

## On the brink of becoming a failed State



Little progress can be made towards sustainable development because the country is teetering on the edge of civil war and faced with widespread famine and social catastrophe. Its problems are endemic: the population is being impoverished, political corruption is rife, agriculture and food production is feeble, the economy is over-dependent on oil, water resources are scarce, and all this has been aggravated by a general state of insecurity brought on by anti-Government demonstrations and the threat of total collapse. If Yemen cannot find a balance between its citizens' demands and its structural needs, sooner or later it is going to become a failed State.

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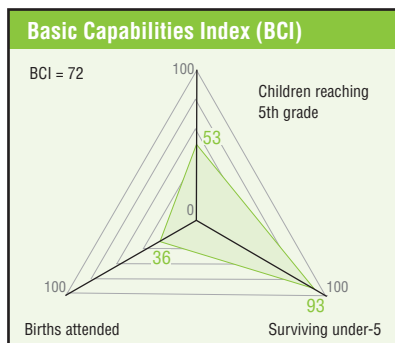
The agitated months of demonstrations by the Yemeni Youth Popular Revolution against President Ali Abdullah Saleh have shaken the country to its foundations and have made sustainable development less likely than ever. In 2011 the United Nations Security Council sounded the alarm when it expressed "deep concern" about the deteriorating situation of the country and said it could be heading for a massive economic and humanitarian disaster. In October 2011 UNICEF and the World Food Programme (WFP) warned that Yemen could go the way of Somalia and become so irreparably fragmented that it would become a failed State.<sup>1</sup>

The economy is paralysed, poverty is increasing, unemployment has doubled, public services are failing, the prices of basic products have trebled since the start of the year and about 60% of the country's 24 million people are living below the poverty line with an income of less than a dollar a day. Inflation is running at over 35%. If this goes on the economy will collapse and famine will come, especially in rural areas.

The aim of the popular youth protest movement is to bring down President Saleh, who has been in power for more than 30 years. His administration has been exploiting the country's oil deposits for export but a large part of the population has been sliding into extreme poverty and Yemen is now the poorest country in the Arab world. It is evident this decline has been caused by bad administration and generalised corruption. Yemen is placed 146th (out of a total of 178) on the Transparency International 2010 Corruption Perceptions Index.<sup>2</sup>

### More people, more poverty

One of the biggest obstacles to sustainable development is demographic. Yemen has a relatively high birth rate, population growth is 3.2% per year, and if this continues the economic and social problems

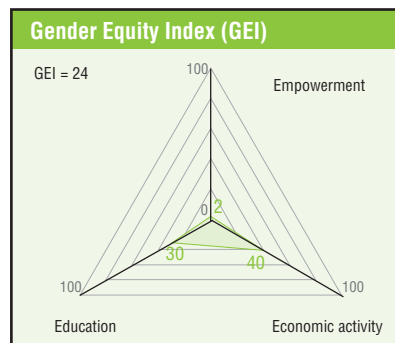


will get worse as the country's rate of development simply cannot keep pace. And the outlook is alarming because the population is expected to increase to 43 million by 2025. As the economic crisis has worsened, poverty has increased, there are more beggars in the streets and hundreds of thousands of families are unable to obtain even the most basic food they need.

The Government, in cooperation with the International Food Policy Research Institute (IFPRI)<sup>3</sup>, has drawn up a plan for a National Food Security Strategy, and this has shown that 32% of the people do not have food protection. This means that almost a third of Yemenis, some 7.5 million people, cannot get enough food and are going hungry. Some 57% of the children are suffering from malnutrition.

Census data show that the overall poverty rate jumped from 33.8% in 2009 to 42.8% in 2010. The situation is particularly serious in rural areas where, according to official figures, some 47.6% of the people were living in poverty in 2010, up from 38.5% in 2009. This is worse than in urban areas, where the increase over that year was from 19.7% to 29.9%.

Yemen is classed as a low growth country. It was ranked 133rd out of the 169 countries in the United Nations Development Programme 2010 Human Development Report.<sup>4</sup> Some 15.7% of the people are living on less than a dollar a day and 45.2% on less than two dollars a day.



The country produces less than 20% of the food it consumes and it imports around 75%, including 2.1 million tons of grain per year. A lot of agricultural land and huge amounts of water are devoted to the cultivation of the drug khat (*catha edulis*), a stimulant that is very popular in East Africa and the south of the Arabian Peninsula.

In 2010, 60% of State revenues came from oil. Production was around 300,000 barrels per day but this has decreased in 2011 because of the Yemeni Youth Popular Revolution. Similarly, the economic growth rate fell from 4.5% in 2010 to 3% in the first half of 2011 and then to 1.5% after June. Activity in the building and trade sectors has fallen by 80 to 90% and tourism has practically come to a stop. At the start of the year private sector profits of 17 thousand million dollars were forecast, but the actual result is far less.

Internal and external tourism have fallen by 95%, transport services, many development and investment projects, business and sales in various sectors of the economy have decreased significantly, while construction work, the property market and imports are completely paralysed.

### Water is running out

Only 3% of the land is fertile enough for agriculture and this sector is fraught with difficulties like the serious depletion of water resources and the fact that there is little credit and little investment in infrastructure for production and commercialization. Only 1.25% of total investment goes to agriculture. The State subsidises the sector, and these funds go mainly to pay for livestock feed, fertilizers and diesel fuel for tractors and irrigation pumps. A Government report shows that agriculture's low growth rate, only

1 UN News Centre, *UNICEF and WFP warn of danger of humanitarian disaster in Yemen*, (24 October 2011), <[www.un.org/spanish/News/fullstorynews.asp?newsID=22074&criteria1=hambre](http://www.un.org/spanish/News/fullstorynews.asp?newsID=22074&criteria1=hambre)>.

2 Transparency International, *2010 Corruption Perceptions Index*. <[www.transparency.org/policy\\_research/surveys\\_indices/cpi/2010/results](http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results)>.

3 See: <[www.ifpri.org/publication/health-nutrition-and-risk-management](http://www.ifpri.org/publication/health-nutrition-and-risk-management)>.

4 See: <[hdr.undp.org/en/media/HDR\\_2010\\_ES\\_Table1\\_reprint.pdf](http://hdr.undp.org/en/media/HDR_2010_ES_Table1_reprint.pdf)>.

3%, is due not only to its small size but also to the exhaustion of water resources and delays in implementing a plan to reduce the amount of land devoted to khat. At the moment some 25% of agricultural land is sown with this crop and it consumes 30% of water in this sector, and the target is to reduce its share to 10% of the land and water.

The National Water Strategy administration has calculated that to meet the country's needs the water sector will require investment of around 4,430 million dollars over the next ten years. The Government has tried to raise these funds from donors like the countries of the Gulf Cooperation Council (GCC), but this body has made a series of conditions including improving administrative capability to process the aid, implementing good practices, and that water reserves must be managed in a rational way.

According to the Fourth Economic and Social Development Plan for the Reduction of Poverty 2011-2015, cited in the United Nations (September 2011)<sup>5</sup> draft for a programme for Yemen (2012-2015), the water sector is in serious difficulties caused by lack of finance, and if it is to reach its targets it will need an enormous injection of funds. The main problems are that fresh water is in short supply, pollution levels are rising, there are floods, the dry season is getting longer, drought is affecting more areas, there is increasing competition for water from all sectors of society, access to potable water and sewage services is limited, and the institutions that organize and administer this resource are feeble and fragmented. This bleak scenario is further aggravated by a lack of coordination and

## THE MINUSCULE ROLE OF WOMEN

Several studies show that women make up more than half the population of the country but less than 20% of the workforce. Half the women who work are in agriculture, and in Yemen's public administration and services sectors less than 0.9% of the employees are female.

Women are also seriously under-represented in the other sectors of the economy and there are several reasons for this including social custom - the idea of women working is not completely accepted - and the fact that a high proportion of women, some 79.2%, are illiterate, as against a rate of 36% among men.

A mere 17.3% of primary school teachers are women and 82.7% are men, and in secondary education the figures are only slightly better at 22.8% and 77.2% respectively. In the field of education administration only 11.5% of employees are female. In the legal sector there are very few women indeed, only 0.06% of the total, and in all the branches of the communications industry put together only a paltry 16.7% of the workers are women.

cooperation among the various parties involved in managing the water sector, whose responsibilities are unclear and often overlap.<sup>6</sup>

The above-mentioned report also shows that at the end of 2010 only around 60% of city dwellers had access to potable water and only 30% had sewage facilities. The amount of water produced in 2010 for the main and secondary cities was estimated at 148 million cubic metres, which was an increase of 21 million cubic metres over the 2005 total, but an estimated 104 million cubic metres were consumed, which was an increase of 20 million cubic metres. This difference between production and consumption means that up to 30% of what was produced was lost.<sup>7</sup>

At the end of 2010, some 50% of the rural population had potable water and only 25% had sewage services.

The country's renewable water resources have been estimated at 2,500 million cubic metres per year, of which 1,500 million are underground and 1,000 million are surface water. But an estimated 3,400 million cubic metres a year are being consumed, which means there is a shortfall of around 900 million cubic metres. It is believed that the excessive pumping out of underground reserves is contributing to the country's water scarcity. Levels in the various aquifers differ but some of them are being over-exploited by an estimated 250 to 400%. There are also around 45,000 privately owned wells in Yemen and some 200 drilling platforms. ■

6 Ibid.

7 Ibid.

5 See: <[www.undp.org/execution/pdf/DPDCPYEM2s.pdf](http://www.undp.org/execution/pdf/DPDCPYEM2s.pdf)>.