



How to make business work in Yemen

Conference paper by Hafez Albukari

In 2010, Yemen Polling Centre (YPC) became part of a network of ten Yemeni NGOs specialised in combating corruption. The aim of this network has been to enhance the investment and business environment in Yemen by making public or exposing practices of corruption in the government and business sector and monitoring the work of tax officers (e.g. with regard to tax estimates) as well as the practices of the municipalities in registering new businesses.

The Yemeni business environment has been heavily hampered by rampant practices of corruption on all levels and particularly by the fact that important economic sectors were in the hands of a small elite. Infrastructure projects have not been implemented according to sectoral or regional needs and on the basis of sound assessments, but to cater to the interests of this small elite. Access to certain business sectors has been almost impossible to ordinary Yemenis on the basis of certain regulations. Moreover, competition has been limited and has made certain sectors such as construction extremely expensive, while on the other hand there has been and remains a significant lack of knowledge on issues pertaining to market needs, business management, and laws and regulations pertaining to the establishment of new businesses.

Civil society organisations (CSOs) such as our institution are thus perfectly equipped to support the development of an environment that is conducive to the establishment of new successful businesses. Market research, education on laws and regulations, and best practices in corporate governance are services YPC can offer next to continuing its work in the field of monitoring government practices and fighting corruption.

The G7 and the donor countries' support in enhancing economic governance and social justice will continue to be highly significant in Yemen over many years. The end of the war, the establishment of a new government, and the codification of a new constitution will open important spaces to ensure that a new environment for economic development is created. In this regard, the role of the international community will be important in supporting the provision of expertise for the reform of pertinent laws and regulations – on the constitutional level and below. That means that infrastructure projects are implemented in such a way that they actually cater to the development of new economies and businesses and not to the interests of a small elite, and that new Yemen-owned plans are developed to systematically address the most important issues.

Civil society in turn can support these endeavours by monitoring and evaluating the implementation and effects of such reforms, thus ensuring that the government remains committed to economic development and social justice. With regard to business developments and opportunities, research institutions should be supported in conducting market research that will ensure businesses are actually developed according to market needs in the local areas where they are required.

Donor support will also be required to facilitate vocational training to cater to the need for skilled labour for such businesses and to ensure that such training benefits marginalized sectors of society to foster social justice. And lastly, but very importantly, it is necessary for the G7 and the donor countries to better coordinate their efforts. Too many opportunities and open spaces have gone to waste due to a lack of coordination in the various areas of support.

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