



COUNTRY ANALYSIS 2005
YEMEN



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Summary

Since the mid 1990s the Republic of Yemen has striven to enhance its socioeconomic development through the implementation of several ambitious reform programmes. However, Yemen remains one of the poorest countries in the world, facing challenges such as a high rate of population growth, a high illiteracy rate, a negative attitude towards the education of women and their participation in the real economy, a heavy reliance on limited oil revenues, and increasing levels of poverty. The education sector plays an important role in reform programmes that address these challenges: steps have been taken to increase enrolment in basic education and to expand vocational education and training (VET) significantly. In the VET sector the Yemeni government, with technical support from the EC and the World Bank, has formulated a strategy to ensure that this expansion takes place as effectively and efficiently as possible.

The strategy addresses some key issues for the reorientation of the technical and vocational education and training (TVET) system in Yemen. First, the current TVET programme framework relates only to a small section of the population and to a limited range of employment opportunities. Furthermore, there is a need for the TVET system to be more responsive to the needs of women, dropouts from the education system, and those involved in the informal economy. Second, the TVET system needs to be more demand driven and responsive to the needs of the labour market, and to develop stronger partnerships with the private sector through cooperative training models. In addition, institutional capacity needs to be developed further to enable the reorientation of the TVET system to be successfully managed; the use of existing and planned training centre capacity needs to be optimised; and the full range of financing mechanisms needs to be explored. Human resource development (HRD) is a key development area in Yemen, in particular for basic education and TVET, and inclusion in future donor assistance programmes should be considered.

1. Current situation and trends in human resources and labour market development

Background

The 1990s were a critical period for the Republic of Yemen. Major events such as reunification, the first Gulf war and the civil war in 1994 aggravated the already difficult economic situation of the country. Since the mid 1990s the country has striven to enhance its socioeconomic development through the implementation of several

ambitious reform programmes. However, Yemen is still classed as one of the 20 least-developed countries in the world.

In 2000 the population was around 18.3 million, of whom at least 48.8% were under the age of 15, and 74% were living in rural areas. Today gender inequality is still rife and constitutes a major obstacle to socioeconomic development. The major development challenges that have been identified in Yemen are mainly social, economic, demographic and geographical issues.

The social challenges revolve around the high illiteracy rate and the negative attitude towards the education of women and their participation in the real economy. The economic challenges stem from the low level of per capita income, the heavy reliance on oil revenues, and the increasing pressures on government spending for new development projects. High rates of population growth have an impact on all aspects of life, the most critical being increasing levels of poverty, high illiteracy rates, low school enrolment rates, inconsistent development needs and poor health service coverage. Limited institutional capacity and low levels of educational qualification are also significant. Finally, the dispersal of the population makes the provision of basic services costly and difficult, especially in rural areas. Yemen also suffers from water scarcity, which poses a challenge that needs to be urgently remedied.

Yemen has rich natural resources (fisheries, gas, oil, mineral reserves, fertile lands, tourism assets and a rich heritage of handicrafts), a strategic location and a young and dynamic labour force. Moreover, Yemen currently enjoys political stability and wide-ranging foreign support. Since the mid 1990s Yemen has carried out stabilisation and structural reform programmes and has made good progress on both fronts.

The main features of the labour market

Since 1975 Yemen's population has increased two and a half times, reaching 19.4 million in 2003. According to current projections the population is expected to grow to 35 million by 2025. The population growth rate increased to 3.7% (1994 census) before falling in recent years to 3.5%, but it still remains one of the highest in the world. The young age structure of the population (47% of the population are under 15 years of age) implies a fast-growing labour force and the need to expand employment opportunities rapidly.

Yemen is still predominantly rural, with only 26% of the population living in urban areas. It is characterised by a prevalence of small communities dispersed across the whole country. However, a fast-growing urban population (which is increasing at almost double the population growth rate) points to a high rate of internal migration.

There is great pressure on the labour market, with a working population of 9.3 million and an average annual growth rate of 4.6%. Total employment in Yemen increased by an average of 3.8% during the period 1994 – 1999, reflecting an annual increase of 115,000 jobs. However, at the same time the number of unemployed workers increased from 277,000 to 469,000. This situation is mainly a result of the increasing number of graduates who have education and skills that do not match labour market needs, high drop-out rates from basic education, and the trend (especially among females) of seeking employment to improve living standards.

Between 2000 and 2025 it is predicted that 170,000 new job opportunities will be required annually in order to provide jobs for all new labour market entrants. Workers are concentrated in the agricultural sector (53%), which requires unskilled labour, while

employment in high-value-added sectors, which could contribute to increasing national income, is decreasing. The informal sector absorbs 62% of all workers, which indicates the weaknesses of the formal sector in creating new job opportunities.

Total unemployment (including under-employment) reached 36% of people of working age in 1999. Unemployment is most common among unskilled workers and workers with only elementary education. However, there is the hidden problem of the rise of unemployment among those with qualifications, particularly in social sciences and technical and vocational specialisations, and among teaching school graduates, who constituted 22% of the total number of unemployed people in 1999. The surplus in qualified workers is not responsive to workforce requirements and results in a significant shortage of workers within certain professions. In the absence of a workforce able to adapt to the rapid developments and new conditions of certain businesses, there has been a growing dependence on immigrants in many professions.

The rate of women's participation in economic activity is still low, though it increased from 18% to 23% between 1994 and 1999 as a result of an increase in the number of female graduates and the need for women to work and participate in production to alleviate poverty. Widespread illiteracy and the low level of educational attainment of women are considered major constraints on the broadening of women's participation in the economy and in society in general.

2. Contribution of HRD to socio-economic development

The constitution of Yemen stipulates that educational opportunities should be equally available to all citizens and should meet the needs of individuals on the one hand and of society on the other, in accordance with the economic and social plans. However, although enrolment in basic education has increased in recent years, it is still low (the average enrolment for 6–14-year-olds is 62.2%), especially among females (46.3%), and the drop-out rate remains high, in particular in the lower grades of primary education.

The government of Yemen pays great attention to education issues, and has increased financial support for the education and training sector. A Basic Education Development Strategy has been adopted for the period 2003 – 2015. In the 1990s, 18% of public expenditure was allocated to the education and training sector. These funds have contributed to an increase in the ability of schools, institutes and universities to absorb more students. In fact the total number of students enrolled at all levels increased from 2,453,000 in 1990 (of which 29.1% were females) to 3,993,000 in 2000 (of which 33.1% were females).

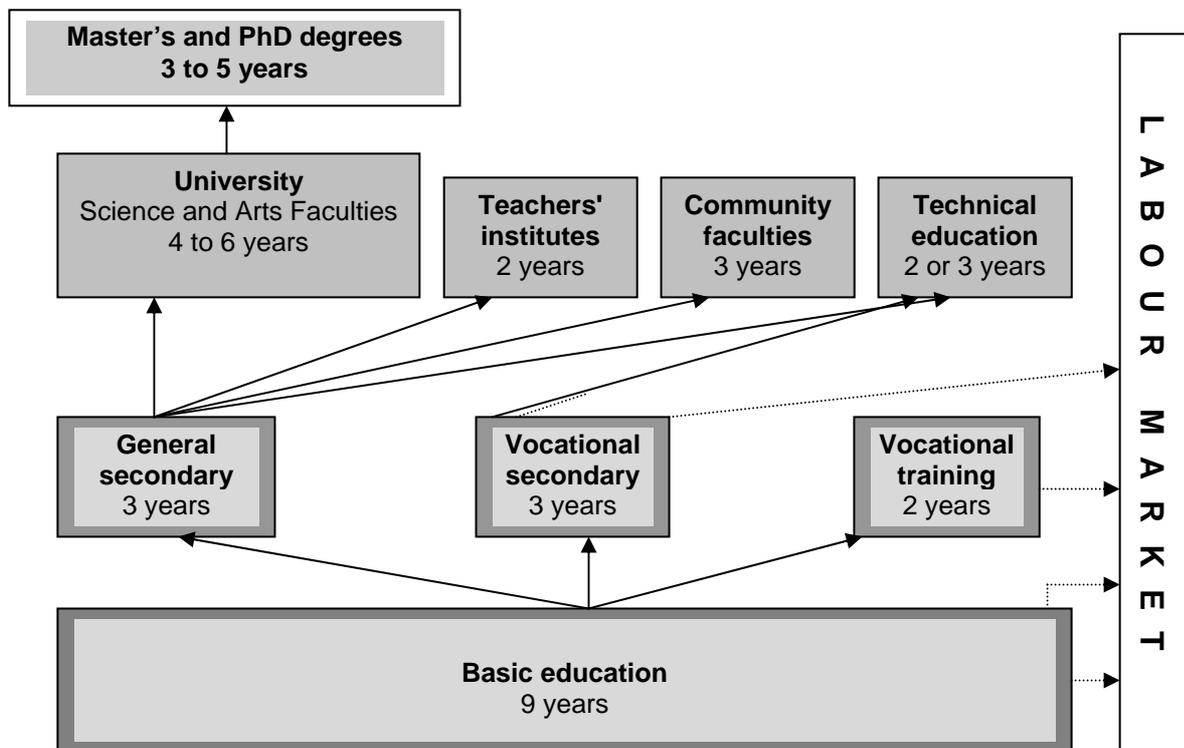
The education system in Yemen follows the traditional three-level pattern. In 2002 there were 3,518,000 pupils enrolled in basic education, which lasts for nine years. Post-basic education has four branches: general secondary education, vocational secondary education, vocational training and technical education. Some 513,000 students were enrolled in general secondary education in 2002.

The TVET system in Yemen has undergone continuous restructuring in recent years as a result of a growing belief among policymakers in the importance of the TVET sector for structural economic change. However, the number of students in technical education or vocational training as a proportion of the total number of enrolled students at all educational levels is still only 0.4%. In 2003 enrolment in public TVET institutions

reached 11,546 initial students. Women are very much under-represented in TVET institutions (around 5.5% in 2003). Continuing training is provided through four types of short-term course. Despite the 500% growth in the number of participants in continuing training from 1998 to 2002, this type of training still suffers from capacity problems and from a lack of mechanisms to encourage employers to request training services.

Higher education encompasses university education, teaching institutes and community colleges. In 2002 there were 182,000 students at this level. The performance of the education system raises major issues relating to equality and attainment. There are serious gender gaps (females account for only 34% of students) and significant urban–rural disparities. A qualitative concern emerges when the characteristics of graduates are analysed. The largest group are university graduates rather than low- and medium-level graduates. Furthermore, instruction is predominantly theoretical (for example social sciences), which creates a gap between the system’s output and labour market needs.

Figure 1: The structure of Yemen’s education system



3. Current EU interventions in education and training in Yemen

The European Commission is financing a major project, Strengthening Priority Areas in Vocational Training – SPAVT, within the VET sector in Yemen. This involves the creation of a modern vocational institute for the tourism sector. It will also support the development of curricula in the oil and gas sector, and measures for enhancing women’s access to the labour market. The project has been hampered by many difficulties, and after a major reorientation in 2003, the current plan is for it to be completed by the end of 2005. No further EC interventions are anticipated within the

sector in the National Indicative Programme 2005 – 2006, and the position of the EC is that any future support to the VET sector in Yemen must be linked to progress and successful completion of the on-going SPAVT project.

4. Significant investment by other donors in the field of HRD

Donor support will be a crucial factor in keeping up the momentum for reform and in supporting the successful implementation of the strategy. Given the lack of capacity at all levels, and in view of lessons learned from past experience, the absence of international support to act as an external engine and broker may impede progress towards the implementation phase.

The World Bank is preparing a new loan to the TVET sector that is expected to be implemented at the end of 2005. A \$500,000 grant from a Japanese trust fund has been obtained to support the preparations for the project. Most of this grant will be used to fund a team of five long-term consultants, including a team leader and experts covering management information systems, labour market links, finance and VET management. The consultants will focus on preparations for the new project and will not be directly involved in the implementation of the strategy.

The first World Bank project to the TVET sector in Yemen, completed in 2003, was complex and was hampered by several difficulties. The aim of the new initiative is to design a smaller project with clear and achievable objectives. It is expected that the project will consist of three major components: (i) the identification of one or two issues following discussion of needs in the strategy (potentially the training of trainers or management information systems); (ii) a pilot project to develop the partnership between the private sector, social partners and TVET institutions in one Yemeni region (Taiz or Hodeida); and (iii) reform of the skills development fund.

The Ministry is currently occupied with two major donor-financed projects: (i) a \$50-million loan from the Saudi Development Fund to construct 19 training centres across the country; and (ii) the construction by the Islamic Development Bank (\$19 million) of a polytechnic institute in Sana'a. Tendering has been launched for both projects, but progress has been slow. However, these projects only cover construction and equipment for the new training centres. Designing and developing the actual content of the training is a major task and an area in which an effective implementation of the strategy could have a substantial and positive impact.

Some EU member states are active in the VET sector in Yemen. The German organisation Gesellschaft für Technische Zusammenarbeit (GTZ) is carrying out a project on private sector development that commenced in May 2004. One of the components of the project focuses on vocational training. GTZ has previously worked closely with the Ministry of Technical Education and Vocational Training and supported the creation of a number of new training centres. The new project is oriented less towards the VET system and more towards the interaction between the private sector (especially SMEs) and training institutions. The project is working closely with professional associations established in Taiz and Aden, and has funding of EUR 4 million over three years.

5. Main challenges for HRD and labour market related reform and modernisation processes

The education sector has a prominent role to play in the Yemen Poverty Reduction Strategy Paper (PRSP), in particular in basic education and VET. Furthermore, the government of Yemen has recently committed itself to significantly expanding and upgrading the TVET system. In order to ensure that this expansion takes place as effectively and efficiently as possible, the Ministry of Technical Education and Vocational Training, following discussions with the World Bank and the European Commission, took a decision to prepare a strategy that would guide future development of the sector. The strategy preparation process began in 2003, and after 18 months of preparation, consultation and formulation, the strategy was finally adopted by the Yemeni cabinet in July 2004. This work was a result of close cooperation between staff and consultants from the Yemeni government, the ETF and the World Bank.

The strategy addresses five major areas that are vital for the reorientation of the TVET system in Yemen.

Responsiveness and equality

While enrolment has been progressively increasing over the past six years, the current programme framework relates only to a small section of the population and to a limited range of employment opportunities. There is a clear need for the TVET system to be more responsive to the needs of women, drop-outs from the education system, people with disabilities, those seeking to establish micro-enterprises and those seeking to their upgrade skills in order to move from the informal economy into formal employment. There is a similar need to diversify the programme framework to make it more responsive to the specific skills development needs of those entering employment in the traditional economy, as well as those entering employment in the more technologically advanced emerging economy.

Labour market links and enterprise participation

In fulfilling its mission to maximise opportunities for Yemenis in all walks of life to gain the skills necessary for employment or income generation in the formal and informal economies, a strategic issue for the TVET system is to deepen its understanding of labour market needs, motivation, behaviour and actions. This represents a particular challenge in Yemen, where employers include a wide range of small enterprises operating in the traditional economy, medium-sized companies beginning to adopt modern technologies, and a small number of employers linked to the international market place, where international skill levels are required of the workforce. Areas that need be addressed include the development of a labour market information system; liaison with employment services; the development of strategic partnerships between education and training institutions and the private sector and cooperative training models; and raising awareness among employers of the benefits and relevance of HRD.

Institutional capacity development

In order to transform the TVET system from a public sector supply-driven model to one driven more by the requirements of the labour market and employers, there will be a parallel need to address issues of governance, organisational structure, operational procedures and staff development. This is the case at various levels: at policy level (coordination among all the relevant partners), planning and management levels (organisation and functioning of the Ministry of Technical Education and Vocational Training), and operational level (new models for the functioning of vocational training institutions and for enhancing the participation of the private sector).

Training centre capacity development

The challenge for the TVET system is to optimise the use of existing and planned capacity through policies and practices that allow greater flexibility in the delivery of training and a diversification of training services. The whole process of upgrading TVET institutions and creating new ones should contribute to the development of a new organisation that will cover all functions: (i) administrative and financial; (ii) pedagogical; (iii) delivery; (iv) development and communication; and (v) quality control. The capacity issue also relates to infrastructure and equipment, to the problems arising from their maintenance, and to the underutilisation of premises. This should be linked to the process of implementing competency-based curricula.

Sector financing

With regard to the scope of the proposed expansion of the TVET system and the costs that it will impose on the government, there is an urgent need to explore the full range of financing mechanisms for TVET. One of the mechanisms adopted as a means of diversifying the financing of the TVET sector in Yemen is the establishment of a Skills Development Fund (SDF). While the objectives of the Fund remain valid, there is a need to review and restructure its operation. Other mechanisms for diversifying financing sources will have to be explored.

6. Levers in HRD and related labour market policies through which sustainable system reform can be triggered

The process of preparing the TVET strategy in Yemen has played a positive role in generating awareness for the main issues that the sector is facing, and has laid the foundations for a comprehensive reorientation of the sector. If the reorientation takes place, the future TVET system will reach out to a more diverse target group and be more responsive to the skill needs of the labour market. Training institutions will be more community based; they will have a continuous process of feedback with their surrounding communities, including the labour market in both the formal and the informal sectors. The current core 2–3 years programmes will gradually be replaced by more short-term and demand-driven programmes.

HRD is a key development area in Yemen, particularly in relation to basic education and TVET, and inclusion in future donor assistance programmes should be considered. Donor support will be critical for initiating implementation of the strategy, as the Ministry of Technical Education and Vocational Training does not have the technical capacity to implement the strategy on its own. The World Bank will support some areas of strategy implementation. However, the main focus of their activities over the next year will be to design their new project. Other major donors in the sector include France and the German organisation GTZ. Their activities cover specific areas such as micro-enterprises, agriculture and the training of women. Systematic support for the implementation of the strategy is lacking and there is a strong need to create the conditions for an efficient implementation of the strategy, including initiating all necessary mechanisms; ensuring the involvement of the main stakeholders; and promoting awareness and understanding of the strategy and its implications by ministry staff at all levels and by employers through chambers.

HOW TO CONTACT US

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