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Private Higher Education in Yemen: Challenges and Solutions

Dr. Mansour Ali Al-Bashiri
Economic Advisor

Dr. Tariq Ali Alnahmi
Vice Chairman of the Higher Education Committee

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Table of Contents

Introduction

Higher education is a cornerstone of Yemen's comprehensive development, providing essential human resources for its development. It serves as a measure of a society's civilizational progress, reflecting its scientific achievements and knowledge acquisition. Recognizing the limitations of government institutions in meeting the growing educational needs, Yemen has wisely embraced public-private partnerships. By allowing the private sector to invest in educational services at various levels, the country aims to accelerate its development, revitalization, and progress. This strategic move leverages the strengths of both sectors, fostering a more robust and sustainable educational landscape.

With the increasing role of the private sector in various economic and social fields, the private higher education sector in Yemen has witnessed significant developments. This growth arises from the perspective that education is one of the essential social services contributing effectively to sustainable development. Available data[1] indicates an increase in the number of private universities in Yemen from 26 in 2014, which offered over 126 programs accommodating more than 73,000 students, to over 50 private universities currently enrolling nearly 100,000 students.

However, due to the ongoing conflict and war experienced by Yemen over the past decade, the private higher education sector has been significantly affected by the prevailing instability. It suffered serious repercussions that will remain evident even in the post-conflict phase. The decline in overall economic activities and the interruption of salaries for many citizens have led to a decrease in individual income levels, resulting in lower student enrollment rates in universities and a decline in the quality of higher education, with future economic and social implications.

This paper reviews the reality of private higher education in Yemen. It highlights the challenges and obstacles faced by this sector. It also presents a set of insights and practical recommendations for improving the sector's performance and restoring its economic, social, and humanitarian role in the coming period.

The methodology used in this paper combines a literature review of studies, reports, and statistics related to the topic, alongside a participatory approach involving beneficiaries and stakeholders. This was achieved through consultations with all Yemeni chambers of commerce and industry, as well as members of specialized committees within the General Union of Chambers of Commerce, and their feedback was incorporated and enriched the paper.

[1] Central Statistical Organization, Annual Statistics Book 2015. https://moheye.net/yemeni-universities/private-universities /

1. The Reality of Private Higher Education in Yemen

The beginnings of private higher education in Yemen date back to 1992, when the first private university, the National College of Science and Technology, was established. In 1994, it transitioned into a private university, thereby opening the door for private investments in higher education and enhancing the role of the private sector in achieving educational goals and supplying the labor market with quality educational outputs that meet its needs[2].

With the increasing role of the private sector in Yemen's economy, particularly following the adoption of the financial and economic reform program in the mid-1990s; private investments in education, especially higher education, saw significant growth. The number of private universities in Yemen increased by 93% between 2006 and 2014 reaching 27 private universities.

Since 2015, the government's role in all economic and social sectors has diminished due to the ongoing conflict and war, halted oil production and exports, as well as economic division, which has caused the financial, and monetary crises. This has resulted in a drop in the level and quality of government services, including higher education. In response, the private sector has accelerated its efforts to meet the growing demand for educational services, particularly higher education. Currently, there are over 50 private universities in Yemen, accommodating nearly 100,000 students across various applied and social disciplines, contributing significantly to the labor market and development in Yemen. Thus, private higher education has become a fundamental pillar of higher education in Yemen and an important complement to public universities.

Several factors have contributed to the increase in the number of private universities in Yemen in recent years, including:

- Changes in Development Strategy: Since the early 1990s, Yemen has sought to involve the private sector in providing public services that were previously the sole responsibility of the state. This was aimed at alleviating the financial burden on the public budget and leveraging the financial, technical, and administrative capabilities of the private sector to meet the population's needs for infrastructure and public services.
- Investment Opportunities: Higher education offers lucrative investment opportunities for national capital, as it provides essential social services to the community.
- Limited Capacity of Government Institutions: Government educational institutions have struggled to accommodate the increasing number of

[2] Ministry of Higher Education and Scientific Research, Higher Education in the Republic of Yemen, 2007.

graduates from public education wishing to pursue higher education. They have resorted to competitive admission policies and stringent criteria for accepting secondary school graduates, leading many to turn to private universities with more accessible standards.

- Impact of Conflict: The repercussions of war and conflict over the past years have diminished the capacity of various governmental institutions to provide essential services. This has created more investment opportunities for the private sector to meet the basic needs of the population and various economic sectors, particularly in higher education.

2. The Role of Private Higher Education Institutions in Enhancing Resilience During the War.

The private sector has played a vital role in enhancing economic, social, and humanitarian resilience in Yemen over the past years. It has helped mitigate economic contraction during the war and employed[3] more than two-thirds of the working population. Additionally, it has made significant contributions to providing various goods and services, including educational services at all stages and levels. Its humanitarian and social contributions have alleviated the challenges faced by a portion of the population. These contributions can be summarized as follows[4]:

- Continuing the Educational Process: Private universities have maintained their operations without interruption amid the challenging, complex, and unstable conditions resulting from the conflict and war in Yemen. They have done so despite rising operational costs and conflicting, restrictive, and non-incentivizing government regulations.
- Addressing Human Resource Shortages: Private institutions have helped fill gaps in human resources across various applied and administrative disciplines at multiple levels (Bachelor's, Master's, Doctorate).
- Enhancing Social Responsibility: Private sector institutions have contributed to social responsibility by allocating 5% of their student seats as scholarships for various needy community groups, in addition to competitive scholarships offered to outstanding students.

[3] Central Statistical Organization and International Labour Organization, Labor Force Survey 2013-2014.

[4] Yemeni Private Universities Union, Official Memorandum to the Head of the Political Council, February 2024.

- Employment of National Workforce: Private universities have continued to employ national workforce members, including faculty and administrative staff. They have also absorbed a portion of academics from public universities, helping to mitigate the impact of salary cuts in the public sector. This has contributed to the stability of many distinguished scientific personnel and reduced their migration abroad.
- Contributing to Public Financial Resources: Private educational institutions have remained a source of public financial resources by continuing to pay state dues, such as fees, taxes, donations, and various social contributions.

3. Challenges Facing Private Higher Education

Despite the significant efforts made by the private sector in higher education and its ongoing provision of educational services to the community, private higher education institutions face numerous challenges. These obstacles weaken their role in serving society and delivering high-quality services that meet the developmental needs of Yemen. The main challenges can be highlighted as follows[5]:

3-1. Financial Challenges

1. Limited Access to Funding: Private institutions struggle to secure necessary funding for their operations or expansion due to the absence of a financial market in Yemen and the limited capacity of existing financial institutions to finance service projects.
2. Low Return on Investment: The return on investment in the higher education sector is constrained by government interventions in private universities, such as the mandated 30% reduction in tuition fees, a fixed exchange rate of 250 Yemeni rials for the dollar, mandatory free seats (5%) for needy students, allowing students to take exams without paying fees, and the suspension of some graduate programs.
3. Regulatory Fees and Penalties: The Ministry of Higher Education has issued regulations imposing various fees and fines on universities amid unstable economic and social conditions, along with high demands for taxes and customs fees.
4. Rising Operational Costs: Annual increases in operational costs for universities are not matched by revenue growth, exacerbated by high inflation rates and

[5] General Federation of Chambers of Commerce and Industry, Higher Education Committee, Matrix of Challenges Facing Private Universities and Proposals for Addressing Them.

the devaluation of the national currency, along with a significant drop in student enrollment due to the ongoing conflict.

3-2. Regulatory and Institutional Challenges

1. Unfair Competition: Public universities create unfair competition by establishing parallel education systems and opening/closing online admission portals, which negatively impact enrollment in private universities.
2. Licensing of New Institutions: The Ministry has licensed new universities, community colleges, or private institutes in geographical areas that already have existing educational institutions, leading to redundancy in programs.
3. Infrastructure Requirements: Universities are mandated to provide infrastructure according to academic standards, which is often impossible to achieve in urban areas like the capital or provincial centers. They are also required to establish university hospitals, which is challenging in an unstable investment environment.
4. Import Restrictions: Universities face difficulties importing necessary equipment and supplies due to financial, regulatory, or institutional barriers imposed by relevant government bodies.
5. Restrictions on Faculty Recruitment: There are limitations on hiring faculty members with degrees from public universities, affecting the performance of private institutions and increasing operational costs.
6. Lack of Diversity in Educational Programs: Many colleges and departments have similar educational processes without substantial development in specializations and curricula, weakening the role of universities in development[6].

3-3. Operational Challenges

1. Severe Faculty Shortages: There is a significant shortage of faculty members in private universities, especially in scientific disciplines, exacerbated by the emigration of faculty to work abroad due to lower salaries in Yemeni universities compared to international standards.
2. High Costs for Student Training: Private universities face exorbitant fees charged by hospitals for student training.
3. Limited Internship Opportunities: Some production and industrial companies do not accept students for internships.

[6] Dr. Fouad Al-Selahi, Higher Education in Yemen: Characteristics and Issues – An Analytical Sociological Perspective, Yemeni Human Rights Observatory.

https://www.yohr.org/?ac=3&no=3714&d_f=140&t_f=0&t=5&lang_in=Ar

3-4. Technical Challenges

1. Mismatch with Labor Market Needs: Higher education outputs do not adequately meet the needs of the local and regional labor markets and development requirements.
2. Lack of Innovative Programs: There is a deficiency of entrepreneurial programs and projects available for students.
3. Global Competitiveness: Yemeni universities are falling behind in global competition and rankings, resulting in a lack of recognition for the qualifications and outputs of Yemeni institutions.

4. Requirements for Revitalizing Private Higher Education and Enhancing Its Development Contributions

Despite the significant importance of private higher education for development in Yemen, private higher education institutions operate in a non-incentivizing investment and regulatory environment. This hinders their ability to achieve their goals. Therefore, it is crucial to focus on policies and priorities that enhance their capabilities and contributions to the national economy, as follows:

4-1. Creating the Necessary Institutional and Regulatory Environment

1. Developing Legislative Framework: Establish a necessary legislative and institutional framework to provide a conducive environment for private sector operations in higher education.
2. Enhancing Participation in Policy Development: Foster collaboration between private universities and public education institutions to create a clear education policy that includes general principles based on humanitarian, social, development, economic, scientific, and technical considerations, ensuring optimal investment in human resources.
3. Reforming Wage Structures: Reform public sector wage structures, including resuming salaries for employees and retirees whose payments have been halted for years, as these salaries are crucial for the national economy due to their significant purchasing power.
4. Raising Economic Awareness: Promote economic awareness within government circles regarding the importance of the private sector and the necessity of operating in an incentivizing economic and investment environment. Highlight the detrimental effects of multiple tax policies on the

private sector, national economy, and public revenues. Private sector organizations, led by the General Union of Chambers of Commerce, can organize seminars and workshops on the importance of complete economic cycles and the role of incentive policies in overall economic growth.

5. Promoting Transparency: Enhance government transparency by clearly defining procedures and systems for providing public services and the conditions for obtaining them. That would contribute to faster service delivery at reasonable costs and better quality.
6. Educational Mapping: Prepare an educational map for various education levels (secondary, vocational, technical, higher) geographically and institutionally, and regulate licensing to be based on needs.

4-2. Improving Access to Finance

1. Revising Financial Policies: Reassess government decisions related to financial aspects, such as review the current exchange rate policy for universities and reduce tuition fees and allow supply and demand to dictate fees based on the level and quality of services provided.
2. Providing Long-term Loans: Grant private educational institutions access to long-term, low-interest loans from national banks to build facilities and purchase necessary equipment for applied colleges and specialized disciplines.
3. Establishing a Financial Market: Work towards creating a financial market that enables private educational institutions to secure funding.
4. Utilizing Islamic Bonds: Allow universities to use Islamic bond issuance as a practical financing approach for infrastructure development, given its advantages for both governments and investors[7].
5. Implementing Investment Laws: Rigorously apply investment laws regarding benefits and incentives for investors, such as exemptions from fees, taxes, and customs, and create an institutional environment conducive to the growth and prosperity of private investment.

4-3. Strengthening Partnerships with Government and Private Institutions.

1. Engaging the Private Sector: Enhance the participation of the private sector and its organizations in proposing and implementing institutional, financial, and administrative reforms related to the sector, improving procedures, and overcoming existing bureaucracy.

[7] Dr. Mansour Ali Al-Bashiri, The Role of the Private Sector in Enhancing Economic Resilience in Yemen, General Union of Chambers of Commerce and Industry, December 2023.

2. Collaborative Programs: Establish programs in partnership with public universities, research centers, and industrial and commercial sectors to integrate efforts and share experiences, including specialized or graduate programs aimed at aligning educational outputs with labor market needs.
3. Investing in Knowledge Capital: Private sector institutions should prioritize investment in knowledge capital and the development of technological skills, which contributes to improving the productive efficiency of workers and transitioning to a productivity-based development model.

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1. Central Statistical Organization, Annual Statistics Book 2015.
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