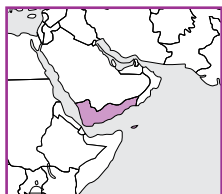


Oil is not enough



Yemen is one of the poorest countries in the world and it has no chance of reaching the Millennium Development Goals (MDGs) by 2015 if it does not change its policies. It is over-dependent on exporting petroleum, the rest of its productive system is very weak. The country will have to diversify its agricultural production, overcome its environmental problems – above all the exhaustion of its fresh water reserves – protect its products in the home market and become more competitive. At the political level it will have to implement stronger gender policies to enable women to really integrate into society.

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Arafat Abdallatif Arrafids

Yemen is ranked 140 out of the 182 countries on the 2009 UNDP Human Development Index. Nearly 45% of the population lives on less than USD 2.00 a day.¹ Unemployment has increased in the last two years, causing income levels to stagnate; the economy is based mainly on petroleum and has experienced only modest development in other sectors.

The country is in serious difficulties because of a big decrease in oil production, which accounts for an exceptionally high proportion of the budget. If the authorities do not take the necessary measures to quickly remedy the failing economy, the State will be unable to meet its obligations in the years ahead.

The current situation: an overview

The fuel of dependence

According to official statistics, oil accounts for 35% of total domestic production, 70% of the State budget and 90% of Yemen's exports.² The country's other productive activities such as fishing, tourism and manufacturing add up to no more than 10% of exports. These figures also show that from 2007 to 2008 petroleum exports fell from 17.42 million barrels to 9.46 million, which in economic terms works out at USD 522 million less income from this sector.

A report by the Yemen Central Bank shows that income from gross petroleum exports fell by a record USD 803 million in 2009. According to the Bank, this coincided with a reduction in the Government's quota of total gross oil production in the period January to July – 15 million barrels in 2009 as against 27.3 million in the same period in 2008. The report also noted that the decrease was partly a consequence of the big fall in international prices resulting from the world financial crisis – from USD 114.6 per barrel in 2008 to USD 53.7 in 2009.

Other sectors

The share of the other economic sectors such as agriculture and industry in the country's Gross Domestic Product (GDP) fell from 43% in 1990 to less than

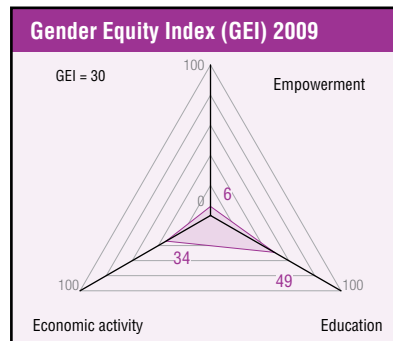
18% in 2005.³ Meanwhile unemployment rose from 16.7% in 2007 to 35% in 2008.

Official data show that an estimated 54% of the workforce is in the agricultural sector, but soil degradation and spreading desertification pose a serious threat to these workers' livelihoods.⁴ Qat, a herb used as a stimulant and energizer, which provides employment for a quarter of the entire workforce, requires more than 20 million work hours per day, covers more than half the cultivated land and absorbs enormous quantities of fresh water in a country with one of the most serious water shortages in the world (see below).

The situation of women

Women have made progress in various government and political party organizations, but they remain very much in a secondary role and the power to make decisions is still reserved for men, as shown by the following data:⁵

- In 1990, for the first time ever, women were given the right to vote, to be candidates and to enter public office.
- There were no women on the Higher Election Committee in 2001, 2003 or 2006.
- The percentage of women registered to vote went up from 15% in 1993 to 37% in 1997 and 46% in 2006.
- The number of women candidates in parliamentary elections decreased from 42 in 1993 to 21 in 1997 and just 11 in 2003.
- In the 2001 plebiscites on constitutional reform, some 30% of voters were women.
- In the 2001 governing council elections there were 120 women candidates as against 23,892 men, and in the directors' council elections 108 women and 21,924 men.
- Only two women were elected to the national legislature in 1993 and 1997 (0.7%), and in 2003 there was only one (0.3%).
- The 111 members of the Consultation Council are designated and include only two women.



Armed conflict

The country is fraught with armed conflict that has caused great loss of life and damage to Yemen's infrastructure and, according to official sources, has also caused the displacement of around 200,000 people. On 11 February 2010 the Government made an agreement with the Al Huti group that put an end to six months of warfare in Sa'dah, but fighting continues sporadically. There are upsets in local governorships in the South caused by the secessionist "South Movement," conflicts over natural resources, tribal conflicts and a growing al Qaeda organization, all of which amounts to a constant threat to peace.

Yemen and the MDGs

Education

The illiteracy rate in Yemen is 58.9% and the rate of enrolment in primary and secondary education is very low at 56.6%. This means that 2.9 million children and young people are outside the educational system, of whom 1.9 million are girls.⁶ According to official statistics there are 14,632 schools, but 20% of these have closed and many others operate in the open air under the trees or are just tin huts. There are more than 100 pupils per class.

Workers in education make up 54% of the administrative apparatus of the State, but statistics show that 78.8% of school directors do not have university training and 4.4% have no schooling qualification at all. According to the 2003 education census, 17.5% of teachers are women. Teachers with university education make less than USD 150 a month, so they are forced to take other jobs to improve their quality of life. The Government has stated

1 UNDP, *Human Development Report 2009*. Available from: <hdr.undp.org/en/media/HDR_2009_ES_Complete.pdf>.

2 Government and Parliament reports for 2007–2008.

3 *Ibid.*

4 Central Census Office, *Census report 2008*.

5 National Women's Commission, *Report on the situation of women in Yemen 2008*.

6 Central Census Office, *op. cit.*

that 17% of the general budget goes to the education sector; in contrast defence and security account for more than 26%.

Health

According to an official Ministry of Health report, the country is very far from reaching the MDG health targets. The health sector budget is decreasing and hence so is the rate of health service coverage in the most vulnerable sectors. There are no specific criteria as regards infrastructure, employees, services, medicines, equipment or running costs. There are only 14,000 beds in the country's hospitals and health centres, which works out at one bed per 1,600 persons. There are 7,300 doctors, one for every 3,000 people. Users of health services are dissatisfied and service providers are also very unhappy with the Ministry of Health because the pay is so low, there is no stimulus and working conditions are bad.

Another very worrying factor is that Yemen has only 125 cubic metres of water per person per year and its underground reserves are rapidly being used up. Reports from Parliament indicate that water pollution is the main cause of the diseases and epidemics that affect 75% of the population. A World Bank study shows that water shortage problems are worse in rural areas, where 81% of the population lives.⁷ Some 34% of Yemenis drinks untreated water from wells or other unprotected sources, from small cisterns, mobile tanks or just surface water. Some 60% of Yemenis lives in areas where malaria is prevalent.

Labour and social protection

The country's Constitution and labour and civil service laws are in line with international conventions concerning each person's natural right to work, to receive a fair wage and thus to enjoy a decent quality of life. However, in recent years public policies have strayed away from these principles. The social security system covers all government employees but only 70,000 private sector workers, which means that more than 4 million of the economically active

population have no coverage. There is no health insurance system.

Poverty has increased and consequently there are now more than 500,000 children of basic education age (6–14 years) who have dropped out of school. Most of them help their parents in agricultural work or looking after livestock, but others live by begging or are taken to neighbouring countries illegally and made to beg or go into domestic work.

The effect of trade agreements

In 1985 following IMF and World Bank guidelines Yemen completely liberalized its trade. Since then it has lowered its customs tariffs to a minimum of 5% and a maximum of 25%, and this makes its own products less competitive against imports. The country's trade in agricultural products is in permanent deficit so it has to make up the shortfall in its population's food requirements with imports. Food accounts for 33% of total imports and this is a heavy burden on the trade balance and the balance of payments.

The industrial sector is markedly weak and lacks solidity as regards vertical and horizontal integration. It is still of only marginal importance in the country's total production and as an employer. Industrial production is based on importing the prime and intermediate materials that are needed. The country is making efforts to join the World Trade Organization (WTO) at the end of 2010 although the WTO still considers that Yemen does not qualify.

The role of civil society organizations

According to the Ministry of Social Affairs and Labour, there are around 7,000 civil society organizations, more than 75% of which are involved in charity and aid work and provide various services for poor families. There are not many organizations in the human rights field and those that there are tend to be concerned with human rights in general (i.e., they do not focus on specific areas such as women's rights or civil rights).

In spite of this, many training sessions, workshops, conferences and other events have been organized and there is debate about various problems in the sphere of human rights. Civil society organizations have also formed alliances and networks whose aim is to advocate for a range of improvements in the country's political, civil, social, economic and intellectual life.

These activities have not had any great effect on the general public as they tend to be limited to intellectual circles, but they have had some influence in the corridors of power such as Parliament and the central Government, which have begun to discuss several of the problems to which these organizations have called attention. There have not been any major changes, but some progress has been made in terms of the rights of women, children and the disabled and the promulgation of laws on transparency and anti-corruption.

Conclusions

In order to achieve sustainable development and get on track to achieve the MDGs, Yemen must make radical changes to the way wealth is produced and distributed. In this effort, the State will have to play a crucially important role. Some economics experts have advised the authorities to progressively reduce the country's dependence on income from oil (by 10%-12%) and diversify sources of income to other sectors with a share of not less than 10%.

This makes it essential to diversify agricultural production and to exercise suitable oversight and control over the environmental impact of productive activities, particularly regarding depletion of reserves of fresh water. This move to promote agriculture cannot even get under way until the tax laws are changed to enable domestic products to compete on equal terms with imported goods.

In addition, much stronger gender equality policies and programs are needed so that women can become genuinely integrated into the educational, political and economic sectors of the country. ■

⁷ "Water war in Yemen", *Yemen Times*, 12 August 2009. Available from: <www.yementimes.com/DefaultDET.aspx?i=932&p=health&a=1>.