



الاتحاد العام للغرف التجارية الصناعية اليمنية  
Federation of Yemen Chambers of Commerce and Industry

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# Private Higher Education in Yemen: Challenges and Solutions

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## Introduction

Higher education is essential for providing communities with the specialized human resources required by various productive and service sectors, thus facilitating comprehensive development. It also serves as a key indicator of a society's civilizational progress, reflecting the scientific achievements and knowledge that contribute to societal advancement. Recognizing the critical importance of education at all levels and the limited capacity of government institutions to meet the educational needs of the population, Yemeni public policies, laws, and regulations have encouraged private sector involvement in investing in educational services across all stages. This initiative underscores the importance of public-private partnerships in fostering development and enables the private sector to actively contribute to the nation's growth and progress.

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<sup>1</sup> indicates an increase in the number of private universities in Yemen from 27 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, prepared with support from the International Labor Organization (ILO), seeks to review the reality of private higher education in Yemen. It outlines the challenges and obstacles facing this sector that have hindered its capabilities and curtailed its activities. It also presents a set of practical insights and proposals necessary to enhance the sector's performance and restore its economic, social, and humanitarian roles in the upcoming period, in alignment with the Private Sector Work Agenda for the Recovery and Reconstruction Phase 2025.

The methodology employed in this paper combines a literature review of relevant studies, reports, and statistics with a participatory approach involving stakeholders and beneficiaries. Data was collected from relevant private institutions in higher education. A draft of the paper was circulated to all Yemeni chambers of commerce

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<sup>1</sup> Central Statistical Organization, Annual Statistics Book 2015. <https://moheye.net/yemeni-universities/private-universities/>

and industry, as well as to members of the specialized committees at the Federation of Chambers of Commerce, to incorporate their feedback.

## 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<sup>2</sup>.

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, have seen significant growth. The number of private universities in Yemen rose from 14 in 2006 to approximately 24 in 2010, and further to 27 in 2014.

Since 2015, the government's role in all economic and social sectors has diminished due to the ongoing conflict and war. Public financial resources declined due to halt in oil production and exports, and economic division, leading to multiple economic, 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.

Figure (1) illustrates the concentration of private universities in Yemen, particularly in Sana'a, which hosts 29 private universities. This concentration is primarily due to Sana'a being the political capital of Yemen and serving as its commercial and economic center, with a large population, and the ability to cater to numerous neighboring governorates.

Hadramout Governorate ranks second in terms of the number of private universities, with approximately 8 institutions, followed by the governorates of Aden and Taiz, with 6 private universities each. Ibb Governorate has 3 private universities, while the remaining governorates have fewer.

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<sup>2</sup> Ministry of Higher Education and Scientific Research, Higher Education in the Republic of Yemen, 2007.

It is noteworthy that private universities in governorates under the authority of Sana'a government account for the majority of enrolled students, totaling around 76,000, which represents over 75% of all students in private universities. These institutions contribute to the labor market with approximately 7,000 graduates annually. In contrast, the number of students in governorates under the authority of Aden government amount to around 25,000.

Furthermore, Fig (2) reveals that administrative and economic disciplines accommodate the largest proportion of students enrolled in private universities in Yemen, comprising 36% of the total. This is followed by medical and health disciplines at 28%, engineering and related sciences at 6%, and information technology at 5%. Additionally, 25% of total students in private universities are enrolled in various other fields, including law, education, arts, and humanities.

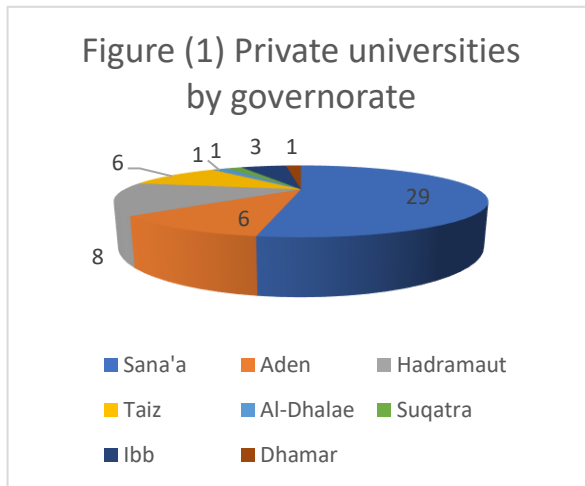
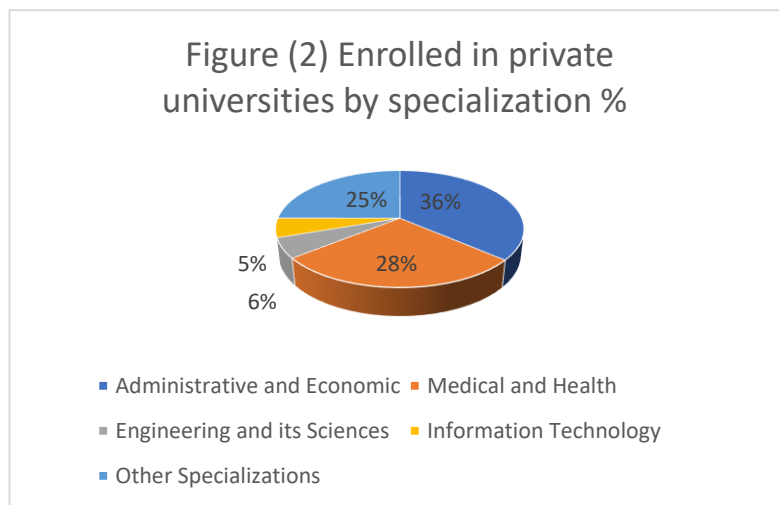


Figure (2) also indicates that private universities offer a significantly higher proportion of applied specialties compared to public universities. Approximately 40% of students in private universities are enrolled in applied and scientific specialties, whereas public universities focus mainly on humanities, which account for 75% of their total enrollment, compared to 25% for scientific and applied specialties. This highlights the substantial contribution of private universities in supplying specialized labor to various institutions and companies, in contrast to public universities, which primarily address governmental employment needs in administrative and educational fields.



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 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<sup>3</sup> 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<sup>4</sup>:

- **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.

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<sup>3</sup> Central Statistical Organization and International Labour Organization, Labor Force Survey 2013-2014.

<sup>4</sup> Yemeni Private Universities Union, Official Memorandum to the Head of the Political Council, February 2024.

- 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.
- 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<sup>5</sup>:

#### 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.

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<sup>5</sup> General Federation of Chambers of Commerce and Industry, Higher Education Committee, Matrix of Challenges Facing Private Universities and Proposals for Addressing Them.

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 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. Licensing of New Institutions: The Ministry of Higher Education licensing the establishment of new universities, community colleges, or private institutes in geographical areas that already have existing educational institutions. In addition to licensing duplicate programs at these universities without adequately addressing the quality of services and outcomes, resulting in redundancy in the educational processes of many colleges and departments, with little tangible development in academic disciplines and curricula, and ultimately undermining the role of universities in economic and social development<sup>6</sup>.
2. 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.
3. Import Restrictions: Universities face difficulties importing necessary equipment and supplies due to financial, regulatory, or institutional barriers imposed by relevant government bodies.
4. 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.

### 3-3. Operational Challenges

1. There is a significant shortage of teaching staff members in private universities, particularly in scientific disciplines, exacerbated by the emigration of teaching staff members to work abroad, driven by low-income

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<sup>6</sup> 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](https://www.yohr.org/?ac=3&no=3714&d_f=140&t_f=0&t=5&lang_in=Ar)



levels in Yemen and the inability of private universities to offer competitive salaries compared to those in other countries.

2. The Limited partnership and collaboration between educational institutions and private and public companies and institutions is evident in the high costs incurred by private universities to train students in health colleges and institutes at hospitals.

### 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, particularly given the limited capacity of government entities to meet the needs for qualified and trained human resources, 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, promoting growth and development. Additionally, it is essential to ensure that these requirements align with the goals and directions of the Private Sector Work Agenda 2025, which aims to strengthen the private sector's position during the upcoming recovery and reconstruction phase, as outlined below:

### 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. In addition to clearly and accurately defining the tasks and competencies of the authorities related to the private sector and business environment.
6. **Educational Mapping:** Develop an educational framework for various education levels (secondary, vocational, technical, higher) geographically, institutionally and programmatically, and set standards and requirements to determine the educational needs of different regions and governorates, ensuring that vocational specializations align with these needs. In addition, granting licenses to programs and specializations should be regulated based on the needs of society.

## 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<sup>7</sup>.
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 Public-Private Partnership:

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, and enabling private educational institutions to achieve their development goals.
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. Enhancing international cooperation and partnerships with recognized educational institutions and improving the technical quality of private universities through participation in international rankings.
4. 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.
5. Improving the quality of higher education outcomes and ensuring their alignment with labor market needs by supporting the establishment of professional development and entrepreneurship centers, fostering collaboration with the private sector, and publishing an annual report summarizing key professional development initiatives and graduate employment trends.

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<sup>7</sup> 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.

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