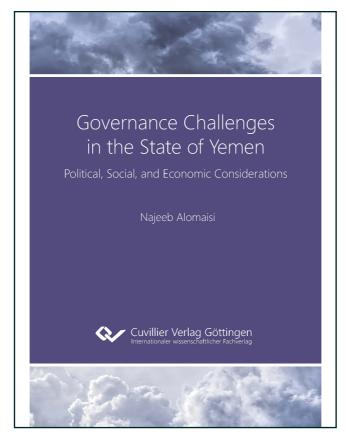Najeeb H. Alomaisi (Autor)
Governance Challenges in the State of Yemen
Political, Social, and Economic Considerations

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Introduction

1.1 Background

Governance as theoretical concept was developed and is widely discussed in political science, public administration, law, and economics (Hewitt de Alcántara, 1998; Grindle, 2010). Previous research has found that strong governance is an important aspect in enhancing any country's economy and development process (Bache, 2003; Griswold, 1999; Hewitt de Alcántara, 1998; Jessop, 2002; Kaufmann et al., 1999, 2007, 2010, 2011; Rossouw 2011; Stoker, 2018). The term has been used to reaffirm the importance of the state by referring to various governing processes carried out by players in the government, the market, or a lower-level network, such as a family, tribe, corporation, or territory, through the use of laws, norms, power, or language (Bevir, 2013). Additionally, the more concrete empirical uses of governance refer to changing organizational practices within corporations, the public sector, and the global order. There is a widespread view that governing processes now involve more diverse actors and organizational forms. Observers often speak, more particularly, of a shift from a hierarchal approach to governance to one based on markets and networks (Bevir, 2013).

While governance according to World Bank, (n.d.) means "the process and institutions through which decisions are made and authority in a country is exercised." (p. 3), there are many different uses of and approaches to governance. What makes good or bad governance are the performance and the way these decisions implemented (De Ferranti et. al., 2009). Beginning in 1990, the topic of governance gained popularity and became a stand-alone paradigm to refer to the state's ability to craft policies to satisfy citizens. The United Nations Development Program's (UNDP) definition of governance encompasses not only the state but also the private sector and civil society (Abdellatif, 2003). Regardless of what leads to good or poor governance, there is an emphasis that governance is comprises of sound policies vital to sustainable development and the elimination of poverty (Grindle, 2010, p. 1; Orellana, 2016; UNDP, 2018) because governance promotes accountability, transparency, and participation. Therefore, this study seeks to examine the reasons behind the adverse governance outcomes in Yemen.

Governance in Yemen faces many challenges in this rapidly changing era, and not all efforts have succeeded. However, reinforcing governance is one of the crucial mechanisms to achieve development and eradicate poverty. For its successful adoption, national and official efforts are necessary, and scientific analysis and action plans must be undertaken. In recent years,

discussions regarding how to govern have shifted from the official government and have given greater importance to the broad concept of governance (Björk & Johansson, 2001; Peters, 2003; Rhodes, 1996). Recently, the concept regained popularity after the worldwide financial crises and the continuing emergence of global issues. Governance confirms the importance of community members' participation and enhances democracy and freedom. Though the meaning of governance differs among different disciplines, at a general level, it refers to theories and issues of social coordination and the nature of all patterns of rule (Bevir, 2011).

Some studies on good governance have been carried out in Yemen, but to the best of the author's knowledge, no work has directly discussed its governance challenges, as the country has certain unique critical issues. Prior studies have discussed the role of tribes in politics and the need for reforms to develop a civil state (Al-Dawsari, 2012; Alafory, 2014; Almohandi, 2013; Alsalahi, 2014; Alshargabi et al., 2009, Alzwani, 2006). The literature gap is especially silent regarding governance criteria. In response, this dissertation is a holistic work that discusses the most critical challenges to good governance in Yemen and builds a theoretical framework, showing how and why specific factors affect good governance.

Many constraints hamper governance in Yemen, but the most important one is the traditional powers that oppose building an actual civil state with sound functioning institutions, a term some scholars use to define good governance (Grindle, 2007). The challenges are numerous and known, but this study focuses on exploring the most influential ones. It tackles the constraints mentioned by interviewees, who think these challenges constrain good governance and institutional challenges that can be divided, according to Grindle (2017) and North (1990), into formal and informal—or traditional—institutions. These institutional challenges include the domestication of education, fragile judiciary institutions, nascent democratization, Liberalized Authoritarian Leadership, and informal institutions and traditions, such as tribes, religion, the Qat phenomenon, corruption, conflict, and instability. The rationale behind selecting formal institutions related to the state and informal ones related to society is the growing movement for governments to engage with citizens and civil society (e.g., open government). Therefore, the engagement of citizens and civil society to promote governance is crucial (Bhargava, 2015).

Studying the challenges of the governance structure and economic reforms can promote the necessary changes for economic and administrative problems in Yemen. According to the Fund for Peace, Fragile State Index (FSI), Yemen was considered a fragile state in 2008—it failed to achieve all the required and planned goals despite international support, including its sustainable development goals (FSI, 2008). The situation worsened with the Arab Spring uprising in 2011,

the outbreak of the current war, and the intervention of the Arab coalition—a Saudi-led military intervention that started in early 2015 following the Houthi coup to restore the legitimate government. Moreover, in 2020, according to the Fragility Index, Yemen was classified as the number one failed state in the world (FSI, 2020)[1].

One of the most powerful indicators of a successful governance transformation lies in the idea of popular participation; hence, only a genuine democratic system will guarantee good governance. Yemen has made some democratic progress since 1990 (Alafory, 2014) and the country has experienced a basic level of freedom of speech and stability. Further, citizens have participated in three parliamentary elections and two presidential elections, which took place in 1999 and 2006. The most critical indirect factors behind the failure of democracy in Yemen are the lack of social awareness and the role of neighboring states. Yemen has little room to maneuver because it is surrounded by autocratic states and kingdoms, and social dialogue is critical to solving societal issues. However, the government alone cannot resolve issues like the Qat phenomenon[2], which leads to additional conflicts.

Consequently, the Yemeni social structure should be taken into consideration as well. Only by open and ongoing dialogue can we discuss how to provide access to justice, enhance citizen participation in the creation and management of the government, and protect human rights, including economic, social, and cultural rights. Social reform[3]s in Yemen are one of the most severe challenges for current and future generations. Indeed, although the Yemeni National Dialogue Conference (NDC) of 2014 discussed the country's problems and provided a basis for creating a new constitution (Schmitz, 2014), the outcome was the current war. This failure was due to several shortcomings in managing the transitional period, such as the lack of accountable and transparent government and the foreign agendas that propelled the dialogue.

Finally, this study will consider the post-conflict phase and the political disorder and war, whereby Yemen is facing severe deterioration in all living standards. The dissertation elaborates on the most crucial obstacles that have hindered good governance. In short, the purpose of this

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[1] The failed state concept has been used for intervening in some threatening countries and still not clear how and when can we say the country is failed state.

[2] Qat chewing is a social habit in Yemen, and most members of society spend four to six hours in Qat sessions daily.

[3] Social reforms to the social informal problems discussed in this dissertation. However, the country lack social programs like health insurance and social security ,only some support to few families from foreign donors goes sometimes to those who don't deserve it.

qualitative holistic study is to explore and identify challenges and explain how they influence governance. This study used a qualitative approach known as the Gioia method to interview experts and board members in a number of fields. As a result, it is the author's hope that the findings of the research might help policymakers and practitioners craft good governance policies and practices that fit the Yemeni environment and that the study will encourage more research in the field of governance.

1.2 Dissertation Relevance and Scope

This study is of paramount importance for developing governance and finding solutions to the severe institutional and social problems Yemen currently faces, including achieving peace and improving living standards. Unlike previous papers, which were often descriptive, this study attempts to frame challenges by developing a ground model to explain the influence of critical challenges impeding governance in Yemen, while taking into account diverse social, cultural, and economic factors, by providing an in-depth analysis of each challenge and its impact on governance indicators. Assuring governance entails ensuring equality, stability, and a decision-making process free of harmful regional and international influence. It has been argued that enhancing the quality of governance as a prerequisite for economic growth is a serious problem for nearly 70% of the world's population, who reside in the least developed and middle-income countries. The quality of governance for this major sector of the world's population, particularly in Middle Eastern and North African (MENA) countries, can considerably improve long-term growth and development (Gani, 2011).

However, adopting governance standards and mechanisms to manage a country at all levels confronts many challenges, especially in developing countries. Due to inconsistencies in its definition, it is crucial to increase society's awareness of the importance of governance and identify the challenges in Yemen. This study might be the first to discuss such challenges using in-depth analysis, including social and institutional challenges.

The study findings are expected to contribute significantly to the existing governance literature and aid policymakers and Yemenis. Specifically, this project suggests a framework for governance and recommends that Yemen's policymakers issue an independent local principle that suits the country's environment and culture.

Based on the relevant literature, governance principles are considered mechanisms for economic, political, and managerial reforms in any country. Therefore, as a developing country with an unstable political system, Yemen cannot overcome political and economic problems

unless it adopts governance practices. Although Yemeni governments have tried to make some progress toward governance, its maximum utility can only be achieved if such challenges are mastered. Yemen is currently experiencing political unrest because of a power conflict over legitimacy and inequality. However, governance policies and practices create a clear vision for a democratic political regime and end the constant conflict. Governance is also an efficient tool to evaluate government performance and contribute to sustainable economic development and growth. the challenges are numerous, but the scope of this dissertation is to look at nine proposed challenges hampering good governance in Yemen from public perspective. There might be inverse relations or more challenges, there other future studies still needed. Finally, this study might stimulate other researchers to discuss other challenges or do more empirical research.

1.3   Research Gaps and Motivation behind the Study

Despite the wide range of literature developed by academics, practitioners, and international organizations (Akramov, 2012; Bache, 2003; Batche, 2003; De Ferranti 2009; Frederickson et al. 2015; Griswold, 1999; Hewitt de Alcántara, 1998; Jessop, 1998, 2002; Kaufmann et al.,1999, 2007, 2010, 2011; Kettl, 2006; Kudrycka, 2015; Peters & Pierre, 1998;peters, 2003; Rhodes, 1996; Rossouw, 2011; Stoker, 1998, 2018), governance remains a buzzword—there is no consensus regarding how it is defined and a dichotomy persists as to whether governance drives growth or growth leads to governance. A third group of scholars finds a mutual relationship between growth and governance, which will be explained further in the discussion of previous empirical studies in section 2.10. As an added difficulty, the governance measurements supplied by international organizations differ in their formulation and calculation methods (Mimicopoulos et al., 2007; Thomas, 2009), which has been criticized widely in the literature (Apaza, 2009; Arndt & Oman, 2006; Mimicopoulos et al., 2007; Thomas, 2009; Fukuyama, 2015; Grindle, 2007, 2010). Moreover, Grindle (2017.p.17) noted:

However, in recent development debates, this broad concept was quickly supplanted by its normative counterpart, good governance; Grindle said, as a result, "Governance is like a balloon filling with air, descriptions of ideal governance conditions swelled with time, becoming increasingly unhelpful to those trying to figure out how to get there."

Many questions related to governance remain unanswered. For example, there is still a need to look at governance through the lenses of society, citizen engagement, traditions, religions, social customs, and habits. There is a further need to consider the 21st-century requirements and the voice of the people (Bhargava, 2015; Graham et al, 2003). This gap has motivated me to see which, if any, challenges affect governance. Another motivation is specific to the case of

Yemen—to use the country as a case study and try to examine what causes poor governance. Specifically, the absence of good governance suggests that the government cannot reform and apply for necessary programs. This situation sometimes leads to undesirable results, as noted by Abdellatif (2003). Another motivation is although the current governance applied to whole world but it wisely to consider other unsolved issues like relation between religion, and state, dominant of traditions like structure of society informal institutions.

One of the rational reasons for this dissertation is the failure of the financial and economic reforms programs of the world Bank and the International Monetary Fund 1995 to 2009 in cooperation with Yemen Governments, that leads to the increased of unemployment, poverty, and inflation rates. As many academics argues, the policies and programs did not fit Yemen and did not achieve any announced goals. The improvement in the budget deficit, trade balance, and unemployment was due to the rise in oil prices (Modhish,2021; Almutawakel ,2013).[4] I argue world bank programs should have been preceded or accompanied by institutional reforms, fighting corruption, and applying standards of good governance. Therefore, the first motivation of this dissertation is to explore why Yemen has fallen behind in all aspects of governance, as well as the failure of governance that led to the ongoing war that began in March 2015. Today, the world overflows with governance rules—from network governance to meta-governance— while Yemen lacks basic public administration. Where is Yemen in terms of governance, and how can we catch up with other countries throughout the world? Moreover, why has this taken so long

In the previous literature on governance in Yemen, Alafory (2014) has described the situation in terms of development but has not explained the constraints or suggested how to overcome them. In addition, Almohandi (2013) discussed the need for governance reform, and Al-Dawsari (2012) stressed the importance of tribal governance for achieving stability, which is of utmost importance in discussions of how to stabilize the state. Similarly, Abuasrar (2006) reviewed democratic governance in the tribal system and argued for the need to integrate tribes wisely in the state system. Overall, however, no one has discussed the barriers hampering good governance in Yemen, which motivated me to pose several questions regarding the failure to

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[4] In recent academic conference about the program's reforms between World Bank and International monetary fund in cooperation with Yemen's governments 1995. Modhish. A. (2021) Toward More Suitable Framework to Economic Reforms in The Arab Countries, see https://www.arabicrenewal.org/420 last visited 20.9.2021,he attribute the failure of reforms policies that it does not focus on demand and increase of investment.

adopt governance measures there. It is important to note, for example, that the World Bank continues to assess Yemen negatively on all governance indicators. Last motivation but not least, in 2016, I submitted a master thesis regarding governance's impact on growth in Yemen, and I found that there is a big gab in culture and literature in the region, including Yemen. I further found that poor governance has a negative impact on economic growth. Therefore, I wondered why Yemen has been poorly assessed in governance. I kept asking this question to myself, to some colleagues, and to academics I know. We need to open the door for governance as a comprehensive mechanism to achieve development, to which I pose the following question: How can we sustain governance in Yemen?

1.4   Research Objectives and Research Questions

The objectives of this dissertation were formulated in reaction to the position of Yemen as a third-world country that must catch up to others in the 21st century, particularly in terms of the role of the state. The primary purpose of this study is to identify the reasons behind the poor status of governance in Yemen, which is regularly depicted as a developing country with low levels of governance. In fact, Yemen has the potential and resources but lacks the governance mechanisms to manage them effectively and accountably. One of the recommendations by local and international organizations to Yemen is to adopt governance measures, and this study examines the most recent discussions of governance to enrich the study findings. Moreover, this project was designed to shed light on the topic of governance and increase public awareness of its merits as a way to guide the country to make more progress in development, justice, and equality. The study also has the objective of identifying challenges to adopting governance mechanisms and finding opportunities to improve governance in Yemen. The complete list of study objectives are as follows:

1. Identify and explore the obstacles that have hampered governance in Yemen, including how institutional challenges hamper governance practices and complicate the prospects of promoting governance.

2. Ascertain the best ways to address critical Yemeni issues in the context of governance.

3. Shed light on the importance of governance culture as prerequisite for any economic public administration and social reforms.

4. Develop and recommend a theoretical framework with practical steps toward good governance that comply with local standards.

Regrettably, governance in the region has not only deteriorated, but is also considered as the fundamental source of poor growth and developmental challenges. According to Cammack and Muasher (2016), in a study of 100 Arab experts, a lack of good governance is the root cause of many of the region's challenges and problems, such as corruption, political upheaval, unemployment, obsolete education systems, and rentier economies. Yemeni governments have struggled with governance beginning with the September 1962 revolution. This revolution, as well as the slow achievement of Yemeni unity—only completed in 1990—were the two turning points in Yemeni society (Alshargabi et al., 2009; Phillips, 2007, 2008). Several questions arise: What internal and external obstacles impacted the success of these movements, and how did they affect their success? Why did these efforts fail to touch the lives of Yemeni citizens? Why is Yemen classified as the poorest country in the region, despite its resources, a history stretching back thousands of years, and regardless of international technical and financial support and several economic, financial, and administrative reform programs (Al-Asad, 2010; Hill & Nonneman, 2011; Hill et al., 2013) In particular, the lack of a democratic culture and the Islamic political culture of privilege must be considered. The statements of Almond and Verba (2015, p. 17) should be considered as well:

Characterizing the political culture of a nation means, in effect, filling out a matrix for a valid sample of its population. The political culture becomes the frequency of different kinds of cognitive, affective, and evaluative orientations toward the political system in general, its input and output aspects, and the self as a political actor.

In recent years, a number of international and local organizations have recommended adopting a comprehensive program of governance, but the international assessment of the status of Yemeni governance places Yemen at the lowest levels in several international reports. Hence, several questions are asked in this study to find the reasons for this highly negative evaluation and understand why Yemen was classified as a fragile state in 2008. Regrettably, why Yemen become the first failed state in 2020 based upon the Failed State Index (FSI, 2020), why has Yemen become associated with Al Qaeda? Why does Yemen lack the requirements of development and the standards of a decent life, despite the fertile climate and material and human resources? Does this situation truly reflect what Alryhani (1978)[5] wrote when he

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[5] Ameen Alryhani is a Lebanese writer who visited the region with an interest in adopting an initiative to unify the Arab world. He found himself frustrated with the situation on the ground. Its mentioned in 2003 there is more than 55 Million and I think the number is multiplied with current war.

described the people of Yemen as an "armed and ignorant society" in his book *Kings of Arabia*, written during his visit to the Arabian Peninsula to study how to create a unified Arab state? The question is why these efforts failed despite important democratic transitions and why Yemen, therefore, slipped into war.

Hence, the study seeks to explore why poor governance exists by answering the following questions:

1. What are the challenges to good governance in Yemen?

2. More importantly, why and how do these challenges affect good governance in Yemen?

This study focuses on worldwide governance -the World Bank perspective-to address how and why the proposed challenges affect governance in Yemen.

1.5 Methodology

This dissertation uses a qualitative case study approach based on an interpretivist research philosophy to answer the research questions. Due to the absence of prior updated data, theoretical studies, and the limited prior literature on governance in Yemen, I used a theory-building method (Gioia et al., 2013). Furthermore, the qualitative case study technique is well suited to investigating "why" and "how" research issues, both of which are pertinent to this project (Yin, 2014). The project uses a variety of strategies to collect data, including semi-structured interviews, formal and informal interviews, documents, and social media postings. I conducted semi-structured interviews with public and commercial sector key informants, as well as international specialists. As mentioned, governance is an emerging concept in Yemen. Therefore, I sought to find those who have intensive backgrounds related to the topic. Nevertheless, the data was obtained mainly from interviewees who hold high-level positions, such as CEOs and board members in the private sector, high-profile government officials, and experts working at international study centers.

In terms of data analysis, I used Gioia's methodology, which required me to create a data structure comprised of first-order concepts, second-order themes, and aggregate dimensions. I also created memoranda to keep myself informed (Reay, 2014). See sections 3.3 and 3.4 for a thorough explanation of how I gathered and processed data. I discovered issues relating to culture, such as values, norms, and traditions, in both formal and informal governmental

institutions. These informal and informal institutions have varying degrees of influence on governance metrics.

Finally, this study began with some assumptions and hypotheses based on the literature. These assumptions informed the researcher and were designed to cope with challenges, particularly to avoid prejudice and confirmation bias, as discussed by Gioia and colleagues (2013) in their methodology. The authors state that "there is value in semi-ignorance or enforced of the literature, if you will." Up to this stage in the research, the author made a point of not relying too greatly on the literature based upon the argument that overly intimate knowledge of the literature at an early stage may blind the researcher and lead to prior hypothesis bias (confirmation bias). Moreover, Creswell (2014) noted qualitative research employs phrases and open-ended questions in qualitative interviews, whereas quantitative research employs statistics and closed-ended questions (quantitative hypotheses). Furthermore, qualitative researchers employ the triangulation method to establish validity in their studies by examining research questions from multiple angles.

1.6   Findings and Main Contributions

Briefly, this study finds nine dimensions with several fundamental themes that illustrate how institutions and social challenges influence good governance, as seen in Figure 12 (Chapter 4). Data study revealed the dimensions. For the first study question, I extracted the most important challenges—as aggregate dimensions—from data analysis—as follows: (1) education domestication, (2) a fragile judiciary, (3) nascent democracy, (4) liberalized authoritarian leadership, (5) state Islamism, (6) state tribalism, (7) prolonged instability, (8) the Qat phenomenon, and (9) the trilogy of corruption. I found that some challenges are social and informal while others are related to state institutions. Some of these institutional challenges greatly influence all indicators, while others influence only certain governance indicators.

This study makes considerable contributions to the governance literature, specifically regarding governance in Yemen and the Arab region. These contributions also may apply to third-world countries that suffer from poor governance. The relationship is presented in detail in section 4.4, but I will briefly discuss the main findings here. First, the study highlights the importance of governance in great detail. Though some previous studies have discussed governance or the need for governance (Alafory, 2014; Aldawasri, 2012; Almohandi, 2013), there is no prior literature, to the best of the author's knowledge, that has linked governance to such issues in Yemen. The second contribution is identifying and discussing crucial social and institutional