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10. Self-Help and Development Planning in the Yemen Arab Republic

Sheila Carapico

Virtually all contemporary development strategies stress the importance of participation by working people in both policy formation and the benefits of economic growth. Development requires capital formation for investment in the social and economic infrastructures. Unless development investments involve mass organization, representing broad social strata, they tend to benefit only a minority of landed, administrative, or merchant capital elites. The result is an uneven pattern of development throughout the country and very often, declining standards of living for the poor majority. Moreover, numerous studies show that "top-down" programs for involving peasants in local organizations and investment projects have rarely provided a solution to the crisis of underdevelopment.¹

Centrally dominated mobilization strategies may fail because of excessive bureaucratization, the attitudes of administrators sent to the local areas, or the inherited mistrust with which peasants view central institutions and other forms of external encroachment.² Research has also shown tremendous variability in the capacity of local organizations, usually imported from outside, to improve real standards of living in the Third World. Some of the most pessimistic reports come from Latin American and African case studies, whereas there is more evidence of local organizations contributing to the increase and equitable distribution of resources in Asia. Nevertheless, there is considerable variability within Asia and the Middle East.

There is also widespread agreement that local organizations in Afro-Asian and Latin countries cannot be evaluated through the prism of the civic-rational morality of the West. Many observers have argued that it is unreasonable to apply Weberian or Taylorist management models³ to Third World institutions because the models contain certain civic and sociological presuppositions which are not merely absent from the culture but incompatible with the existing system and relations

of production. Case studies have contributed to criticism of the old modernization approach which assumed a priori commitment to civic values of democratic participation, rational-rules maintenance, and conflict resolution through the hierarchical institutions of the state.

A study of Middle and Far Eastern cases suggests that the importance or weakness of an institution is determined not by its legal organization or even its internal management, but by its relations to other institutions in the national system. Two kinds of relations are implied, first, linkages to other facets of the social and political structure and, second, one institution's viability relative to alternative channels. Uphoff and Esman's comparison of eighteen Asian local development organization systems offers the conclusion that horizontal and vertical linkages between and among institutions are the key to the strength of local organizations. In addition, local organizations should be evaluated in terms of their relevance to certain critical development functions: planning and goal-setting, administration and interest articulation, resource mobilization, and especially, the provision and integration of services. Relevance indicates the importance of one organizational system in performing these functions compared with the contribution of alternative institutions (e.g., the private sector or the government).

Uphoff and Esman have identified a number of structural characteristics associated with the more viable developmental organizations capable of promoting relatively equitable access to services. First, there should be more than one level of organization, preferably the lower tier functioning at the neighborhood or hamlet level. Second, multiple channels should link the community to higher levels of authority; there should be alternative channels within the system of local organizations. However, too many channels or levels may unduly complicate or clog the system. In addition, organizations with multiple functions seem to be more effective than single-purpose associations. Although again, no association can be all things to all people. Third, politics and political competition or even conflict "must be accepted as inevitable and legitimate." If resources are being mobilized and the social infrastructure altered, there is bound to be politics. Fourth, there should be sanction both from above and from below, in the form of elections, audits, public meetings, and so forth, to ensure accountability to both constituents and government. Accountability to citizens is important to assure trust in the system and equity of participation in decisions and benefits. Accountability to the state is important because in

virtually all cases the state controls essential resources for development. Finally, decentralization of operating decisions, though not the extreme of autonomy, which implies weak linkages, enhances effectiveness in the provision of services. The deconcentration or devolution of functions and decision-making is maximized by distribution of economic assets.⁵

Local development activities in the Yemen Arab Republic have made a major contribution to the extension of rudimentary services to towns, villages and hamlets during the past decade. Under particular circumstances, local and regional groups have mobilized capital for investment in dirt roads, simple water collection and distribution systems, primary schools, electrical generators and other basic services. Most observers familiar with other examples have hailed the Yemeni development cooperatives as an unusually successful model for local participation in development. One study of forty-one local associations in seven least-developed countries shows the four Yemeni examples among the most viable.⁶ A number of Western researchers have concurred in the Yemeni Cooperative Movement's claim to uniqueness, calling it "grass-roots," "participatory," and a "bottom-up" development strategy which demonstrates "the potential for indigenous organizations to achieve dramatic development results and become important, nationally recognized institutions."⁷ Several Western and multilateral technical assistance agencies have commissioned studies of the Yemeni development cooperatives and targeted programs to work through district development boards.

Most close observers in the late 1970s also agreed that from the perspective of public administration, the local development cooperatives system is very weak. Local board members, officers of their central confederation, and foreigners hired to implement donor strategies in conjunction with the development cooperatives, recognized difficulties in staffing, record-keeping, project maintenance, planning and budgeting, and interagency communication. These difficulties, inherent in the process of institution-building, were exacerbated by federalism, local feuds, peasant apathy, and corruption. The government and the cooperative confederation, as well as foreign technical assistance projects, have repeatedly stressed the need for institution building to improve planning and management.⁸

The purpose of this paper is to explore the apparent paradox of a managerial system which remains administratively weak and yet has been notably successful in providing very basic services. The Yemeni associations, while adhering to few of the conventions of public office management, have played a salient role in the provision of services and other development

functions. The apparent paradox is partially resolved through the application of the relevance and linkages criteria outlined above, according to which the Yemeni associations appear among the more organized. But there is also tension within the system between a real imperative for rational planning and resources allocation on the one hand and voluntary local participation on the other. While participation in fund-raising for local services has been fairly high, farmers' and townspeople's appreciation for planning, budgetary, and even elections procedures is limited. Efforts to routinize the activities of development associations often appear as central meddling in local affairs. Committed to local services, people have not necessarily viewed participation in formal central civic institutions as a means to this end. There may exist a certain structural contradiction between political, financial, and benefit participation at the grassroots level, and the imperatives of routinized rational planning on a national scale.

If Yemeni self-help has achieved beyond its manifest managerial capacity, it has done so under unique circumstances. The special conditions in Yemen in the past two decades are not to be replicated in other nations, nor perhaps even in the Yemeni future. The first feature which sets north Yemen off from the majority of Third World nations is the absence of a Western colonial legacy. The Turks made two long but ultimately fruitless attempts to pacify Yemen and the British empire declared a protectorate over the southern slice of the Arabian Peninsula (now the People's Democratic Republic of Yemen, with its capital at Aden), but north Yemen was never truly colonized. No Western legal or administrative forms were imported, no cooperative or civic associations introduced. No foreign capital entered the country. No railroads or other modern infrastructure were built. In the mid-twentieth century Yemen was highly traditional, a pre-capitalist as opposed to peripheral capitalist enclave.

The second factor which distinguishes the circumstances of local and regional development activity is the weakness of the central state. Between 1911 and 1962 the country was ruled by autocratic Imams. The state collected taxes, principally the zakat and various surcharges, but returned few public services. There was perennial resistance to the state from tribesmen and peasants in various parts of the country throughout the period, and a deep mistrust of central authority among the majority. In 1962 a military coup deposed the Imams. There followed four years of civil war in which Egypt supported the republic against the Saudi-backed royalists. The republic was victorious,

but there was a bloodless coup d'etat in 1968, followed by a military corrective movement in 1974 and presidential assassinations in 1977 and 1978. In the meantime there have been numerous border incidents (both north and south) and local insurrections. Since 1962 and especially since 1974, the government has endeavored to staff service ministries with educated Yemenis, create national highway, health, educational, and electrification systems, secure its boundaries and legitimize its rule in the interior. During the present administration of Lt.-Col. 'Ali 'Abdullah Saleh, who has outlasted most of his predecessors, true progress has been realized on all these fronts. The state is now perhaps stronger than it has ever been. Nonetheless, the government has only recently assumed responsibility for the welfare of its citizens.¹⁰

The availability and dispersion of cash due to high rates of labor migration to the oil-rich economies of the Arab Gulf was the most striking feature of the Yemeni economy in the 1970s. During the peak of the oil boom, as much as a third of the male labor force absented itself from the farms and petty trades. Their remitted earnings reached an estimated U.S. \$1.5 billion in 1979-1980. Because migration was so widespread, most of the country's approximately seven million inhabitants benefited either directly or indirectly from this infusion of cash. According to all reports, the lion's share of this remitted income was spent on various forms of social prestige and direct consumption --- bridewealth, residential construction, home appliances, and furnishings, televisions and video machines, yard goods and jewelry, imported foods and tobacco products, and on the means to these luxuries, vehicles, roads, electrical generators, and water delivery systems. The government's capacity to tax remitted income was limited to customs on legal imports. Moreover, most of this "unrequited transfer" never entered the banking system. Nor were private sector institutions capable of accumulating a significant share of aggregate remittances for investment in social or productive infrastructure. The widespread availability of hard cash contrasted sharply with a very low level of capitalist development.¹¹

The very primitive level of services initially is also an important point. Until after the civil war most Yemeni women transported jugs of water for household use on their heads. Other methods were by donkey, camel, or on foot. Most people had never seen an electric light bulb or a motor vehicle. Some boys studied at mosque schools; the daughters of the elite had private tutors; ninety percent of the population was unlettered. Limited labor migration to Aden in the 1930s, 1940s and 1950s had helped spread news of the

physical comforts available on the outside and dissent against the Imams. During and after the revolutionary war, awareness of and desire for commodities and services increased. In the mid to late 1970s access to hard currency and the economic open door made possible the importation of bulldozers, drilling rigs, generators, pumps, pipes, and building materials.

THE HISTORICAL CONTEXT OF DEVELOPMENT ORGANIZATIONS

There have been three stages in the evolution of what the Yemenis call their cooperative movement. The first consisted of extra-legal, informal, and largely uncoordinated project activity. Efforts to build small schools, water systems, and other simple services prior to the revolution were confined mainly to the area which had experienced the greatest commercial influence from the outside. After the end of the civil war, phase two saw the foundation of formal cooperative, welfare, and development associations by regional elites in many parts of the country. The government encouraged these activities in limited ways. In 1973 a confederation of development cooperatives was founded; the following year its president took over the government in a military corrective movement. Subsequently the development associations were given a formal legal identity, empowered to receive and spend tax revenues, and accorded a role in national development planning. Development associations were organized in nearly every district nationwide, and each district was represented at the provincial and national levels via the cooperative confederation. During this third stage the local development associations made a major contribution to the extension of road, educational, and water and electrical services to the smaller towns and rural areas. In addition, agricultural cooperatives and a cooperative credit bank were founded to encourage capital formation for investment in income-generating activities. It seems that 1982 marked the beginning of a new phase in which the latter will increasingly be emphasized, following the completion of primary infrastructure.

The seed of self-help lay deep in the traditional society, but its germination came from the winds of change. Much of contemporary development practice finds precedent in Islamic tradition or local custom. Historically, limited public services and welfare functions were provided through religious institutions. Mosques provided public bathing facilities. Education and some gravity-flow water delivery systems were supported by the waqf, or religious trust. The zakat represented a pious obligation to give alms; wealthy families were expected to give sometimes to the poor.

Both Islam and local traditions within Yemen tend to stress collective and community values. While traditional production techniques were primarily suited to a division of farm tasks within the extended family household, there were mechanisms for levying collective labor for emergency relief or other special activities. The principle of collective responsibility applied in the raising of blood money within a kin group and sometimes in tax collections within a village or tribe. Most efforts to mobilize contributions to a project have recalled these moral and primordial values. Some activities have been organized by religious dignitaries or by tribal shaykhs.

However, it is possible to overstate the role of traditional values and affiliations in development cooperation. Traditional society consists of animosity as well as affection; the extent of community cooperation should not be unduly romanticized. Preexisting institutions afforded only the barest minimum of services. Moreover, the history of the cooperative movement shows its close association with two factors which ultimately contributed to the transformation of the Imamic system -- migration and the liberal movement.¹² Both were forms of resistance to or escape from political and economic backwardness, and to increased appropriation of a dwindling agricultural surplus in the form of taxes and crop-shares. Under the Imams, many thousands of young men left the fields for Aden and points abroad. Many of them hailed from the part of north Yemen known as the southern uplands, which was closest to the bustling British port. Migrants' associations at first provided insurance and communications services, then raised funds to educate members' sons and nephews in Aden. Following this model, village associations in the southern uplands raised donations from migrants and residents for village schools and water tanks. Through migration and clandestine communications, awareness of and demand for rudimentary public services spread. This became one of the demands of the emerging anti-Imamic movement in the 1930s and 1940s.

Another issue associated with both the cooperative and the liberal movement was the release of zakat for expenditure in the region of its collection. In many regions local elites, both progressive and traditional, called for recognized bodies of regional self-governance. The republican movement also advocated rights of voluntary association and assembly, freedom of trade, liberalization of the press, secularization of education, and the creation of cooperatives to encourage agricultural modernization.

The early self-help efforts; mostly ad hoc and short-lived, often combined traditional with reformist

concerns. Since one-room schools, cisterns or water channels, public baths, and wayfarer shelters had generally been maintained as charitable foundations, incremental improvements to these facilities naturally recalled religious and familial values. Projects were typically simple and did not require a special ongoing organization for their execution. The first organized development board which kept records of its plans and activities was the Hodeidah city town improvement board, established just months before the September 26, 1962 revolution. Yemen's major Red Sea port was experiencing some urban growth, commercialization, and light industrialization. The town board was formed in direct response to a fire which had destroyed a large section of thatched huts. The board kept records, collected some taxes on trade, hired some workers, purchased vehicles, and drew up a plan for fire fighting brigades and drainage of unhealthful standing water after rains. Formalized in a way village welfare and projects committees were not, the Hodeidah association represented a prelude to stage two. The other major towns followed the port's example several years later.¹³

The first republican regime of Abdullah al-Sallal opened the door to political and economic liberalization and endorsed the principle of local development. Two laws in 1963 legalized the formation of voluntary associations for civic, charitable, or cultural purposes. Although vaguely worded and permissive rather than proscriptive, the laws are often cited as a landmark for local development activity. But during the next four years the government was preoccupied with the war and other pressing matters of state. Very little attention or resources were diverted to public services, especially beyond the major urban areas. There was talk of social and economic development through cooperation, but little concerted action and no vertical or horizontal coordination of efforts. The first phase of localized informal self-help activities persisted through the civil war.

During the war the perceived need for public services deepened. Unfortunately, the war coincided with several years of drought, which deprived many communities of their normal water sources and reduced agricultural output. In some areas the fighting destroyed existing cisterns or footpaths. Tanks and trucks rolled into the countryside. The Egyptian soldiers sent to fight on behalf of the republic scorned the primitive Yemeni way of life and quite possibly exaggerated the modern services available in Egypt. The Y.A.R. government, with international technical support, constructed a paved highway from the seaport of Hodeidah to the highland capital at Sana'a,

and began work on roads connecting these two cities to the third urban center, the southern uplands city of Ta'iz.¹⁴ Vehicles, water pumps, electrical generators, radios, televisions, books, and bulldozers were imported in increasing numbers, along with countless commodities and gadgets. While the war and the drought exacerbated the need for services, roads and imported innovations presented new possibilities for small-scale improvements. Local projects incorporated some new technology, but the magnitude of these projects was modest. Most organizational and project activities were undocumented.

The declaration of peace in 1968 represented a turning point in many respects. One of the last acts of the al-Sallal regime was the release of a quarter of the zakat for local development. In November, the Quadi al-Iryani quietly replaced al-Sallal. Among other things, the new government created a Department of Youth, Labor, and Social Affairs to encourage civic and cooperative institutions and local self-help initiatives. Efforts to staff and strengthen the ministries of public works, education, and health reflected a new commitment to public services. Within the next few years, a large number of international donors (both capitalist and socialist) pledged support. Still, the task of providing basic infrastructure and services to a predominantly rural population in rugged terrain was tremendous, and the capacity of the state still inchoate.

The second stage in local development activity was different from the first in that specifically organizational behavior became more salient. A number of regional, provincial, and urban associations were founded. These adopted formal names, development association, local cooperative, welfare society. They engaged in constituent activities like drawing up by-laws and budgets, holding public administrative board elections, and writing regional development plans. They organized such larger and more complex projects as regional roads and small town water systems, often combining voluntary contributions with taxes and levies, and ministerial and even international assistance.

There were several reasons for the trend toward larger organizations. First, there were limits on what could be accomplished relying on local resources alone. In many endeavors there were clear economies of scale. This was especially true in the case of roads in the hinterland; what a single clan or village could not do, many cooperating communities within a region could. There was also, of course, a political motivation for establishment of a new civic institution. For many it

represented a regionally based authority parallel to the lower echelons of the Ministry of Local Administration, a potential instrument of local self-government and symbol of relative autonomy from the central state. For the politically ambitious, the cooperative or welfare association represented a new arena defined by the political currency of service projects. While seeking a degree of administrative and budgetary independence from the center, many associations took pains to register with the department of social affairs in hopes of gaining ministerial assistance for regional and local projects. Leaders in some areas were also conscious of the potential for foreign aid, which they hoped would be more generous and technically competent than Sana'a's.

Organizational activity was something of an elite phenomena in that most participants were literate. Two groups were mainly involved. The progressive or perceptive wing of the old landed and shaykhly clans acted to stay the slippage in their authority under the ancient regime; and younger republican counter-elites and military officers saw themselves as a new generation of regional and national leadership. In founding development cooperatives, these men hoped to marshal popular interest in improved services in order to gain concessions from government, incidentally enhancing their own prestige both locally and nationally. Though neither radical nor altruistic, their appeals to public welfare and the cooperative spirit nonetheless seemed progressively populist in contrast with the old order.

In the spring of 1973 two meetings were held to establish a confederation of self-help organizations. The meetings were attended by representatives of the government and of over two dozen self-help societies; there were a few other committedly federalist groups which declined at the time to participate in a national union. After some debate, all member associations agreed to a common name, which translated literally means "local development cooperative society." This is usually rendered "LDA" for local development association in English; in Arabic it is generally called al-ta'awun, which implies cooperative self-help. The purpose of the cooperative confederation, called CYDA in English for Confederation of Yemeni Development Associations, was to encourage local development efforts, especially by seeking government and foreign assistance for local projects. Delegates to the second meeting elected an articulate young military officer, Ibrahim al-Hamdi, as president of the confederation. He praised previous self-help efforts, noted the weakness of the government in providing services, and called for greater cooperation both at the local level and between

development associations and government. To demonstrate its backing for development activities, the government promised half of zakat for local projects.

A year later, al-Hamdi assumed leadership of the republic in a military coup designated the corrective movement, drawing the cooperative confederation into the national limelight. Al-Hamdi promised greater government encouragement for self-help in the provinces. In 1975, Law No. 35¹⁵ authorized the establishment of development cooperatives whose purpose would be to foster communities' efforts to improve communications, health, education, agriculture, and general services. Development cooperatives in the towns and districts were authorized to receive municipal and customs revenues in addition to half of the zakat. In 1976, nationwide cooperative elections were culminated with much fanfare and the promulgation of a cooperative plan partially attuned to the first national five-year plan (1976-81).

Between the 1974 corrective movement and the end of the first five-year plan in 1981, the cooperative development movement expanded, diversified, and institutionalized. The expansion in project activities reflected the increased availability of cash due to heavy migration and remittances. Initially it seemed that growth in organizational and project activities rested on the leadership of President al-Hamdi. But the movement survived his assassination and the politically uncertain tenure of his successor, Ahmad al-Ghashmi, who showed his support for the LDAs by raising their share of the zakat to three-quarters. Since 1978, 'Ali' Abdullah Saleh's government has concentrated on the financial and economic aspects of local development through agricultural cooperatives and the cooperative credit bank.

During this third stage there was an exponential expansion of the numbers of development and cooperative associations and the range of their activities. The number of local development associations increased from twenty-eight in the first year to nearly 200 in 1981. The rapid increase in the numbers of associations is explained by two factors. First, many of the regional and provincial associations founded between 1968 and 1974 divided into two or several district associations after 1975. This fission was partly a response to administrative decentralization under the corrective movement, which reduced the size of basic administrative units.¹⁶ Second, interest in roads and other projects had spread to some previously inactive regions, particularly in the north and east. The promise of regular revenues and of central assistance for district projects induced the formation of many new

boards. By 1981 there were LDAs in every district, and larger towns had their own development association.

In addition to the increase in numbers of LDAs, there was diversification of the kinds of associations confederated through CYDA. In particular, several agricultural cooperatives were founded. The idea of agricultural societies had been proposed even before the revolution by intellectuals. Unlike the multi-functional, services oriented development associations, whose membership was inclusive within a geographical area, the agricultural cooperatives were economically oriented, specialized associations with specific objectives. Membership was voluntary in the form of purchase of shares in the cooperative. Although a few radicals had suggested collectivization (especially of state lands), the general consensus was that north Yemeni cooperatives should encourage rather than supplant private entrepreneurship in farming. Thus the function of the agricultural coops were to make capital inputs more readily available to members and other farmers in a region, and to encourage the transition from subsistence to market-oriented production. Activities of the cooperative should both enhance the profitability of production and increase the share capital of the society through investment. For instance, farmers' cooperatives operated service and petrol stations or water drilling rigs, hoping thereby to both stimulate farm modernization and earn revenues for the society.

CYDA moved its offices from an old Sana'ani house to a modern office complex on the airport road, symbolizing its institutionalization. Gradually specialized committees and departments within the confederation (financial, foreign, technical and cultural affairs, afforestation, etc.) were staffed with administrative, clerical, and technical personnel. The cooperative press expanded from a mimeographed circular to include a newspaper, several periodicals geared towards popular audiences, a scholarly journal dealing with development issues, and the broadcast media which now reached every Yemeni home. At the provincial level, the coordinating councils, the presidents of all LDAs in the province plus the governor, a presidential appointee, established offices and acquired staff and equipment. Both CYDA and its provincial branches became visible institutions. In 1981 a separate law defined the legal status of the confederation and the coordinating councils.¹⁷ Their prescribed function is mainly to mobilize, advise, and audit the activities of member associations.

ORGANIZATION OF THE DEVELOPMENT ASSOCIATIONS

Both the structure and the operating procedures of the development cooperatives system have evolved during a period of more than a decade, and are still being refined. The preceding historical synopsis has shown that the impetus for these activities originated neither with the grassroots nor the center, but combined bottom-up with top-down and middle-both ways initiatives. Often simultaneous, but uncoordinated, activities at several levels, local, district, regional, provincial, and national, evolved into a multitiered system. Rules and procedures have never been cogently laid out in one document, but have emerged incrementally via both legislation and praxis.

The principle of planning and implementation, as laid out in various laws, speeches, and articles, leaves considerable initiative to the localities. Project proposals originate at the village or hamlet level and are passed upward through the district's development board and the provincial coordinating council (CC) to CYDA and then to the relevant ministries for inclusion in the national plan. Once this planning exercise has been completed, the onus for initiating a particular project falls again to the beneficiaries. The actual community to be served not the development board, which represents dozens or hundreds of neighborhoods and hamlets, is expected to initiate and oversee projects.

Here is how the system is supposed to work. Each community, approximately 500 persons, elects one representative to a general assembly of the local development association. These representatives discuss the services needs of the community with their neighbors. Then the general assembly meets to elect from among their number seven or nine members of the administrative board of the development association (LDB). The board elects its own president, secretary-general, treasurer, and other officers and then meets with the general assembly to discuss their project proposals and plans. The boards should compile a district or town development plan on the basis of project proposals and estimates of its own resources, suggesting integration of individual community projects where cost-efficient. Next, the presidents of the development boards meet with the governor as the coordinating council of the province to aggregate and rationalize plans at the provincial level. Finally, three officers of each development association attend a grand national conference. The cooperative conference elects from among its membership the administrative board and officers of CYDA, and draws together the plans of the various development associations into a national cooperative plan. The

CYDA board and their staff disaggregate plans by sector and forward them to the relevant ministries, public works, education, health, and sometimes agriculture, for incorporation into the national five year plan, along with ministerial priorities such as national roads, university and teacher training institutes, hospitals, sea and airports, and so forth.

One of the multiple connotations of cooperation is that specific projects receive funding from a diversity of sources. Most projects should draw on at least three kinds of resources: beneficiaries, the development board's budget, and central matching funds. The process of collecting beneficiary shares has not been specified by central guidelines, but left to local convention. The LDA's budget derives from three-quarters of the district's zakat, one quarter of the municipalities tax in the area, a share of the 2.5 percent cooperative customs tax, and other local taxes and contributions as they are able to collect. Central matching funds for a locally initiated project were to be made available only upon completion of the initial stage or stages of construction. So that development boards could estimate their project expenditures on primary services, a formula for the proportional division of financial responsibility among local, LDA, and central resources was issued. Project costs should be divided as follows:

<u>SECTOR</u>	<u>CENTRAL GOVERNMENT</u>	<u>LDA BUDGET</u>	<u>PEOPLE OF LOCALITY</u>
Education	33.3%	33.3%	33.3%
Water Projects*	25 %	25 %	50 %
Health Sector	25 %	25 %	50 %
Roads			
1-20 Kms	--	--	100 %
20-30 Kms	25 %	(cost sharing determined	
over 30 Kms	50 %	by LDA and Locality)	

* If total costs of a water project exceed YR 200,000, the government may provide up to eighty percent.

The specification of four project areas was not intended to limit activity, but these were the only sectors in which the government promised material support. Subsequently, electricity projects were recognized as legitimate local development activities,¹⁸ but the government promised only to eventually incorporate local systems into the national power grid. Development boards were also theoretically motivated to improve agricultural production as a means of augmenting their zakat-based revenues. The board was also supposed to own ten percent of the share capital of local agricultural cooperatives, if any. Other projects,

which included tree planting, youth clubs, mosque construction and repairs, and other miscellaneous activities, could be financed from local and/or development association funds, and might receive some central assistance.

The system was rather ingenious, in that it seemed to make the most of limited resources and local participation. There was room for variations in associations' aspirations, financial resources, and interest and commitment. But the difficulties in routinizing the prescribed process were manifold. Turnout for both the 1975 and 1979 elections was uneven: in some districts men assembled in large numbers, whereas elsewhere few people voted. Likewise, plans submitted by village and neighborhood representatives ranged from detailed budgets for dozens of projects to a few items hastily scribbled on a bit of brown paper. There was too little time between election and submission of plans for careful review. There was no formal way of incorporating the proposals of boards formed after promulgation of the national plan in 1976 into the national plan. Because of this last difficulty, the five-year cooperative plan was scrapped and a new three-year plan (1978/79 - 1980/81) was written.

Adherence to the guidelines and regulations of CYDA and even to boards' own plans varied considerably. Nowhere did organizations operate purely by the book. Records, required by CYDA prerequisite to the release of centrally controlled funds, were haphazardly kept. Elections results were challenged after the fact, or members resigned. Fights and work stoppages were frequent as one locality or tribe challenged another's appropriation of water resources, regional transport routes, or development associations funds. The government turned out to be notoriously slow in providing funds, so much so that beneficiaries or boards, having already committed resources, were forced to make up the central share. Cost estimates often proved to have been hopelessly unrealistic. Boards found themselves unable to keep all of their verbal commitments. Few members serving between 1976 and 1979 understood all the procedures or appreciated the relevance of book-keeping guidelines. From the perspective of the characterized rational management model, the system was a shambles.

Nonetheless, in the third stage the local development organizations displayed considerable strength according to the criteria used by Uphoff and Esman. This strength, it is suggested, lies in the fragile but salient linkages established within the system and in the relevance of the various cooperative organizations to economic and political change.

Most of the structural characteristics which seem to characterize the more viable development associations in Asia are also present in the Yemeni case. A multilevel organization evolved through simultaneous activity at several discrete levels: within villages, lineages, or other local communities; within towns, especially among petty merchants and civil servants; at the district and regional levels; at the provincial level; and in Sana'a. These activities, which occurred spontaneously only in a few regions of the country, were generalized on a national scale. The result was a two-tier organization, with each tier also consisting of two levels. The top tier, the cooperative confederation, is divided into the central offices of CYDA and the provincial CCs. The local development organizations likewise have two tiers: the development board and the general assembly. There has been greater routinization of official process in the upper tiers, but project activity relies mainly on the less institutionalized lower tier.

The development associations are multifunctional and have engaged in a range of interrelated developmental activities. Whereas roads, water facilities, schools, clinics, and electrification were each handled by separate ministries at the national level, development associations engaged in various combinations of these activities. Roads were the main activity in mountainous districts, but more water projects were undertaken in the hot coastal plain. Again, this feature was not a product of design but a reflection of initial, unregulated project activity. In addition to actual project activities, the arena of the development associations provided certain state-like functions, including the occasional adjudication of disputes and a certain amount of verbal interest articulation.¹⁹ The development associations also tax and have been responsible for a national population census. Both the flexibility and the multifunctionality of the development associations are related to the absence of other modern-civic institutions.

The multiple channels are also more de facto than de jure, or at least include both sanctioned and informal or interpersonal linkages. Some of the channels specified within the system are hypothetical or latent rather than operative, especially at the lower echelons. Nonetheless linkages within the system approximate the criteria for multiple channels identified by Uphoff and Esman. These suggest that "(e)very function of rural development -- planning and goal setting, resource mobilization, provision of services, integration of services, control of administration, and claim-making" should be shared between local and central organizations.²⁰ Linkages among levels and elements

should promote formation of a system or network of information and resources exchange. These include both channels within the local organizations' framework and linkages to national, local, and private sector institutions. Comparison of the Asian cases indicates that the linkage function is performed more effectively when a number of channels operate concurrently, since any single channel may be blocked, monopolized, dysfunctional, or otherwise unsatisfactory.

Linkages represented by the emerging cooperative framework have been very important. Historically, development of the local organizations has been an attempt to construct an alternative local or regional-to-national linkage, alternative to the only preexisting channel, an appointed, rigid, and generally unresponsive bureaucracy of local administration. In terms of local social behavior, every development organization is demonstrably tied into tribal or other traditional (but changing) power relationships. The self-help association represents a third alternative, neither of the state nor of primordial society, but a means of bridging the gap between the two. The prescribed system of project planning and implementation within the system outlined above represents a possible, but not the only available, channel for mobilizing resources, making claims, and providing services. The multiplicity of funding sources for most projects is an indicator of multiple channels. So is the fact that deviation from the prescribed procedure is more common than adherence to formal channels.

Uphoff and Esman also offer evidence that decentralization of control aids effective local organization. The optimal balance of local autonomy with central planning usually entails devolution of authority from the center to the periphery. As already noted, the Yemeni example is atypical in that resources are widely dispersed with the system, not monopolized by the center. The zakat (and related surcharges) was once the principle means of support for the state administration, but its contribution²¹ to government revenues has declined considerably. Payment of the Islamic tithe was made voluntary in 1974, after which farmers could in good conscience pay to charity or local projects rather than the tax man. There were virtually no other regular taxes collected in the countryside, save those associated with local development projects. The government had very limited capacity to tax the millions of dollars which entered the country every year during the late 1970s. The government maintained only limited control beyond the administrative centers. The issue of localism vs. centralism has been salient in cooperative affairs, but it has

played out differently than in most bureaucratized, heavily centralized Asian cases.

As Uphoff and Esman point out, decentralized decision-making is best suited to technologically simple, small, and relatively inexpensive projects or improvements; more complex and capital intensive operations are more likely to require scarce technical and managerial skills available only at the central level. The Yemeni experience demonstrates the same point. Ad hoc self-help groups served limited development functions where traditional solutions failed to satisfy new social needs, but more sophisticated services required more elaborate organization and linkages to the central ministries.

The three stages of development of the Yemeni development associations show an interesting pattern. The first stage was characterized by very localized, technically illegal and hence highly autonomous, activity on a small scale. In the second state there was a trend towards much larger organizations, at the supra-regional and national levels. The third phase has been characterized by two countervailing tendencies, one centralizing and the other centripetal. In 1975 the government had attempted to enhance central hegemony by decentralizing local administration from the subprovince to the district level. This move made it possible, though not mandatory, for development associations covering a wide geographical area to subdivide into district associations. Fission occurred because a wealthy district wished to keep its resources to itself, or because one or more districts felt their interests were not served by the regional development association. Within districts including towns, there often developed an urban-rural split which was resolved by the formation of separate urban and district development boards. Where village associations were active, they too often sought recognized autonomy within the district association, and represented a centripetal force.

There have been numerous pressures for preservation of local or regional habits against outside incursions. The diversity of ecological and sociological niches in the country makes it possible for each area to claim unique problems, which outsiders cannot fully understand. Where self-help efforts had not emerged spontaneously, antipathy towards outside structures extended to the development associations. Where there was a history of local development activity, some participants regarded the formation of central institutions and rules as an effort to co-opt local efforts. Even where there was some local propensity to participate and trust in government to support local activities, neither working people nor elites were neces-

sarily predisposed to operate according to rules formulated at the center. In various places and at different times during the first five-year plan period, there were incidents of armed resistance to the central state. It is interesting to note that in several such instances, associations calling themselves the local cooperative have continued to function. The particular circumstances of the 1960s and 1970s made it possible for local or regional associations to fulfill a somewhat independent statelike role.

At the same time, there are powerful incentives to rationalize procedures by operating within centralized structures and guidelines. The strongest instruction in the imperatives of rational planning and budgeting is experience. While the initial costs of a project may be raised in one-time-only donations, grants, and collections, maintenance requires ongoing funds and supervision. A few examples of water towers which collapsed and generators which burnt out illustrated the necessity of technical planning. Contributions and donations were voluntary only during stages of initial enthusiasm or in modest quantities. Larger and more ambitious undertakings necessitated either the force of law to ensure beneficiary financing or outside channels of funding, or both. One or two projects could be accomplished piecemeal, with work progressing as funds become available, but to construct several services requires some forethought and setting of priorities. The ambitions of cooperative leaders may also motivate them to operate within the sanctioned rules.

The tension between localism and centralism is not necessarily a zero sum game in which the increased strength of the one implied a loss of authority by the other.²² The development associations have been strengthened by their confederation into a rule-making body, in terms of vertical and horizontal linkages, and as measured by the services they provide. At the same time, the growth of the development and cooperative associations has helped extend state authority by establishing linkages between the state and residential communities. These include both institutional channels and physical linkages in the form of roads and some central-place services such as secondary schools and health clinics.

The salience of the network of development cooperative organizations in the national civic arena is virtually unparalleled. The 1975 cooperative elections were the first nationwide polling experience in the national memory, and the 1979 and 1982 cooperative elections were each better publicized and better attended than the one before. Elections for municipal councils and for the constituent assembly have been patterned on the cooperative model but have not matched

it in scope. When there was discussion of a national referendum on the issue of unity between north and south Yemen, the LDAs were recognized as the most viable institution for organizing such a poll. The second national population census, in 1981, was organized through CYDA and its member associations, and later used as the basis for dividing the cooperative customs tax among districts on the basis of population density.

THE PROVISION OF SERVICES

The real relevance of the development associations has been their provision of services to the urbanizing small towns and the rural areas. They have mobilized capital for investment in regional and country roads and other infrastructure essential to capitalist development and contributed to increased rates of literacy among modern youth. Many local development projects are stop-gap or semicompleted measures. Locally initiated vehicular trails are truly extensive but never paved without special central or outside technical assistance. Many schools were built with three rooms, with additional construction after three or more years of instruction warranted fourth through sixth grade rooms. The nature of water projects varied tremendously according to environmental conditions (anything from a cistern to deepwell with piped house-to-house delivery) but were typically regarded as incomplete. The same was true of electrification schemes, which initially offered a few hour's service in the evening. Hence they do not compare in quality or durability to the government's development projects. But the numbers of small projects accomplished by self-help organizations and the extent of access to cooperatively built services makes them important. Projects initiated by communities or development boards offer rudimentary services to far more people than government services. Whereas both government and private sector investments have gravitated heavily towards the three cities and a few medium-sized towns along the paved roads, cooperative sector investments are more evenly distributed among a predominantly rural population.

Part of the managerial weakness of both the development organizations and the government lies in the absence of reliable data and records on critical development variables. All figures referring to land tenure, farm output, expenditures by government or the private or cooperative sectors, or international trade and foreign assistance are estimates. CYDA's published records reveal as much about the evolution of the budgetary system as they do about trends in expenditures. Nonetheless, records of the first three-year

plan period, 1973-76, and of the 1976-81 plan, do indicate the magnitude of development investments by the cooperative sector compared with the contributions of government and private investors.

The first national three-year plan, formulated in 1973, was a very preliminary exercise in defining the parameters²³ of development expenditures and capital formation. The plan indicated general targets for growth in various sectors of the economy. Only two investment sectors were identified, the public sector and the private sector. The public sector was expected to provide somewhat more than half of all development expenditures under the plan, with the assistance of foreign donors. No mention was made of the cooperative sector.

Thanks to the infusion of remittances, actual growth (seven percent) was higher than anticipated (six percent). Growth was registered primarily by the private sector, which spent sixty percent more than planned. Although its spending increased dramatically in the last year of the plan period, the government fell short of its targets and relied increasingly on foreign assistance.

Even the broadly indicated material targets of the plan were not achieved. Investment in agriculture and industry, especially, fell short of planned objectives. The increase in private sector spending occurred mainly in commodity trade and real estate. Total public sector development spending under the plan was YR 1.37 billion (U.S. \$305 million).

The CYDA records, released independently, show total development expenditures during the same period of YR 180.8 million (\$40.2 million). Approximately two-thirds of this amount was raised in citizen's contributions of one form or another. The government had contributed about one percent (this was before the promise of more), and the difference came from over seven dozen reporting LDAs. By 1976, eighty boards reported having cut some 5100 kilometers of rural roads, relying on beneficiary work crews and cash donations. Seventy-four development associations reported having built 581 schools. Sixty-three associations reported having worked on nearly 700 small and medium-sized water projects. Only eleven health projects were reported by ten development associations, but twenty-two LDAs reported having contributed to eighty-five miscellaneous projects. Field observations suggest that these are reasonable counts of the numbers of projects undertaken, although the relationship between national and cooperative development spending should not be taken at face value.

In drawing up the five-year development program, the Central Planning Organization (CPO) drew on some of

the lessons of the first experience. The second plan was more detailed and textured. Unlike the three-year program, which identified only two investment sectors, the five-year plan anticipated investment from the public, the private, the cooperative, and real and projected 'mixed' sectors. A significant share of financing was expected to come from abroad, most of it in support of public and mixed sector investments. The public, the private, and the mixed sectors were each expected to contribute about a third of development financing. Projects by local development associations were expected to represent scarcely seven percent of total development investment. However, the local development associations were indicated to receive only a tiny fraction of international assistance, so the cooperative sector was expected to provide twelve percent of domestic financing.²⁴ A World Bank study, entitled "Yemen Arab Republic Local Development Associations: a New Approach to Rural Development,"²⁵ concluded that in the mid-to-late 1970s the development associations were more effective than the central government in providing primary services to the rural areas. In the two fiscal years 1976-77 and 1977-78, government development expenditures totaled YR 1751 million, of which YR 873 came from the state's budget. During the same period, the development associations reported expenditures of YR 508 million, less than the central state, to be sure, but a respectable contribution. Clearly local development association spending was far higher relative to state investments than supposed by the CPO. The Bank report also points out that only a fraction of LDA funds went towards administrative costs.

During the 1978-1981 three-year cooperative plan period, local projects' spending still did not conform to submitted plans. CYDA records show the relationship between planned and reported spending by development associations during the period, in millions of Yemeni riyals:²⁶

	PLANNED	REPORTED	PROPORTION
Roads	YR 615	YR 811.6	123%
Education	268	245.1	91%
Water	103	151.3	146%
Health	58	21.1	36%
Other	94	70.2	74%
Miscellaneous	325	360.2	111%
	YR 1463	YR 1959.5	113%

"Other" in these figures includes electricity, youth clubs, traffic triangles, mosques, and so forth. The miscellaneous category groups the activities of agricultural cooperatives with foreign aid and CYDA direct investments. Expenditures on roads and especially water were higher than anticipated, as was foreign aid

to CYDA (negligible in the plan). Overall investment by the cooperative sector was higher than planned by the development associations, and considerably higher than planned in the national program.

The records of the cooperative confederation also show that the bulk of local development project expenses continued to be borne by citizens, both directly in the form of project financing and indirectly in the form of contributions to the LDA budget. The following table compares the contribution of local, development board, and governmental financing to projects reported to CYDA during two three-year periods.

	<u>1973 to 1976</u>			<u>1978/79 - 1980/81</u>		
	<u>% from Citizens</u>	<u>% from Board</u>	<u>% from Gov't</u>	<u>% from Citizens</u>	<u>% from Board</u>	<u>% from Gov't</u>
Roads	72	28	---	62	37	1
Schools	54	45	1	39	41	18
Water	32	68	---	52	29	10
Health	31	69	---	32	63	5
Other	17	78	5	23	79	14
Total	<u>64</u>	<u>35</u>	<u>1</u>	<u>52</u>	<u>38</u>	<u>8</u>

The government contributed more to locally initiated projects in the late 1970s than it had prior to 1976, but still failed to meet its obligations according to the CYDA formula. The total central contribution in the latter three-year span was eight percent, mostly assistance for schools, electricity and miscellaneous projects. The development associations covered a slightly higher proportion of total costs in the second period than in the first. Their proportional contribution to roads increased; they picked up the slack in government allocations to local education; and they were the primary source of financing for health and other, elective projects.

Citizen's contributions declined from two-thirds in the first period to slightly more than half in the second. Local funding for roads accounted for over half of all local development expenditures between 1973 and 1976, and remained the major items in the latter report period as well. Local resources also covered one-third to one-half of the costs of most school, water, and health projects. The category of citizens' contributions should not be understood to imply only voluntary or charitable donations but covers a wide range of local fund-raising mechanisms.²⁸ Variations in these are literally too numerous to examine. They have included charity drives and also taxes, levies, user fees, and various collective ownership schemes. They have varied not only regionally but from one project to the next, according to the nature and cost of

the service provided. In some cases social control and voluntarism have served, but in others local administration authorities have enforced the obligation to contribute. What is significant about the extent of citizens contributions is that they represent multiple channels for resource mobilization, not specified by law but more or less tailored to a particular project effort.

In addition to direct contributions to projects, local revenues provided a major source of income to the regular LDA budgets. The following table shows the composition of recorded LDA incomes for two periods of the national five-year plan:²⁹ 1976-78, the first two years; and 1978-81, a three year span.

	<u>1976-78</u>	<u>1978-81</u>	<u>TOTAL</u>
Central incomes	9%	9%	9%
Local revenues from zakat	18%	34%	28%
Local revenues from citizens	73%	57%	63%

Non-zakat local revenues contributed three-quarters of incomes in the first two years and over half in the last three years. Proportional income from the zakat doubled, reflecting perhaps some improvement in collections as well as the rise in the official share due the development cooperatives from half to three-quarters. Central revenues contributed an even nine percent to development association revenues.

These figures demonstrate that the activities reported by the development associations have been financed primarily from noncentral sources. As noted earlier, the extent of reliance on informal financial channels is made possible by the unusual confluence of circumstances, large amounts of cash outside the formal banking system and practically untaxed by the central state.

The relevance of the local development associations to capital formation and services provision during the period of the five-year plan was substantial. Private sector spending was again higher than targeted, but tended to concentrate in the transport and trade of imported commodities and urban construction. The government made visible progress in the construction of national infrastructure for transport, communications, education, and health, but its development spending was lower than planned. Most of the unanticipated growth occurred in the construction sector, electricity and water, and public services. Agriculture was scheduled for fourteen percent of investment under the plan, mostly from the private sector, but reportedly attracted only eight percent.

Although a detailed account of spending during the plan period or other reliable data comparing investment

by the development cooperatives with private, public and mixed sector investments and foreign assistance are not available, all indications are that the self-help contribution has been considerably greater than the seven percent projected in the five-year plan. While the government, with international technical assistance, has paved and culverted a basic grid of two north-south and two west-east two-lane highways, the development associations reliably report work on at least 15,000 kilometers of rural roads which now reach most inhabited sections of the country. CYDA records of expenditures in water during the final three years of the plan period represent ten percent of total national expenditures on water and electricity together over the five years. National expenditures in education and health amounted to YR 129⁴ million, compared with YR 266.2 million for the cooperative sector.⁵⁰ Whether or not these figures and proportions can be taken at face value, the overall relevance of spending in the cooperative sector to the development of public services has been considerable. The development associations have consistently raised and invested more resources than expected, often in the area where government has failed to meet plan targets. It is clear that the development cooperatives have been partly responsible for rapid growth in transport, water and electricity, and educational services.

The relevance of development cooperation has been in the formation of capital for investment in very basic services to smaller towns and the more densely populated rural areas. The distribution of effects and benefits from cooperative projects has been more even and equitable both geographically and socially than the effects of foreign, central, or private sector expenditures. While there is some tendency for local development spending to concentrate in administrative and commercial centers, this tendency is far more pronounced in both state and entrepreneurial investment patterns. Direct international assistance has also clustered in the urban areas and the most productive agricultural regions. Self-help activity defers to the other sectors in that LDAs and local communities tend not to pursue projects which private or state agencies seem likely to undertake. The importance of development cooperation has been in providing just those interim services which alternative channels have been unwilling or unable to foster. If there had been no local development activity the alternative channels may have behaved a bit differently, but there would probably be greater inequities in access to services than existed at the beginning of the second national five-year plan in 1982.

In contemplating a new development program for the 1980s, both the nation and the CYDA organizations faced new circumstances and challenges. On the one hand, there was a clear national imperative for rational planning and management of resources. With the end of the oil boom, remittances from the Arab Gulf into the Y.A.R. leveled off. But imports continued to rise. Faced with growing budget deficits and its first balance of payments deficit, the government called for "less consumerism and more investment," particularly in agriculture and agro-industry.³¹ A certain level of services had been attained, but it would be necessary to further extend, integrate, and maintain utilities, roads and schools. The government sought to bring all primary schools under a unified public curriculum and to produce a new generation of literate men and women. Roads require repair after rain or heavy use, at least until drainage and embankments are provided. Work was in progress to bring the whole country into an integrated twenty-four-hour-a-day electricity system. Urban health services had improved, but access to medical facilities in the countryside remained poor. While many communities still lacked adequate water resources, high rates of drilling and pumping in certain regions raised fears of depleted aquifers. Overall, the improvement in services, especially in the truly rural areas, was relative only to the very low starting point.

The cooperative associations had provided very basic services and made a leading contribution to expansion of the national road network. They provided for some integration of services at the regional and local level. Agricultural cooperatives, still in their infancy during the first five-year plan, nonetheless represented a possible solution to the dilemma of private sector underinvestment in agriculture. In view of the government's incapacity to tax rural incomes, the mobilization of resources through informal and semiformal channels was impressive. The development associations provided necessary and sufficient organization for investment in basic services. Cooperative investments in roads and utilities facilitated the penetration of capitalism into the periphery and the emergence of a rural and semiurban bourgeoisie. Roads, schools, and other projects and the cooperative associations themselves constituted important material and institutional linkages within the Y.A.R., thus contributing also to the augmentation of state power.

The end of the first five-year plan period seemed to signify the beginning of a new stage for the development cooperatives associations. First, in many regions what could be accomplished relying primarily on local resources had been accomplished. Rural roads had

been the most important development activity in the mountainous interior of the country, but new road construction leveled off in most regions between 1978 and 1981. With international assistance, the Ministry of Education was building more rural schools and assuming responsibility for administration and curriculum in locally constructed schools. Local development of water resources was seriously constrained by geophysical factors in some areas. One very rudimentary level of services had been achieved, but to improve this basic infrastructure required higher financial, technical, and managerial inputs. Heretofore the strength of local development associations had been in activating informal channels for technically simple projects. To raise the level of services now required greater degrees of coordination and planning.

There was an effort to both rationalize and centralize local development channels. For the 1982 cooperative elections guidelines were pursued for voter and candidate registration. The CYDA law of 1981 formalized the identity and role of the cooperative confederation and the coordinating councils, and the participation of deputy ministers of public works, health, education, planning, and other government agencies on the administrative board of CYDA. The exact channeling of zakat from taxpayer to development board account had always been left vague, but was now to be collected centrally and dispersed to the LDAs through CYDA upon review of their accounts. Poor and sparsely populated districts which had been unable or unwilling to undertake self-help were granted an additional share of the cooperative customs tax as an inducement. Village associations, which had been active mostly in the southern uplands, were discredited for their failure to respect plans and formal procedures; having formalized the central cooperative institutions, the government pointed out that the village associations lacked any legal basis. Steps were taken to encourage the more even and regular participation of the district and town associations in cooperative affairs. All of these represented efforts to institutionalize the system and to encourage new allocations of resources consistent with national goals.³²

At the 1983 cooperative conference, emphasis was on investments in income-generating and productive activities. Development associations would continue to help provide public services, especially in the heretofore neglected health sector. However, the new direction in the 1980s would be toward projects which either generated revenue or stimulated capital investment in the private sector. It was therefore hoped that the cooperative associations would supply institutional support for productive investments. While

diversifying away from very primary services, the development cooperative organizations would continue to support investments in projects relatively neglected by the government and the private sector. Credits for projects which promised a return on the initial investment would be offered by the cooperative credit bank to qualifying associations. Both local development associations and shareholder cooperatives should participate in investment credits. In the case of LDAs, income from equipment or facility rental or other revenue-bearing activities would be used to support truly public services, from clinic to welfare to cultural events. Shareholder cooperatives were expected both to provide services to a specialized group, farmers, fishermen, craftspeople, and to pursue corporate goals of capital accumulation for shareholder dividends as well as reinvestment. As with previous developments within the cooperative movement, this new direction called for widespread adoption of policies already practiced by some vanguard associations.

Administration of a credit system and management of more sophisticated services will, of course, require tighter supervision than in the past. Centralization and routinization of process are further warranted by several considerations. Central initiatives are probably necessary to offset the increased peripheralization of districts and regions which haven't participated in self-help. From a national perspective it is crucial to raise farm and industrial output if a widening balance of payments deficit is to be avoided. More complex services, projects, and events will necessitate the maintenance of a system of files and more efficient auditing. This is especially true if investment capital is borrowed. Operation of any of the known investment projects, tractors, bulldozers, drilling rigs, service stations, agricultural experiment and extension stations, utilities companies, refrigeration of fresh fish, light manufacturers, and new irrigation schemes, requires both technical skill and office back-up.

Although some Yemenis fear overregulation of self-help, the Y.A.R. development associations and cooperatives are considerably less controlled than comparable organizations elsewhere in the Third World. The question now seems to be whether more management and routinization of process will make local development more efficient and equitable, or merely stifle the element of spontaneity and success realized in the past two decades. If the development cooperative associations are to have the same relevance in the 1980s as they have shown in the first development decade, major adaptations of financial and political practice will

be necessary. If self-help cannot evolve to accommodate more complex issues, then it will be necessary to conclude that the relative success of local development associations was a unique and fleeting result of extraordinary circumstances at a particular stage of development.

NOTES

1. For a discussion of the problems associated with this approach, see Norman T. Uphoff and Milton J. Esman, Local Organization for Rural Development: Analysis of Asian Experience. (Ithaca: Cornell University Rural Development Committee, 1974). Rene Dumont, in Socialism and Development. (New York: Praeger, 1973) argues a similar point from a more radical perspective.
2. Goran Hyden, Beyond Ujamaa in Tanzania: Underdevelopment and an Uncaptured Peasantry. (Berkeley: University of California, 1980) argues that the public sphere often fails to foster a civic morality.
3. See James B. Mayfield's discussion of the application of Western management in "The Egyptian Basic Village Service Program," in this volume.
4. Uphoff and Esman, Local Organization, xi - xii, summarize their major findings and conclusions.
5. They place greater emphasis on the distribution of economic assets, particularly land tenure, than I indicate here. Discussion of land tenure and equity issues, though important, are beyond the scope of this paper. See pp. 99-102 for a discussion of the criteria listed.
6. The study by David D. Gow et al. Local Development Organizations and Rural Development: A Comparative Reappraisal, 2 Vols. (Washington, D.C.: Development Alternatives, Inc., 1979). The other countries studied were Upper Volta, Cameroon, Guatemala, Peru, the Philippines, and Jamaica.
7. John M. Cohen, et. al. "Development from Below: Local Development Associations in the Yemen Arab Republic." (World Development, Vol. 9, No. 11/12: 1981), p. 1039. This article reviews the "fugitive" literature on development associations in the Y.A.R.
8. This point is noted in the World Bank, Yemen Arab Republic Local Development Associations: A New Approach to Rural Development. (Country Programs Department 1, Report No. 2963a - Y.A.R.: March 2, 1981). For more ethnographic detail, see Jon C. Swanson and Mary Hebert, Rural Society and Participatory Development: Case Studies of Two Villages in the Yemen Arab Republic. (Ithaca: Cornell University Rural Development Committee, Yemen Research Program, September, 1981).

9. I have argued this point at greater length in a paper presented to the Middle East Studies Association Conference in Philadelphia, November, 1982: "The Transition to Peripheral Capitalism in the Y.A.R." See also Samir Amin, The Arab Nation. (London: Zed Press, 1978), 20, 29.

10. The best recent political history of the Y.A.R. is J.E. Peterson. Yemen: The Search for a Modern State. (Baltimore: Johns Hopkins University Press, 1982).

11. The effects of migration and remittances is one of the most interesting research questions in Yemen. For a review of literature on the subject, see John M. Cohen and David B. Lewis, "Capital Surplus, Labor-Short Economies: Yemen as a Challenge to Rural Development Strategies" (American Journal of Agricultural Economics, Vol. LXI, Nov. 8, 1979).

12. Leigh Douglas has recently completed his study of the liberal movement, including its relationship to early migration and the formation of village associations. "The Free Yemeni Movement, 1935-1962," Ph.D dissertation for the Department of Political Science, School of Oriental and African Studies, University of London, 1983.

13. I have chronicled the history and the details of many points raised herein in my dissertation, "The Political Economy of Self-Help: Development Cooperatives in the Yemen Arab Republic," for the Department of Political Science, SUNY-Binghamton, September, 1983.

14. For a list of national roads and international sources of construction financing see the World Bank, Yemen Arab Republic: Development of a Traditional Economy. (Washington, D.C.: World Bank Report No. 2057a - Y.A.R., 1978), 277.

15. This law has been published several times. One source is Ta'awan Book No. 3, Majmua'ah al-Qanawin wa al-Lawah al-Ta'awuniyyah fi J.A.Y. (Sana's: CYDA, n.d.), 29-41.

16. Under the Imams and the first years of the republic, the basic administrative unit was the sub-province or guda. Each guda was divided into several districts. The 1975-1976 decentralization made the district, or nahiyah, the lowest unit of national administration.

17. The CYDA law, the 1975 Cooperative Law, the Cooperative Credit Bank Law, and other documents pertaining to cooperative organization have been published by CYDA, al-Ta'awum: al-tashriya'at al-Ta'awantiyyah (no place or date).

18. Inclusion of electricity within the priorities for local development was decided at the Fourth Cooperative Conference, 1979. The formula for project cost-sharing comes from CYDA records.

19. For a discussion of the socio-political role of one development board, see Richard Tutwiler, "Ta'awun Mahwit: The Social History of a Local Development Association in Highland Yemen" (paper presented to the Conference on Strategies of Local Development in the Middle East, University of Maryland, September 1978).

20. Uphoff and Esman, Local Organization, 70. Sharing of responsibility maximizes both local benefits and central management and technical inputs.

21. Mohammad al-Azazi, translated by Barbara Croken under the title "The Financial Resources of the LDAs and Some Possibilities for Their Development" (in al-Ghad, No. 4 Year 3: Oct./Nov. 1977).

22. Uphoff and Esman, Local Organization, 79, point out that it is possible for each to draw strength from their cooperation.

23. The first section of the five-year plan issued in 1976 is an evaluation of the three-year plan. Central Planning Organization. Yemen Arab Republic First Five-Year Plan, 1976-1977 - 1980-1981. (Sana'a The Prime Minister's Office, 1977), English version, 11-55.

24. For allotments by investment sector, see pp. 221-224 of the plan. CYDA and development association plans (pp. 341-342) include roads, schools, water, health, electricity, mosque, and environmental projects. Road building equipment for CYDA and fifty agricultural cooperatives were also indicated.

25. The World Bank, 1981. Summary and conclusions, 1 - xiii.

26. A detailed account of cooperative activities between 1978 and 1981 is Abdu 'Ali' Othman and Hamoud al-Awdi, "The Yemeni Cooperative Movement and Development: Participation of Local Development Cooperative Associations in the Projects of the First Five-Year Development Plan" (in Arabic: paper presented to the CPO, Sana'a, January 1982). Their study also includes a cross-sectional survey of development and cooperative associations.

27. These data are compiled from CYDA records. I have analyzed variations and trends in greater depth in my dissertation. For evidence of variations among rural districts, see also S. Tjip Walker, Sheila Carapico, and John Cohen, Emerging Rural Patterns in the Yemen Arab Republic: Results of a 21 - Community Cross-Sectional Study. (Ithaca: Cornell University Rural Development Committee, Yemen Research Program, 1983).

28. Hyden's comment on comparable resource mobilization schemes in East Africa is applicable: "Although it is wrong to expect that ... benefits are equally shared within communities, people do make a contribution, whether in the form of money or labor. This is a form of local taxation, which is usually far more

acceptable than government taxation, because it is usually more progressive -- the big men in the communities make the largest contributions -- and above all, because it is locally approved and administered." (p. 28).

29. Othman and la-Awdi Yemeni Cooperative 75-76, citing CYDA records.

30. CYDA data are compared with Nigel Harvey's reports of spending under the plan, in Middle East Economic Digest, February 10, 1981.

31. Nigel Harvey, in the Middle East Economic Digest, January 8, 1981, reports a projected 1982 deficit of YR 3200 mil (\$700 million) in a budget of YR 8470 million (\$1850 million). This would be three times greater than the 1980 deficit. For the prime minister's views, see the interview with A.R. Haideri, MEED, April 3, 1981.

32. These changes were reported in two issues of al-Ta'awun magazine: No. 173, April, 1982, especially 13-14; and No. 174/175, May-June, 1982, especially 8-10, 19, 28-29, and the report of an international development conference, 33-43. For analysis of the activities of the village associations, see Othman and al-Awdi, "Yemeni Cooperative."