52] Their social marginalization creates further vulnerabilities: the ban(s) on begging and peddling, punishable by imprisonment, which mostly impinges upon shantytown residents; arbitrary seizures of land occupied by shanty residents (often for development by private speculators with no prior or legal claims);[53] and arson in well located shanties to drive out squatters are a few examples.[54] Shanty dwellers are unable to defend their rights and interests because they are excluded from patronage networks and have no mechanisms for expressing their voice.

Urban-Rural Links in Livelihood Strategies

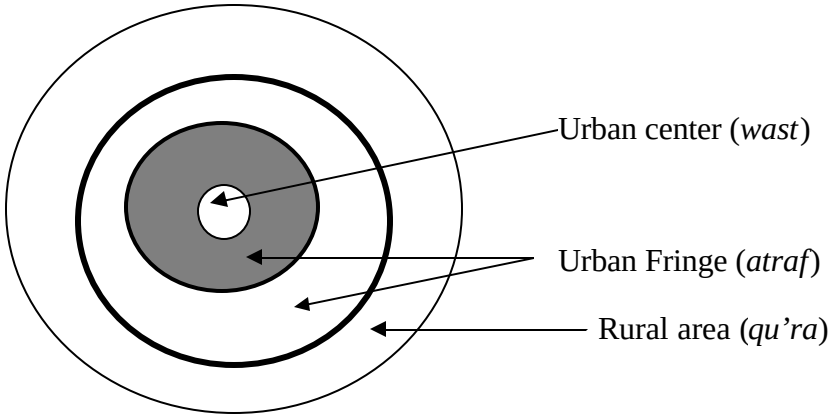
2.74 While the socioeconomic opportunities available to rural and urban inhabitants are different as shown in the previous section, a key livelihood strategy is to intertwine urban and rural economic and social systems so that they are mutually dependent. There is an active two-way transfer of money, goods, services and individuals between town and countryside. Though there is considerable physical

> *When the mountain beats the drum, the valley dances; when the countryside suffers, the town cries'.*
> (Yarîmi elder)

[50] World Bank, *Women in the Local Economy of Aden*, 2005.
[51] *World Bank Social Development Indicators (SDI) 2004*. There are no reliable statistics on this issue.
[52] Afrah Al-Ahmadi and Sharon Beatty's, "Participatory Socio-economic Needs Survey of Sana'a Urban Settlement Dwellers," is one of the few studies which focuses on shantytowns. No national level data are available on the subject.
[53] Theodory, George. 2003. "Resettlement and Social Assessment Study" World Bank consultant's report.
[54] *Yemen Times*. June 10-13. 2004 "HOOD Calls for Probe in to fire in Akhdam Homes."Issue 745, Vol. 13.

movement between urban and rural areas and a system of mutual support and dependence is well established. There is also a concordant "ruralization of urban space" – farming on marginal urban land, keeping livestock and collecting firewood for cooking among the poorest households.

Figure 4: Morphology of a typical Yemeni secondary town and its links to rural area



Urban Center: densely inhabited area, many commercial and artisanal activities, as well as some administrative offices.

Urban Fringe: residential area inhabited by the wealthy and new precarious settlements, inhabited by marginal groups. Some commercial activity.

Rural area: Villages with close economic and social links with the town.

2.75 *Yemen remains a predominantly rural country, but there has been a rapid and dramatic lifestyle transformation such that rural areas resemble urban ones.* Vastly improved infrastructure services (road network, schools, health, etc.) over the last decade, heavy rates of male out-migration, increasing commercial links (and therefore the free flow of commodities) has helped to incorporate bits of urban life to that of rural. For instance, diet, modes of dress, forms of entertainment (radio, television) has brought the outside world closer to rural areas.

2.76 *An important percentage of urban households derive their livelihoods from agricultural activities in the countryside, especially when they own their land.* There are no national level statistics on the percentage of urban residents relying on agriculture, qualitative research suggests that this could be as high as 40 percent (as was the case in Thula). Many urban-based unskilled workers are also engaged in seasonal agricultural labor. When urban-based landowners operate as absentee landlords, they establish different forms of contractual agreements with tenant farmers, often paving the way for new forms of patronage. This is particularly true in market towns which are close to agricultural areas where those with a range of occupations, from absentee landowners to seasonal farmers, remain engaged in the rural economy. In addition, wealthy urban-based families own motor-pumps, tractors or other agricultural assets and rent them to rural households, deriving a considerable income. Similarly, many crafts servicing farmers (wielders, blacksmiths, etc.) are based in small towns. Rural assets also enable urban dwellers to make investments (e.g., selling livestock to invest in a shop in town).

2.77 *Many urban dwellers maintain a close relationship with the countryside and the social systems of solidarity follows them.* Conflict resolution among those of the same tribe usually follows customary law which might even involve going back to the village for a meeting with relevant parties. People also return to their villages at special times (harvest periods, major religious celebrations, wedding ceremonies, etc.) and might keep a 'secondary residence'

"It is strictly prohibited to carry your weapons into the rooms. Please leave them with the receptionist."
Sign in hotel lobby, Attaq, 2004

(called makhrîf in Zabîd area). Some households are multi-spatial, with the bulk of the family living in rural areas and adult men working in towns. In Yarim, for instance, qualitative research for the CSA suggests that tribal shaykhs resolve an estimated 40 percent of social conflicts.

Table 7: Key Differences Between Yemeni Villages, Towns and Cities

RURAL VILLAGE	SECONDARY TOWN	LARGE TOWN / CITY
Demography and Society		
• Relatively small population (<5,000 people). • Population dispersed in small clusters. • Low densities. • Importance of tribal values & institutions. • Relevance of a hierarchical configuration of the society. • More uniform typology of households (extended patriarchal family).	• Relatively large population (>5,000-10,000 people). • Relatively simple residential patterns, with urban core and fringes. • Medium to high densities. • Diverse importance of tribal links, depending on historical links with the tribes. • Relatively simple structure of the town still allowing a certain level of social cohesion. • Larger variety of types of households.	• Large concentration of population (>100,000 people). • High to very high densities. • Very high demographic growth • Complex morphological structure & residential patterns. • Relatively higher number of female-headed households. • Decreasing social cohesion. • Conditions favoring anonymity and a relative ***decline*** of violent conflict.
Economic activities & infrastructure		
• Livelihoods based on agriculture, livestock, forestry or fishing. • Diversification of income sources through non-farm income. • Significant dependence on self-subsistence. • Traditional (tribal) cultural distrust for trading and commercial activities and priority given to production. • Limited opportunities for non-farm economic diversification. • Economy of scale, with little pressure to specialization or concentration in a single crop.	• Importance of service-related jobs and of manufacturing and trade of family-based enterprises. • Interaction of rural and urban labor markets. • Economic behaviors based on individualistic, risk-taking and adaptive attitudes, given the increasing role of a monetized economy. • Increasing importance of urban land (and agricultural land in the fringes) and of land speculation. • Growing intolerance vis-à-vis traditional role of groups claiming moral superiority, and increasing accent on entrepreneurial skills and steady hard work. • Increasing pressure towards an economy of scope (diversification). • Moderate to high costs for housing.	• Very high degree of monetization of economy. • Livelihoods based on labor markets. • Concentrated economic activity, mainly based on manufacturing, trade and services. • Greater reliance on buildings (houses) as an economic resource (asset, location for production, income-earner). • Difficult social and physical access to jobs. • High vulnerability to changes in market conditions. • Key importance of the informal sector. • Economy of agglomerations and of scope (with high specialization). • High costs for housing.

RURAL VILLAGE	SECONDARY TOWN	LARGE TOWN / CITY
Environmental features and risks		
• Easy access to land for housing. • Scattered settlements, low quality transportation infrastructure & services. • Inaccessibility because of poor road networks. • Seasonal (annual) food shortages and hunger.	• Access to land for housing. • Weak public transportation facilities. • Environmental problems created by rapid urban expansion.	• Commercialization of land markets. • Variable quality of transportation facilities. • Environmental disasters and risks worsened by density and poor urban management. • Impact of air pollution and waste on health. • Difficult access to infrastructure and services because of high prices, illegal status and poor governance.
Access to social services		
• Difficult access to infrastructure and services (distance/low density). • Remoteness of and disconnection between facilities.	• Relatively high cost of social services. • Low quality of services offered.	• High costs and small availability of high quality services (private schools, private health centers). • Relatively higher costs assumed by the urban poor to pay for services.

CONCLUSION

2.78 This chapter has shown the increasing differentiation in terms of access to resources and opportunities between rich and poor, and between men and women. Just as traditional livelihood systems in rural areas are declining, urban areas provide newer forms of employment. However, new forms of social exclusion are emerging too where shanty dwellers are economically, socially and spatially marginalized. Households cope with increasing rates of poverty by diversifying economic activities and tightly linking urban and rural livelihood systems. The next chapter examines systems of governance in which these livelihood systems are embedded from the perspective of: (i) equity of access to education and health services, (ii) equity in the financial distribution of government expenditures; and (iii) the incorporation of informal locally based governance systems into the formal state structure with important implications for access to justice and redistribution of resources.

3. POWER, INSTITUTIONS AND GOVERNANCE

3.1 This chapter analyzes the ways in which interaction between formal and informal institutions mediate access to resources on the part of various social groups. First, it shows the mechanisms by which tribal leaders are progressively becoming integrated in to the formal structures of the state. This process of integration can create conditions for the institutionalization of patronage and limit citizens access to justice It illustrates how this process enables some groups to increase their political and economic influence while progressively marginalizing others. Second, the chapter argues that decentralization provides a system of public accountability and oversight for local governance, counteracting some of the negative impacts of the incorporation of informal leaders into formal governance structures. Decentralization has not been accompanied by fiscal decentralization and therefore, the system of redistribution of government expenditures reinforces an anti-poor bias. Finally, equity in the provision of education and health services is analyzed: a two tiered system is emerging where the poor must make do with inferior quality of public sector service yet have little voice by which to hold public institutions accountable.

SHAYKHS, CONTINUITY AND CHANGE

3.2 *Tribal leaders continue to play an important role in the redistribution of goods and services and the settlement of conflict.* In the northern Highlands where the tribal system continues to operate as the prevalent mode of social organization, shaykhs were generally chosen by their constituents, and could equally be voted out of office. They were thus accountable to their constituents, considered a "first among equals" rather than absolute rulers. The success and effectiveness of a shaykh was determined by his ability to negotiate and persuade rather than coerce. Their primary responsibility was to resolve disputes, manage communal assets, protect the weak, collect agricultural taxes and then redistribute it. They were to also deliberate with their equals on common concerns in ways that negotiate divergent interests. Customary laws (known as *'urf* or *shar'*) established the rules by which conflict and cooperation was to be mediated within the tribe or across tribes and these laws could not be violated without loss of honor and threat of severe penalty.

3.3 *In many parts of the country, especially the northern Highlands, the tribal system still provides an important mechanism for community organization because the capacity of the government to deliver services is limited.* With the exception of villages that are close to urban areas, the structure of the modern nation state has only marginally touched rural areas. While rural inhabitants are increasingly relying on government services and institutions, they often have to go outside their villages to access these. As a result, tribal shaykhs continue to play a convening role both in mobilizing the community for collective purposes and serving as the community's interlocutors, lobbying local and central government for development projects.

3.4 *Yemen has a strong tradition of promoting consultation and consensus in decision making, rooted both in tribal and Islamic tradition.* The principle of mutual consultation (*shurah*), consensus (*ijma*) and independent interpretive judgment (*ijtihad*) are important bases for communal decision making and are recognized as essential processes both within tribes and among them. There is a strong tradition of building coalitions through consensus to counterbalance tendencies towards fragmentation. In consolidating its central rule, the state has itself begun to incorporate traditional leadership, and in the process *at times* become implicated in building local coalitions.

3.5 *The main way of incorporating traditional authorities into the state's formal institutions is through official recognition of some tribal leaders by the Department of Tribal Affairs in the Ministry of Interior, appointment to high government office and election to local government or parliament, making them key actors in the new patronage system.* In the southern governorates, tribal institutions weakened by decades of socialist rule are now being revitalized. Generally speaking, shaykhs were nominated by their communities but have to be formally confirmed by the Government. The fact that shaykhs can now draw on formal state systems to support them has severely weakened the traditional sanctions open to local people for holding accountable or removing them. For instance, shaykhs play an important role in certifying the poor who might qualify for assistance from the social welfare fund. This can serve as an important means of developing patronage relations.

3.6 *In 1997, the Department of Tribal Affairs formalized the role of shaykhs by issuing them an official identity card*. The shaykh demonstrates that he has a constituency by submitting a list of signatures to the Governor of his region. There are four hierarchical levels of shaykhs: *Shaykh M'Shayik* (highest ranking and literally shaykh of all shaykhs), *Shaykh D'man* (covers an area approximating district level or more)[55], *Shaykh* (at a sub-district level), *Shaykh mahal* (also known as the *Shaykh lohma or aqil* and operates at the hamlet level). The Shaykh M'Shayik are responsible for the supervision of religious tax collection (*zakat*) in rural areas, often from agricultural income and the lower level shaykhs for its collection. As being a shaykh is considered voluntary service to the community, no official salaries are provided but they may, nonetheless, keep an unspecified percentage of the collection. The collection is documented by the *amin* (who is also an official of the Ministry of Justice) based at the sub-district level. The final sum is submitted to the Ministry of Religious Affairs which in turn submits it to the Ministry of Finance.[56] Additional responsibilities of the Department of Tribal Affairs include mediating between the community and central and local government, solving conflict (especially tribal feuds, border disputes between tribes, land issues, etc.), facilitating local implementation of various campaigns (vaccinations, census, elections, etc.), suggesting development projects for their communities (including road projects, schools, health centers, etc.), facilitating relations between shaykhs, authorizing the selection of officially recognized shaykhs and protecting tourists.[57]

[55] The boundaries of a Shaykh's authority are not linked to administrative structures but rather follow tribal areas which may straddle across district boundaries.

[56] Until 1986 zaka funds collected locally were used locally, through the Local Development Associations, for communal purposes such as building and running health centers, schools, roads, etc.

[57] For history of the Department and detailed role of shaykhs see the Brochure "*Role of Department of Tribal Affairs*" published by the department. Not all shaykhs are card carrying members of the Department of Tribal

3.7 The number of *registered* shaykhs varies widely from governorate to governorate. Sana'a Governorate has the highest number of registered shaykhs per capita (nearly one shaykh for 2,757 people compared to one for 45,078 inhabitants in Al-Mahwit). Moreover, the southern governorates also have a large number of registered shaykhs, although the tribal system itself was weakened under socialist rule.

Table 8: Shaykhs by Governorate

Governorate	Shaykhh al-Masha'ikh	Shaykhh al-Daman	Shaykhh	'Aqil	Average population per shaykh (excluding aqil)
Abyan	0	5	42	N/A	9,333
Aden	0	0	0	N/A	0
Amran	2	21	76	0	8,816
Al-Baydha	0	22	90	N/A	5,105
Al-Dhala	4	12	56	50	3,856
Dhamar	1	35	103	97	9,634
Hadramawt	2	31	117	N/A	6,863
Hajjah	10	30	150	50	7,794
Hodeidah	11	10	55	208	28,439
Ibb	6	45	164	91	9,942
Al-Jawf	0	12	42	N/A	8,359
Lahj	2	15	71	140	8,263
Al-Mahra	0	1	5	N/A	14,848
Al-Mahwit	1	0	10	185	45,078
Marib	0	7	28	5	6,905
Raima	5	12	37	N/A	7,316
Sa'da	0	31	68	199	7,002
Sana'a Governorate	8	75	250	40	2,757
Sana'a City	0	0	0	N/A	0
Shabwa	4	8	42	N/A	8,683
Taiz	8	69	222	100	8,035

Source: Department of Tribal Affairs, July 2005.

3.8 The amalgamation of formal and informal governance systems also occurs through the appointment of shaykhs to high government office or their election to the national parliament or local government. The consequences of this assimilation of formal and informal powers differ between the Highlands and southern governorates. In the Highlands, the phenomenon reflects the continuity of traditional governance systems albeit in the new context of the state which is modernizing yet whose reach remains limited. For example, Shaykhh Abdallah Al-Ahmar, speaker of Parliament, is the paramount head of the Hashid confederation, as well as leader and founder of the Islamist party "Islah." In contrast, in the southern governorates where the traditions of tribal leadership were less consensual and had also been seriously weakened by

---

Affairs and therefore do not have "official" roles though they may be quite powerful. Card-carrying shaykhs generally represent rural areas though they may live in urban areas. Urban neighborhoods have aqil who serve as interlocutors between neighborhood residents and the government. Aqil are responsible for certifying residency status required to obtain identity cards, etc.

socialist rule, the incorporation of formerly discredited sultans and shaykhs is generating greater inequality and less accountable leadership.

3.9 *Formalizing the role of tribal leaders bypasses the political and social system of checks and balances, thus reducing accountability to local communities, as well as exacerbating local power conflicts through heightened competition among ruling families for state recognition.* Well organized tribes are still capable of removing their leaders, but for the most part, their wealth and connections to the central government shaykhs give them powerful means of patronage. Because communities increasingly rely on their shaykhs to mediate with the central government they tend to voice little opposition to their patrons except in cases of gross infractions.

> "*Once a Shaykhh enters the government, he erodes tribal authority and can turn into a despot unless he respects the tribal law that his grandfathers swore by.*"
>
> Shaykhh from Yafi

3.10 *New networks of patronage also enmesh middle class households: In the past, those with professional skills, education or businesses could function largely independently of the system of patrons and protectors. Increasingly, however,* government contracts are awarded to those close to senior government officials, such that even such groups find it necessary to seek and maintain strategic connections with the influential.

EQUITY IN ACCESS TO JUSTICE

3.11 *Citizens have limited access to the formal legal system. Traditional dispute resolution mechanisms, where available, are considered more reliable, efficient and fair.* The Yemeni legal system is based on a mixture of shari'ah law, customary tribal law ('urf) vestiges of Ottoman codes and Egyptian patterned commercial, civil and criminal codes. Customary and modern laws – each mediated by sets of different institutions (shaykhs and courts) – coexist but the state rarely interferes with tribal justice systems; the inconsistencies between modern laws and customary law are also a significant problem. Additional problems facing the judiciary are: (i) inappropriate and insufficient educational skills of legal and administrative staff; (ii) inadequate administrative systems; (iii) heavy caseloads; (iv) insufficient physical facilities; and (v) widespread corruption.

> Traditionally, some M'Shaykh were designated as "*hijrah*" or zones protected from tribal conflict. This type of immunity contributes to lawlessness among this group evident in clashes with citizens and security forces, and in illegal seizures of property….There is a common practice of holding people in private jails while they await tribal judgment. These facilities are often well hidden and unsupervised, and many are believed to be inhumane. In April 2000, an incident of illegal and cruel incarceration received national attention when two Shaykhhs from Dhamar imprisoned 7 young men accused of theft, without food or water in a poorly ventilated metal container for three days. Four of the men died, two became insane and one was critically injured. While M'Shaykh are not alone in considering themselves above the law, Shaykhly extralegal behavior is common and contributes to the perception that the rule of law applies only to the weak and vulnerable.
>
> Marta Colburn, *Republic of Yemen, Development Challenges in the 21st Century,* p.58

3.12 *The prestige of the judiciary has also been undermined by widespread venality.* The propensity of judges to accept bribes used to be attributed to the low pay they receive, but recent efforts to improve salaries appear to have not curtailed corruption. Expectations of favoritism on the basis of a shared affiliation (tribal, political, or regional) further compromise the independence of the judiciary, and heavy workloads (in the absence of small claims courts), poor equipment, and the poor training of judges further undermine the system's

integrity.[58]

3.13 *As a result, ordinary citizens are discouraged from using the legal system and are unsure of whether to use the tribal or state institutions. Moreover, ordinary citizens are often unaware of their legal entitlements and therefore fail to exercise the ones they have.* "Most Yemenis feel alienated from the law as it is seen as protecting only the rights of the rich and powerful.… Citizens tend to avoid contact with the system unless it is a last resort."[59] Cumbersome procedures and court processes, high costs, lack of respect by law enforcers and courts, the absence of trained judges and lawyers and perceptions of corruption all discourage citizens from using the legal system. The expenses involved in pursuing legal action favor wealthier litigants. For rural people, given the inadequate infrastructure of the courts, the distance and expense of staying in urban centers to pursue a case is prohibitive. Similarly for women, cultural norms inhibit access to the judicial system which is heavily male dominated. (There is, however, a gradual increase in the number of female lawyers and some female judges preside in Aden and its surroundings).[60] For all of these reasons, most citizens opt for out-of-court settlements. An estimated 70 percent of disputes are settled through 'tribal arbitration', although no systematic analysis of this phenomenon has been undertaken and quite what this term entails is unclear.[61]

3.14 *The result is that access to justice is arbitrary and inequitable*. In those areas where tribal governance system is still effective and where shaykhs still maintain legitimacy, citizens – even those who are poor, may anticipate a fair resolution to their grievance. But in the many areas where the tribal system is weakened (and especially in the southern governorates) ordinary people have little recourse to justice. The new Ministry for Human Rights is struggling to address these issues. To this effect, it has published a comprehensive and critical review of human rights situation in the country which includes a review of the judiciary.

[58] "Yemen: Coping With Terrorism and Violence in a Fragile State." ICG Middle East Report No. 8, January 8, 2003. p. 15.
[59] *The United Nations Common Country Assessment* January 2001, p. 19.
[60] Colburn, Marta, "The Republic of Yemen: Development Challenges in the 21st Century," 2002.
[61] World Bank, "Yemen – Comprehensive Development Review," Middle East and North Africa Region, Washington, DC 2000.

3.15 *Yemen launched one of the most ambitious decentralization programs in the Middle East and North Africa when parliament passed the Local Authority Law in 2000*. The law provides a mechanism for formalizing traditional democratic practices that have served Yemeni society well and can also help mitigate the trend in power concentration among a handful of shaykhs. Effective in May 2002, local councilors serve a five-year term; they represent 332 districts in 22 governorates. Teachers account for nearly 40 percent of those elected to district councils and shaykhs and civil servants each account for roughly 7 percent of office holders.[63] The overwhelming number of teachers among the ranks of council members suggests the electorate votes on the basis of perceived qualifications, rather than social status. Decentralized governance presents a potential for improved public delivery systems, is anchored in traditional systems of governance and has an important precedent in the popular Local Development Association movement that was active in the Highlands during the 1970s. The LDAs represented popularly elected councils established throughout the YAR. They collected funds and in-kind support from residents, non-resident migrant laborers, external donors and built schools, water projects, roads, health facilities with much greater reach than the state. Much of their funding came from locally collected zakat payments (5 percent of net resources calculated annually). The LDAs lost their earlier community-based character and weakened as central control increased and zakat funds were transferred to the central government.

Comparison of State and LDA sponsored development projects[62]

Development Projects	LDA	State
Rural Projects, 1976	6,366	1,877
Roads, schools, water, 1981	4,507	20,000
Projects, 1986	7,821	23,344

Poverty and fiscal incidence[64]

3.16 Although there has been political and administrative decentralization, this has not been followed by fiscal decentralization. Decentralization is still not yet accompanied by transfer mechanisms targeted at reducing poverty and, as result, resource allocations tend to reinforce the rich-poor divide. At present, there is only a tenuous link between fiscal planning, budgetary allocation and the goals for reaching the poverty reduction strategy outlined in the 2002 PRSP.[65] Although the process of allocating fiscal resources from the central government to governorates which in turn allocate to districts is unclear, examining the actual expenditures at the district level can illuminate the extent to which fiscal incidence is pro-poor (given that poverty reduction is a national policy priority).

[62] Based on data presented in Carapico, Sheila. 1998. *Civil Society in Yemen: The Political Economy of Activism in Modern Arabia*. Cambridge University Press, Cambridge. p.113.

[63] These figures are based on a survey of the characteristics of four local councils conducted for this CSA and are therefore not nationally representative. Nevertheless, the results do provide a general picture and are consistent with other accounts. At present there is no national survey reflecting the professional and social backgrounds of those elected into office.

[64] See Annex 1 for details on methods used for analysis reported in this section conducted for the CSA.

[65] The Five-Year Plan for Poverty Reduction currently under finalization presents an opportunity for more directly linking fiscal allocation with goals for addressing poverty.

3.17 A rigorous econometric analysis was conducted applying methods successfully tested elsewhere by the World Bank Development Economics to evaluate efficacy in poverty targeting of public expenditures. In other words, to what extent is the central financial distribution system designed to meet the country's strategic goal of reducing poverty? The analysis used data on actual public expenditures at the district level (primarily wages for the social sectors). Poverty here is measured in terms of an index of "Unmet Basic Needs" (UBN) constructed as a composite of housing quality, access to safe water, infant mortality and educational attainment (literacy of adults and school enrollment of children). [66] The UBN Index was constructed using data from the 1994 census. The method used for analyzing the effectiveness of targeting requires data that pre-date the public expenditure allocations data, since it also tests the extent to which decision-makers use information available to them to address poverty issues.

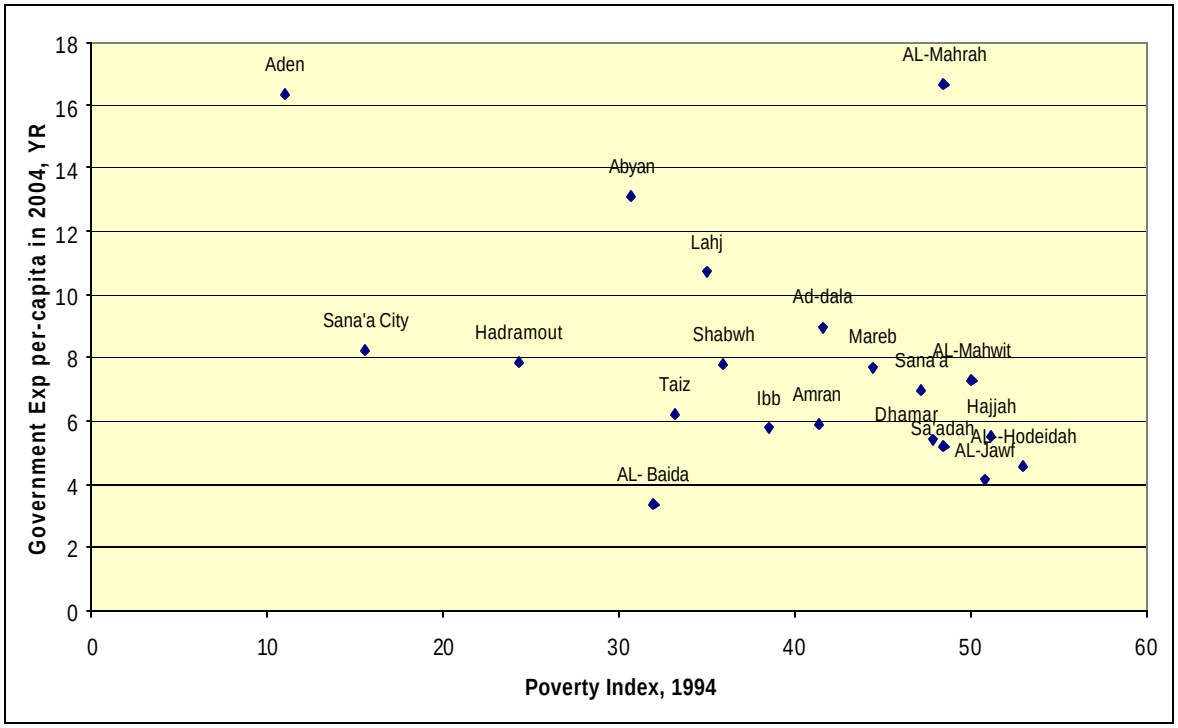
3.18 *Fiscal allocation from the central to local governments and actual expenditures reflect anti-poor biases.* First, on a national scale the allocation to the non-poor is four times higher than to the poor. Actual expenditures to the non-poor are almost 5.5 times more than to the poor. Much of this targeting failure is explained by the central government's bias in allocating higher resources to governorates with fewer people with unmet basic needs. However, once the resources are allocated from the provincial governments to the districts, the distribution, relatively speaking, provides either equal amounts to the poor and non-poor or more to the poor. Taiz and Al-Hodeidah which together account for 24 percent of the country's population, have the most pro-poor targeting. The worst performers are Shabwah, Amran, Sana'a Governorate, Mahwit, Abyan and Al Jawf.

3.19 *Overall, urban districts are significantly more anti-poor in their expenditures than rural ones*. All of the per capita expenditures in urban areas go to the non-poor (in contrast to rural areas which spent more than five times more on the non-poor). Per capita expenditure for rural and urban areas were equal nationwide despite the fact that it may cost more to reach the dispersed rural population.

3.20 *While the results clearly indicate an anti-poor bias, the reasons behind it are not clear*. It will be worthwhile to know the decision-making process behind the allocation of government expenditures to governorates and districts. Possible explanations are following economic factors: the high cost of providing public services in particularly rugged terrain, the high wage bill (partly due to ghost workers) and recent massive construction activities in major cities (Hodeidah, Sana'a, Aden, Mukallah). *Equally important, however, are the social bases of these allocations, influenced by the emerging aspects of social and political organization described earlier in this chapter*. Areas exhibiting the most pro-poor targeting also have traditions of relatively democratic tribal governance. The worst performers are those areas where new forms of clientelism and patronage networks are taking greater hold, where local tribal leaders are leaning more heavily on the central government for support. The southern governorates are experiencing a rebirth of hierarchical social relations and concomitantly less accountability of leaders.

[66] This index differs from consumption poverty but serves as a complement. See Annex 1 for a detailed description of the methodology used.

Figure 5: Public Expenditure per capita and Unmet Basic Needs (1994)



Staff estimates based on 1994 census and Ministry of Finance (AFMIS Project Unit).

3.21 The above results are also consistent with the finding that state investments, especially social safety net programs targeting the poor, have a distinct urban bias. Only 28 percent of rural population received such transfers compared to 49 percent of urban households.[67] Similarly, zakat transfers reached 27 percent of the urban population and only 8 percent of rural inhabitants.

Table 9: Access to Basic Services in Rural and Urban Areas (% of population)[68]

Service	Rural	Urban
Post Office	5	56
Bank	3	47
Primary education	78	91
Secondary education	36	81
Primary health care	24	67
Hospital	7	62
Public transportation	11	73

EQUITY IN ACCESS TO EDUCATION

3.22 *Yemen has made significant improvement in school enrollment rates which increased by 30 percent for basic education, 50 percent for secondary education and nearly doubled for*

[67] van de Walle, Dominique. December 2002. "Poverty and Transfers in Yemen," Middle East and North Africa Working Paper Series. p. 24.
[68] 1999 Poverty Update.

higher education between 1995 and 2000. Moreover, public spending on education also appears to favor the poorest households.[69] Nevertheless, there are marked inequalities in access between urban and rural children, between boys and girls and among regions. Female youth illiteracy (15-24 year olds) for instance, reaches 73 percent in rural areas compared to 15 percent of their male counterparts or 18 percent of their urban female peers.[70] Students often do not receive their textbooks in time. Rote learning fails to allow imaginations to thrive. Overcrowded classrooms, the dearth of female teachers, the absence of sex-specific bathrooms, and the lack of running water make girls, in particular, less likely to attend school. In the rural areas, children who enroll in primary school in September or October are often compelled to leave to help with the harvest (in September-November and sometimes for a second harvest in the spring as well). They are therefore unable to keep up when they return to school in December. Barriers to enrollment, based on supply-side issues (lack of teachers or appropriate infrastructure) and demand-side issues (parental attitudes, competing demands on children's time, cost, etc.) are thus well understood.

> *"We are poor villagers so our children sleep in the same clothes they wear during the day. When the child goes to school wearing these clothes the teacher yells at him, 'How can you come to school in such dirty clothes? Go home and change!' This humiliates the child and offends the parent. The child no longer feels like going back to school and the parent understands."*
>
> Parent in the village of Beni Khemis, al-Mahwit

3.23 *Just as critical as enrollment is the supportive environment that allows continued school attendance.* The 2006 World Development Report finds that stereotyping mechanisms in schools can reproduce inequality and have been found to lower students' self-esteem and effort, and thereby lowering performance. This reduces their potential for individual growth and ability to contribute to the economy.

3.24 *In Yemen, the attitudes and behaviors of teachers and school administrators towards children from socially-disadvantaged households are an important disincentive for school attendance*. Pupils and parents alike complain of teachers' ready use of corporal punishment for reasons ranging from tardiness, to incorrect answers to dirty uniforms. In urban areas too, students from poor neighborhoods, especially shanties, feel discriminated against by teachers and harassed by fellow students.[71] A Yemeni sociologist reports observing a teacher helping six year olds pen their first letters by holding each of their hands, but arriving at a shanty dwelling akhdam child, the teacher could not bring himself to touch the child's hand. Some local NGOs working for social integration of marginalized urban shanty dwellers are attempting to address this problem by conducting awareness programs for teachers and health workers.[72] Moreover, rural parents, especially those in more remote communities, complain of the quality of education

[69] World Bank, *Yemen Poverty Update, 2002*. Analysis based on the 1998 Household Budget survey and '99 National Poverty Study.
[70] *Poverty Update*, 2002. p. 34.
[71] Al-Ahmadi, Afrah and Sharon Beatty, "Participatory Socio-economic Needs Survey of Sana'a Urban Settlement Dwellers," Oxfam, Yemen, 1997. Field research for the CSA corroborates that this pattern remains valid today.
[72] The local NGO Takaful in Taiz City has developed training programs for educators and health workers on limiting discriminatory behaviors of service providers. Some of the activities include fostering dialogue between service providers and shanty dwellers, using community leaders with backgrounds that defy stereotypes so as to break these down and also serve as interlocutors.

that is offered (difficulty in attracting qualified teachers, lack of supplies such as text books, etc.) are further disincentives.

3.25 *A mismatch between available educational opportunities and the demands of the labor market also affects parents and students attitudes towards continued school attendance*. Rural parents are acutely aware that the education system is not adapted for rural livelihood systems and that an education beyond primary school will only further distance the child from rural life without necessarily providing the guarantee of improved opportunities. On a national scale, the excess of graduates (technical institutes, vocational centers, universities) is estimated to account for 22 percent of all the unemployed. During the next five years, it is estimated that 150,000 students will graduate, and compete for approximately 55,000 job opportunities, leaving more than an additional 95,000 graduates without jobs.[73]

> *"What good is it to continue with secondary education when all you can be is a qat farmer?"*
> Young man from the village of al-Sha'lan

3.26 *The opportunity gap between the rich and poor in education access is widening as better-off households supplement the weaknesses in educational system through private expenditures (schools, lessons, etc.).* On average, the urban better-off spend nearly 40 percent of their education expenditures on private schools or lessons while better off rural people only spend 6 percent.[74] The expanding number of private schools, especially in urban areas, reflects the elite's and middle classes faltering confidence in the public education system, even as the state expands this service.

> "The Blind is leading the blind, right to the precipice!"
> Yarimi man, commenting on the ineffectiveness of government officials to serve the poor.

3.27 More girls tend to drop out of rural school than boys do and at earlier ages – and this may have to do with rural families' dependence on girls for household chores, as well as gender specific attitudes about the merits of girls' education. But perhaps as important are the numerous complaints that schools are located several kilometers from the village so that sending a girl to school entails allowing her to venture into an unknown world. *Additional incentives for pulling girls out of school is to cash in early on the high rates of bride wealth, ranging anywhere from YR 100,000 to YR 800,000 ($540 to $4,340).*

3.28 *However, there is also a relatively new trend of allowing girls to continue with secondary education and university to enhance their marriage potential*. Even when culturally appropriate schools are not available (e.g., female teachers) parents and girls exhibit interest in education. Thus, girls who have completed the village primary school return to *literacy classes* as it is the only form of continuing education available, classes and teachers are women only and the hours are adapted to their responsibilities at home. The girls insist they need to stay on in the literacy classes (though they already have completed primary education), "so we do not forget what we learned." These literacy classes also provide a legitimate social function by creating a "safe space" for social interaction.

[73] PRSP.
[74] *Poverty Update*, 2002.

3.29 Whereas primary education was mandatory in the former PDRY (although not always enforceable) and adult literacy programs for women were actively encouraged (especially in the cities) the policies since unification have contributed to a worsening of educational opportunities for women in the southern governorates.

EQUITY IN ACCESS TO HEALTH CARE

3.30 Yemen has improved the delivery of public healthcare. In 1976, the Yemen Arab Republic had only 234 doctors the equivalent of 23,000 people per doctor; by 2003 the number of doctors had jumped to 3,195 or 6,000 people per doctor. [75] In 1980, the under-five mortality rate was 141 per 1,000 but this had decreased to 82 by 2003.[76]

3.31 *Nevertheless, Yemen's health indicators are among the worst in the world*. Malnutrition is high and apparently increasing: stunting in children under-five increased from 34 percent in 1983, to 42 percent in 1992, to 53 percent in 2003.[77] Maternal mortality is also high at 365 per 100,000 live births and Yemen is unlikely to meet the MDGs of reducing maternal mortality ratio by three quarters. The polio outbreak in early 2005, four years after the country was considered polio free, exposed the weakness of the public health system. Geographical access to health facilities is severely limited with only 30 percent of the rural population (and 50 percent of the total population) live close to health care facilities.

3.32 The standards of medical treatment are exceptionally low in Yemen – stories of misdiagnoses and unnecessary fatalities are rife. Those with money and serious problems attempt to secure care abroad. Most Yemenis, however, are compelled to make use of the system provided. Facilities are under-staffed, training of health professionals is poor, and sanitary conditions appalling. Hospitals may be built but outside of regions with electrical grids so that few medicines can be stored there. Some inhabitants claim that their local clinic has "never seen a doctor." Others note that women's health care, in particular, remains under-addressed due to the dearth of women physicians in Yemen. Women in the countryside of Abyan, for example, noted that they have to travel for many kilometers (most frequently by camel) in order to give birth at a clinic. Most of the women cannot make the ride in labor. Even women in the cities who have access to more women physicians complain of misdiagnoses and a reluctance to go and seek treatment, especially for gynecological problems. Since the public health system is under stress, private and semi-private health services predominate but remain high cost and of questionable quality. Sometimes, public facilities operate as for-profit, fee-for-services in the afternoons. Due to severe financial and management constraints of the public health system, facilities tend to be understaffed and salaries low. Staff have resorted to requesting informal payments for personal benefits.[78]

[75] *Statistical Year Book, 2004*, Ministry of Planning and International Cooperation.
[76] *Millennium Development Goals: Progress Report for Yemen* Ministry of Planning and International Cooperation 2003, Sana'a.
[77] *FHS*, 2003.
[78] Al Serouri, Abdul W., Dina Balabanova and Souad Al Hibshi, "Cost Sharing for Primary Health Care: Lessons from Yemen," Oxfam working papers, Great Britain, 2002. Much of the analysis in the section on health is drawn from this report.

3.33 *It has become harder for the poor to access health care due to cost-sharing schemes that were introduced in the early 1990s, to meet falling government resources.*[79] The non-poor to the extent possible bypass public facilities in preference for private facilities because of higher quality and better value for money. The poor, however, avoid public facilities due to lack of affordability of service (drugs, tests, fee for service). The cost sharing scheme has not resulted in improved services: 50 percent of the revenues generated from user fees revert to the central government, but the high costs of collection often exceed revenues generated; 70-80 percent of the revenues were used to supplement staff salaries. Furthermore, the systems of financial accountability are so weak that over 50 percent of revenues were unaccounted for.

3.34 *The lack of clear and transparent systems of applying exemptions to cost sharing which are at the discretion of facility staff also means that the scheme tends to benefit more influential members of the community to the exclusion of the poorest*. The poor also suffer from discriminatory treatment from heath center staff. In the words of a poor woman who tried to receive treatment at a public health facility: "Once I was very sick. I went to the health center and waited for more than two hours. Suddenly a lady came. She looked rich and well known. She was allowed to see the doctor immediately. I was very angry and went home without treatment."[80]

> "*They usually keep boxes of drugs for the sheikh and community leaders. If you are poor you either pay if you can afford it or go home…*"
>
> Poor male facility user, Dhamar
> *Cost Sharing for Primary Health Care*, Oxfam Report

3.35 Women tend to prefer public facilities because these tend to emphasize maternal and child health (thus limited service for men) and also because the public facilities tend to be relatively closer to home are thus better suited given restrictions on women's mobility. Women's access to health care is further constrained by cultural norms of needing a male escort to the facility and need to be seen by female health workers who are not readily available.

3.36 *Another significant barrier to health care access for the poor is the physical inaccessibility of health care facilities, with facilities located too far from the home or the cost of transport too high*. In rural areas, only 24 percent of the population has access to public health facilities and, in all areas, only about 42 percent have access.[81] In many instances, the cost of transport is a greater constraint to accessing health care than cost sharing. Given these access constraints, the dominant coping strategy for the poor is to stay at home and only go to health facilities as a last resort, thus attendance for preventive care is very low. The use of traditional remedies and healers is also widespread.

3.37 HIV prevalence is becoming an increasingly serious problem, with 2 percent of those tested at STD clinics in 2000 testing positive for HIV. Other sporadic samples of female sex workers reported infection levels between 2.7 percent and 7 percent during 1998 to 2001.[82] Due to social taboos surrounding HIV, there is limited public discussion over the topic. And people living with HIV face stigma and social marginalization.

[79] Ibid, p. 2.
[80] Ibid, p. 20.
[81] Fairbank, Alan, July 2005. Draft "Public Expenditure Review, Health Sector Republic of Yemen, 1999-2003." Consultant Report.
[82] Fairbanks, Alan, p. 2. See also USAID, "Assessment of the HIV/AIDS Situation in the Republic of Yemen: A framework for USAID Assistance," Sana'a: USAID Mission, March 2005.

CONCLUSION

3.38 This chapter has shown that, although Yemen has a strong tradition of local governance based on consensus and public participation, the attempts to incorporate shayks into the formal structures of the state are to a degree undermining traditional systems of accountability and mediation. Lack of accountability fosters corruption. The recent Corruption Perceptions Index puts Yemen among the top 5 five most corrupt states in the MENA Region and ranks it 103 on a worldwide scale.[83] The effects of corruption are perceptible in the lack of access to quality health and justice services for the poor and especially women. The current decentralization effort, if well resourced and implemented presents a critical opportunity to address issues of accountability and equity.

[83] The World Bank SDI suggests that corruption has in fact increased over the last decade, from 50 points in on the scale in 1998 to 33 in 2002 (1 being most corrupt to 100 least corrupt).

4. COUNTRY CHALLENGES AND OPPORTUNITIES

4.1 Yemeni society has experienced dramatic change over the last three decades. The shift to a market economy from the former subsistence agriculture of the north and command economy of the south has transformed livelihood systems. Changes in the economy have coincided with the emergence of a new governance system with the creation of the modern unified state in 1990. Consolidation of the state significantly expanded public access to services such as education and health. But the extension of government has also had intended and unintended consequences for local institutions. Formal and informal 'rules of the game,' ranging from management of communal and individual resources (e.g., water and land) to conflict mediation, were altered. These changes have had significant implications for equity (including asset distribution and access to justice and voice) as well as poverty. The report has shown how these changes impacted people differently depending on the regions in which they live, their gender and socio-economic positions. The increasing concentration of economic and political power suggests that it carries with it the risk of elite capture of development benefits and the further widening of the gap between rich and poor.

4.2 These transformations in livelihoods and governance structures shape the outcomes of Yemen's efforts at reducing poverty and promoting equity. This section presents both the challenges and opportunities for realizing social inclusion, cohesion and accountability and then goes on to identify strategic directions for addressing these challenges.

Challenges to Social Inclusion

4.3 The challenges to inclusion in Yemen are: (i) inequality in access to water and land; (ii) economic marginalization of certain social groups, especially youth, women and rural people as a result of a decline in traditional livelihood systems; (iii) social and economic marginalization of urban shanty dwellers; and (iv) inequity in state expenditures, which tends to favor the non-poor.

4.4 *Rapid changes in the rules governing the ownership, use and alienation of land are occurring as a result of insufficient and haphazard integration of modern and customary norms. This is resulting in the concentration of productive land in the hands of a small number of powerful families, while the poor have diminishing access to either rural or urban land.* Systems for protecting the property rights of the poor or otherwise politically unconnected are weak. Furthermore, in many areas of the southern governorates, tenure rights remain vague following the legal return of land confiscated by the socialist regime to its former owners by the post-unification government. Measures for implementing the restitution law remain obscure but generally disadvantage poorer socially, marginalized groups. Women, although heavily involved in the agricultural economy, in practice (though not in principle) exercise few rights over land. In the Highlands, the main means of land acquisition is through inheritance which not only leads to land fragmentation but also excludes young men from landownership and agricultural investment.

4.5 *Since water rights are linked to land, the increasing concentration of land also affects the equity of water allocation.* As a result, a small number of farmers with large land holdings are controlling groundwater rights and dominating water consumption, putting the community –at large at risk of water scarcity. In some areas, the rapid drawing of groundwater has dried springs and wells, forcing small farmers to abandon their fields, and driving them into poverty.[84]

4.6 *With liberalization of the economy, small urban and rural local producers alike can no longer compete with imported goods.* For example, sesame producers cannot compete with cheaper seed imports and traditional sesame processors in small towns can no longer compete with imported refined oil. Similarly, more efficient systems of mass production have reduced the returns from traditional systems of production. The livelihoods of rural women, for example, who are principally responsible for animal husbandry are particularly affected by battery poultry production. Boat building was once a major traditional industry, but traditional shipbuilders can no longer compete with cheaper mass-produced fiberglass boats from the nine factories of the Arabian Gulf. While the availability of cheaper alternatives no doubt benefits consumers, this has not been matched by a corresponding increase in alternative employment opportunities. This is leading to a rise in unemployment in urban areas and underemployment in rural areas, narrowing opportunities for the poor, especially youth and women.

4.7 *Youth are excluded from economic participation (as reflected in the high unemployment rates).* Female youth are even more marginalized than their male peers. If education no longer provides youth with expected benefits in opportunities for the future, it will only feed a growing sense of frustration and lack of hope. There is a risk that youth might turn away from education to less productive activities (as seen in the increasingly younger ages at which *qat* chewing is taking place). Educated rural youth are alienated from their environment by the mismatch between the skills they are acquiring through formal education and employment opportunities actually available in rural areas.

4.8 *Urban migration is also resulting in new forms of social exclusion with growth in squatter settlements in industrial areas of most of the major cities and secondary towns*. The new tendency to refer to shanty dwellers as "akhdam" risks marginalizing and alienating the urban poor.

4.9 The central system of financial distribution (for services) has a strong anti-poor bias. This report has shown that relatively, the poor in urban areas receive no financial transfers compared to the non-poor in the same towns. Thus, the opportunities to access government resources are fundamentally unequal. As a result, the possibilities of economic mobility are severely restricted.

Opportunities for Social Inclusion

4.10 Socio-economic standing in Yemen used to be based on social status. With the growing importance of a cash-based economy, access to education and employment now provide opportunities for social inclusion/advancement. Improved access to education, thanks to government efforts, has widened the opportunities for historically marginalized groups.

[84] Ward, Chris "Coping with Water Scarcity in Yemen: Conflict and Adaptation," Background paper for the MNA Regional Water Report.

4.11 Secondly, there are examples of successful interventions that are promoting social inclusion of marginalized populations in Sana'a City and Taiz. The experience of the Taiz Municipal Development project illustrates how shanty residents can be integrated into the city's fabric. The key elements of the approach included: (i) collaboration among a wide number stakeholders: national and local government, private sector, civil society and the shanty dwellers themselves; (ii) empowerment of the shanty dwellers to act as agents of their own development and make decisions; (iii) improvement of services ranging from education and health to roads and transport; (iv) provision of economic opportunities; and (v) and considered efforts to change attitudes (and prejudices) of key actors such as service providers and key representatives of local and national government).

4.12 Third, there is strong political will for addressing challenges to gender equity and promotion of women's economic inclusion and political voice. There is a vibrant (if fragmented) women's movement that can act as an agent of change, if properly resourced.

Challenges for Social Cohesion

4.13 The challenges to social cohesion in Yemen result first from poverty which is stressing social solidarity networks at the household and communal levels. Second, a growing class-based system of social cleavage, coupled with patronage as the main means of redistribution, risks promoting the fragmentation of Yemeni society. Third, changes in the system for managing resources have weakened local institutions and their ability to effectively manage conflict.

4.14 *Changes in livelihood systems are affecting the structure of both urban and rural households, and as a result, the social support system.* With a shift away from subsistence agriculture in rural areas, the traditional household composed of a man, his married sons and their families, is making way for the nuclear family. Women who migrate with their husbands in nuclear family units leave behind their kin-based support systems and become more vulnerable to spousal abuse, a phenomenon which is exacerbated by economic pressures. Customary law prohibits physical assault on women, and carries firm sanctions (reparations are higher than for striking a man). Furthermore, male kin are expected to protect their women kin, especially from abuse by husbands and in-laws. Violence against women, extremely rare in rural areas, is becoming a serious problem in urban areas.[85]

4.15 *Migrants to urban areas face unemployment or underemployment and are not able to support their families in rural areas.* High rates of poverty among those living in rural areas, makes it difficult to extend support outside the immediate network of kin. This makes the elderly either living alone or with children particularly vulnerable to poverty. In Yemen, twenty one percent of the elderly living alone and 63 percent of elderly raising children live below the poverty line.[86] Qualitative research in rural areas indicates that, the elderly living alone are left without traditional systems of support and lead a precarious existence. Poverty and migration

[85] Carapico, Sheila, "Gender and Status Inequalities in Yemen: Honor, Economics and Politics," in Patriarchy and Economic Development: Women's Positions at the End of the Twentieth Century. Valentine M. Moghadam, ed pp. 80-98.Clarendon Press, Oxford.

[86] Robalino David, Gudivada Venkateswara, Oleksiy Sluchinsky, and Thirumalai G. Srinivasan. "Poverty Among the Elderly in the Middle East and North Africa: A Role for Social Pensions?" Forthcoming in, World Bank Policy Research Working Paper Series.

are also placing communal systems of mutual aid such as the custom of *ja'ish* or *an'aa* under stress.

4.16 *Although patronage is not new in Yemen, its present configuration spanning rural areas, secondary towns and Sana'a is a significant departure from the traditional system.* As recently as 10-20 years ago, members of different social categories tended to socialize together which enabled friendships to develop across status groups. Venues for socializing included weekly qat chews and weddings. Frequent social interaction facilitated awareness of the needs of the poor and provided a forum for the means of addressing these. Under urban-based networks of patronage, venues bringing together those from different social groups are increasingly restricted. Large celebrations are held in rented halls where admission is by invitation only. Increasingly, domestic help is provided by migrant foreign labor, thus restricting opportunities for cross-class relationships to develop. As power, wealth and influence become increasingly situated in urban areas, the poor have increasingly less opportunities for accessing networks of influence. This leads to an increasingly inequitable system of redistribution and fosters the risks of social fragmentation.

4.17 The local systems for managing community resources (such as land and water) are under stress as customary institutions encounter those of the modern state. For example, local systems for allocating water have come under stress and national systems do not have sufficient legitimacy. A small number of wealthy farmers are benefiting from the ambiguity of these two systems by consuming a larger share of the scarce groundwater resources endangering the supply. As a result, smaller farmers are losing their sources of livelihood, women and children are bearing the increasing cost (in terms of time and physical effort) of fetching water. The systems for resolving and managing competition (and conflict) in a manner that protects the greater good has weakened.

4.18 The weakening of traditional systems of governance also suggests that the tribal customs for preventing conflict (such as violation of the *hijrah*) are not always respected and risks lowering social cohesion. The tendency to solve conflict (among tribes or between individuals) through firearms continues to put society at risk. The large number of privately-owned fire arms in Yemen, by some estimates there are nearly 3 times as many weapons as people, make it one of the most heavily armed populations in the world.

Opportunities for Social Cohesion

4.19 *Religious and cultural values are important in reinforcing traditional mechanisms of solidarity and resolution mechanisms by recalling principles of generosity, support to the weak, fairness, reconciliation and integrity to a population still largely sensitive to these values*.[87] The tradition of alms giving to the poor anchored in Islamic practice and mutual self-help are important traditions that continue to be practiced, although currently under stress.

4.20 *Traditional forms of civic society are still vibrant, though weakening due to urbanization and cooptation of shaykhs.* They play an important role in managing water crises through collective means. For example, in Saada, communities have been successful in organizing against new drilling by preventing the alienation of community water and land resources by the

[87] Ward.

powerful (traders, speculators, absentee landlords, shaykhs, etc.).[88] Collective projects for building and maintaining mosques, plastering a roof, cleaning community cisterns, building and maintaining local pathways and roads are all a reflection of the vibrancy of these indigenous forms of civic association.

4.21 There is a strong sense of shared national identity, in part due to the efforts of the central government through the mass media, cultural events, etc. which creates a sense of national solidarity.

Challenges to Accountability

4.22 *The integration of formal and informal systems of governance is conferring undue power to a small circle of decision-makers, weakening traditional systems of accountability.* The weakness of the judicial system and formal mechanisms of redressing wrongs puts weaker social groups at a distinct disadvantage, limiting their voice and capacity to act.

4.23 *The administrative reach of the state and its role as an organ of service delivery has steadily been increasing.* As a response to growing economic differentiation among citizens and the diminishing quality of the services provided by an overstretched state, parallel private institutions are cropping up to provide health and educational services for the better off. The policy of cost sharing in primary health care appears to have put the poor at a disadvantage yet has not been accompanied by an improvement in service delivery. The overall effect is that equity in terms of opportunities is declining, while the citizens who continue to use the public services have few mechanisms for holding service providers accountable.

Opportunities for Accountability

4.24 Decentralization provides citizens with an opportunity for more equity and voice since it supports the power of local community institutions although it is not necessarily more efficient or less politically driven than centralized government. The recent efforts at decentralization, though tentative and weak provide the promise of counterbalancing the trend towards power concentration, provided that it is appropriately supported. The system of decentralization has a successful precedent in the LDA movement as well as the country's traditions of consensus building and negotiations. Similarly, a number of actors and capacities exist in support of peace in Yemen: tribal, political, and religious leaders may enable peace, and civil society organizations could be strengthened as a way of channeling political energies productively – allowing citizens to voice their grievances and press their economic and political demands peacefully in public. Decentralization, given the appropriate resources may also provide the institutional structure to improve equality of opportunity – as suggested by the relatively pro-poor targeting of resource allocation at the district level.

4.25 Additional opportunities for strengthening citizen voice and accountability include: (i) Yemen's multi-party democracy where Parliament debates issues openly and sometimes even contests decisions by the executive branch; and (ii) the vibrant free press.

[88] Ward, p. 18

Additional Factors of Vulnerability

4.26 *High rates of internal and international migration, regional conflict, combined with social* taboos increases the country's risk for the spread of HIV. In particular, groups at risk are young boys and women.

4.27 Additional external risks to peace and development include porous borders, regional instabilities such as the war in Iraq and Afghanistan, and the continuing occupation of the West Bank and Gaza. Compounding these conditions are the security apparatus, religious militants, regional neighbors such as Saudi Arabia, international powers such as the United States and the war on terror and international terrorist organizations. However, a number of actors and capacities exist in support of peace in Yemen: tribal, political and religious leaders, civil society organizations may enable peace. These could be strengthened as a way of channeling political energies productively.

STRATEGIC PRIORITIES

4.28 The 2006 World Development Report has shown that high levels of economic and political inequality lead to economic institutions and social systems that systematically favor the elite, undermine a country's potential for growth and its ability to reduce poverty.[89] When a large share of the population is excluded from main opportunities in development – they do not have good education; do not have the same investment opportunities; their property rights are not respected; they do not have the ability to influence their governments, they innovate and invest less.[90] Therefore, giving everyone the same chance in life is vital for Yemen to achieve economic growth and prosperity. Table 10 below summarizes the key recommendations of the CSA.

[89] *Equity and Development*, World Development Report (WDR) 2006, the World Bank.
[90] WDR 2006.

Table 10: Recommendations for Action

Issue	Strategic Area of intervention	Urgency	Expected Outcome
Improving Equity in Distribution of Natural Resources			
Inequitable distribution of water resources.	A Poverty and Social Impact Analysis will be conducted to assess the distributional impacts of the new water policies and laws.	*Immediate*	Improved prospects for more equitable distribution through community control over water resource allocation.
	Conduct pilot community level water management projects designed to harmonize customary laws and practices with new policies and law (outlined in the National Water Sector Strategy Investment Plan).	*Medium-term*	More equitable distribution thru community control over water resource allocation.
Concentration of land ownership.	Conduct a study to document present ownership patterns and changes (transfers, loss of ownership, land & socioeconomic status etc) of rural land to: (i) determine factors leading to increased inequity of ownership and access; and (ii) recommend mechanisms for improving equity and access to land for the poor to be incorporated in future program design.	*Short-term*	Better understanding of rural land tenure issues by government, citizens and donors.
	Conduct a study on the system of rural land management to: (i) understand changes in customary laws and practices in different regions; and (ii) recommend measures for how to reconcile customary and state laws in a manner that promises equity.	*Short-term*	Government endorses recommendations at highest level and creates the environment to promote greater equity and access through local level management of land.
	Review the distribution of rural land in the Southern Governorates and the legislative and socio-political factors determining lack of access by poor farmers and recommend measures for promoting such access.	*Medium-term*	Government institutes systems to improve access to land for the rural poor.
	Pilot interventions that enable youth and women to gain access and ownership of productive land resources.	*Long-term*	Improved economic opportunities for youth and women through better access to land.

Issue	Strategic Area of intervention	Urgency	Expected Outcome
Enforcement of expropriation laws is both arbitrary and weak, and disproportionately affects poor and marginalized social groups.	Develop oversight capacity (including public awareness of legal rights) to ensure that the country's expropriation laws are not arbitrarily applied. Ensure that the poor and disadvantaged groups have legal access and other recourse to address injustices, such as land evictions (especially in urban areas).	*Medium-term*	Negative impacts of expropriation measures are mitigated.
Improving Equity in Distribution of Public Resources and Services			
Inequity in Public Expenditures.	Use district level poverty criteria as a means for better planning and targeting government financial allocations to address poverty and inequality.	*Short-term*	Progress in reaching the MDGs.
Inequity in access to health care.	Improve the transparency of healthcare cost -haring mechanisms (including exemptions for the poor).	*Short-term*	Poor have better access to healthcare.
Mismatch between education provided and labor market demands (especially for rural inhabitants).	Design an education program that better matches the needs of the rural economy (including vocational training programs for those with just basic education).	*Short-term*	Improved employment opportunities for people (especially youth) in rural areas.
Promoting Inclusion in Economic Opportunities			
High rates of youth unemployment and underemployment.	Improve rural employment opportunities through off-farm activities.	*Medium-term*	Improved livelihood options for the rural poor.
	Develop youth targeted employment programs at urban and rural levels (e.g. internship and apprenticeship programs in partnership with the private sector).	*Short-term*	Improved livelihood options for youth.
	Develop youth targeted programs designed to strengthen civic responsibility, community service, etc.	*Medium-term*	Improve social cohesion.
Women in rural areas are "underemployed".	Develop employment programs for rural women to increase their participation in the labor market.	*Short-term*	Women's role in the economy strengthened.

Issue	Strategic Area of intervention	Urgency	Expected Outcome
Improving Social Accountability			
Traditional civil society institutions still strong (though weakening).	Promote the demand side of governance by strengthening indigenous forms of locally-based civil society to hold elected officials and service providers accountable.	*Short term*	Corruption lowered and services improved.
	Pilot community score cards to evaluate the quality of service provision by key public service providers.	*Short term*	Service providers begin to acting accountably.
Inequitable access to justice (especially for women and the poor).	Better integrate customary and modern systems of conflict management and mitigation.	*Short-term*	Rights of the poor are protected
	Promote a pilot program that provides legal defense services for the poor.	*Medium term*	Rights of the poor and women are protected
Women absent from decision-making.	Strengthen locally based organizations that work towards strengthening women's rights.	*Medium-term*	Women's voices and needs expressed
	Launch a communication strategy that highlights the importance of women's active role in public and economic life.	*Medium-term*	Women's economic and public position strengthened.
Areas for future Research			
Rapid change in Yemeni society.	Urban-rural and rural-urban migration and its role on social and economic development.	*Medium-term*	Improve knowledge on urban-rural relations.
	Role of the oil economy on society.	*Medium-term*	Improve knowledge on impact of the oil economy on Yemeni society.

ANNEX 1: SUMMARY OF CSA BACKGROUND PAPERS[91]

1. Adra, Najwa, "Social exclusion in Yemen," in collaboration with and funding by DFID, December 2005.

Based on secondary sources, this paper analyzes the mechanisms of social exclusion in Yemen, describes the characteristics of the socially excluded and presents the impacts of social exclusion. Among the specific topics examined are the role of the forced return of migrants to the Gulf, rapid urbanization and unemployment on social exclusion.

2. Bonfiglioli, Angelo, *"Urban Livelihoods in Yemeni Secondary Towns,"* April 2005.

Based on primary field research in six secondary towns as well as extensive secondary data, this report shows the evolution of urban livelihoods. The research towns are Zabid, Yarim, Thula, Ja'ar, Tarim and Attaq. The report maps urban social identities, relating them to changes in the traditional social structure. It describes the major assets of urban dwellers and examines the multidimensionality of urban poverty, tracing the causes of poverty. It then shows how urban residents create their livelihood strategies through diversifying their economic activities, developing solidarity networks, patronage ties and migration. It also analyzes urban-rural dynamics.

3. Srinivasan, Thirumalai and Gudivada V. Rao, *"Is public expenditure targeting in Yemen pro-poor?"* October 2005.

Using public expenditure data at the district level, this study analyzes the extent to which targeting is pro-poor. It finds that the public financial allocation system has an anti-poor bias.

Varisco, Daniel, *"Sustainable Rural livelihood Analysis in Yemen,"* June 2005.

4. Based on primary field research in six rural areas as well as extensive secondary data, this report shows the evolution of rural livelihoods. The six villages investigated were Al-'Urra, Amran; Al-Sha'Lân, Hajja; Dhî 'Uqayb, Taiz; Al-Qâsimiya, Zabid; Dâr Al-Manâsira, LAHJ; Al-Sârî, Seyoun. The report traces changes in livelihoods systems beginning in the 1970 until the present. It begins with an analysis of factors that contribute to social cohesion, inclusion and governance. It discusses challenges related to the management of land and water and their links to the economy. Various livelihood strategies resulting from this context are analyzed.

-------- *"Key Socio-cultural Issues for the Yemen CSA,"* October 2004.

5. Based on a scoping mission to Yemen and interviews with ordinary citizens, public officials, leaders of civic associations, donor representatives as well as secondary research, the report presents key social issues facing Yemen. This report served as a basis for the Concept Note for the CSA.

6. ---------- *"Annotated bibliography of secondary literature on Yemen,"* November 2004.

[91] Each of these studies are available upon request.

7. Wedeen, Lisa, *"Political Economy of Yemen,"* November 2004.

Based on secondary sources, this report analyzes existing data on (i) social diversity, poverty and economic opportunities; (ii) power relations, governance and access to justice; (iii) the capacity of formal and informal civil society organizations and (iv) social cleavages, violence and conflict.

ANNEX 2: METHODS

The main methods for the CSA include secondary research, targeted fieldwork on contemporary livelihoods in secondary towns and rural parts of Yemen, and an econometric analysis of financial allocation to local governments. There is a severe lack of quantitative data on a national level.[92]

Secondary Research and scoping exercise to identify areas of primary research: Extensive secondary research covering a wide array of issues was carried out. In addition, a scoping exercise was carried out in Yemen in August 2004 to identify the key social issues in the country through consultations with government officials, ordinary citizens, civil society groups, academics, journalists and donor agencies. The site visits included the Red Sea region of the Tihama as well as shanty neighborhoods in Sana'a and Taiz. Given that Yemen is a society in transition, changes in livelihood systems in rural communities and secondary towns were identified as priority areas of primary research. Secondary towns were selected for research due to the importance of their links with rural areas. An annotated bibliography of sources and a paper presenting the "key social issues for the Yemen CSA" was prepared following the scoping mission.

Primary field research using Participatory Rapid Appraisal methods: Six villages and six secondary towns were selected based on their geographic and cultural representativeness. A team of Yemeni researchers with international consultants conducted research using focus group discussions, key informant interviews, life stories and case studies to evaluate livelihood systems. The research was conducted between January and March 2004. A detailed discussion of the methods used follows in this Annex. Two reports analyzing their findings were produced and are summarized in Annex 1.

Fiscal incidence of pro-poor targeting: an econometric analysis was conducted to evaluate the extent to which fiscal allocations from the central government to local governments are pro-poor. The analysis drew on the 1994 Census to build an index of unmet basic needs (health, education, access to water and housing) as a proxy measure for poverty and actual public expenditures at the district level were used for this analysis. A summary of the methods used is presented in this Annex.

Methods for Rural livelihoods study

Main Objectives. The main objective of this Sustainable Rural Livelihoods (SRL) Analysis for Yemen is to support analysis of macro-economic, social and cultural data for the Yemen Country Social Analysis (CSA). Based on findings from the CSA Scoping Mission in August, 2004, a number of targeted field studies were suggested. The focus for further study was to supplement existing quantitative and qualitative data to directly benefit writing of the Yemen CSA. Targeted field research about livelihood options was conducted in villages in six regions. This research is not intended as an end in itself, due to the small sample, but rather to illustrate specific problems through a participatory approach that might otherwise have been missed or not given sufficient emphasis.

Field Sites. Working with the assistance of the relevant local council, the field sites chosen for the targeted ethnographic and PRA research were selected on the basis of distribution across the four main geographic regions and average level of district poverty based on the 1999 Poverty Assessment data. The sites chosen are summarized in Table 11.

[92] The last Household Budget Survey was conducted in 1998; together with the Poverty Survey in 1999, these form the basis of most poverty related data. The FHS of 2003 provides the most recent demographic and health related data. Therefore, much of the data available are dated. Although the 2004 census was completed during the preparation of the CSA, disaggregated data were not available at the completion of this report.

Table 11: List of Rural Research Sites

Village	District, Governorate	Region	Water Resources
al-'Urra	Shibâm, 'Amran	Highlands	Springfed irrigation
al-Sha'lân	al-Mahâbisha, Hajja	Highlands (foothills)	Wells, rainfall
Dhî 'Uqayb	Jibla, Taiz	Highlands	Rainfall, wells and perennial wadi flow
al-Qâsimiya	Qarshiya al-Suflâ, Zabid	Tihama	Wadi and wells
Dâr al-Manâsira	Tuban, Lahj	Southern plains	Wadi and wells
al-Sârî	Tarîm, Seyoun	Eastern plains (Hadhramout)	Wadi, village water system

Table 12: Methods for Rural Livelihoods Analysis

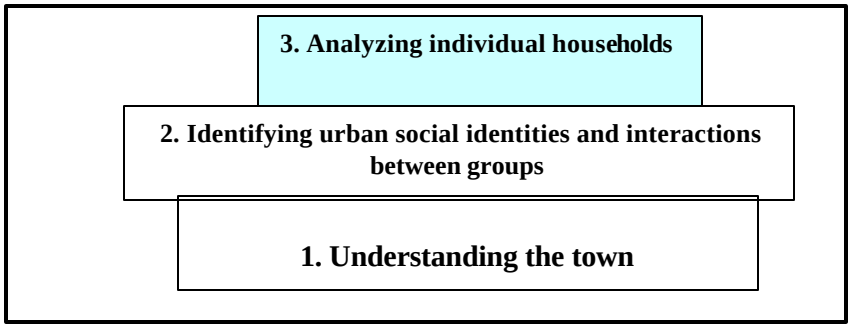
TOOLS	OBJECTIVES	QUESTIONS	INFORMANT OR RESOURCE
Formal Meeting with Majlis Mahali	Facilitate rapport building. Choose appropriate village location. Obtain available statistical data.	Which village is representative of the district? What information does the majlis have on rural communities? What role does the majlis play in facilitating local development?	General Director of Majlis Mahali. Head of Planning Unit.
Environmental Checklist	Location of village. Local Climate (rainfall, etc.). Water Resources. General Terrain. Local plant resources.	How far is the village located from a major town? Where is the nearest water resource and what is its quality? How is the local land used? What local plants are important to the community?	Relevant statistical data. Team observation. Semi-structured interviews with villagers (male and female).
Community mapping	Spatial and visual representation of the village and its environs. Residential patterns. Community buildings (school, mosque, etc.). Areas of communal ownership (pasturage, threshing floor, etc.). Nearest market or town.	Where are new houses built? What buildings are in the village other than residences? What areas of the village and surrounding area are considered communal property? Where is the nearest market?	Focus groups (separate for male and female).
Household diagramming	Physical base for household activities.	What activities are done in each of the rooms of a residence? Is the kitchen outside or inside the house? What are the sanitation facilities? How is the roof used? How do new houses differ from old houses?	Women
Ethnographic field interviews	Observation and questioning about agricultural activities in context. Observation and questioning of female domestic labor in context.	What is the purpose of the activity you are currently doing? How often do you do this activity? How does this activity fit into the pattern of things you will do today? Who helps you in this activity?	Men and women working in fields. Women working in household. Children at play.
Seasonal Calendar	Assessment of peak labor periods Role of seasonal agricultural labor	What crops do you grow here? What tools do you have for farming? How do you know when to plant a crop? How do you define the seasons here and what are the activities in each season? When do you need help with your agricultural labor? How do you know when rain is likely?	Primarily male farmers.

TOOLS	OBJECTIVES	QUESTIONS	INFORMANT OR RESOURCE
Focus group discussions	Better assess specific issues. Information generated in open-ended discussion forum as comparative base for team observations and existing survey data.	What are the major aspects of accountability (both upwards and downwards) and how to improve them? What is the actual role of the majlis mahali? What are the major tensions in village? What are the major ways of solving them? What is the linkage to towns and local markets? What are perceived priorities of development needs? What livelihood options do people have and what do they need to achieve them? Which are the other villages with which the community has special social and economic relationships? What are the major social, economic, and ecological trends over the last 10 years? How many people from the village have migrated for work and where do they go? What job opportunities are there here besides agriculture? What is local awareness of the new democratic decentralization? What are local major expectations from local government?	Adult men and youth. Adult women and young girls. Mixture of local social groups.
Mapping of local social organization	Assess local perceptions of social categories. Assess local status distinctions.	What are the locally recognized professions? What is the role of extended family, tribal and other kin-based groups? What are local processes of community integration and cooperation? How are local disputes between social status groups resolved? Who marries who here? Where does a married couple live?	Key informants (male and female). Local community leaders. Available ethnographic and sociological survey reports.

Urban livelihoods research (secondary towns)

(1) The methodology adopted by the study includes three basic steps: (i) focusing on the town as a whole, its socio-professional categories and their interactions; and (ii) the livelihoods of the households of each specific socio-professional category (see Figure 6).

Figure 6: Methodological Steps, Urban Livelihoods Research



Each of these steps involves the extensive use of a number of *'participatory urban appraisal'* (PUA) tools aimed at collecting views and perceptions of specific target groups and informants (see Table below). It is important to highlight this key 'participatory dimension' of the study: the opinions, the perceptions, the priorities, the quantitative estimations presented in the study are those of our informants (largely representing the diversity of local stakeholders). This dimension constitutes both the strength and the limit of the present analysis. However, the participatory approach is also complemented by a large use of secondary data and by a more general anthropological reading of local realities.

Ultimately, beyond the specific cases of the towns surveyed, the analysis aims at providing a better understanding of urban poverty in Yemen, its underlying features and determinants as well as general policy orientations for a sustainable approach to urban development.

i) Understanding the town

A general assessment concerns the major characteristics of six selected secondary towns, including data related to population and areas, urban morphological features, densities, infrastructures and social services, and the like. The assessment requires the use of a variety of secondary sources as well as general interviews with key informants and focus-group discussions with local stakeholders.

This initial assessment is very general: its role is simply to contribute towards an understanding of the context in which local stakeholders live and interact. In other words, the study does not present a monographic study of the different towns.

ii) Identifying urban socio-professional identities

A second component of the methodology concerns the identification of the different urban social identities or, more precisely, of the urban socio-professional categories.

The approach avoids simplistic dichotomies (such as urban / rural; or town / cities; modern / traditional; and the like) or theoretical arguments about a uniform 'urban livelihood'. It rather addresses, in a very pragmatic manner, the different, multi-faceted components, which constitute the fabric of the urban society. The analysis of the different social identities aims at the identification of the different ways of

being, living and acting in an urban context, and at a better understanding of the large differentiation of wealth accumulation, occupation and forms of poverty that only a town or a city can create.

In this manner, the approach emphasizes the circumstances under which people (and especially the poor) do actually live, produce and works. Livelihood opportunities are constrained by a number of market and non-market constraints, which restrict the productivity of their assets and limit the ability of the poor to capture the benefits of their activities.

A major output of the methodology is a social mapping of the town (in addition to a simple spatial map), i.e., is a tool which may better assess local polity, local power relations, patrons-clients interactions (based on a bundle of interests), shifting coalitions and alliances, as well as emerging economic power relations. Individual social identities are looked at closer, in order to better appreciate and compare differential priority goals - in terms of production, growth or simple survival objectives - to understand the assets that each category may have or may not have, and their use, and the livelihoods strategies they adopt and pursue.

Ultimately, the analysis helps to identify of *who* controls *whom* and *what; who* is client of *whom*; and *how* the limited assets are accessed and used for wealth generation or for mere survival.

iii) Assessing the livelihoods of urban households

Finally, the third, key step includes a closer analysis of the first level of the urban social, economic and political complex: the household. The basic assumption is that 'livelihood research, of its nature, is essentially carried out at the micro-level.[93] Specific tools are intended to better analyze the livelihoods of the household of each of the major socio-professional categories.

The household shows up as a particularly useful unit of analysis given the assumption that within the household resources and assets are pooled, income is shared and decisions are made jointly by adult household members, under the patriarchal authority of the head of the household.

A household or domestic group *(beyt* or *usra)* may generally be defined as a group of relatives, who eat from the same cooking pot (unit of consumption), who live in the same compound (unit of residence), who participate in the use of the same productive resource and the same factor of production or assets (unit of production), and who share a common stake in perpetuating and improving their socio-economic position from one generation to another (unit of reproduction). However in the socially fluid urban environment, a wide range of types of households may be found.

In addition, it should also be pointed out that within the urban household, more than in a rural household, men and women may have different statuses; carry out different tasks; have different survival strategies; and play different roles in decision-making processes and in the management of productive activities.

However, it should be pointed out that households are not 'a black box', but an entity characterized as much by cooperation as by competing interest and unequal access to rights, resources and obligations. Members of the household participate in different way in the labor market and their participation is influenced by the stage of the household's domestic cycle (through expansion and contraction) and therefore its size.

[93] Murray, C. 2001. "Livelihood Research: Some Conceptual and Methodological Issues," Background paper no. 5, Chronic Poverty Research Center. p, 5.

Site selection

The research was conducted in six secondary towns, including five District capitals and one capital of a Governorate. These towns have a population ranging between a minimum of 8,000 and a maximum of 40,000 people. Three are located in the Northern Highlands and three in the Southern governorates.

The towns have been selected according to different criteria, including: population size; volume of economic activities; levels of diversification of local economies; market potential; rural-urban linkages; and impact of tribal values.

The six towns are fully representative of the variety of the urban contexts, which can be found in Yemeni according to a variety of agro-ecological conditions, socio-cultural traditions, and economic potential.

Town	**District, Governorate**	**Region**
Thula	Amran	Central Highlands
Tarim	Hadramut	Eastern Plains
Yarim	Ibb	Southern Highlands
Zabid	Zabid	Western coast (Tihama)
Jaar	Abyan	Southern plains
Attaq	Shabwa	Eastern plains

Table 13: Methods for Urban Livelihoods Analysis

TOOLS	QUESTIONS TO BE ADDRESSED	TARGET GROUP	INTERVIEWEE
Household budget	*Key Issue: Vulnerability / resilience of an urban household*: What is the amount of income? What is the source of the income? What are the major expenditures?	Mid-income urban household. Low-income urban household. Wealthy household.	Male head of households. Female head of households.
Urban history	*Key Issue: Major events of the town and their impact on local livelihoods* When was the city created and how? What are the main infrastructure investments of the town? (road, market, administrative buildings) When were these investments made? Did the town face major natural disasters over the last 10 years? Did the rural areas face major droughts? What have been the impacts of these events on local livelihoods? What have been the major changes affecting the social and economic life of the town?	In general: urban dwellers. More specific: socio-professional categories (commercial entrepreneurs; artisans; civil servants; farmers; services providers).	District representatives. Representatives of socio-professional categories. Heads of urban quarters/wards. Women associations' leaders.
Urban map	*Key Issue: Spatial and visual representation of the town and its morphology*. Where are the major settlements areas? Where are the boundaries between the core urban area and its fringes? What is the flux of goods and services between the town and its rural fringes? Where is the market located? Where are the major social services located? How the spatial distribution of services and infrastructures affects the livelihoods of people?	Urban dwellers	Homogenous groups of people (women, young people, men).

TOOLS	QUESTIONS TO BE ADDRESSED	TARGET GROUP	INTERVIEWEE
Social Mapping	*Key Issue: Understand the composition and the percentage of the major socio-professional categories (according to the perceptions of major stakeholders*) 1. Where do the merchants live and work? Where are the marginal groups settled? Where do wealthy people live? Are the socio-professional categories intermingled or do they live in separate quarters?	Civil servants Urban dwellers Young people Educated women Marginal groups	Focus group discussion with homogenous groups of people (from the target people).
Institutional mapping	*Key Issue: Assess the major institutional stakeholders (both formal and informal).* What are the major formal institutions in the town? What are the major **informal** institutions in the town? What are their actual roles? 2. What are their relationships with each other? 3. What are their potentials in a democratically decentralized system?	Civil servants Urban dwellers Young people Educated women Marginal groups	Focus group discussion with homogenous groups of people (from the target people). Interviews with key informants.

TOOLS	QUESTIONS TO BE ADDRESSED	TARGET GROUP	INTERVIEWEE
Ranking Exercise	*Key Issue: Understand differential access to assets and livelihood strategies within major socio-professional category* What are the differences between entrepreneurs in terms of working capital, size of employees, ownership of means of production? What are the conditions allowing somebody to pass from one category to another (upward socio-economic mobility) ? What are the external conditions which make the business unsustainable?	Merchants Artisans Farmers Civil servants	Focus group discussions with wholesaler, retailers and petty traders. Focus group discussions with small traditional artisans (e.g., blacksmith) and owners of technical workshops (e.g., garage). Focus group discussions with landowners, share-croppers, and agricultural workers. Focus group discussions with different ranks of civil servants (teachers, medical staff, agricultural extensionists).

TOOLS	QUESTIONS TO BE ADDRESSED	TARGET GROUP	INTERVIEWEE
Focus group discussion	Topical issues arising from above tools. What are the main areas/issues in which people in the town cooperate? What are the sources of major tensions in a neighborhood? What are the major ways of solving them? What is the flux of goods and services between the town and its rural fringes? Which are the other urban centers with which the town has special social and economic relationships? What are the main aspects of the socio-economic relations between the town and the major city? What are the major social, economic, and ecological trends over the last 10 years? What is local awareness of the new democratic decentralization? What are local major expectations from local government? What are the major aspects of accountability (both upwards and downwards) and how to improve them? What are the actual role of the civil society?	Merchants (men and women). Artisans (men and women). Farmers (men and women). Civil servants (men and women).	Focus group discussion of homogenous groups : male elders; female elders; youth; marginal people.

TOOLS	QUESTIONS TO BE ADDRESSED	TARGET GROUP	INTERVIEWEE
Interviews with key resource persons	What are the major social and economic characteristics of the town? What are the major prospects for the development of the town? What is the economic base of the town? What are the major constraints faced by the urban community for its development? What are the major potentials (agriculture, services, tourism)? What is the coverage of basic social services to households ? What is the rate of access of businesses to economic infrastructures?	Decision-makers of the town. Entrepreneurs. Wealthy, middle-income and poor households.	General secretary of the district; members of local council; male and female leaders of active civil societies; teachers; providers of legal services; representatives of line ministries.
Case study	Build up individual itineraries of members of specific social categories How did they acquire education, skills and know-how? How did they acquire a working capital (in case of merchants or artisans)? How are they managing their business? What are the major constraints they are facing	Members representing different socio-professional categories (men and women). Artisans Merchants	Men and women representing different categories of people.

Methods for Analysis of Targeting and fiscal incidence

Monitoring the performance of sub-national governments can provide the information base for the national government to design an incentive structure that encourages more equitable outcomes on poverty and provision of public services. However, the household level data necessary to examine the incidence and targeting effectiveness of public expenditures is not often available. Ravallion (2000) addresses this problem by suggesting a method that allows an assessment of the degree to which spending tends to be targeted to the poor on an average. Targeting performance can be measured by exploiting the spatial variances in both public spending and poverty incidence across geographic areas.

The inter-regional targeting differential is estimated by regressing expenditure allocations across regions on the regional poverty measure. If a program is effectively reaching the poor, with little leakage to the non-poor, then the overall expenditure allocation across geographic areas will be highly correlated with the poverty rates across the same areas. Following Ravallion (2000), this property can be used to devise a measure of how well program allocations match the spatial poverty map in the form of an estimated mean difference in spending between the poor and non-poor. This national measure of targeting performance can also be decomposed into subgroups – between-region and within-region components - and thus help policymakers understand the sources of national targeting failures - between regions and within regions and further identifying the relative contribution of different provinces to the national targeting failure. Ravallion (2000) applied the method to assess Argentina's anti-poverty program's performance before and after reforms. Van de Walle (2005) has performed a similar analysis for Morocco on the basis of a provincial level database.

This paper applies the decomposition technique in the context of Yemen's public expenditure against the poverty map at the district level. The paper examines the distribution of spending across districts of Yemen and how well the poor are reached by public expenditure. This technique can be further extended to distinguish between differences in mean spending targeted to urban and rural areas as well as between North and South Yemen if one can demarcate these categories for all districts.

The equations to be estimated are:

(1) to estimate inter-district or national targeting differential:

$$\mathbf{G_{ij} - G = T^{D} (H_{ij} - H) + V_{ij}}$$

(2) to estimate inter-governorate targeting differential:

$$\mathbf{G_{j} - G = T^{P} (H_{j} - H)}$$

(3) to estimate intra-governorate targeting differentials (one equation for each governorate)

$$\mathbf{G_{ij} - G_{j} = T_{j} (H_{ij} - H_{j}) + V_{ij}}$$

Where G_{ij} = percapita allocation to district i in governorate j
G_j = percapita allocation to governorate j
G = national percapita allocation
H_{ij} = head count ratio in districti i in governorate j
H_j = head count ratio in governorate j
H = national headcount ratio

V_{ij} = error term
T_j = absolute difference between the average allocation to the poor and the the average allocation to the non-poor in governorate j. Tj is also referred to as the intra-governorate targeting differential for governorate j.
T^P = Inter-governorate targeting differential
T^D = national targeting differential

DECOMPOSING THE NATIONAL TARGETING DIFFERENTIAL

We can estimate a national (inter-district) targeting differential, T^D, by regressing the values of Gij on Hij across all districts, irrespective of their governorate. The OLS estimate of the national targeting differential can be decomposed exactly into between-governorate and within-governorate components:

where S^P is the between-governorate share of the total (inter-district) variance in poverty rates, and Sj is the governorate-specific share. The first term on the right side of the equation is the "between-provinces" component, and the second term is the "within-province" component. Annex 1 provides the details including the calculation of the respective weights.

3. DATA ISSUES[94]

This method requires a disaggregated poverty map that predates and corresponds to expenditure disbursements for the same disaggregated geographic units. Since the available household budget survey data precludes analysis of public expenditure on poverty at the district level, we infer expenditure incidence on poverty indirectly by juxtaposing the geographic distribution of public spending and the corresponding poverty map based on the Unmet Basic Needs (UBN) Index.

The empirical analysis draws on actual budget expenditures at the district level using data from the Ministry of Finance (AFMIS Project Unit) for 2004.[95] Since further disaggregated data is not available on the expenditure side, the UBN index has been constructed using information from 1994 census data for 2126 sub-districts. From this data, a district level database (with 289 districts in all distributed across 20 governorates)[96] was created.[97] A concordance between the expenditure data for 2004 and UBN index for 1994 was constructed.[98] The population data used to obtain per-capita allocations was from 1994 census

[94] All the public expenditure data used in the paper refer to fiscal allocations and not actual expenditures.
[95] Under the Civil Service Modernization Project being financed by a credit of $11.3 million from the World Bank, the Ministry of Finance has embarked on a project to design and implement and Accounting and Financial Management Information System (AFMIS). The AFMIS is expected to provide the full range of functionalities for budget preparation, execution, accounting and financial reporting. This is a tool and its effectiveness is dependent on a clear and coherent strategy for budget reform and fiscal decentralization. See, Allen *et al.*2005.
[96] However, the regressions were based on 287 districts only since expenditure data for two districts was missing. The districts with missing budget data are Attur in Hajja governorate and Khawlann in Sana'a governorate.
[97] Ideally, one would prefer to use a poverty index closer in time to the expenditure data as the assumption is that the current spending allocations are determined by the most recent information available regarding the poverty status of geographic areas. However, the Republic of Yemen came into existence as recently as 1991 and 1994 is the only year for which census data is available. The poverty estimates based on the household budget survey of 1998 can not be used since they are not representative at the district level.
[98] There have been several reclassifications and reassignment of territory in the intermittent period 1994-04. The district level concordance has been constructed after getting the original Arabic data files translated with some assistance from the Department of Statistics. However, for some governorates like Sana'a City, a near-perfect concordance was created, for several other governorates, the mapping may not be perfect. In cases, where a district

instead of 2004 census since a usable mapping of districts of the two censuses was not available.[99] The district classifications for 2004 budget data and the 2004 population census districts is not the same as they were created by different government agencies which were perhaps not coordinated.

CONSTRUCTION OF THE UBN INDEX

The analysis requires data on disbursements by local government area and a corresponding poverty map. There are 289 districts in Yemen administered under 20 governorates. We do not have head count ratios (of consumption poverty) of districts based on household surveys that are designed to be representative at the district level. Hence we resort to a poverty measure that is possible to construct at the district level - the proportion of households with unmet basic needs (UBN), based on the 1994 census. The UBN index is constructed as a composite of housing quality, access to safe water, infant mortality, and educational attainment - literacy (of adults), school enrollment (of children). As opposed to a consumption measure of poverty, the UBN index measures the actual deprivation in select dimensions of quality of life. All the four components are given equal weight (with the subcomponents of education – literacy and enrollment sharing equal weights within educational attainment). Unmet basic need is measured against the benchmark need of 100 percent fulfillment. For example, the benchmark for safe water is that 100 percent of population should have safe water.

Since it is based on the census, the unmet basic needs index covers the whole population and is representative at the district level. (By contrast, none of the household surveys for Yemen is representative at that level.)[100] The UBN index is the main poverty index we use as a proxy to the head count ratio of poverty for our analysis. This index has the advantage that one can safely treat it as exogenous to the public spending. While the composition and weighting of the component indicators are not beyond question, Ravallion (2000) has used this method for the analysis of Argentina's Trabajar program.

The relative positions of governorates on the basis of UBN index thus constructed (for 1994) and head count ratios (based on consumption poverty in 1998) do not exactly match. According the estimates of World Bank's 1998 poverty update for Yemen, the number of poor people as a percentage of the governorate population is highest in Taiz (56 percent), Ibb (55 percent), Abyan (53 percent), and Lahj (52 percent), but is also high in Dhamar (49 percent), Hadramout, Al-Mahrah and Shabwah (43 percent). The incidence of poverty is lowest in Al-Baida (15 percent) and Saddah (27 percent), and in the two major urban centers, Sana'a city (23 percent) and Aden (30 percent). The ranks match for some governorates like Sana'a City, Al-Mahrah, Sana'a and Dhamar. However, the classification of governorates for both these measures are not exactly comparable and the data do not belong to the same year.[101] Expenditure data show that Al-Mahrah, Aden and Abyan have the highest expenditure allocations, Al-Baida Al- Jawf, and Al-

---

that retained its name over the decade, may have lost territory in which case the expenditure is overstated. On the other hand, for districts that have gained territory expenditure would be understated.

[99] It is however, not possible to construct an exact concordance between the country classification in 1994 and 2004 without further assistance from GOY – There were 20 governorates and 289 districts in 1994 compared to 22 governorates and 332 districts in 2004.

[100] Since the time of Yemen unification, the Central Statistical Organization (CSO) has implemented three household surveys: (i) the 1992 Household Budget Survey (HBS-92), (ii) the 1998 Household Budget Survey (HBS-98), and (iii) the 1999 National Poverty Phenomenon Survey (NPS-99).

[101] The head count ratios for consumption poverty in 1998 have been based on a classification of Yemen into 15 governorates and the UBN index for 1994 is constructed for a classification of Yemen into 20 governorates.

Hodeidah seem to be allocated the least amount on a percapita basis. In terms of the UBN index, Sana'a City and Aden are the best performers while Al-Hodeidah, Hajjah, Al-Jawf and Al-Mahwit have the highest UBN indices in the country.

SELECTED BIBLIOGRAPHY

Adra, Najwa. 2003. "Literacy through Poetry: A Pilot Project for Women in the Republic of Yemen." [Report prepared for the World Bank.]

Al-Ahmadi, Afrah and Sharon Beatty. 1997. "Participatory Socio-economic Needs Survey of Sana'a Urban Settlement Dwellers," Oxfam, Sana'a, Yemen.

Allen, R. *et al*. September, 2004. "Moving forward with budget reform and fiscal decentralization," Draft Report. The World Bank, Washington DC.

Almansoob, Mohamed and Abdul Karim Alaug. 2004. "Situation Analysis of Children and Women in Yemen." UNICEF, Sana'a.

Al Serouri, Abdul W.Dina Balabanova and Souad Al Hibshi. 2002. "Cost Sharing for Primary Health Care: Lessons from Yemen," Oxfam working papers, Great Britain.

Bonfiglioli, Angelo and Khaled Ibrahim Hariri. 2004. "Small-scale Fisheries in Yemen. "Social Assessment and Development Prospects." [Report prepared for the World Bank.]

Carapico, Sheila. 1996. "Gender and Status Inequalities in Yemen: Honor, Economics and Politics," in *Patriarchy and Economic Development: Women's Positions at the End of the Twentieth Century*. Valentine M. Moghadam, ed pp. 80-98. Clarendon Press, Oxford.

_____. 1998. *Civil Society in Yemen: The Political Economy of Activism in Modern Arabia*." Cambridge University Press, Cambridge, UK.

Colburn, Marta. 2002. *The Republic of Yemen: Development Challenges in the 21st Century.* Catholic Institute for International Relations, UK.

Dorman, D. and K. al-Hibshi. 1997. "Oxfam Urban Settlement Project. Literacy Component Evaluation" [Report prepared for OXFAM, Sana'a].

Dresch, Paul. 2000. *A History of Modern Yemen*. Cambridge, Cambridge University Press.

Eger, Helmut. 1984. "Rainwater Harvesting in the Yemeni Highlands." *Jemen Studien* 1:146-169.

Hashem, Mouna. 1996. Goals for Social Integration and Realities of Social Exclusion in the Republic of Yemen. ILO, Geneva.

Jaffar, Fowzia H. Samantha Guy and Jane Niewczasinski. 2004. "Reproductive Health Care for Somali Refugees in Yemen." *Forced Migration Review,* 19:33-34.

Lichtenthaler, Gerhard. 2003. "Adjusting to the Extreme Shortage of a Common Resource: Runoff Resource Capture and Social Adaptive Capacity." In Amin al-Hakimi and Frédéric Pelat, editors. *Indigenous Knowledge and Sustainable Agriculture in Yemen,* 100-105. Centre Français d'Archéologie et de Sciences Sociales de Sanaa, Sanaa

Ministry of Agriculture and Irrigation, Republic of Yemen. 2002. *Taqrir Nata'ij al-Rihla al-Thaniya min al-Ta'dad al-Zira'I li-'Amm 2002*. [Report on the Results of the Second Field Trip for Agricultural Enumeration for 2002]. Sana'a.

Ministry of Health and Population and Central Statistical Organization, Republic of Yemen. 2004. "The Family Health Survey (FHS) in the Republic of Yemen." League of Arab States, Pan Arab Project for Family Health (PAPFAM). Sana'a.

Ministry of Human Rights, Republic of Yemen. 2004. *Al-Taqrir al-Watani li-Huquq al-Insan.* Sana'a.

Ministry of Planning and International Cooperation, Republic of Yemen. 2004. *Al-Nata'ij al-Uliya li-al-Ta'did al-'Amm li-al-Sukan wa-al-Minshat, Republic of Yemen.* Sana'a.

_____. 2004. "Millenium Development Goals, Progress Report for Yemen," 2003. Sana'a.

_____. June 2005. *PRSP Progress Report, 2003- 2004*. Sana'a.

Niethammer, Carmen. April 2005. "Gender and Development in Yemen: Women in the Public Sphere," Yemen MENA Regional Development Reports Roundtable.

Othman, Abdo A. and Norman Messer. 1999. Comparative Analysis of Traditional Structures in Decentralisation Policies and Programmes: Yemen Case Study. Rural Development Division. FAO.

Palmeri, Paolo. 2002. *"Groundwater and Soil Conservation Project" (GSCP) Social and Institutional Assessment Study*. First Draft. [Report prepared for the World Bank]. Rome.

Ravallion, M. 1999a. "Are Poorer States Worse at Targeting Their Poor?" *Economics Letters* 65(3):373–77.

Ravallion, M. May 2000. "Monitoring targeting performance when decentralized allocations to the poor are unobserved." *The World Bank Economic Review*, Vol 14, No.2.

Seif, Huda. 2003. *Moralities and Outcasts: Domination and Allegories of Resentment in Southern Yemen*. Department of Anthropology, Ph.D. Dissertation. Columbia University, New York.

USAID. March 2005. "Assessment of the HIV/AIDS Situation in the Republic of Yemen: A Framework for USAID Assistance." Washington, D.C.

UNDP. 2000. *Perception and Views of the Poor about their Poverty and their Coping Strategies.* Poverty Series, 2. Sana'a.

_____. 2001. "National Poverty Reduction Strategy & Action Plan (PRSAP) in Yemen." (Ministry of Social Affairs and Labor, Social Safety Net Project). Sana'a.

_____. 2001. "The United Nations Common Country Assessment." Sana'a.

_____. 2005. *Human Development Report, 2005: International Cooperation at a Crossroads, Aid, Trade and Security in an Unequal World*. New York.

Van de Walle, Dominique. December 2002. "Poverty and Transfers in Yemen," Middle East and North Africa Working Paper Series. The World Bank, Washington, D.C.

Varisco, Daniel Martin. 1995. "Indigenous Plant Protection Methods in Yemen," *GeoJournal* 37:27-38.

Ward, Chris. 2005. "Coping with Water Scarcity in Yemen: Conflict and Adaptation," Background paper for the MNA Regional Water Report. [Report prepared for the World Bank]

World Bank. 1973. "*Yemen Arab Republic, Economic Report*," Washington, D.C.

_____. August 1997. "Yemen Towards a Water Strategy: An Agenda for Action." Rural Development, Water and Environment Department, Middle East and North Africa Region. Washington, D.C.

_____. September 1997. "Southern Governorates Rural Development Project," Staff Appraisal Report. Rural Development, Water and Environment Department, Middle East and North Africa Region. Washington, DC.

_____. 2000. "Yemen –Comprehensive Development Review," Rural Development, Water and Environment Department, Middle East and North Africa Region. Washington, DC.

_____. January 29, 2001 "Yemen: Country Assistance Evaluation" Operations and Evaluation Department, Report No. 21787, Washington DC.

_____. May 12, 2003. "Rural/Local Development Strategy: Implementing the Poverty Reduction Strategy in Rural Areas," Water, Environment, Social and Rural Development Department, Middle East and North Africa Region. Washington D.C.

_____. April 2004. *Household Energy Supply and Use in Yemen.* Energy Sector Management Assistance Program. Washington, D.C.

_____. 2005. *Equity and Development*, World Development Report (WDR) 2006.

_____. March 2005. "Republic of Yemen: Country Water Resources Assistance Strategy," Washington, D.C.

_____. June 2005 "Republic of Yemen: Urban Land Policy and Administration." Washington, D.C.

_____. July 2005. "Empowering People By Transforming Institutions: Social Development in World Bank Operations." Washington DC.

_____. December 2005. *Women in the Local Economy of Aden*. Water, Environment, Social and Rural Development Department, Middle East and North Africa Region. Washington D.C.

Yemeni Center for Social and Labour Studies. 2004. "Rapid Assessment of Child Trafficking in Yemen: Case Study of Hajja and AlMahweet Governorates." [Report prepared for UNICEF and Ministry of Social Affairs]. Sana'a