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*In the name of Allah the Compassionate
the Merciful*

Republic of Yemen
Central Statistical Organization
Aden Branch

FINAL REPORT
On the Results of the Pilot Survey
for Establishments & Redundant labour
in Trade Public Corp.
Subject to privatization
In Aden Governorate for 1998

Prepared By:

Eng. Khaled A. Wahed
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Central Statistical Organization
ADEN OFFICE

Assigned & Financed by:

United Nations Industrial
Development Organization
(UNIDO)
VIENNA
PDP/YEMEN 95/003 AC 063000

May 1999

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A Executive Summary

As part of the care given by the State, the United Nations organizations and the international donors for human development, and the human and social dimensions of the economic reforms, with privatization constituting one of the main components of the structural reforms and one of the options in addressing the problems of the faltering public sector corporation and their redundant labour, the Technical Bureau for Privatization, in coordination with the United Nations Industrial Development Organization, (UNIDO) in Vienna, and following approval by the Head Office of the Central Statistical Organization (CSO) in Sanaa, asked the Central Statistical Organization branch in Aden (CSO Aden) to prepare a proposal on carrying out a study based on a field survey of 4 of the private sector establishments which are engaged in trade field in Aden governorate, and a study of their conditions and those of their employees, prior to privatization or liquidation. The Aden Office of the Organization accepted this assignment, and presented an integrated proposal consisting of an executive work plan of the survey, together with determining its objectives and the approach to be adopted in the survey and its requirements. The assigning authority agreed on the plan, and charged the Central Statistical Organisation office in Aden headed by its Director General, Engineer Khaled Abdul Wahed Mohammed Noman, to carry out the implementation of the survey. The agreement was signed between the Aden Office of the Organization and UNIDO on September 30, 1998.

Following the signing of the agreement between the two parties the CSO office, based on the executive working plan, began to prepare the survey documents, and fulfilled the designing of two questionnaires with their interpretative memorandum. The purpose of the designing of the first questionnaire on the establishments was to get entire information about the situation of the researched establishments which specifically are:

The National Home Trade Company.
Public Corporation for Building Materials Trade
Public Corporation for Garments & Electrical Appliances Trade
The Yemeni Company for Free Trade (Victory Co.)

Forming an integrated idea about them from their various aspects, including the situations of their labour force, and getting to know the reasons

which led to the faltering of these corporations, and the extent of the relationship of their labour force with these reasons, and coming to conclusions and inferences which help in implementing the privatization or liquidation efficiently and effectively. The designing of the second questionnaire aimed at obtaining comprehensive information about the situations of the labour force in these researched establishments through a study of a sample of 160 employees representing various employee levels and categories, and scrutinize their features and demographic, economic and social characteristics, identify their opinions on their situations and the situations of their establishments at present and in future, and other information which might lead to conclusions helping in making recommendations on tackling the situations of the labour force in these establishments, and their safe move to appropriate life after privatization or liquidation. These documents were submitted to the concerned authorities to approve them. They were approved after some amendments were made on them on November 15 1998. It took a relatively long time to have permission to start the field work for reasons which the report details.

The field work began on February 10 1999. It took longer than it should, because of unjustified difficulties and obstacles which were also touched upon in the report. The field survey depended on holding personal interviews with the managers directly responsible for the establishments, in order to complete the questionnaire on establishments and depended on the final accounts for years 95-97 in order to obtain the financial statements of these researched establishments. The completion of the labour force questionnaire depended on personal interview with the employees. After finishing the field works, and then collection, preparation and analyzing of the data collected in the fields, and extraction of 51 tables, all the results of the field survey are reviewed. These data and tables were analyzed and evaluated, and the conclusions and recommendations contained in the report were made, which could be summarized as follows:

Conclusions Regarding the Establishments

Although the public sector establishments in the trade sector in Aden governorate were established in the wake of nationalization and highly critical political and economic circumstances and their formation was to meet political rather than economic justifications, and the basis of their formation were not adequate or sound, they were able, in the years of their functioning during the pre-unity period, and due to a number of elements, most important of which were probably monopoly and the subsidy from the State, and the facilities given to them, to fulfil the purpose of their formation over a number of years at considerable economic cost and with low productivity, efficiency and enormous

squandering. They however provided supply stability and provided the basic commodities and luxury goods for all levels within the prevailing incomes at that time.

After the unity and the removal of the elements of monopoly, subsidy and facilities, the situations of these establishments faltered. In the last nine years the state was not able to take decisive actions to stop this faltering or bring about appropriate solutions to these establishments. Subsequently, three of them completely stopped, and they relied on the support of the Ministry of Finance to provide their employees' salaries:

They are specifically:

1. Public Corporation for Garments & Electrical Appliances
2. Public Corporation for Building Materials Trade
3. The Yemeni Company for Free Trade (Victory Co.)

The Home Trade Co. was the only corporation which continued to work in the field of subsidized commodities marketing such as wheat, and marketing and selling other commodities such as flour, meat dairy, spare parts and others. But even this corporation has begun to suffer from difficult financial situations because of servicing its large debts to the banks.

The researched establishments are experiencing weakness and defects in their financial structures. The paid or accumulated capital forms only a small percentage of the total volume of the business. These establishments increasingly continued to use the facilities until they were plunged in debts and their servicing. The researched establishments are sunk in huge debts which they could not repay to others, or recover from others. These debts were several times as high as their collected capital. The Building Material Corp., which is an exception, its debts constitute a reasonable proportion to its collected capital. The assets of some of them are mortgaged to the bank and some are seized by others illegally or unsystematically. Some of these establishments are still seizing the assets and premises of local owners who are supposed to recover their commercial estates under the resolution of the Presidential Council issued on September 12, 1991 pertaining to the restoration of the nationalized commercial real estates.

The researched establishments are suffering from labour force redundancy which exceeds the actual need. Their direct principals estimated them to be 72% of the present labour force in these establishments as redundant. This labour force consumes a large portion of the expenditure of these establishments constituting more than 90% of the expenses of all the three halted

establishments. In the Home Trade Co. they consume more than 50% of its expenditure. There is also unbalanced distribution of labour force in the researched establishments between the employees in marketing and sales, and the employees in management and services. The employees in management and services constitute a high proportion of the labour force. Most of the labour force in the three halted establishments do not report to their work, and they receive their salaries and stay in their homes without doing any mentionable work.

All the researched establishments are suffering from an annual deficit in their activity, except the Home Trade Co. whose surplus deteriorated over the last three years to reach 0.2% of the size of its turnover in 1997.

All the three researched establishments do not have new capital formation that could add or lead to basic change in the subsequent activity of these establishments. In spite of the high annual rates of the capital circulation achieved by these establishments, they could achieve only humble ratios of increase throughout the years of their business. However, the Building Material Corp. which is shorter-lived than the other establishments achieved only reasonable ratios of increase to its capital.

The conclusion is that these establishments, with their weak financial structures, and redundant labour force, the volume of high debts and mismanagement are a large economic burden to the State and the society, and their continuing in this manner will exacerbate the burdens of the state, the society and the employees in it. The managers who are responsible for the researched establishments have agreed that their establishments are unable to go ahead with their present situations. They recommended prompt measures to be taken to support their financial structures and cut down the size of their labour force, or to subject them to privatization or liquidation. The results of the survey clearly supported these conclusions without any doubt.

Conclusions Regarding the Labour Force

There are 2676 employees in the Aden headquarters of the researched establishments. They are distributed in the percentages of 70.7% males, and 29.3% females. All of them, except 3 temporary employees are fixed employees. Nearly 40% are employed in management and services, 60% in marketing, sales and technical and vocational fields. 35% of them have secondary and higher qualifications, 65% have preparatory and less qualifications. Nearly 97.3% of them in the 2nd, 3rd, 4th and 5th employment groups, and 2.7% of them only are in the 1st employment group. As for the

services of the labour force, most of them, 75.3%, have service between 11 to 25 years and the rest have services between 1-10 years and 25 years and more. It is clear from the above data that the size of the labour force is relatively large compared to the size of the present activity of the establishments. Most of the labour force are fixed employees; they cannot be dismissed or discharged, because they have not reached the legal retiring age. Only 17% of the employees in the establishments can go on compulsory or early retirement by purchasing from 5-10 years. The majority of them have relatively low standards and without specialized qualifications. Most of the employees are of the low-income groups and susceptible to any changes in their incomes.

The results of a sample survey (the researched labour force) which represented 6% of the total labour proved that they equivocally represent all the labour force groups in the researched establishments and that their demographic features agree with those of the labour force in the researched establishments. Also nearly 80% of the researched labour force are between the age of 31 to 50 years, and nearly 91% of the total labour force support between 3-12 persons. The average support burden is 7.5 persons for each one, which is a relatively high ratio. This proves that most of the researched labour force are low income and are experiencing heavy economical and social burden. The results of the survey also indicated that the researched labour force do not receive their salaries regularly and that most of them, forming 89% do not receive sufficient salary, and they subsist on borrowing or managing their affairs in other ways. This implies that they are living in difficult situations in meeting life burdens, and that the situations of their deteriorating establishments have led to the reduction of their incomes. The research also affirmed that most of the labour force are afraid and worried about their future.

Although a fair proportion of the researched labour force has admitted that they are redundant labour, and are a burden on their establishments, most of them refused to be retired or end their services voluntarily in order to devote to private business, even in case they get their full gratuities. In other words, most of the labour force are sticking to their work and to their incomes from their belonging to these establishments which are not qualified to run their affairs. However 82% of them have shown readiness to work with the private sector in case their establishments are privatized.

The researched labour force, 45% of them, showed their preparedness to be qualified later on. But most of them decided that they have preparedness advantages to work with the private sector in the framework of the posts and works they are carrying out in their establishments. But 80% decided that they do not have technical or professional skills on the basis of which they could transfer to other works and professions. Also only a small proportion not

exceeding 10% of the researched labour force qualified themselves in the last five years. Qualifications were mostly in the field of the use of computers only. Most of the labour force criticized the performance of their establishments. Most of them decided that it is not possible for their establishments to continue with their present situations. Nearly 55% proposed that they be converted into shareholding companies in which they get a ratio of shares through outside funding for them (from their State or the social funds). 69% affirmed that their establishments are able to re-rise in privatization, and they still have certain advantages if they come under the management of the private sector and adequate funds are pumped to them. 75% of them said that they were not consulted at any level about the fate of their establishments, nor were they asked for their opinion about their subsequent situations.

93% of the researched labour force supported the execution measures of the present economic reform programme. Only 7% of the researched labour force disagreed or reserved on these measures. They attributed their reservations to many reasons, most of them relating to their low living standards. Those who supported the programme, expect it to achieve several objectives, most important of which probably is economic stability, currency stability, improvement of services and living for themselves, and the population as a whole. 93% of the researched labour force also supported partnership with the donor funds. On corruption, its causes and cases of its spread, a fair number of the labour force participated in answering these questions. But most of them dealt negatively with this phenomenon.

In conclusion, the researched labour force are experiencing very difficult social situations, and they are afraid and worried about their future, particularly those who have nothing to do. The labour force in all the establishments cannot tolerate any dramatic improvised change in their income, because any interference with their present incomes will aggravate their sufferings which will render their life intolerable.

Recommendations:

The results of this survey have undoubtedly proved, as supported by the direct heads of the researched establishments, that these establishments are no more able to continue with their present situations for the reasons aforementioned, and subsequently urgent actions must be taken to tackle their situations. In this connection it was proposed that the Public Garments and Electrical Appliances Corp., the Building Material Pub. Corp. and the Victory Free Trade Co. be liquidated, because in the market economy they cannot compete with the private sector traders whether in the fields of garments and

electrical appliances, building materials, ship supplies or tax free business. They do not have any special characteristic or certain agencies unrivalled in the market.

Concerning the National Home Trade Co. the results of the survey proved that it is unacceptable for them to continue with their present situation too. Actions must be taken to tackle its situations. It was proposed in this connection, under the continuing subsidy for flour, and in the absence of official assessment of the success of the experience of lifting off the subsidy on wheat that the National Home Trade Co. be converted into a company specialized in basic foodstuff wholesale (import-export). It shall take up the achievement of balance of these commodities in the market, combat monopoly or price rigging of these commodities, and guarantee their balanced distribution in all parts of the governorates to which they will be allocated. This conversion must be accompanied by a review of its organizational, administrative and financial structures, so that it becomes a small sized company in terms of labour force, but highly professional administratively and organizationally in order to be able to adopt the up to date organizational and technological methods of managing its commercial and marketing business.

To achieve the two above-mentioned proposals it was proposed to form a task force operating under the supervision of the Technical Bureau for Privatization. It will deal with the assets and the liabilities of these establishments as follows:

- a. A team to be formed from qualified persons specialized in assessing the assets. This team will conduct the following:
 - (1) to sort out the immovable assets of the researched establishments, and determine:
 - what exclusively belongs to the researched establishments
 - what belongs to the Yemeni owners and is supposed to be returned to its owners according to the resolutions of the Presidential Council concerning the return of the nationalized estate properties.
 - The establishments' properties which are illegally and unsystematically taken by others, and return to others what was taken away by the establishments or the establishments' properties taken away by others and notarizing the assets which will become complete state property under privatization or liquidation.

- (2) To determine the immovable assets which will be needed by the National Home Trade Co. in its new position and determine its actual value, excluding the other assets which will be sold or leased.
 - (3) To evaluate these remaining assets according to their conditions and market values.
 - (4) To prepare leasing or selling draft documents for these assets.
- b. to form a specialized financial team to sort out and evaluate the debts (creditors and debtors) in the researched establishments, and determine government debts and prepare them for reconciliation, and the debts of the corporations of the public, joint and private sectors, and the employee's debts, and make repayment and tackling time tables, sort out difficult and bad debts and give recommendations on them.
- c. to form a specialized financial team to:
- (1) Inventory and evaluate the stocks and other circulated assets in the researched establishments.
 - (2) To determine the operating capital of the Home Trade Co. and the circulated assets required by them
 - (3) To sort out and determine mortgages, charges and bank debts and suggest methods to settle them.
 - (4) To determine the rights and liabilities of the employees which are still kept by the establishments
 - (5) To close the final accounts and other financial matters which must be fulfilled before the liquidation procedures, and the formation of the new foodstuffs wholesale trade company.
- d. To form a technical team to determine the requirements of the proposed new company which will succeed the Home Trade Co. It should be formed from the employees of the researched establishments, to be limited to the minimum and with high qualification and experience so as to be appropriate with the new tasks.
- e. After the above-mentioned teams have completed their work, the liquidation of the three establishments and the formation of the new company is to be proclaimed, and the remaining assets be put for sale or leasing by public auctions under the supervision of the Technical Bureau for Privatization according to the privatization law.

After determining all liabilities and rights due to the labour force in the researched labour force required for the new company which will succeed the home trade co., it is suggested to transfer the remaining employees in the researched establishments with their financial and administrative positions to a new fund which will be formed under a special law, called "the redundant labour force fund". This fund will be an independent juristic body with a board of management and wide powers. Its main task will be to absorb the redundant labour force from these researched establishments and any other public sector establishments. It will look after them, qualify them, and prepare them to work in other governorate privatized establishments. This fund serves as a basket for the redundant employees in all establishments to be privatized or liquidated. Its board of management represents the concerned government ministries in a grade not less than ministers or deputy ministers, including the ministries of Civil Service and Administrative Reform, and Finance and appropriately represents employees' representatives from trade unions or others, and other social bodies such the non-government societies concerned with human development or human rights or charitable societies. The private sector must be represented in the fund's board of management. The resolutions of this board must be independent from government resolutions and not subject to any other government approvals. It shall be responsible for its resolutions and committed to implement them within the limits of its tasks and terms of reference. It is suggested that it is to be headed by a prominent non-government social dignitary. The fund must have branches in some of the governorates where there are redundant labour force, and to be managed in the same independent manner, and the presence of a local governorate-level board of management representing the same authorities at the level of the governorate.

The fund resources are suggested to be as follows:

- the state's contribution to the wages of the employees in the establishments to be liquidated or privatized.
- 50% of the revenues of the privatization or leasing of the assets of the establishments subjected to liquidation.
- Contributions, gifts, grants, and easy loans allocated by donor states and organizations to contribute to solving the problems of the redundant labour force or implementing privatization measures.
- Donations and gifts from local social and charitable societies.

It is also suggested that the fund form a basket for the redundant labour force, and conduct the following:

- To sort out the labour force in accordance with their qualifications, possibilities and specializations, and determine training and re-training programs, and supervise the implementation of these programs and prepare these employees for subsequent work according to the labour force market demand.
- To pay the salaries of the labour force who are members in this fund, and secure full care including qualifying, caring, and retiring those who have reached either of the two retiring deadlines.
- The fund's relation with the employees under its umbrella is terminated as the fund provides new jobs for these employees and they move to work in these jobs.

An executive management is to be formed for the fund. It should consist of an appropriate number of employees who have particular specifications, and are prepared for public and social service, and have faith in the objectives of the human development, freedoms, and human preparedness dedication and faithfulness to perform such noble tasks.

Because there is a sharp shortage in statistics about need and demand for each specialization in the labour market, it is suggested to carry out a field survey to get to know the labour market's demand for all specifications at the level of governorates so that in the light of the results of this survey and the determination of labour market's demand for labour force, qualifications and various specializations, the fund can make the offer available to it in the labour force basket and amend the training programmes to suit the labour market requirements.

It is also suggested that priority be given to employing from the redundant labour force fund basket and education outputs in certain proportion, so that priority to employing from the fund basket be given to the requirements of the following authorities to employ according to the offer available to the fund:

Government authorities/ the privatized corporations/ the local and foreign investment companies and enterprises which demand foreign labour force/ the enterprises and authorities which will hire the assets of the establishments to be liquidated and others.

The conclusion is that the labour force in the researched establishments must not be dismissed or terminated without legal justifications and without providing other incomes to subsist on. In all cases, and while the labour force remains in the care of the fund, these labour force must be used through organized programme to participate in social works like reparation of schools, or maintenance of government establishments or other paid works so that these

labour forces should not remain idle and receive their salaries while they stay at home.

It is also suggested that the fund should organize strong relations with the social development funds and anti-poverty projects in order to benefit from the potentials of these funds and projects in transferring some of the labour force under its umbrella, and encourage them to benefit from the projects which are made available by these funds and projects to create their own works, and consequently come out of the redundant labour force fund.

In view of the high unemployment levels and weakness of the local market to finance privatization, a number of measures were proposed to contribute in providing appropriate atmospheres for investment and financing privatization. Most important of them are probably:

- to speed up the solution of land problems and disputes, rationalize land distribution and stop trespassing the land of investors.
- to consolidate the security situation and ban the entry of weapons into the towns and firmly address the phenomenon of killing, kidnapping, and aggressions inside the cities, and enforce the law on all.
- issuing of laws, resolutions and regulations concerning the emigrants and encourage their investments and remittances and reassure them of granting some rights.
- dealing with the effects of nationalization in a sound legal manner, on the basis of 'no harm to anyone', so as to achieve social security and restoring the rights to their owners.
- speeding up the setting up of a stock market, and prior to that encouraging the major and old trading houses to shift to organized institutional situations so as to achieve a separation between ownership and management in these establishments.
- encouraging the setting up of private share-holding companies and providing consultation and technical and institutional support for these private corporations, and also encouragement of setting up technical, engineering and financial consultant companies, so as to achieve and ensure these private corporations and enterprises obtaining responsible technical consultation.
- making reforms in the financial and banking sector so as to ensure the pumping of loans and finances for the companies, and the guarantee of the State for the loans granted to the private establishments and enterprises by banks or international and regional donor organizations.

On the basis of the results of this pilot survey, there can be a generalization in dealing with the situations of the faltering corporations in the trade sector in other governorates, or faltering corporations in the fields of industry, agriculture, construction, transport and other establishments of the public sector that have become a burden on the State and the society. We hope that these recommendations proposed by us will receive attention from the concerned authorities, and also hope that the concerned foreign donors, such as the United Nations organizations and the World Bank adopt these recommendations and present the technical and financial support needed for their implementation, considering that this issue dealt with by the report is one of the components of the economic reform programme, which these donor organizations have committed themselves to support.

In the Name of Allah the Compassionate the Merciful

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Before I invite you to go through the folds of this report, I wish to thank and acknowledge the help of all those who helped me with opinions and remarks and facilitated my task of designing and preparing the survey plan, in preparing the forms and survey questionnaires, collecting, preparing and analysing the results of this survey, and the preparation of this report. I mention in particular Mr. Abdorabbo Jarada, Chairman of the Central Statistical Organization, Dr. Mutahhar Assa'eedi, Minister of State for Cabinet Affairs and General Supervisor of the Technical Bureau for Privatisation, Mr. Abdul Karim Alssa'eedi, Director General of the Technical Bureau for Privatization, Mr. Hussein Ahmed Ogle, director general of the Technical Bureau at the Central Statistical Organization in Sanaa, who nominated me and encouraged me to carry out this task. I also specifically mention my dear friend, Mr. Abdulla Saeed Abadden, Under-Secretary of the Ministry of Planning and Development who provided his valuable remarks during the various stages of the survey and the draft of the final report, and also Mr. Abdul Latif Ash-Shaibani, Assistant Under-Secretary of the Central Statistical Organisation who also provided his valuable remarks on the inputs and outputs of the field survey. I also record my special gratitude and appreciation for the unknown soldiers who helped me in printing and preparing the tables, namely, Eng. Ajmal Majed Ali, Mr. Ali Awad Ba-Eisa, and Ms. Aneesa Saeed Abdulla, whose patience and sincerity had a distinguished role in the completion of this report in this manner.

I would also like to thank the employees of the researched establishments who gave the data for the purpose of this survey, and for whom I wish from all my heart that the concerned authorities will take into consideration the recommendations mentioned in this report, to ensure providing maximum tranquility, guarantee and suitable life for these employees.

Finally I can only thank the United Nations Industrial Development Organization (UNIDO) in Vienna, which contributed with assigning me to carry out this survey and to prepare this report in Arabic and English languages.

For all the above-mentioned people who made me enjoy the completion of this work and give it my utmost attention and energy, I offer my full appreciation and praise.

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1 Introduction

The public sector in the southern part of the Yemeni homeland arose following the nationalization that began its series since November 1969 after the first leftist coup against the ruling regime after independence, with the nationalization of foreign establishments and companies in the sectors of banks, insurance, trade, shipping, oil and other economic activities that prospered in Aden. This was done in accordance with Law No. 37 of 1969, followed by the issuing of a number of laws and resolutions stipulating the nationalization and confiscation of the other trade activities belonging to some foreign, Arab and local trading enterprises.

On the remains and assets of these enterprises rose the public sector establishments in various fields. The economic, financial, trade and service activity became the monopoly of these corporations and the task of providing the needs of the citizens and the state, starting from food materials upto cars, machinery, industrial equipment and the various services, became the concern of these new corporations. All these young corporations continued to operate for a number of years under the monopoly and government subsidy, and then some of them were separated and merged together several times. Other new corporations were established, until the situation was reached of the corporations that existed and were inherited by the unified state on 22nd May 1990. Since the unity some of them have been liquidated in a number of fields, such as agriculture, industry and constructions, while some were privatized utilizing some articles in the framework of the Corporations Law. The corporations in the trade sector remained, with the existing four companies and corporations, on which no decision has been taken yet, and it is these that were included by the Pilot Survey for which this report is being prepared about its final results. These corporations are:

1. The National Home Trade Company.
2. Public Corporation for Building Materials Trade
3. Public Corporation for Garments & Electrical Appliances Trade
4. The Yemeni Company for Free Trade (Victory Co.)

No doubt, the public corporations set up on such a basis under the prevailing monopoly of the State over the various economic activities, should be profoundly affected when the economic environment changes into a market economy and competition, and the State abandons some of the economic functions in favour of other sectors. All the defects and negative aspects will appear that accompanied the setting up of these corporations and which were covered up by the monopoly and other factors.

Therefore the situation of these corporations will surely be affected and will falter in their activities, and will not be able to compete and continue, rather, some of them may collapse and stop completely. Therefore many of them are subject to either privatization or liquidation. Since no studies or scientific researches have been made, based on field surveys of the conditions of these establishments, prior to privatization or liquidation, aimed at getting to know the reasons for their faltering, and the extent of the relationship and effect of their manpower with these reasons, reaching deductions and conclusions that assist in implementing the subsequent privatization or liquidation with competency and efficiency, with minimum losses and maximum benefits and returns, giving special care to maximum benefit from the manpower in these establishments and to ensure their employment transfer safely, giving attention to providing a suitable and humane life for them after the privatization or liquidation.

2 Survey Objectives

This field survey is aimed at carrying out this field study of the conditions of these establishments prior to privatization or liquidation, concentrating on the aspect of its manpower and specifying their needs for training or re-training, and preparation of recommendations to create a social security network for the redundant labour in these establishments.

This interest in the conditions of the labour force in these corporations emanates from the high attention given by the State and the donor international organizations to the social and human dimension of the economic reforms, in which privatization, resolving the problems of the faltering establishments and its labour force constitute one of its main factors, in addition to the attention to the human development itself, which has become the basis and the axis for the development processes, as Man is the objective of development and its means. The conditions of the faltering establishments and corporations cannot be dealt with in isolation from the attention for the conditions of the labour force, and taking their opinions, and the requirements of their qualification and preparation for safe and secure transition to other jobs or a suitable future living that safeguards their humanity and honour.

It was preferred that the survey be carried out as a pilot survey for a limited number of corporations of the public sector in the field of trade in Aden governorate. In the light of the success of this survey it can be generalized on the other sectors and fields. It is worth indicating that this survey is not intended to assess the experiment of the public sector in the trade field, or in

the southern governorates, nor is it aimed either at an economic analysis of the conditions of these corporations, and consequently to specify the extent of efficiency of these corporations, but it has been designed on the basis of giving a quick assessment of the conditions of these corporations from the point of the condition of its labour force and their financial situation, which is related to reaching these corporations to their present conditions that have necessitated their privatization or liquidation, and consequently finding solutions for the condition of their labour.

3 Progress of Preparations and Methodology of the Survey and the Difficulties Faced by the Field Survey

To implement this field survey, the Technical Office for Privatization, in coordination with the United Nations Industrial Development Organization (UNIDO), after approval by the leadership of the Central Statistics Organization (CSO) in Sanaa, asked the CSO office in Aden in June last year to prepare an envisage to implement that field survey, on the basis of a trial project covering four public corporation in the trade sector, with a work force of 156. The Aden Office of the CSO presented a complete proposal including an executive work plan for the survey work, specifying the material and human requirements to implement it. The Technical Office for Privatization and the United Nations Industrial Development Organization in Vienna approved charging the CSO Aden Office, headed by its Director General, Engineer Khaled Abdul Wahed Mohammed Noman, to carry out the implementation of the work of this survey.

On 31st August 1998 the draft agreement to implement the survey work was sent for signing by UNIDO in Vienna and the Aden Office of the CSO. The agreement was signed between the two parties on 30th September 1998, under No. - UNIDO Project PDP / Yemen / 95 / 003 - Activity Code 063000.

Following the signing of the agreement between UNIDO and the CSO Aden Office, the CSO began preparing the survey documents on the basis of the executive work plan, and completed the designing of two questionnaires, along with the explanatory memorandum for them. The first was the questionnaire for the survey of establishments. The design and preparation of this questionnaire aimed at total familiarity and forming a complete envisage of the conditions of these establishments before the completion of the formalities for the privatization or liquidation and to get to know the reasons that reached these establishments to the situation in which they should not remain in their present condition, and the need of adopting future measures for their privatization or liquidation, according to the conclusions that can be derived from the facts of this survey. Another aim of designing this questionnaire was

research into the impact of the man power of the establishments from the aspect of size, qualification, and capabilities, on the current situation and whether it has any relationship to the conditions reached by the establishments and how the conditions of the work force can be taken into consideration in continuing the impact on the future conditions of the establishments in a positive manner and dealing with its negative effect through getting to know the proposals that ensure the preparation of this labour force for the suitable future life in the framework of these establishments or outside them.

It was planned to fill up this questionnaire through a field visit and a personal interview with the manager in-charge of each establishment and to fill in the required data by the researcher, and for further accuracy of information and data it will be matched with the data existing with the Central Organization for Control and Accountability, the CSO, the Ministries of Finance and Civil Service from the actual final accounts and the results of the employee survey. Therefore the questionnaire for the survey of the establishment dealt in its first part with the general identification data about the establishment and then in its second part it dealt with the labour force of the establishment from the aspect of number, gender, nationality and vocational and job categorization and through the qualification and study levels and the years of service. In its third part it dealt with the financial data about the establishment and in its fourth part taking the opinion of the leadership of the establishment regarding the current and the future conditions of the establishment, the future of its workers and the proposals adopted by the administration of the establishment regarding its work force.

As for the second questionnaire, it is a questionnaire to survey the researched labour force. The design of this questionnaire is aimed at obtaining comprehensive information about the condition of the researched labour force through the conducting of personal interviews with 160 workers representing various levels and job categories in these establishments. Through this questionnaire they will be asked about all the basic information about them and their job conditions and their financial dues, and their views about the condition of the establishment and the reasons for this and how they view its future and their future and the extent of their readiness to transfer to other works and jobs or future qualifications, and what is their view regarding the privatization measures and the economic reform programme, and other information that could lead to conclusions that help in presenting recommendations regarding dealing with the condition of the work force in these establishments and their safe transition to a suitable life after the privatization or liquidation.

Therefore the questionnaire included in its first part the basic data about the workers, by name, gender, age, educational status, years of service, marital status, no. of family members, the employment and vocational situation, the income, qualification and other data that is invaluable in any survey about the labour force. In the second part of the questionnaire are the views and assessments of the worker about his present condition and how he sees his future condition, from the point of income and expenditures and his relations with the establishment in which he works, from various aspects, including the possibility of his qualification or re-qualification in spheres other than the sphere of his current work, and his opinion about his cutgure and the future of the establishment in which he works. In the third part of the questionnaire are the other impression opinions about the conditions of the establishment and his proposals for them, and for its future situation and his other opinions about the economic reforms and his stand on them, and other veivs related to the economic, social and human dimensions of the reform process going on in the country.

After the completion of the designing of these questionnaires and its explanatory memorandum by the CSO office in Aden, it was sent on 5 October 1998 to the leadership of the CSO in Sanaa, the Office of the Governor of Aden Governorate, and to the Technical Bureau for Privatization, the UNIDO Office and the Office of the Ministry of Planning and Development in Aden, and to the officers of the ministries of Finance, and Civil Service in Aden, to the branch of the Central Apparatus for Control and Accountability in Aden, to take their opinion on the content of these questionnaires. Actually all of them responded and gave us valuable remarks on the content of these questionnaires and these valuable remarks were absorbed the included in the questionnaires, and they were re-printed and approved by the leadership of the CSO, in its final form on 15 November 1998.

The CSO office also prepared tables of the outputs of the survey, comprising of 51 tables and sent them to the same above-mentioned parties, with the aim of completing their remarks and in fact some of these parties kpresented their remarks and these tables were printed in their final form. The CSO Office was ready to begin the implementation of the field work since the second half of November 1998, and asked permission from the Minister of State for Cabinet Affairs, supervising the Technical Bureau for Privatization, and the chairman of the CSO, the governor of Aden governorate, and the Minister of Supply and Trade to begin the field survey work. Directives were issued by the Chairman of the CSO, in accordance with his letter dated 23 November 1998, addressed to the Governor of Aden governorate, committing the concerned establishments to repond to and cooperation with the survey team to implement the field survey work. According to this directives were

issued by the Governor of Aden governroate, according to his letter dated 1 December 1998, making it obligatory on the concerned establishments to facilitate the survey work and to respond to the survey team and present the required data, and to provide the required work force to carry out the interviews with them, but it is regretted that the leaderships of some of the concerned establishments in the field of trade did not respond to the survey team.

Towards this uncooperative stand we resorted to the Minister of State for Cabinet Affairs, General Supervisor of the Technical Bureau for Privatization, who thankfully cooperated and addressed an official letter, no. 15/9/32, dated 9 December 1998 to the Ministry of Supply and Trade to make it obligatory on the concerned establishments to respond and facilitate the work of the field survey work. After earnest pursuing by the CSO office in Aden, with intervention by the Chairman of the CSO several times, and the Director General of the Technical Bureau for Privatization, written directives were issued by the Minister of Supply and Trade, dated 3 February 1999. No. 137 addressed to the managers of the concerned establishments to respond to and cooperate fully with the survey team and to present the data and then to commit the managers of the following three establishments:

Public Corporation for Garments & Electrical Appliances Trade
Public Corporation for Building Materials Trade
The Yemeni Company for Free Trade (Victory Co.)

The field survey work began to fill up the forms for the establishments and the forms for the labour forces in these three establishments, beginning 10 February 1999, and ended on 9 March 1999. The field survey lasted for a relatively long time, since most of the labour force in these establishments were not attending their work, and were compelled to call them from their homes to meet the field survey team, while the survey faltered in the National Home Trade Co. due to non-response by the Acting Chairman of the Managing Board of the Company, a matter that once again made us resort to the chairman of the CSO and the Minister of Supply and Trade, who followed up the subject, personally, and committed the Chairman of the Managing Board to respond and provide the data and thus the field work in the Home Trade Co. was completed in the final form on 18 April 1999.

During the period from 18 April 1999 to 30 April 1999 work was completed on the revision and preparation of the field data and it was edited, processed and prepared in tables of outputs, and the tables were completed in the form of preliminary drafts on 30 April 1999. These were sent to the leadership of the CSO, the Technical Bureau for Privatization, and the

UNIDO office in Vienna, for remarks before their issuing in the final form and their endorsement for analysis in the framework of this report.

4 Results of Survey of Researched Establishments

4-1 Extent of Spread of Researched Establishments in the Governorates and the Legality of their Establishment and Practising their Activity:

4-1-1: It is clear from table no. (1) pertaining to the identification data about the researched establishments that all the researched establishments had their field of activity in the southern and eastern governorates (formerly Democratic Yemen) except the National Home Trade Co. that opened branches, after the unity, in Ibb and Taiz governorates. But still the activity of these branches was limited and linked to contribution in marketing of subsidized commodities of wheat and flour, alongside the other establishments and traders.

As for the Victory Co. its activity was limited to Aden governorate and the air and sea inlets in Aden governorate only. Therefore all the researched establishments express or reflect the activity of the public sector in the field of trade in only the southern and eastern governorates.

4-1-1. All the researched establishments have ordinances passed for setting them up, especially those that were set up before 1983, whereas the Building Materials Corporation was set up according to a resolution of the Council of Ministers, no. 2 of 1983, in conformity with the Corporations Law, no. 12 of 1979; which prevailed in the southern and eastern governorates. It stipulated the setting up of new corporations in accordance with resolutions of the Council of Ministers, and not by ordinances. Therefore the activity of all the researched establishments is based on law, and it is imperative that their situation should also be based on law.

4-1-3: The National Home Trade Co. was set up on the remains of the foreign trading companies nationalized in accordance with the Nationalization Law, No. 37 of 1969. Then in 1982 and 1983 there emerged from it the Garments and Electrical Appliances Corp. and the Building Materials Corp., successively. The Victory Co. for Free Trade was established in accordance with Law no. 32 of 1974 on the remains of the nationalization of the Bhicajee Cowasjee Co. and taking over of the property of local traders who operated in the field of shipchandling. Therefore the source of the researched establishments is the nationalized property and assets.

Table 1: General Identification Data of Researched Establishments

Serial No.	Name of Researched Establishment	No. of Branches	Governorates where it exists	Nos. Of Commercial Registers	Date of Commencement of Activity	Law of Establishment	Ownership Sector	Legal Entity	Working days per year
1	National Home Trade Company	7	Aden/Abyan/Shabwa/Hadramaut/Almahra/Ibb/Taez/Socotra	1969	27/11/69	Law 37 of 69	Public	Govt.	300
2	Public Corporation for Garments and Electrical Appliances Trade	5	Aden/Abyan/Shabwa/Hadramaut/Almahra	5653	2/1/82	Law 1 of 82	Public	Govt.	300
3	Public Corporation for Building Materials Trade	4	Aden/Abyan/Shabwa/Hadramaut	-	2/1/83	Cabinet resolution 2 of 83	Public	Govt.	300
4	Yemeni Free Trade Company (Victory Co.)	1	Aden	763	1974	Law 32 of 74	Public	Govt.	300

Table 2: Data About Size of Researched Establishments With Regard to Capital, Fixed Assets and Former Shareholders

Serial No.	Name of Researched Establishment	Authorized Capital (in thousands of Riyals)	Paid-up Capital (in thousands of Riyals)	Accumulated Current Capital	Value of Fixed Assets (in Thousands of Riyals)				Former Shareholders (Before Nationalization)	
					Total	Owned by Establishment	Nationalized	Returned to Owners	Their No.	Proportion of Shares
1	National Home Trade Company	26,000	11,700	253,510		897,923			Several foreign companies	Various
2	Public Corporation for Garments and Electrical Appliances Trade	52,000	13,000	13,000		117,441				
3	Public Corporation for Building Materials Trade	2,600	2,600	134,710		137,609		229,050		
4	Yemeni Free Trade Company (Victory Co.)	13,000		30,000		66,670			Several foreign & local companies	various

4-2 Size of Researched Establishments, from the Point of Capital, Immovable Assets, Former Share Holders, and the Extent of Sufficiency of their Finance Structures:

4-2-1: Due to the nature of the setting up of the researched establishments, from the point that they were set up on the remains of nationalized establishments, or emerged from these establishments, which were set up on the remains of nationalization, so their basic paid up capital was the total value of the assets of the nationalized establishments, or what was provided by the Home Trade Co. for the Garments and Electrical Appliances Corp. and the Building Materials Corp., at the time of their setting up. Therefore the authorized capital and the paid up capital of the researched establishments is very meager and only constitutes a very simple percentage of the size of the business.

Table no. 2 clarifies the size of the researched establishments from the point of capital and immovable assets and former share holders.

Table no. 3 clarifies the percentages of the authorized, paid up, and accumulated capitals for the researched establishments to the size of business of each of them, in 1997, and the number of times the paid up capital has increased.

Serial No.	Name of Researched Establishment	Percentage of Authorized Capital to size of business in 1997	Percentage of Paid-up Capital to size of business in 1997	Percentage of Accumulated Capital to size of business in 1997	No. of times increase in paid up capital
1	National Home Trade Company	0.5 %	0.2 %	4.8 %	21
2	Public Corporation for Garments and Electrical Appliances Trade	35 %	8.8 %	8.8 %	-
3	Public Corporation for Building Materials Trade	0.2 %	0.2 %	13.4 %	51
4	Yemeni Free Trade Company (Victory Co.)	11.20 %	-	26 %	15

4-2-2: As is clear from table no. 3 above, the paid up capital in the Home Trade Co., the Building Materials Corp. and the Victory Co. is not more than 0.2 % of the total size of business in each of them for 1997, while the paid up capital in the Garments and Electrical Appliances Corp. is not more than 8.8 % of the size of business in 1997.

Here lies the source of defect in the activity of these establishments, as its financial structure is very weak, and it relied in its activity throughout the past years on the bank facilities, and had it not been for the factors of monopoly of trade activity in the former southern and eastern governorates,, which led to the

increasing of the size of business, and consequently increase in the rate of rotation of the capital, and lowering of the rates of bank interests which was prevalent then, and the permitting of credit facilities without specific cover, and the use of trade facility loans with the donor countries in favour of these establishments, the researched establishments would not have been able to continue over the past years. Rather, due to those factors, the researched establishments were able to develop their capital through the capitalization of the profits to several times. The Home Trade Co. increased its paid up capital 21 times, the Building Materials Corp., 51 times, the Victory Co. 15 times, while the Garments and Electrical Appliances Corp. could not increase its paid up capital for reasons related to the corporation itself. In spite of this the increasing of the paid up capital is still modest in all the researched establishments, in comparison to the annual rates of rotation of capital that were achieved, as shall be mentioned in following paragraphs.

4-2-3: It is clear from the above that the factors of monopoly and other reasons were the basic impetus through which the researched establishments were able to stand fast throughout the past years, and achieve what was achieved before unity. When these factors ended after the unity, these establishments could not stand fast for long, due to the weakness of their financial structures. Even the development that took place during the past years, did not qualify them to continue in operation, as the percentage of accumulated capital to the size of its business is acceptable, but for other reasons that we shall review in later paragraphs, this company could not stand fast for long under the new circumstances.

4-2-4 The leaderships of the researched establishments could not sort the immovable assets according to their sources and their establishments, whether inherited from nationalization or set up by it later from its funds or what it restored as property to its former owners, on the basis of the resolution of the Presidential Council, issued on 12 September 1991, regarding the return of nationalized commercial estate property to its Yemeni owners. Some researched establishments returned estate and commercial places to their owners, but they could not assess those returned assets. They were able to specify the assets owned by the researched establishments which are in their possession only. As is clear from table no. 2, regarding the size of immovable assets, the researched establishments have relatively large assets, which will be relied on at the implementation of the measures of privatization of liquidation, but we have reservations about the assessment of these assets and their sorting, between those purely owned by the researched establishments, and not disputed by anyone, or what is supposed to be returned to their owners according to the resolution of the Presidential Council, as in the case of the Home Trade Co. some of the property and shops have not yet been returned to their owners.

It should also be pointed that some of the assets of the Home Trade Company are mortgaged to the banks at values more than the volume and the value of the assets owned by them. Therefore, it is necessary to re-asses carefully the value of the assets of the researched establishment before they are offered for privatization or liquidation.

4-2-5: Regarding the owners prior to nationalization, some of the foreign companies which were covered by the nationalization law no. (37) of 1969 of whose properties the assets of the trade company constitute a fair ratio, have been compensated by the state under a settlement agreement. But some former owners or shareholders in other foreign companies covered by the same law were not compensated. Subsequently, some who claimed having some shares in these foreign companies seized by force some real estates and properties of the Home Trade Company and the Victory Company and added them to their properties in an unauthorized manner. They are still holding them without legal justification nor systematic measures.

It is therefore necessary to re-evaluate precisely the assets of these establishments and rid them of these faults and illegal practices before any measures are taken to privatize or liquidate these establishments.

4-3: The demographic and economic and social properties of the labour force in the researched establishments

4-3-1 Volume of labour force in the researched establishment and its distribution in terms of sex and nationalities, the situation of confirmation and nature of work according to qualifications and educational level:

4-3-1-1: To investigate into the volume of labour force in the researched establishments, its demographic features and distribution as contained in the sub-title, the following table may be considered:-

Table no.(4) explains the volume of labour force in the researched establishment according to sex and nationalities and position of confirmation.

Table no.(5) explains the distribution of labour force in the researched establishment according to the nature of the work (type of the work).

Table no.(6) explains the distribution of labour force in the researched establishments according to the qualifications and educational levels.

Table no.(7) explains the proportion of the distribution of the researched labour force in the researched establishment according to the field of work in administration, services, or marketing and sales and technical and vocational fields.

Table 4: Size Of Labour Force In The Researched Establishments According To Gender, Nationality And Permanency Status.

Serial No.	Name of Researched Establishment	No. of employees in Establishment			Nationalities of employees in Establishment			Permanency Status of Employees			Remarks
		Total	Males	Females	Yemenis	Arabs	Foreigners	Permanent	Tempo rary	Seasonal	
1	National Home Trade Company	1337	981	356	1337	-	-	1337	-	-	
2	Public Corporation for Garments and Electrical Appliances Trade	751	501	250	751	-	-	751	-	-	
3	Public Corporation for Building Materials Trade	271	181	90	271	-	-	271	-	-	
4	Yemeni Free Trade Company (Victory Co.)	317	230	87	316	-	1	314	3	-	
	Total	2676	1893	783	2675	-	1	2673	3	-	

Table 5: Distribution Of Labour Force In The Researched Establishments According To Nature of Work (Type of Work).

Serial No.	Name of Researched Establishment	No. of Employees According to Nature of Work					Total
		Higher Management	Executive Management	Marketing & Sales	Technical, Craft & Vocational Fields	Other Services	
1	National Home Trade Company	22	150	730	227	208	1337
2	Public Corporation for Garments and Electrical Appliances Trade	6	209	223	214	99	751
3	Public Corporation for Building Materials Trade	4	117	50	22	78	271
4	Yemeni Free Trade Company (Victory Co.)	2	72	90	65	88	317
	Total	34	548	1093	528	473	2676

Table 6: Distribution Of Labour Force In The Researched Establishments According To Qualifications and Study Levels

Serial No.	Name of Researched Establishment	Number of Employees According To Qualifications and Study Levels								Total
		Illiterate	Literate	Primary	Preparatory	Secondary	Diploma	Graduate	Post Graduate	
1	National Home Trade Company	-	471	91	380	296	42	55	2	1337
2	Public Corporation for Garments and Electrical Appliances Trade	44	86	169	204	198	20	26	4	751
3	Public Corporation for Building Materials Trade	31	11	53	68	80	15	13	-	271
4	Yemeni Free Trade Company (Victory Co.)	3	16	20	99	121	40	18	-	317
	Total	78	584	333	751	695	117	112	6	2676

4-3-1-2: Because the survey was for Aden Governorate and the main centres of the researched establishments lie in Aden, we could not visit the establishment's branches in the other governorates to conduct the field survey of the labour force there. The centres of the researched establishments do not have data about the labour force in their branches as detailed data about the labour force in the main centres. Therefore, our research was restricted to the labour force in the main centres of the researched establishments. They contribute the majority of labour force in their establishments. The above-mentioned tables explain the volume of labour force in each establishment and their various distributions. The total number of labour force in the researched establishment is 2676 workers. They distributed into males and females as follows: 1893 males, 783 females, that is 70.7% males and 29.3% females.

The ratio of females in each establishment is 26.6% in the Trade Company, 33.3% in the Garments Corp., 33.2% in the Building Materials Corp. and 27.4% in the Victory Company. All labour force in the researched establishments belong to the Yemeni nationality, except one foreigner residing in the Victory Company. He belongs to one of the communities that live in Aden. All labour forces working in the researched establishment are permanent, except 3 temporary workers in the Victory Company. The researched sample in this survey covered 160 male and female workers who constitute nearly 6% of the total labour force in the researched establishment.

4-3-1-3: It is clear from table No. (5) and (7) that all researched establishments have redundant labour force in the field of administration and services to the detriment of labour force in marketing, sales, technical, handicrafts and vocational fields. This inflation varies from one establishment to another. The highest percentage is in the Building Material Corporation where employees in administration and services are nearly 73.4% of the labour force. The lowest percentage is in the Trade Company where it reached 28.4% of the labour force. At the level of the researched establishment as a whole the percentage of employees in the field of administration and services reached nearly 40% of the total labour force in the researched establishment, while employees in the field of marketing and technical and professional fields reached 60% of the total labour force. The main activity of all researched establishments is marketing and sales. Therefore, the balance in the distribution of labour force between production and services tilts in favour of services in corporations where productive labour force is supposed to form an absolute majority.

Table No. (7) Proportions of distribution of the researched labour force in the researched establishment according to the scope of work in administration & services, or marketing, sales, and technical and vocational fields.

No.	Name of the Researched Establishment	Proportion of workers in administration and services	Proportion of workers in Marketing, sales, and technical & professional fields	100%
1	Home Trade Company	28.4	71.6	100
2	Garments & Electrical Appliances Corp.	41.8	58.2	100
3	Building Material Corporation	73.4	26.6	100
4	Victory Company	51.1	48.9	100
	Total	39.4	60.6	100

4-3-1-4:

Regarding the distribution of the whole labour force in the researched establishment according to qualifications and educational levels.

Table no.(7) explains this. According to this table they are distributed as follows:-

3% illiterates, 21.8% read and write without educational qualifications, 12.4% have primary qualification, 28% have preparatory qualification, 26% have secondary qualification, 4.4% have post-secondary diploma, 4.2% university graduates, 0.2% have post-university qualifications. Those with primary qualifications and less constitute more than 65% of the total labour force, and the rest have secondary qualifications and higher. They form 35% of the total labour force.

This large volume of low level labour force in lower levels increases the burdens of rehabilitating them to acquire new skills and expertise to qualify to enroll in the labour market in other businesses and professions.

4-3-2: Volume of labour force in the researched establishments in terms of employment levels and actual years of service.

4-3-2-1: In investigates into the situations of labour force in the researched establishments according to the employment levels and actual years of service, the following table can be seen:-

Table No. (8): Distribution of labour force in the researched establishments according to the employment levels.

Table No. (9): Distribution of labour force in the researched establishments according to total actual years of service.

Table 8: Distribution Of Labour Force In The Researched Establishments According To Employee Levels

Serial No.	Name of Researched Establishment	Number of Employees According To According To Employee Levels												Total	
		Employee Group 1 No.			Employee Group 2 No.			Employee Group 3 No.			Employee Group 4 No.		Employee Group 5 No.		
		a	b	c	a	b	c	a	b	c	a	b	a		b
1	National Home Trade Company	2	2	39	131	265	158	115	100	65	459	1	-	-	1337
2	Public Corporation for Garments and Electrical Appliances Trade	-	1	14	45	178	269	94	41	28	81	-	-	-	751
3	Public Corporation for Building Materials Trade	-	-	8	31	80	103	22	15	8	4	-	-	-	271
4	Yemeni Free Trade Company (Victory Co.)	-	1	6	30	78	88	39	23	15	31	2	4	-	317
	Total	2	4	67	237	601	618	270	179	116	575	3	4	-	

Table 9: Distribution Of Labour Force In The Researched Establishments According To Total Years of Actual Service

Serial No.	Name of Researched Establishment	Number of Employees According To Total Years of Actual Service								Remarks
		1 - 5 years	6 -10 years	11 - 15 years	16 - 20 years	21 -25 years	26 -30 years	31 -35 years	More than 35 years	
1	National Home Trade Company	1	113	178	341	467	174	63	-	
2	Public Corporation for Garments and Electrical Appliances Trade	-	132	125	293	162	25	13	1	
3	Public Corporation for Building Materials Trade	-	22	63	90	73	21	2	-	
4	Yemeni Free Trade Company (Victory Co.)	-	39	52	86	85	21	34	-	
	Total	1	306	418	810	787	241	112	1	

4-3-2-2 The labour force in the researched establishments are distributed to the employment groups as follows:-

The number of employees in the 1st employment group, is 73, they form 2.7%. In the second employment group their number is 1456 persons, forming a percentage of 54.4%. In the 3rd employment group their number is 565 person and they form 21.1%. In the 4th employment group their number is 578 persons, forming 21.6%. As for the 5th employment group their number is 4 persons forming a percentage of 0.2%.

Therefore the maximum majority of the labour force which constitutes nearly 97.1% is in the second, the third and the fourth employment group. They lie within the low-income category which under the present high prices and inflation in the country must be facing difficult living conditions. Any subsequent sharp changes to the situation of their income will increase their sufferings and they cannot tolerate them.

4-3-2-3: The labour force in the researched establishment is distributed according to the total tens of years of actual service as follows;-

Those who have actual service from 1-10 years.

These are 307 persons and constitute 11.5% of the total labour force.

Those who have actual service from 11-20 years.

These are 1228 persons and constitute 45.9% of the total labour force.

Those who have actual service from 21-30 years.

These are 1028 persons and constitute 38.4% of the total labour force.

Those who have actual service from 31-35 years and above.

These are 113 persons and constitute 4.2% of the total labour force.

It is clear from this distribution that nearly 4.2% of the labour force only are those who have services from 31 years and above, and may be deducted from the present actual labour force through normal retirement by reaching either of the two deadlines, or through early retirement by purchasing some of the service years up to five years. If we extend the scope of early deadline through the purchase of 10 years, the total percentage of those who could be deducted from the present total labour force will be 13.2% of the total labour force. This will be equal to 354 persons. It is worth mentioning that 306 persons were employed in the researched establishment during or after the unity. Their service did not exceed ten years. This is considered as unjustified employment as the researched establishments were known to have been

suffering from over-staffing, and beginning to falter in their work since 1990, and did not need to employ such a large number of labour force. So this labour force which constitutes nearly 75.5%, their actual service is between 11-25 years, and their situation should be tackled in the framework of the subsequent measures to tackle the situation of the researched establishment.

4-4: Assessment of the financial situations of the researched establishments.

4-4-1: Amounts of wages paid in the researched establishments and their proportion to expenditures and revenues.

Table No. (10) reviews the amount of paid wages in the researched establishments and their distribution according to the articles of 97. The table No. (11) also reviews the financial position of the researched establishments for years 97-99.

From the two tables it is possible to calculate the ratio of the paid wages to the total expenditures and to the total revenues in the researched establishments for years 95-97 according to the following table No.(12).

Table No. (12): Scope of the ratios of the paid wages in the researched establishments to the total expenditure and total revenues for years 95-97.

No.	Name of the researched establishment	Scope of ratio of paid wages	Scope of ratio of paid wages to the total revenues for 95-97
1	National Home Trade Company	45.2%-55.3%	5%-6.6%
2	The Garments & Electrical Appliances Corporation	92.5%-96%	64.3%-67%
3	The Building Materials Corporation	82.7%-91.5%	6.2%-15.4%
4	The Victory Free Trade Company	82.6%-91.5%	37.4%-64.7%

Table 10 Amounts Of Wages Paid In The Researched Establishments And Their Distribution According To The Articles, For 1997

Serial No.	Name of Researched Establishment	Amounts of wages paid for 1997 and their distribution according to the articles (in thousands of Riyals)						Remarks
		Salaries and Wages	Allowances and Compensations	Privileges in-kind	Awards and Incentives	Retirement share	Total	
1	National Home Trade Company	218,951	93,180	13,542	8,124	15,277	349,074	
2	Public Corporation for Garments and Electrical Appliances Trade	69,702	21,421	903	980	5,694	98,700	
3	Public Corporation for Building Materials Trade	58,557	20,157	1,138	2,088	4,247	86,187	
4	Yemeni Free Trade Company (Victory Co.)	28,955	11,833	11,887	1,047	2,036	55,758	
	Total	376,165	146,591	27,470	12,239	27,254	589,719	

Table 11 Financial Status of the Researched Establishments for the years 95 – 97

Serial No.	Indicator	National Home Trade Company (in thousands of Riyals)			Public Corporation for Garments and Electrical Appliances Trade (in thousands of Riyals)			Public Corporation for Building Materials Trade (in thousands of Riyals)			Yemeni Free Trade Company (Victory Co.) (in thousands of Riyals)		
		95	96	97	95	96	97	95	96	97	95	96	97
1	Current Revenues	4,983,748	7,033,968	5,254,464	87,350	139,274	147,290	1,254,670	597,159	1,000,481	64,324	125,957	115,304
	1-1-Current activity revenues	4,751,049	6,464,728	4,515,767	30,638	52,509	39,447	1,212,711	510,092	900,479	13,428	63,584	64,381
	1-2-Miscellaneous Revenues	143,179	62,591	136,201	14,751	69,243	12,664	25,445	11,953	21,607	25,386	15,703	5,939
	1-3-Transferable current revenues	89,519	506,649	602,496	2,791	4,877	92,464	16,514	319	29,432	808	1,600	10,700
2	Current Expenditures	4,983,747	7,033,969	5,254,466	87,349	139,273	147,291	1,254,668	597,159	1,000,481	64,324	125,957	115,304
	2-1-Salaries and wages and the like	279,392	350,477	349,074	56,208	93,027	98,700	78,416	92,095	86,187	41,637	47,055	45,758
	2-2-Production requisites	4,239,842	6,245,493	4,514,008	26,601	39,128	44,468	1,141,660	493,773	906,319	18,825	68,996	63,882
	2-3-Transferable & allocated current expenditures	225,724	423,513	376,288	4,540	7,118	4,121	16,372	11,291	7,975	3,862	9,906	5,664
3	Surplus/Deficit in Current Operations	238,789	14,486	15,096	(39,169)	(12,645)	(2,715)	18,220	(74,795)	(48,963)	(24,702)	(45,070)	(34,284)

It is noted from the above-mentioned table that the paid wages constitute the bottle neck in the researched establishments, particularly the Garments and Electrical Appliances, the Building Materials and the Victory Companies. These wages constitute what exceeds nearly 90% of the total expenditure. These corporations even depend in paying wages to their labour forces on the allocations made by the finance ministry for them after they have become no more able to pay the wages of their employees by depending on their revenues. Only the Home Trade Company is paying the wages of its employees from its revenues. But even these also form a large proportion of its expenditures which are nearly half as its total expenditures. Also, most of the employees in the Garments and Electrical Appliances Corp., the Building Materials Corporation and the Victory Co. receive their wages while they do not work in their corporations and stay at home, they are not doing any mentionable work pending what decision to be taken regarding their corporations.

4-4-2 Volume of Revenues and their Sources in the Researched Establishments

It is noted from table No (11) regarding the financial position of the researched establishments for years 95-97 that the Home Trade Co. is the only corporation which still carries out marketing commercial activity and depends largely in its revenues on marketing of subsidized products of wheat and flour. That activity formed during 95, 96, 97 nearly 85%, 88.9% and 86% of the total volume of the sales respectively.

As for other corporations, most of their revenues come from disposing of their sluggish stocks and renting their assets or investing their liquidity in Treasury Bonds. But all this was for years 95-97. In 98 the circumstance changed and that activity declined to its minimum. This will be shown by the results of the final accounts of 98. Its activity has stopped, and it is now depending for funding its employee's wages on the support of the Finance Ministry. It no more has sufficient liquidity for the purchase and marketing of goods. In 1998 its activity stopped completely.

4-4-3 Product of Activity in the Researched Establishment (surplus or deficit)

It is noted from table No. (11) that it is only the National Home Trade CO. which achieved a surplus in its current activity during years 95-97. Although this surplus constitutes only a small percentage of the sales it had been terrifically deteriorating during 95-97. It declined from 238 million Riyals in 95 to 15 million Riyals in 97. This surplus constitutes 4.8%, 0.2% and 0.2% of the volume of sales for years 95 and 97 respectively. As for the remaining

corporations they experienced continuous deficit during 95, 96 and 97, except the Building Materials Corp. which achieved slight surplus of 18 million Riyals in 95 when it monopolized the marketing of cement in the southern and the eastern governorate. After that its losses continued in 96 and 97. It is worthy to note that the decline of the profits of the Trade Co. for 96 and 97 is attributed to that it paid large interests to the banks for the banking facilities granted to it.

Table No. (13) explains the growth rates of revenues and uses and surplus or deficit of the researched establishments for 95/97. It is clear from the table that the growth rates in the researched establishments and the various indications are fluctuating, and there is no certain trend to be scanned as to express a certain inference about the development of these indications. However, 96 was relatively the best year for the Trade Co., the Garments and Electrical Appliances Corp. And the Victory Co. where revenues achieved growth rates better than in the remaining years, while declining once again in 97 and 98 for these establishments. As for the Building Material Corp., 96 was the worst year for its revenues. However, all these researched establishments considerably faltered in 98 in respect of all indications. Their revenues decreased and their deficit increased. This expressed the trend of the deterioration in the situations of the researched establishments in general.

4-4-4 The Capital Situation (the capital composition) of the researched establishments for years 95-97

Table No. (14) explains the capital situation or the capital composition of the researched establishments for years 95-97. As is made clear by the table, there was no remarkable capitalist investment activity during 95-97 in all the researched establishments. The figures mentioned in the table under the item projects under implementation or capital remittances consist of financial settlements which were transferred from previous years, or slight repairs or reforms in the existing establishments and assets, including completion of the investment project in the premises of the Victory Co. in the tourist pier in Tawahi, which was funded through a credit granted to the Co. by the bank. Therefore there is nothing to monitor regarding the capital composition of the researched establishment during the period set for the research.

Table 13 Rates of Growth of Revenues and Expenditures, and the Surplus and Deficit of the Researched Establishments for the years 95 – 97

Serial No.	Indicator	National Home Trade Company (Percentage) %			Public Corporation for Garments and Electrical Appliances Trade (Percentage) %			Public Corporation for Building Materials Trade (Percentage) %			Yemeri Free Trade Company (Victory Co.) (Percentage) %			Remarks
		95	96	97	95	96	97	95	96	97	95	96	97	
1	Current Revenues		41	(25)		59	5		(52)	67		95	(8)	
2	Current Expenditures		41	(25)		59	5		(52)	67		95	(8)	
3	Surplus/Deficit of Current Operations		(94)	0.04		(68)	(79)		(90)	(35)		(18)	(24)	

Table 14 Capital Situation of the Researched Establishments for the years 95 – 97

Serial No.	Indicator	National Home Trade Company (in thousands of Riyals)			Public Corporation for Garments and Electrical Appliances Trade (in thousands of Riyals)			Public Corporation for Building Materials Trade (in thousands of Riyals)			Yemeri Free Trade Company (Victory Co.) (in thousands of Riyals)		
		95	96	97	95	96	97	95	96	97	95	96	97
1	Grand total of capital revenues	75,948	3,190,494	1,852,734	10,722			16,706	205,412	125,764			74,171
	1-1-Government contributions												
	1-2-Other shares												
	1-3-Self finance				10,722			8,007	3,896	3,848			3,149
	1-4-Loans												
	1-5-Transferable Capital Revenues		2,021,557	1,794,862				8,699	201,516	121,916			61,022
2	Grand total of capital expenditures		3,190,494	1,852,734	10,722			16,706	205,412	125,764			74,171
	2-1-Projects under implementation	23,142	363,265	36,855	10,722			16,706	4,437	399	11,768	31,677	7,982
	2-2-Capital transfers		2,827,229	1,815,879					200,975	125,365			66,189

Table 15 Development of volume of annual sales and number of annual cycles of capital in the researched establishments for 95-97

Serial No.	Indicator	National Home Trade Company			Public Corporation for Garments and Electrical Appliances Trade			Public Corporation for Building Materials Trade			Yemeni Free Trade Company (Victory Co.)		
		95	96	97	95	96	97	95	96	97	95	96	97
1	Total annual sales (in thousands of riyals)	4,751,049	6,464,728	4,515,767	30,638	52,509	39,447	1,212,711	510,092	900,479	13,428	63,584	63,381
2	Amount of capital (in thousands of riyals)	253,510	253,510	253,510	13,000	13,000	13,000	134,710	134,710	134,710	30,000	30,000	30,000
3	Number of annual cycles of capital (once per year)	18,7	25,5	17,8	2,35	4,3	3,0	9	3,7	6,6	0,4	2,1	2,1

Table 16 Rates of Growth of Revenues and Expenditures, and the Surplus and Deficit of the Researched Establishments for the years 95 – 97

Serial No.	Indicator	National Home Trade Company (in thousands of Riyals)			Public Corporation for Garments and Electrical Appliances Trade (in thousands of Riyals)			Public Corporation for Building Materials Trade (in thousands of Riyals)			Yemeni Free Trade Compa (Victory Co.) (in thousands of Riyals)		
		95	96	97	95	96	97	95	96	97	95	96	97
1	Total amount of loans due on the establishment to banks (Principal Loans)	1,390,760	1,483,144	1,366,755									10,000
	(Loan services)	166,963	369,259	306,515							130	91	135
2	Amount of credits of the establishment to others (except banks)	2,073,589	2,914,789	2,520,605	372,588	397,780	382,152	71,641	84,000	85,876	37,670	100,258	124,524
	Including the bad debts or those whose recovery is doubtful				2,685	2,685	2,685						
3	Amount of debits on the establishments to others (except banks)	2,678,479	5,023,907	4,092,166	691,304	697,012	76,354	80,757	53,440	74,416	31,516	65,279	
4	Value of assets mortgaged against debits			1,300,000									

4-4-5: Rates of Capital Circulation in the Researched Establishments for years 95-97

Table No. (15) explains the development of the volume of the annual sales and rates of the annual capital circulation in the researched establishments for years 95-97. It is clear from the table that the rate of the capital circulation in the researched establishments varies from one establishment to another according to the kind of commodities it deals in. If the commodity is vital and related to food and development requirements the capital circulation rate becomes more rapid. The capital circulation rates in the Home Trade Co. which deals in basic food stuffs were between 17.8 times to 25.5 times. This is very high circulation rate which can double the capital in one year if the profit margin is up to 4% only. This however was not achieved in reality for reasons previously mentioned. Over 30 years the capital of the trade Co. increased only 21 times. It could have been much more than this.

The capital circulation rate of the Building Materials Corp. went up between 3.7-9 times. They are reasonable rates but their scope is broad implying imbalance in the activity of the Corp. during 96. In view of the trade margin calculated in the building material business, this rate could increase the capital several times in relatively short period. This was virtually achieved in the corporation as result of its monopolizing the marketing of building materials in the southern and eastern governorates (formerly South Yemen), and also as a result of good performance over the past years in which the capital in this corporation increased 51 times during the short age of the corp. since 83 until now.

In the Public Garments and Electrical Appliances Corp. and the Victory Co. it is not possible to rely on the results of the rates of their capital circulation for years 95-97, because during these years the activity of the corporations was suspended, and they depended in their sales on clearing the sluggish stocks and renting some of their assets. But under monopoly and the pre-unity era the two corporations achieved high circulation rates. But they could not increase their capital in accepted rates. The Garments and Electrical Appliances Corp. could not increase its capital even once for reasons related to poor administration over several years. As for the Victory Co. it was able to increase its capital 15 times over 25 years. But that was not enough also as they monopolized activity in the air and the sea outlets and ship refueling. They adopt relatively high trading margin, and subsequently achieved high capital circulation rate.

4-4-6 Volume of debts and Financial Burdens in the Researched Establishments for 95-97

Table No. (16) explains the volume of debts and the financial burdens in the researched establishments for years 95-97. As it is clear from this table the accumulating debts in the researched establishments pose as one of the large difficulties in the context of qualifying the researched establishments to carry out the privatization. These debts reached high levels. Some of these debts are many times as high as the capital of some establishments. The following table No.(17) explains the relationship between the debts and the capital accumulated in these researched establishments for 97 only.

Table No. (17) Ratio of Debts in the Researched Establishments to Total Capital Accumulated in 1997

Serial No.	Name of Establishment	Banks debts in Thousands of Riyals	Net Debts (creditors or debtors)without banks (in thousands of Riyals)	Total Debts	Ratio of Debts to accumulated capital %
1	Home Trade Co.	(1,366,557)	(1,571,561)	2938316	%1159
2	Garments & Electrical Appliances Corp.	-	305795	305795	%2352
3	Building Material Corp.	-	11,460	11460	%8.5
4	Free Trade Co.	(100000)	100113	90113	%300

The above table shows clearly that the volume of the debts due on the Trade Co. to the bank and others constitute nearly 11.5 times the total volume of its accumulated capital, and the debts due to the Garments and Electrical Appliances Corp. on others are nearly 23.5 times its total accumulated capital. As for the Building Material Corp., its debts to the others constitutes only %8.5 of the total of its accumulated capital, which reflects a reasonable situation. Our former conclusion affirms that the Building Material Corp. enjoyed a wise and effective leadership throughout the period of its activity. As for the Free Trade Victory Company, the volume of its debts to others were nearly four times as much as its accumulated capital. The volume of debts reflects a considerable

imbalance in the situations of these corporations. They must be properly addressed before these establishments are offered for privatization procedures.

In summary, these researched establishments with their weak financial structures, over-staffing, high debts and mismanagement constitutes an immense economic burden on the state and the society, and their continuation as such will exacerbate the burdens on the state and the society and their employees. There must be serious and speedy consideration to address them effectively. But before that, there must be careful assessment of their financial and administrative situations of their labour force on the basis of the recommendations which we will deal with at the end of this report after having reviewed the results of the labour force survey in the researched establishments.

4-5: Results of the researched establishments' leaderships concerning the situation of the establishments and their employees now and in the future:

4-5-1 Table No.(18) shows the results of the assessment of the present situations of the researched establishments by their direct heads. As made clear by the answers, all the managers of the researched establishments had unanimously agreed that their establishments are unable to go ahead with their present situations, and that they must be supported by backing up their financial structure and reducing their labour force. The managers of the Garments & Electrical Appliances Corp. and the Building Materials Corporation even added that their establishments are unable to continue because of their inability to compete and due to other reasons.

4-5-2 Regarding the causes of the present situations of the researched establishments, table no.(19) shows the results of the assessment of the causes of the present situations of the researched establishments, as result of which it was decided to privatize them or liquidate them in accordance with the point of view of their direct heads. It is clear from the mentioned table that all the managers had unanimously agreed that the most important causes of the present situations of their establishments lie in:-

Table 18 Results of Assessment of the current condition of the researched establishments by its direct heads:

Serial No.	Assessment	National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	Remarks
1	Capable of continuation and performing the task assigned to it in its current condition					
2	Incapable of continuing in its current condition, and it should be supported through supporting its financial structure and reducing its labour	✓	✓	✓	✓	
3	Incapable of continuing due to incapability to compete and other reasons		✓	✓		
4	Its activity has completely stopped, and it cannot be continued at all					
5	Others					

Table 19 Results of Assessment of the reasons for the condition reached by the establishment, which has led to the decision of its privatization or liquidation according to the views of its direct heads:

Serial No.	Reasons	View of the General Manager of the National Home Trade Company	View of the General Manager of the Public Corporation for Garments and Electrical Appliances Trade	View of the General Manager of the Public Corporation for Building Materials Trade	View of the General Manager of the Yemeni Free Trade Company (Victory Co.)	Remarks
1	End of policy of trade monopoly by the establishment and non-existence of subsidy and protection	✓	✓	✓	✓	
2	Setting up of the establishment without economic bases		✓			
3	Non-competency of successive managements		✓		✓	
4	Weakness of financial structures		✓	✓		
5	Weak supervision and control by the Ministry		✓			
6	Feeling of non-existence of an owner to protect the rights of the establishment		✓		✓	
7	Increasing the number of workforce more than needed	✓	✓	✓	✓	
8	Its resources exhausted in an illegal manner		✓		✓	
9	Its resources were robbed and destroyed during the war and were not compensated	✓	✓	✓	✓	
10	Its assets were dealt with by returning them to the owners				✓	
11	Its inability to keep pace with the market economy		✓			

- that these establishments are no more monopolizing trade, and there is no more subsidy and protection for them.
- their establishments were over-staffed.
- the establishments were looted and a large part of their potentials were destroyed during the war and were not compensated for.

The managers of the Garments and Electrical Corporation and the Victory Company also added the following causes:

- The managers who managed their establishments were incompetent.
- There was a feeling that there was no owner to protect the rights of the establishment.
- The potentials of their establishments were illegally used up.

Some added other causes like poor financial structures, and the setting up of the establishments without economic bases, and other causes which are clearly reflected in the table.

4-5-3. In addition to the proposals made by the direct heads of the establishments concerning the optimal measures to tackle the situations of the researched establishments, table no.(20) shows the results of the investigation into the opinions of the managers of the researched establishments on them. As is clear of the table the three managers of the trade company, the Garments and the Electrical Corporation and the Victory Company agreed on two alternatives:-

Either to provide a funding for them to continue their activity and cut down the volume of labour force in them or convert them into a public corporation. their shares are to be put to the public and a proportion of the shares are to be preserved for their employees. The manager of the building corporation was however satisfied with one alternative, which is to convert its establishment into a joint sector and give the right of management to the private sector. The manager of the Victory Company also shared him this opinion.

The manager of the Garments and Electrical Appliances Corp. added another alternative which he considers as the most suitable. It is to liquidate the corporation and sell its remaining assets by public auction.

Table 20 Proposals for ideal measures to deal with the condition of the researched establishments according to the views of their direct heads

Serial No.	Proposals	Opinion of the General Manager of the National Home Trade Company	Opinion of the General Manager of the Public Corporation for Garments and Electrical Appliances Trade	Opinion of the General Manager of the Public Corporation for Building Materials Trade	Opinion of the General Manager of the Yemeni Free Trade Company (Victory Co.)	Remarks
1	Liquidation and sale of its remaining assets by open auction		✓			
2	Its sale to the private sector completely					
3	Provision of financial support for continuation of its activity with the reduction of its labour force and keeping manpower as needed	✓	✓		✓	
4	Changing it into a joint-venture sector with the giving of the right of management to the private sector			✓	✓	
5	Sharing by its employees through their owning a certain proportion of its capita;				✓	
6	Changing it into a public share-holding company with the placing of its shares for the public, with the keeping of a certain proportion of the shares for its employees	✓	✓		✓	
7	Others				✓	

Table 21 Proposals for ideal measures to deal with the condition of the employees in the researched establishments according to the views of their direct heads

Serial No.	Proposals	View of the General Manager of the National Home Trade Company	View of the General Manager of the Public Corporation for Garments and Electrical Appliances Trade	View of the General Manager of the Public Corporation for Building Materials Trade	View of the General Manager of the Yemeni Free Trade Company (Victory Co.)	Remarks
1	Retirement (for those who have reached either of the two limits)	✓ 86	✓ 10	✓ 8	✓ 11	
2	Early retirement through the purchase of the remaining years No. of cases The cost	173 17,276,538	47 5,132,400	92	35	
3	Qualification of employees					
4	Re-qualification of employees					
5	Redundancy (dismissal)	259				
6	Transfer to other jobs	476	624		91	
7	Re-joining in the framework of the privatized establishment	343	70	171	180	

4-5-4 Upon investigating the opinions of the direct heads of the researched establishments concerning their proposals of the optimal measures to tackle the situations of the labour force in their establishments, the result of that investigation is shown by table No.(21). As is made clear from the table, the managers of the researched establishments agreed on the necessity of retiring the 115 persons who are in the retiring age in the researched establishments. They also agreed on the necessity of early retiring through the purchase of the remaining 10 years of 347 cases in the researched establishments at a cost of 22.5 million Riyals in two establishments only. That is 462 persons will be retired both early and normally according to the proposals of the managers of the researched establishments. They form nearly 17% of the total labour force in the researched establishments.

The managers of the concerned establishments also proposed the discharge of 259 persons and the transfer of 1191 to other jobs, and the retention of 764 employees only in all the researched establishments. In other words, the number required to be retained in the researched establishments is not more than 28% only of the present total labour force in the establishments. This means that the managers of the concerned establishments admit that 72% of the present total labour force in the establishments are redundant. It is this labour force which in the view of these exhaust the potentials of the researched establishments and pose the most important obstacles to these establishments.

The opinions of the managers of the researched establishments are summarized in that their establishments are unable to continue with their present situations, and that prompt measures must be taken to support the financing structures and cut down the size of the labour force in them or subject them to privatization or liquidation. The managers of the researched establishments also agreed that their establishments are thronged with redundant labour force, and decided that 72 % of the total labour force in the researched establishments are redundant, and decided to transfer 1191 persons to other jobs, but did not recommend the training or re-training of the labour force in their establishments pending their transfer to other jobs.

5 Results of the Survey of the Labour Force

5-1 The General Properties of the Survey Sample (of the researched labour force)

5-1-1: A sample for survey was taken for 160 persons representing nearly 6% of the total labour force in the researched establishments. They are distributed among the researched establishments in the proportion of 40% in the Home Trade Company, representing 64 persons and 20% in each of the Public

Corporation for Garments and Electrical Appliances, the Public Corp. for Building Materials Trade, the Yemeni Victory Free Trade Company, representing a total of 32 persons in each establishment. They are distributed according to sex; 96 males, representing 60% of the researched labour force and 64 females, representing 40% of the researched labour force.

Table No.(22) explains the distribution of the researched labour force according to the researched establishments and according to the sex, and the sectors or the nature of the business. The table clarifies that the survey sample is distributed according to the type of its business to 19 persons working in the higher management, representing 12% of the sample, 37 persons working in the executive management representing 23% of the sample, 55 persons working in the technical and vocational fields, representing 24.5% of the sample, and ten persons working in services, representing 6% of the sample.

5-1-2: The survey sample is distributed according to the researched establishments and ages as shown by table (23). As is made clear by the table the sample is distributed to ten age groups as follows:

Ages from 20-30 years, 11 persons, 7%
Ages from 31-40 years, 66 persons, 41%
Ages from 41-50 years, 59 persons, 37%

Table 22: Distribution of researched labour force according to the researched establishments and according to gender and according to jobs or professions (type of work)

Serial No.	Name of Researched Establishment	Total number of researched employees			Distribution of employees according to jobs (nature of work)						Remarks
		Total	Males	Females	Higher admn.	Executive admn.	Marketing & Sales	Technical, craft & vocational fields	Other services	Total	
1	National Home Trade Company	64	34	30	7	17	24	13	3	64	*****
2	Public Corporation for Garments and Electrical Appliances Trade	32	21	11	4	7	10	8	3	32	*****
3	Public Corporation for Building Materials Trade	32	18	14	4	6	11	9	2	32	*****
4	Yemeni Free Trade Company (Victory Co.)	32	23	9	4	7	10	9	2	32	*****
	Total	160	96	64	19	37	55	39	10	160	*****

Table 23: Distribution of researched labour force according to the researched establishments and according to gender and according to jobs or professions (type of work)

Serial No.	Name of Researched Establishment	Distribution of employees according to ages (years)											Total
		Under 20	21 - 25	26 - 30	31 -35	36 -40	41 - 45	46 - 50	51 -55	56 - 60	61 - 65	Above 65	
1	National Home Trade Company	-	-	7	14	16	14	8	2	3	-	-	64
2	Public Corporation for Garments and Electrical Appliances Trade	-	1	-	1	6	10	5	7	2	-	-	32
3	Public Corporation for Building Materials Trade	-	-	2	3	9	7	5	4	2	-	-	32
4	Yemeni Free Trade Company (Victory Co.)	-	-	1	8	9	5	5	3	-	1	-	32
	Total	-	1	10	26	40	36	23	16	7	1	-	160

5-1-3 Table no.(24) shows the distribution of the survey sample (researched labour force) according to the researched establishment, the total years of service, and the years of service in the establishments. As is shown by the table, the total services of the labour force involved in the survey sample have the same characteristics as the labour force in the researched establishments; most of the labour force's actual services are between 11-25 years whether service in the establishment or total service.

This proves that the sample reflects and expresses accurately the characteristics of the labour force in the researched establishments whether in terms of the years of service or other characteristics, as we have made clear in the previous paragraphs, or will make clear in the next paragraph.

5-1-4 The sample is distributed according to the researched establishments, qualifications and educational standard as under table no.(25). As is clear from the table, the sample is distributed among the educational standards as follows:

- Illiterate, or can read or write without educational qualifications; 22 persons, forming 14%,
- Those with primary and intermediate qualifications and post-secondary diploma; 83 persons forming 52%,
- Those with secondary qualifications and post secondary diploma 83 persons forming 52.0%
- Those with graduate and post-graduate qualifications; 16 persons forming 10%.

5-1-5 The sample is also distributed according to the researched establishments and marital status as under table No. (26). As is clear from the table 23 persons from the samples are single, 122 married, 13 divorced and 2 widows.

In the light of the above-mentioned data, the chosen sample fully represents the distribution of the labour force in the researched establishment according to sex, the posts, the ages, the educational standards, and the social conditions, and other economic characteristics which we will mention later on.

Table 24: Distribution of researched labour force according to the researched establishments and the total years of service and the years of service in the researched establishment:

Serial No.	Name of Researched Establishment	Distribution of researched labour force according to the total years of service and the years of service in the researched establishment								Total
		0 - 5	6 - 10	11 - 15	16 - 20	21 - 25	26 - 30	31 - 35	Above 35	
1	National Home Trade Company Total	-	10	11	14	23	5	1	-	64
	In the Establishment	12	9	9	20	12	2	-	-	64
2	Public Corporation for Garments and Electrical Appliances Trade Total	-	1	3	7	14	4	3	-	32
	In the Establishment	-	1	4	27	-	-	-	-	32
3	Public Corporation for Building Materials Trade Total	3	4	7	11	4	3	-	-	32
	In the Establishment	4	5	23	-	-	-	-	-	32
4	Yemeni Free Trade Company (Victory Co.) Total	-	-	7	15	3	6	1	-	32
	In the Establishment	-	-	12	16	4	-	-	-	32
	Total Total	3	15	28	47	44	18	5	-	160
	In the Establishment	16	15	48	63	16	2	-	-	160

Table 25: Distribution of researched labour force according to the researched establishments and according to the qualifications and educational standards:

Serial No.	Name of Researched Establishment	Number of employees according to qualifications and educational standards								Total
		Illiterate	Literate	Primary	Preparatory	Secondary	Diploma	Graduate	Post Graduate	
1	National Home Trade Company	2	4	6	9	31	6	4	2	64
2	Public Corporation for Garments and Electrical Appliances Trade	4	2	1	9	11	2	3	-	32
3	Public Corporation for Building Materials Trade	3	3	1	4	14	3	3	1	32
4	Yemeni Free Trade Company (Victory Co.)	2	2	2	7	9	7	3	-	32
	Total	11	11	10	29	65	18	13	3	160

Table 26: Distribution of researched labour force according to the researched establishments and according to the marital status:

Serial No.	Name of Researched Establishment	Distribution of employees according to marital status				Total
		Bachelor	Married	Divorced	Widower	
1	National Home Trade Company	11	47	6	-	64
2	Public Corporation for Garments and Electrical Appliances Trade	2	25	4	1	32
3	Public Corporation for Building Materials Trade	5	26	1	-	32
4	Yemeni Free Trade Company (Victory Co.)	5	24	2	1	32
	Total	23	122	13	2	160

Table 27: Distribution of researched labour force in the researched establishments according to number of d::

SNo.	Name of Researched Establishment	Distribution of researched employees according to number of dependants						Total
		No dependants	1 - 2 dependants	3 - 5 dependants	6 - 8 dependants	9 - 12 dependants	More than 12 dependants	
1	National Home Trade Company	-	3	29	19	10	3	64
2	Public Corporation for Garments and Electrical Appliances Trade	-	1	13	15	3	-	32
3	Public Corporation for Building Materials Trade	-	-	14	15	3	-	32
4	Yemeni Free Trade Company (Victory Co.)	-	4	10	11	4	3	32
	Total	-	8	66	60	20	6	160

5-2 The economic characteristics of the survey sample (the researched labour force)

5-2-1: Table No. (27) shows the distribution of the researched labour force in the establishments according to the burdens of support as follows :

- Those who support 1-2 persons, only 8 persons, 5%
- Those who support 3-5 persons, 66 persons, 44.0%
- Those who support 8-9 persons, 60 persons, 37.5%
- Those who support 9-12 persons, 20 persons, 12.5%
- Those who support more than 12 persons, 6 persons, 4%

This table also mentions that 91% of the total researched labour force supports between 3-12 persons, and the average burden of support is 7.5 person for each of the researched labour force. It is relatively high support ratio, and proves that the labour force are carrying heavy economic and social burden under the low living standard.

5-2-2.1 Table No. (28) shows the distribution of labour force with researched establishments according to the employment levels. The researched sample involved 10 persons in the first employment group, 110 persons in the second employment group, 18 persons in the third employment group, 21 persons in the fourth employment group, and one person in the fifth employment group. This reflects the previous conclusion that the sample fully represents all the labour forces in the researched establishments, and also reflects the same previous conclusion that most of the labour force come under the low income employees, and most of them are enrolled in the second, the third and the fourth employment group, representing 93% of the total researched labour force.

5-3 Results of investigating the opinions of the researched labour force and their answers concerning their economic and living conditions and the effect of the situation of the establishment on them

5-3-1 Table No. (29) shows the results of investigation into the opinions of the researched labour force in the researched establishments and their distribution according to the extent of regularly receiving salaries; and the grade of dependence on salary and other revenues. It is shown by the table that all the researched labour force had admitted that they do not receive their salaries regularly and that 128 persons, representing 80% of the researched labour force depend on the salary of the post which they occupy; and 32 persons, of them representing 20% depend on the salary of the post and the salaries of their dependents. This proves that the researched establishments do not pay their employee's salaries on time by the end of every month, because these

Table 28 : Distribution of the labour force in the researched establishments according to the Employee Levels

Serial No.	Name of Researched Establishment	Number of Employees According To According To Employee Levels												Total	
		Employee Group 1 (Nos.)			Employee Group 2 (Nos.)			Employee Group 3 (Nos.)			Employee Group 4 (Nos.)		Employee Group 5 (Nos.)		
		a	b	c	a	b	c	a	b	c	a	b	a		b
1	National Home Trade Company	-	-	1	12	16	16	2	3	4	10	-	-	-	64
2	Public Corporation for Garments and Electrical Appliances Trade	1	-	3	6	5	8	-	-	2	7	-	-	-	32
3	Public Corporation for Building Materials Trade	-	-	3	5	9	11	2	-	-	2	-	-	-	32
4	Yemeni Free Trade Company (Victory Co.)	-	-	2	5	10	7	2	3	-	2	-	1	-	32
	Total	1	-	9	28	40	42	6	6	6	21	-	1	-	160

Table 29 : Distribution of the researched labour force in the researched establishments according to the degree of reliance on the salary and other incomes:

Serial No.	Name of Researched Establishment	Number of Employees who					Total
		Receive their salaries regularly	Do not receive their salaries regularly	Depend on the salary of the single job	Depend on the salary of the job and other income	Depend on the salary of the job and on the salaries of their dependants	
1	National Home Trade Company	-	64	53		11	
2	Public Corporation for Garments and Electrical Appliances Trade	-	32	28		4	
3	Public Corporation for Building Materials Trade	-	32	24		8	
4	Yemeni Free Trade Company (Victory Co.)	-	32	23		9	
	Total	-	160	128		32	

establishments depend for paying the salary on the availability of liquidity or when reinforcement of salaries come from the centre of the establishments which depend for their salaries on the Finance Ministry which normally is delayed or paid quarterly as the case may be. Most of the labour force depends on the salary of one post. This doubles the burdens of living of the employees in these establishments.

5-2-3 Concerning the reasons of employment and the way the researched labour force are recruited, table No. (30) expressed the result of the answer to the question. Table shows that 8 persons, representing 5% of the total researched labour force were employed centrally by the Ministry of Civil Service in the framework of the appointments of graduates, 74 persons, representing 29% of the total researched labour force were employed to meet urgent labour requirements. Nobody joined the researched establishment by competition. Only four persons were transferred from military department. This represents nearly 2.5% of the total researched labour force. Those who were transferred from other military departments were 27 persons, representing 17% of the total research labour force, and those who joined work for social reasons were 16 persons, representing 10%, 85 persons did not mention reasons or methods of joining work in the researched establishments, representing 36.5% of the researched labour force. From this distribution it is clear that employment in the researched establishments was not planned, and was conducted according to the actual need, and for objective justification and economic requirement. But it was random and according to the desire of the managers of the researched establishments or under pressures and social embarrassment on the managers.

5-2-4 Table No. (31) shows the outcome of in-service qualifying in the researched establishments. Nearly 32 persons, representing 20% of the researched labour force received in-service qualifying. The qualifying was focused on secretariats.

The researched establishments did not take interest in technology and the uses of computer and maintenance of the products which they import or market. The researched establishments lack technical cadres who are able to provide better services to the customers.

5-3-4 As for the residential conditions of the researched labour force, the table No. (32) which deals with the distribution of the researched labour force is the researched establishments according to their residing in Aden governorate and living with the family in Aden. The table shows that 65% of the researched labour force have residence in Aden, while 35% of the labour force have no private residence. As for living and working in Aden either with or without a

Table 30 Distribution of the researched labour force in the researched establishments according to the method of joining the job:

Serial No.	Method of joining the job	National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	Remarks
1	Centrally employed by the Service directly after graduation within appointment of graduates	4	-	1	3	8
2	Due to pressing need for work or to fill specific post	8	5	2	12	47
3	In the framework of a job competition	-	-	-	-	-
4	Transferred from military utilities	1	2	1	-	4
5	Transferred from other civilian utilities	10	-	9	8	27
6	For social reasons	6	3	2	5	16
7	Others	15	22	17	4	58
	Total	64	32	32	32	160

Table 31 Distribution of the researched labour force that received qualification during service, according to the fields of qualification and to the researched establishments:

Serial No.	Fields of qualification	National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	Total
1	Accountancy	4	2	5	3	14
2	Typing on Computer	3	1		2	6
3	Commercial Marketing	1	2			3
4	Engineering		1		2	3
5	Typewriting (Secretarial)		1			1
6	Management			1	4	5
7	Economy	2				2
8	Law	1				1
	Total	11	7	6	11	35

Table 32 Distribution of the researched labour force in the researched establishments according to having dwelling in the governorate and living with the family in Aden:

Serial No.	Name of Researched Establishment	Distribution of labour force according to having accommodation in Aden			Distribution of labour force according to living with family in Aden		Total
		Have accommodation in Aden	Do not have accommodation in Aden	*****	Live with family in Aden	Live in Aden without family	
1	National Home Trade Company	36	28	64	61	3	64
2	Public Corporation for Garments and Electrical Appliances Trade	25	7	32	30	2	32
3	Public Corporation for Building Materials Trade	25	7	32	32	-	32
4	Yemeni Free Trade Company (Victory Co.)	18	14	32	30	2	32
	Total	104	56	160	153	7	160

Table 33 Distribution of the researched labour force in the researched establishments according to sufficiency of salary and ways of managing basic affairs of life:

Serial No.	Name of Researched Establishment	Distribution of labour force according to sufficiency of salary and ways of managing affairs of life					Total
		The salary is sufficient	The salary is not sufficient and I manage affairs of life depending on:				
			Borrowing	Additional income	Support by relatives at home or abroad	By other means	
1	National Home Trade Company	9	41	1	7	10	
2	Public Corporation for Garments and Electrical Appliances Trade	1	23	2	14	-	
3	Public Corporation for Building Materials Trade	3	22	1	3	3	
4	Yemeni Free Trade Company (Victory Co.)	5	13	2	11	5	
	Total	18	99	6	35	18	

family, the table shows that 95% of the researched labour force live with their families in Aden and only 5% live alone while their families in the countryside.

5-3-5 Table No. (33) shows the distribution of the researched labour force according to the level of salary and way of managing basic lighting affairs. 11% only of the researched labour force stated that their salaries are adequate for them to face life burdens. However, 89% have no enough salaries, and they manage either by borrowing or by looking for additional income, or by support from relatives, or other means. Some gave several answers. Some of them depend on more than one alternative to manage their lives. This proves that most of the labour forces in the researched establishments are living in difficult situations in facing life burdens. This must be taken into consideration when measures are to be taken in their regard or regard of the establishments in which they are employed so that their life does not deteriorate further.

5-3-6 Table No. (34) which deals with the distribution of the labour force in the researched establishments in terms of Qat chewing, and volume of spending on the purchase of Qat, shows that 69% of the total researched labour force do not chew or cannot afford to buy Qat; while 27% of the researched labour force chew and spend nearly 500 Riyals weekly on buying Qat. This proves that more than 30% of the researched labour force, despite their difficult political conditions, are contracting the Qat bad habit, and they spend a portion of their income to chew and buy Qat.

5-3-7 As for the additional burdens of which the researched labour force are suffering, table No. (35) shows the distribution of the researched labour force in terms of depending on borrowing in order to manage their life. As shown by the table, 72.5% of the researched labour force agreed that they are indebted. These debtors are distributed into 19% as permanently debtors, 65.5% occasionally debtors and 15.5% exceptionally debtors. This is another proof that the researched labour force are contracting debts of which cannot free themselves in their present circumstances. How will their condition if their economic conditions suddenly become worse.

5-3-8 Regarding the effect of the present situation of the researched establishments on the personal situation of the researched labour force, the table No. (36) summarized the results of those effects. In this case, multi-answers were allowed. 157 persons, forming 98% of the researched labour force, reported that they felt uncertain about their future. 84 persons, forming 52.5% expressed concern and fear that they might be dismissed at any time, and there are no guarantees for them to get other jobs. 61 persons, forming 38% reported that they found no more work to do. 57 persons, forming 35.6% reported that the situations of their establishments had reduced their income because

Table 34 Distribution of the researched labour force in the researched establishments according to the chewing of qat and amount of expenditures on qat purchases:

Serial No.	Name of Researched Establishment	Number of employees chewing or not chewing qat land amount of expenditure on purchase of qat			Total	
		I do not chew qat	I chew qat and weekly spend on the purchase of qat			
			Less than 500 Riyals	500 to 1500 Riyals		More than 1500 Riyals
1	National Home Trade Company	43	18	3	-	64
2	Public Corporation for Garments and Electrical Appliances Trade	26	6	-	-	32
3	Public Corporation for Building Materials Trade	22	8	2	-	32
4	Yemeni Free Trade Company (Victory Co.)	19	11	2	-	32
	Total	110	43	7	-	160

Table 35 Distribution of the researched labour force in the researched establishments according to the degree of reliance on being indebted to manage affairs of life:

Serial No.	Name of Researched Establishment	Number of employees indebted and not indebted and cases of being indebted			Total	
		Not indebted	Indebted			
			Regularly	From time to time		In exceptional cases
1	National Home Trade Company	14	9	34	8	64
2	Public Corporation for Garments and Electrical Appliances Trade	12	4	13	2	32
3	Public Corporation for Building Materials Trade	4	7	16	5	32
4	Yemeni Free Trade Company (Victory Co.)	14	2	13	3	32
	Total	44	22	76	18	160

incentives, remunerations and overtime had gone down. It is concluded that most of the labour force are worried and afraid of their future.

5-4 Results of investigating the opinions of the researched labour force, and their answers concerning retirement or discharges in the establishment and the subsequent employment future in or out of the establishments.

5-4-1 Table No. (37-A) shows the results of the opinions of the researched labour force about their contention whether they are redundants, and had they reached either deadline of compulsory retirement. According to the table, 100 persons of the researched labour force, forming 37.5% resolve that they are burdens on their establishments, and they are redundant, while the remaining 100 persons deny that they are redundant. Only 2 of them admitted that they had reached either deadline for compulsory retirement. The rest, 158 persons, decided that they had not reached the deadline.

5-4-2 Table No. (37-B) summarizes the results of the opinions of the researched labour force concerning their desire to retire early. According to this table, most of the researched labour force, representing 87% replied that they did not like to retire early. Only 21 persons expressed readiness for early retirement, 3 persons, liked to sell 1-3 years of their remaining services, 3 persons to sell 4-6 years of their remaining services, 15 persons to sell 7 to 10 years from their remaining services.

5-4-3 Concerning the results of the desire of the researched labour force to terminate their services with the researched establishments and shift to other jobs, table No. (37-C) summarized these results. Multi-replies and abstentions were allowed. As indicated by this table 145 persons, forming 90% of the researched labour force replied that they did not like to end their services voluntarily and get their whole gratuities how much they might be in order to look for job on their own personal risk. 155 persons, forming 97% of the researched labour force said that they did not like to receive their gratuities and go back to their governorates to devote their time for agriculture or any other work. 118 persons, forming 74% of the researched labour force expressed their refusal to move to another governorate to work in a government post or any other public corporation outside Aden governorate, 159 persons, forming 99.3% of the researched labour force did not like to leave work in the corporation and establish their own project. 131 persons, forming 82% of the researched labour force showed their preparedness to work with the private sector after the privatization procedures of their corporations had been made.

Table 36 :Effect of the present situation in the researched establishments on the personal condition of the researched labour force:

Serial No.	The Effect	Distribution of labour force in researched establishments according to effect of present situation on personal condition				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	Reduced my income	6	8	12	9	35
2	Made me feel unsure about my future	63	31	32	31	157
3	Has affected my job and practical performance	27	8	12	10	57
4	No longer get anything to do	24	14	15	8	61
5	I have become subject to dismissal at any time	28	23	21	12	84
	Total	148	84	92	70	394

Table 37 (a) Results of opinions of the researched labour force in the researched establishments about their desire for compulsory or early retirement:

Serial No.	Name of Researched Establishment	Number of employees in researched establishments according to their desire for compulsory retirement								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemeni Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Do you see yourself an employee burden on your establishment: i.e. redundant labour:	27	37	12	20	17	15	4	28	60	100
2	Have you reached any of the two limits for compulsory retirement:	-	64	-	32	1	31	1	31	2	158

Table 37 (b) Results of Opinions of researched labour force regarding their desire for compulsory or early retirement:

No.	Desires and Opinions	Number of employees in the researched establishments according to desire for early retirement															Total				
		National Home Trade Company			Public Corporation for Garments and Electrical Appliances Trade			Public Corporation for Building Materials Trade			Yemeni Free Trade Company (Victory Co.)										
		Yes, and I desire to purchase the remaining service			No	Yes, and I desire to purchase the remaining service			No	Yes, and I desire to purchase the remaining service			No	Yes, and I desire to purchase the remaining service			No				
		1 to 3 years	4 to 6 years	7 to 10 years		1 to 3 years	4 to 6 years	7 to 10 years		1 to 3 years	4 to 6 years	7 to 10 years		1 to 3 years	4 to 6 years	7 to 10 years		1 to 3 years	4 to 6 years	7 to 10 years	
	Do you desire to be sent for early retirement:	-	1	3	60	-	1	4	27	2	-	3	27	1	1	5	25	3	3	15	139

Table 37 (c) Results of Opinions of researched labour force regarding their desire for compulsory or early retirement and transfer to other jobs:

No.	Desires and Opinions	Number of employees in researched establishments according to their desire for compulsory retirement								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemni Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	If your years of service do not reach you to retirement or early retirement in the framework of the purchase of ten years as a minimum, do you desire to end your service voluntarily and obtain full gratuity, whatever its amount, so as to find yourself new employment at your personal responsibility	1	63	1	28	3	27	1	27	6	145
2	Do you desire to receive your end-of-service gratuity and return to your governorate to be free for agriculture or other self employment	1	63	1	31	2	30	1	31	5	155
3	Are you prepared to transfer to work in any government job or in any public corporation outside Aden governorate	18	46	6	26	9	23	9	23	42	118
4	Do you wish to work with the private sector after the execution of the privatization measures in your establishment	53	11	23	9	29	3	26	6	131	29
5	Do you wish to leave your job at the establishment and set up your own enterprise	1	63	-	32	-	32	-	32	1	159

Table 37 (d) Results of Opinions of researched labour force in the researched establishments regarding their desire to leave the job if some options are open:

No.	Desires and Opinions	Number of employees in researched establishments according to their desire to leave the job if some options are open								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemeni Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Provision of private finance, through social development fund loans to set up your own enterprise	12	52	1	31	5	27	4	28	22	138
2	Partnership with other employees in the same utility, to set up your own enterprise with finance from social funds	1	63	1	31	-	32	1	31	3	157
3	Emigration abroad for employment	-	64	1	31	-	32	-	32	1	159
4	Providing a plot of land for construction and setting up your own enterprise	1	63	-	32	-	32	-	32	1	159
5	Providing a plot of arable land for reform and cultivation	3	61	-	32	-	32	-	32	3	157

5-4-4 Table No. (37-D) summarizes the results of the opinions the researched labour force concerning their desire to leave work if they are provided with some options. As shown by the table a limited number of the researched labour force wish to leave the work if some options are made available for them. Only 22 persons, forming 14% of the researched labour force agreed to leave the work if a private financing is made through credits from the Social Development Fund for the establishment of their own projects, while 1-3 persons only agreed on other options. In other words, most of the researched labour force did not agree to leave the work even if they are provided with other options to establish private projects. The results mentioned in table No. (37) in all its various parts "A" to "D" that most of the researched labour force are holding on to the jobs and incomes from employment in the researched establishments, though they do not receive their revenues regularly and insufficiency, also though a part of these labour force regard themselves to be redundant in these establishment. Their uncertainty about the future imposes on them to hold on to their present posts. Yet a large part of them is ready to move to work with the private sector after the privatization of the establishment have been implemented.

5-5 Results of the investigation in the opinions of the researched labour force concerning their advantages and their preparedness for subsequent qualification.

5-5-1 Table No. (39) summarizes the results of the opinions of the researched labour force in the researched establishments on the advantages which from their point of view they provide for employment with the private sector. In this case multi-replies and abstentions were allowed. According to this table 122 persons, forming 70% of the researched labour force clarified that they possess the spirit of initiative and dedication to work, which qualify them to work with the private sector, while 57 persons only, forming 36% only of the researched labour force said that they have the potentials of development. 100 of them, forming a proportion of 62.5% of the researched labour force they have adequate qualifications and expertise that qualify them to continue employment with the private sector, while 59 persons, continuing a proportion of 37% that the functions they carry out are in dispensable.

5-5-2 As regards the technical skills provided for the researched labour force and their preparedness to open their own business the table No. (39) summarized the results of the opinions of the researched labour force in this regard. As it is clear from the table 32 persons only forming 20% of the researched labour force reported that they have professional skills which could be used to open their own professions or share with others in opening this business. These skills are distributed to the following professions:

5 persons in carpentry, 2 persons in plumbing, 1 person a blacksmith, 2 in welding, 9 persons in computer typing and 4 persons in other uncategorized professions.

5-5-3 About the preparation for training table No. (40) summarized the results of the opinions of the researched labour force in the researched establishment regarding their preparedness for being qualified. It is clear from the table that 72 persons only forming 45% of the researched labour force are prepared to be qualified in professions and business other than those they are carrying out now. Whether personal initiatives for training had been carried out during the last five years by the researched labour force themselves. 16 persons only, representing 10% only of the researched labour force replied that they participated in some courses or affiliated to some institutes and universities for more qualification in them at present. Asked if initiatives had been taken for qualifying during the last five years by the research labour force, 16 persons only forming 10% of the researched labour force replied that they attended some courses or joined some institutes and universities for further qualification. 10 of the 16 persons attended some computer courses, 3 attended foreign language enhancement courses and only 3 entered universities.

5-6 Results of investigating the researched labour force on their opinion about the causes of their establishments and views on how to tackle later on the situations of these establishments, including their views on options of tackling.

5-6-1 Table No. (41) shows the results of the opinions of the researched labour forces on their causes of the situations of their establishments. Multi-replies and abstentions were allowed in the course of replying to these questions. 125 persons, forming 78% of the researched labour force agreed that the main cause of the situations of their establishments was that trade monopoly policy was ended, while 62 persons, forming 39% of the researched labour force added that inefficiency of their managers were among the causes of the present situations of their establishments. 42 persons, forming 26% of the researched labour force resolved that the excessive increase in labour force was also one of the causes which led to the deterioration of their establishments, while others added other causes which specifically and in order of the number of participants in the answers as follows:

1. weak supervision and control by the supervising ministry
2. weak financing structures
3. political interference in the operational activity
4. the establishments were set up without economic components
5. no owner to protect the establishment's rights
6. all the above causes.

Table 38 Results of Opinions of researched labour force in the researched establishments regarding the privileges that qualify them to work with the private sector:

No.	Distinguishing Feature	Number of employees in the researched establishment having features that qualify them to work with the private sector				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	I possess initiative and sincerity in work	51	19	27	25	122
2	I possess means of development	31	9	7	10	57
3	I possess sufficient qualifications and experience	42	16	21	21	100
4	Because my post is indispensable	25	10	12	12	59
5	Others	-	-	-	1	1
	Total	149	54	67	69	

Table 39 Results of Opinions of researched labour force in the researched establishments regarding the vocational skills possessed by them and their readiness to open their own private business:

No.	Desires and Opinions	Number of employees of researched establishments according to the vocational skills possessed by them and their readiness to open their own private business:								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemeri Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	Do you possess vocational skill that can be exploited to open your own private business, or to participate with others to open such a business	9	-	4	-	7	-	3	-	23	-
	If the answer is Yes, specify which of the following skills										
1	Skill in carpentry	1	-	2	-	2	-	-	-	5	-
2	Skill in the field of pipe fitting	2	-	-	-	-	-	-	-	2	-
3	Skill in foundry work	1	-	-	-	-	-	-	-	1	-
4	Skill in welding	2	-	-	-	-	-	-	-	2	-
5	Skill in typing or use of word processor (use of computer)	1	-	2	-	5	-	1	-	9	-
6	Other	2	-	-	-	-	-	2	-	4	-
	Total	9	-	4	-	7	-	3	-	23	-

Table 40 Results of Opinions of researched labour force in the researched establishments regarding readiness to qualify:

No.	Desires and Opinions	Number of employees in researched establishments that have readiness to qualify								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemeni Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Are you prepared to qualify in vocations or jobs other than those that you are doing	31	33	14	18	12	20	15	17	72	88
2	Have you made self initiatives to qualify in fields different from your present work during the past five years	7	-	-	-	5	-	4	-	16	-
		If the answer is Yes, specify which of the following									
2-1	Participation in some computer courses	2	-	-	-	4	-	4	-	10	-
2-2	Participation in foreign language courses	2	-	-	-	1	-	-	-	3	-
2-3	Participation in vocational courses	-	-	-	-	-	-	-	-	-	-
2-4	Distance education in university	3	-	-	-	-	-	-	-	3	-
2-5	Participation in management, secretarial courses	-	-	-	-	-	-	-	-	-	-
2-6	Distance pre-university education	-	-	-	-	-	-	-	-	-	-
	Total	7	-	-	-	5	-	4	-	16	-

5-6-2 Table No. (42) shows that the result of the opinions of the researched labour force concerning the main causes of the redundants in the researched establishments. Multi-answers and abstentions were also allowed here. 113 persons forming 70% of the survey sample replied that government compulsory employment policy is one of the main causes of the redundants in the researched establishments, while 58 of them forming 36% of the survey sample, replied that random employment through favoritism is one of the main causes of this situation others, however, added other causes which we list as follows in order of the largest number of answers:

Non-compliance with the retirement age	- 38 persons
Migration from the countryside to the city	- 31 persons
Few workers are discharged	- 2 persons

5-6-3 Regarding the investigation into the opinions of the researched labour force about the subsequent tackling of the situations of their establishments, they were summarized by the table No. (43-A). Here multi-answers and abstentions were also allowed. 88 persons forming 55% of the researched labour force proposed the transfer of their establishments into public corporations and give the employees shares in them by transferring to their ownership a certain ratio of their capital. 56 persons, forming 35% of the researched labour force proposed their transfer into a joint sector while 52 persons forming 32% of the researched labour force proposed the leasing of the assets of their establishments to the private sector. One person proposed that it is sold to the private sector. As those who proposed their transfer into corporations and give the employees shares in its capital they determined the ratios of the employees contributions on 4 categories. The table No. (43-B) summarizes the distribution of these ratios. 9 persons determined a contribution ratio from 5 to 10%, 10 persons determined the contribution ratio from 10 to 15%, 15 persons determined the contribution ratio from 20 to 40%. The majority determined a contribution ratio between 30 to 40% of the capital of the corporations. As for the choices of funding the employee's contributions in these corporations, 71 persons of the labour force proposed that the funding is made through the state by simple loans to the employees. Eight persons proposed that these contributions be funded from the social securities Fund, 7 persons proposed that the funding be made through individual loans from outside the corporation. Two persons only proposed that the funding be made through monthly deductions from the employee's salaries or through their personal savings.

Table 41 Results of Opinions and Impressions of the researched labour force regarding their views on the reasons for the recent conditions reached by their establishment:

No.	Desires and Opinions	Number of employees in researched establishments that have expressed views on the reasons for the conditions reached by the establishments				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	End of policy of monopolizing trade	56	24	26	19	125
2	Setting up the establishment without the economic basis	2	1	1	-	4
3	Non proficiency of successive managements	27	6	8	21	62
4	Weakness of financing structures	14	2	3	1	20
5	Weakness of supervision and control by the supervising ministry	14	2	2	8	26
6	Non-existence of owner to protect the rights of the establishment	-	-	1	2	3
7	Increase in number of labour force, more than the need	32	6	1	3	42
8	Political interference in the operational activities	8	-	4	3	15
9	All the above reasons together	1	-	-	-	1

Table 42 Results of Opinions and Impressions of the researched labour force regarding the main reason for the increase in the number of employees, more than the need, in the researched establishments :

No.	Reasons	Number of employees in researched establishments that expressed views on the reasons for the increase in the number of employees, more than the need, in the researched establishments:				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemni Free Trade Company (Victory Co.)	
1	Employing more than the required number	12	7	6	2	27
2	The government compulsory employment policy	44	22	23	24	113
3	Migration of the rural population to the towns	21	4	3	3	31
4	Few dismissals of employees	-	1	1	-	2
5	Non abiding by the retirement age	29	2	4	3	38
6	Random employment through favouritism	29	14	7	8	58
7	Other reasons	21	-	1	2	24

Table 43 (a) Results of Opinions and Impressions of the researched labour force regarding the future dealing for the conditions at the establishment:

No.	Opinions regarding dealings for the future	Number of employees in researched establishments that expressed views on the reasons for the increase in the number of employees, more than the need, in the researched establishments:				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	Liquidation	-	-	-	-	-
2	Its complete sale to the private sector	-	-	-	1	1
3	Transforming it into the joint venture sector (changing the ownership structure to give the opportunity to the investors of the private sector to buy the larger proportion of the shares of the establishment)	29	14	8	5	56
4	Granting the private sector the right of managing the establishment according to a management contract	-	-	-	-	-
5	Renting the fixed assets of the establishment to others	32	12	6	2	52
6	Transforming it into a public share-holding company, to place its shares for the public, with the keeping of a certain portion of the shares for its employees	30	15	20	23	88

Table 43 (b) Results of Opinions and Impressions of the researched labour force regarding options for contribution by the employees in the establishment:

No.	Scope of contribution by the employees	Number of employees in researched establishments that expressed views regarding the options for contribution by the employees				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	5 to 10 %	8	1	-	-	9
2	10 to 20 %	6	-	1	3	10
3	20 to 30 %	9	1	2	3	15
4	30 to 40 %	7	13	17	17	54
5	Total	30	15	20	23	88

Table 43 (c) Results of Opinions and Impressions of the researched labour force regarding options for financing the contribution by the employees:

No.	Options for financing contribution by employees	Number of employees in researched establishments that expressed views regarding the options for contribution by the employees				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	Through individual borrowing from outside the establishment	-	7	-	-	7
2	Through monthly deductions from the salaries of employees at a certain rate	-	-	-	1	1
3	Through the savings of the employees	-	1	-	-	1
4	Through financing by the State with easy loans for the employees	29	4	17	18	68
5	From the social insurances funds	1	3	3	4	11
	Total	30	15	20	23	88

5-7 Results of investigating opinions of the Researched labour force on their opinions about the ability of their establishments to rise under privatization and conditions that should be provided.

5-7-1. Schedule No. (44) summarizes the results of the opinions of the researched labour force in the researched establishments concerning their establishments ability to promote their situations under the privatization. According to the schedule 143 persons, forming 69% of the researched labour force, had agreed that the establishments in which they work are able to promote their situations under privatization. While others, 17% replied that even under privatization the establishment cannot promote its situation. Those who answered "yes" determined the characteristics of the establishments and put them in order of priority as they believe it. The points won by each characteristic in the four researched establishments are as follows:

- Establishments with long experience in their work: got 133 points
- Establishments with large assets: gets 128 points
- Establishments with qualified labour force and management: got 110 points
- Establishments with many customers and good reputation: got 82 points
- Establishments distributed in many parts: got 79 points
- Establishments with a fleet, exhibitions and marketing channels: got 74 points
- Establishments dealing in vital commodities got 20 points
- Establishments with big liquidities: got 3 points

As for each establishment and the number of points each characteristic got, they are clear in the schedule itself. The characteristics in each researched establishment may be listed according to the points for those who like to know the opinions of the employees in their establishments.

5-7-2 Concerning the conditions that must be provided for promoting the situations of the establishments under privatization as viewed by the researched labour force, they are summarized by the schedule No. (45). According to the order of these conditions and the points they got, rationalization of spending has the priority and got 119 points, combating corruption got 104 points, pumping of new funds to the establishments got 101 points, improvement of performance and qualification got 62 points, providing of qualified and specialized management got 59 points, cutting down of labour force productivity got 44 points.

Table 44 Results of Opinions of the researched labour force in the researched regarding the capability of the establishment to recover under privatization:

No.	Opinions	Number of employees in researched establishments that expressed views regarding capability of the establishment to recover under privatization								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemeni Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	Do you believe that the establishment for which you work is capable of improving its condition under privatization?	61	3	21	11	30	2	31	1	143	17
	If the answer is Yes, what are the special features enjoyed by the establishment (arrange according to priority)										
1	It has large fixed deposits	59		18		24		27		128	
2	It has much experience in the field of its business	59		20		29		25		133	
3	It has qualified labour and management	55		15		23		17		110	
4	It has high solvency	2		-		-		1		3	
5	It has many customers and a good reputation	45		12		13		13		82	
6	It deals with vital commodities	13		-		-		6		20	
7	It has a fleet and many stores and marketing channels	46		8		10		10		74	
8	It is spread in large areas	49		10		13		7		79	

Table 45 Results of Opinions of the researched labour force regarding the conditions necessary for the recovery of the establishments under privatization:

No.	The conditions	Number of employees in researched establishments that expressed views regarding the conditions necessary for the recovery of the establishments under privatization				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	Reducing the size of the labour	28	3	6	10	47
2	Guidance of expenditures	57	20	23	19	119
3	Combatting corruption	60	9	14	21	104
4	Improving performance and efficiency	37	9	6	10	62
5	Providing efficient and specialized management	29	10	9	11	59
6	Increasing productivity of labour force	31	5	2	6	44
7	Pumping funds of the private sector into the establishment	51	16	17	17	101

Table 46 Results of Opinions of the researched labour force in the researched establishments on whether they were consulted or informed regarding specifying the future of the establishment:

No.	Replies	Number of employees in researched establishments that expressed opinion on specifying the future of the establishment:								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemeni Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	Was your opinion taken, or were you consulted, or at least informed in any way or at any level, regarding specifying the future of your establishment	8	56	7	25	16	16	9	23	40	120
	If the answer is Yes, specify by which authority:										
1	By the establishment management	7		6		15		9		37	
2	By the supervising ministry	-		-		-		-		-	
3	By the trade union	1		1		-		-		2	
4	By the parties and other organizations	-		-		1		-		1	
	Total	8		7		16		9		40	

5-8 Results of the answers of the researched labour force on consultation with them on the future of their establishment.

Replying to enquiries whether the researched labour force were consulted on the future of their establishments, 120 persons, forming 75% of the sample replied that their views were approached, nor were they consulted or informed within any framework or any level to determine the future of their establishments. Schedule No. (46) explains the results of these replies out of those who said yes, 40 persons, 25% of the total researched labour force, 37 determined that they consulted by the establishment management. 2 of them said that the trade union informed them. But one only said that he was told by the parties that a change would take place in his establishments.

5-9 Results of investigating opinions of the labour force concerning points of view on the procedures being taken to implement the economic reform programme.

5-9-1 Schedule No. (47) summarizes the results of the opinions of the researched labour force on the measures taken to implement the economic reform programme. 149 persons, forming 93% of the total sample expressed their agreement and satisfaction with the measures taken to fulfil the economic reform programme. Only 11 persons, representing 7% expressed reservation or disagreement to the measures taken to fulfil the economic reform programme. Regarding the reasons of disagreement, they were many, among these the deterioration of the living conditions, loss of jobs, price rise, no action to deal with corruption, non-improvement in the situation of the state and the society. The points were however small, not 3 points for each reason. Those who agreed on the measures to fulfil the economic reform programme were expecting the implementation of the programme to achieve the following objectives arranged according to the highest points.

- to achieve economic and currency stability 145 points
- to improve the standard of services rendered to population 127
- to combat corruption 112 points
- to restore the manner of growth 86 points
- to control inflation 73 points
- to tackle structural imbalances 68 points
- to achieve higher productive professionalism 61 points

Table 47 Results of Opinions of the researched labour force regarding the measures taken to implement the economic reform programme:

No.	The opinion	Number of employees in researched establishments that expressed views regarding the measures taken to implement the economic reform programme				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
	Are you satisfied with the measures taken to implement the economic reform programme					
1	Completely satisfied	1	9	2	-	12
2	Satisfied	60	21	29	27	137
3	Reserved	2	-	1	3	6
4	Not satisfied	1	2	-	2	5
	What are your reasons for not agreeing to the measures taken to implement the reform programme					
1	It has caused deterioration in my living	1	1	-	-	2
2	It has caused the loss of jobs	1	2	-	-	3
3	It has raised prices very highly	1	1	-	-	2
4	It has not dealt with corruption radically	-	1	-	-	1
5	Have not noticed any improvement in the situation of the State and the society	-	2	-	-	2
6	For all the reasons mentioned above together	-	1	-	2	3
	If you are a supporter of the reform programme do you expect minimum achievement from the implementation of the economic reform programme (arrange according to priority)					
1	Controlling inflation	40	11	13	9	73
2	Achieving economic stability and stability of labour	61	29	29	26	145
3	Dealing with the structural defects	41	7	11	9	68
4	Restoring the growth rate	43	14	19	10	86
5	Combatting corruption	59	14	22	17	112
6	Achieving higher production efficiency	31	10	9	11	61
7	Improving the standard of services presented to the population	57	21	27	22	127

Table 48 Results of Opinions of the researched labour force regarding partnership with the World Bank:

No.	Opinions	Number of employees in researched establishments that expressed opinion on partnership with the World Bank								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemeni Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	Do you agree to go partnership with the World Bank, the International Monetary Fund, and the prescriptions of reform presented by them	61	3	30	2	30	2	28	4	149	11

Table 49 Results of Opinions of the researched labour force regarding the main reason for the corruption:

No.	Opinions	Number of employees in researched establishments that expressed views regarding the conditions necessary for the recovery of the establishments under privatization				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	Not placing the right person in the right place	12	7	8	12	39
2	Not implementing the laws and regulations	30	19	18	15	82
3	Favouritism	8	4	-	-	12
4	Low income of employees	7	-	2	1	10
5	Political protection for the corrupt	5	2	2	3	12
6	Insufficient control of supervising management	2	-	2	1	5
	Total	64	32	32	32	160

Table 50 Results of Opinions of the researched labour force regarding cases of corruption:

No.	Opinions	Number of employees in researched establishments that expressed opinion regarding cases of corruption								Total	
		National Home Trade Company		Public Corporation for Garments and Electrical Appliances Trade		Public Corporation for Building Materials Trade		Yemeni Free Trade Company (Victory Co.)			
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
	Do you know of any cases of corruption in your establishment	20	-	1	-	3	-	8	-	32	-
	If the answer is Yes, what have you done about it:										
1	Have you informed the concerned authority	4		-		1		6		11	
2	Have you litigated	16		1		2		2		21	
3	Others	-		-		-		-		-	
	Total	20		1		3		8		32	

Table 51 Results of Opinions of the researched labour force regarding the spread of cases of corruption:

No.	Opinions	Number of employees in researched establishments that expressed opinion regarding the spread of cases of corruption				Total
		National Home Trade Company	Public Corporation for Garments and Electrical Appliances Trade	Public Corporation for Building Materials Trade	Yemeni Free Trade Company (Victory Co.)	
1	Senior employees	20	2	3	10	35
2	Employees of general level	-	-	2	-	2
3	Junior employees	1	-	-	-	1
	Total	21	2	5	10	38

5-10: Results of investigating opinions of the researched labour force about the partnership with the world bank and the I.M.F

Because privatization of the public corporations is one of the main components of the partnership with the world bank and the I.M.F., and subsequently one of the most important elements of structural adaptation, this survey included the objective of polling the view point of the researched labour force in these corporations which will be privatized, about their opinion on partnership and prescriptions of the reform which is adopted and packed by the world bank and I.M.F. with the government. Schedule No. (48) summarized the results of the researched labour force's opinion on partnership with the World Bank and I.M.F. 149 persons, rep. 93% of the researched labour force agreed on the partnership and the world bank's and I.M.F's reform prescriptions while 11 persons disagreed.

5-11: Results of investigating the opinions of the researched labour force about corruption and causes and cases of its spread.

5-11-1 To wind up the investigation of opinions on the economic reform programme and partnership with the world bank and IMF, we have considered to investigate the opinions of the researched labour force concerning the causes of corruption and cases of its spread. The results of the opinions of the researched labour force were, as shown by schedule No, (49). The causes were arranged according to points in the following order:

- the laws and regulations were not implemented 82 points
- the right man is not put in the right place 39 points
- favoritism and political protection of the corrupt 12 points each
- low income of employees 10 points
- insufficient control of supervising management 5 points

5-11-2 About knowledge of cases of corruption in the researched establishments and what was done in this regard, the table no. 50 summarized the results of the opinions of the labour force regarding this. Only 32 persons replied, that is 20 % of the researched labour force about their knowledge of the presence of cases of corruption in their establishments, and 11 of them that they informed the concerned authority, and 21 persons answered that they ignored it.

5-11-3 Regarding the answer about where the corruption is spread among the employees, table no. 51 summarized the results of the opinions of the researched labour force regarding that and 35 persons out of 38 answered to this

question that the corruption is spread among senior officials and the remaining 3 persons decided that it is spread among junior officials.

6 Conclusions

6-1: Conclusions Regarding the Establishments

6-1-1: In spite of the fact that the establishments of the public sector in the trade sector in Aden governorate were basically set up on the remains of the nationalization, and in very complex political and social circumstances, and their setting up was more in response to political justifications than economic, and the basis for their setting up from the economic point of view was not sufficient or sound, but during the years of their operation during the years of partition and due to a number of factors, most important of which may be the monopoly, state subsidy and the facilities granted to them, they were able to perform the purpose of their setting up over a number of years, at high economic cost, and at low productive efficiency and great squandering, but they provided supply stability and made available the basic commodities and luxury goods for all the levels in the limit of the incomes prevalent then.

6-1-2 After the unity and the end of the elements of monopoly, subsidy and facilities the conditions of these establishments faltered and over the past nine years the state could not decide the matter to halt this faltering or to find appropriate solutions for these establishments until three of them halted completely and they depend on the support of the Ministry of Finance to provide the salaries of their employees. The Home trade Co. was the only corporation which operated in the marketing of subsidized commodities like wheat, flour, meat dairy and selling of spare parts and others. However, even this corporation began to suffer from hard financial situations due to servicing of their enormous debts to large banks. The headquarter of the corporation was mortgaged to the Central Bank of Yemen in exchange for its heavy debts.

6-1-3 The researched establishments are suffering from their weak and unbalanced financial structures. The paid or accumulated capital constitutes only small proportions of the total volume of business. These establishments continued to use the facilities until they drowned in debts and in servicing them. The researched establishments are drowned in huge debts which they could not settle to others or recover from others, schedule No. (10). These debts reached several times as much as their accumulated capital. The exception is the Building Material Co. whose debts constitutes a reasonable proportion to its accumulated capital. The assets of some of them are mortgaged to the bank and some are illegally or informally seized by others. Some of these establishments are also capturing the assets and premises of other local owners who are

supposed to be given back their commercial estates according to the resolution of the Presidential Council issued on September 12, 1991 concerning the return of the nationalized commercial real estate.

6-1-4 The researched establishments are suffering from inflation in labour force, exceeding the virtual need. Their direct heads estimated them to be nearly 72% of the present labour force in these establishments as redundant labour force. This labour force exhausts a large proportion of the expenses of these establishments constituting heavily more than 90% of the expenses of all the three out-of-work corporations. The Home Trade Co. exhausts more than 50% of its expenses. There is also unbalanced distribution of labour force in the researched establishments to the employees in marketing and sales and employees in management and services. The number of employees in the management and services constitutes a large proportions of the labour force in the three out-of-work establishments do not go to their work, and they receive their salaries though they stay at home and do no mentionable work.

6-1-5 All researched establishments are suffering annual deficit in their activity, except the Home Trade Co. where surplus deteriorated in the last three years to 0.2 % of the volume of their work in 1997.

6-1-6 The researched establishments do not have new capital composition that may lead to a fundamental change in the ensuring activity of these establishments. Despite the high rates of the annual capital circulation which these establishments achieved they could double their capital throughout the years of their operation only in small proportions, except the building material co. which is younger than other establishments. This establishment achieved only accepted rates to increase their capital.

6-1-7 It is concluded that these establishments, with their weak financing structures, excessive labour force, huge debts and mismanagement pose considerable economic burdens to the state, and the society, and their continuing as such will aggravate the burdens on the state, the society and the employees in it. The managers of the researched establishments agreed that their establishments are unable to continue with their present positions. They recommended prompt measures to be taken to back up their financing structures and cut down the volume of labour force in them, or subject them to privatization or liquidation. We support these conclusions, and we think it is necessary to consider seriously addressing them effectively. But before, it is necessary to make careful assessment of their financial, and administrative positions and the positions of their labour force on the basis of the recommendations which we will deal with later on after reviewing the conclusions on the labour force.

6-2 Conclusions Regarding the Labour Force:

6-2-1 The number of labour force in the researched establishments in their headquarters in Aden 2676 male and female workers. They are distributed in the ratio of 70.7% males and 29.3% females. All are fixed employees, except 3 who are temporary employees. 40% are employed in management and services, 60% in marketing, sales, and technical and vocational fields. 35% of them have secondary qualifications and higher, 65% have preparatory and less, nearly 97.3% of them in the 2nd, 3rd, 4th and 5th job categories, 2.7% of them only in the 1st clerical category. As for the services of the labour force, most of them, in the proportion of 75.3%, have services between 11 to 25 years. The rest have services between 1-10 years and 25 years and more. It is clear from the above data that the size of the labour force is relative large compared with the volume of the current activity of the establishments. The females constitute a fair proportion, and most of the labour force are fixed and cannot be discharged or dismissed because they have not reached the legal retirement age. What could be referred to compulsory or early retirement through the purchase of 5-10 years is not more than 17% of the labour force in the establishments. The majority of them are with relatively low standards and without specialized qualifications. Most of the employees are low-income groups and sensitive to any changes in their incomes.

6-2-2 To probe further into the economic and social situations of these labour force and determine their demographic features, and study the impacts of the situations of the establishments on them, a sample was selected from 6% of the total labour force that equally represent the all groups of the labour force in the researched establishments terms of sex, job levels, type of work, years of service, qualifications and educational standards. They were broadly surveyed and enquired about their living conditions, and their outlook on their future and that of their establishments, and their preparations for subsequent qualification, and opinions about the on going implementation of the economic reform programmes and partnership with the international funds which donate assistances and loans, and their stand on corruption, its causes, and cases of its spread, and other issues which have relation with their future. The most important conclusions reached by their survey could be summarized in the following paragraphs:

6-2-3 In addition to the agreement of the demographic features of the labour force in the researched establishments with the demographic features of the survey sample mentioned in para 6-2-1, the survey sample affirmed that nearly 80% of the researched are aged between 31 and 50 years, and most of the researched labour force have the same services between 11 years to 25 years, and nearly 91% of the total labour force support between 3-12 person and

average support burden by each is 7.5 persons. It is relatively high ratio. Also 93% of the researched labour force are in the 2nd, 3rd, and 4th, job category. This proved that most of the labour force are low-income and carry heavy economic and social burdens. The survey also indicated that the researched labour force do not receive their salaries regularly and that most of them, in the ratio of 89% of them do not receive their salary and live on borrowing or managing affairs in other ways. This means that they live hard conditions in facing the burdens of life, and they were affected by the deteriorating situations of their establishments by reducing their incomes. The survey also affirmed most of the labour force lived in a state of fear and worry over their future.

6-2-4 Although a fair ratio of the researched labour force had admitted that they are redundant and are a burden on their establishments, most of them refused to be retired or terminate their service voluntarily in order to devote their time for private business while obtaining their full entitlements. In other words, most of the researched labour force are sticking to their work and their incomes derived from their work with these establishments despite their inefficiency to run their own affairs. But most of them representing 82% expressed preparedness to work with the private sector in the process of converting their establishments for privatization.

6-2-5 The researched labour force, representing 45%, expressed their readiness for later on qualification. But also most of them decided that they have willingness and advantages to work with the private sector in the same capacity of their work in their establishments. But most of them, representing 80% decided that they do not have other technical or vocational skills on the basis of which he may shift to other jobs and occupations. Only a small proportion not more than 10% of the researched labour force embarked on self-training during the last five years. Self-training was mostly in the use of computer only.

6-2-6 Most of the labour force criticized the performance of their establishments. Most of them resolved that their establishments could not continue with their present situations. Nearly 55% of them proposed that they be converted into contributed companies and they get a proportion of shares from them through external financing (from the state or from social funds). 69% affirmed that their establishments are capable of rising again in privatization, and they are still enjoying certain advantages if they are managed by the private sector and adequate funds were poured to them. 75% resolved that they were not consulted at any level about the destiny of their establishments or their subsequent situations.

6-2-7 The results of this survey were amazing in that 93% of the researched labour force supported the actions to implement the current economic reform

programme which is under implementation. Only 7% of the researched labour force disagreed or reserved over these actions. They attributed their reservations to several reasons, most of them relate to their low living standards. Those who supported the programme, expect it to achieve several objectives, most important of them is to achieve economic stability, currency stability, and improve the level of services and living for them and the population generally what was amazing also was that 93% of the researched labour force also supported partnership with the donor funds. Regarding corruption, its causes and cases of spread, a fair number of the labour force took part in replying to these questions. But most of them were dealing passively with this phenomenon.

The conclusion is that the researched labour force particularly those who have nothing to do are experiencing very difficult social conditions and a state of fear and worry about their future. The labour force in all the establishments cannot tolerate any unplanned dramatic change in their incomes, because any action affecting their present incomes will aggravate their sufferings and thus render their life intolerable.

(7) The Recommendations

7-1: Recommendations on the Fate of the Researched Establishment and Tackling of Their Assets and Their Obligations.

7-1-1 The results of this survey proved beyond doubt, and as supported by the direct bosses of the researched establishments that these establishments are no more able to continue with their present situations for the aforementioned reasons, and subsequently urgent measure must be taken to tackle their situations. We propose in this connection that the Public Corporation for Garments and Electrical Appliances, the Public Corporation for Building Materials Trade, and the Victory Free Trade Company be liquidated in view that with the private sector traders whether in garments and electrical appliances, or in building material trade, or ship supplies or in free market business. They do not either have special advantages or unrivalled certain agencies in the market. Even their exclusive agencies or their trade or juristic rights have abandoned them or were legally and illegally taken away from them. The markets are full of many agencies which compete with their former agencies in every commodity and product with a large number of marks and models. In addition, smuggling of these commodities and products has even made systematic trading business through the official custom's inlets unable to compete with the smuggling. Therefore, there is no alternative but to liquidate these establishments.

7-1-2. Regarding the National Home Trade Company. The results of the survey proved that it is not reasonable that it will maintain its current position and that mentions must be taken to tackle its position. We suggest in this regard that, as the subsidy of flour continues and since there is no official assessment of the success of deregulation of wheat, the National Home Trade Company be converted into a company specialized in basic food stuff whole sale trade (import & export), to take up balancing these commodities in the market, and to combat monopoly or price rigging & guarantee fair distribution of these commodities in all parts of the governorates for which they will be allocated. This conversion is supposed to be accompanied by a review of its institutional administrative and financial structure in order to become a small-sized company in terms of labour force but highly efficient in administration and organization and provided with latest products of information technology and office equipment so as to be able to follow the latest institutional and technological styles of managing their trading and marketing business.

7-1-3 To achieve the two above mentioned proposals, we suggest the formation of working teams to operate under the supervision of the technical bureau of privatization to tackle the assets and obligations of these establishments as follows:

- a. A team is to be formed of specialized qualifications to assess the assets. It involves the concerned ministry offices and authorities (Ministry of Finance, Ministry of Trade and the Central Control and Audit Authority). This team will conduct the following:-
 - (1) To sort out the immovable assets of the researched establishments and determine:
 - the exclusive properties of the researched establishments.
 - The properties of the Yemeni owners which are supposed to be given back to their owners according to the resolution of the Presidential Council pertaining to the returning of the nationalized estate properties.
 - The establishments' properties which are illegally and unsystematically usurped by others and restoration of the assets of others which are usurped by the establishments or those usurped by others, and notarizing in the concerned notarization authorities of these assets which will become the exclusive property of the state under privatization or liquidation.

- (2) To determine the assets the immovable assets which will be needed by the National Home Trade Company in its new position (as the basic food stuffs wholesale trade company), and determine its virtual value and rid them of other assets which will be subject to selling or leasing.
 - (3) To assess realistically the remaining assets in accordance with their conditions and their market value and determine their rental values for rental purpose and their sale price for selling purpose.
 - (4) To prepare leasing or selling draft documents for these assets, including promotion, auction or tender documents.
- b To form a financial team specialized in sorting out and assessment of the debts in the researched establishments, and determine the government debts and debts and prepare them for suing, and the debts of the public, the joint and the employees, and make programmes to settle them or tackle them, including suggesting the legal procedures for their remedy through judiciary or the prosecution from natural or juristic persons or their heirs. The terms of reference of this team includes the determination of difficult debts or dead debts regarding the economic formations or social bodies which broke down and no more have heirs.
- c To form a financial team specialized team in carrying out the following:
- 1 To inventor and assess the various stock in the researched establishments and other assets in circulation like machines and others.
 - 2 To determine the operating capital of the Home Trade Company and its requirements of the assets in circulation.
 - 3 To determine the mortgages, the trusts and the bank debts and suggest ways of settling them.
 - 4 To assess the situations of the leasing of the researched establishments' estates leased to others.
 - 5 To determine the employees rights and obligations that remain with the establishments.
 - 6 To close down the financial accounts and other financial matters which must be fulfilled before the liquidations procedures begin, and form the new food stuff whole sale 6.

- d To form a technical team to determine the requirements of the new proposed company which will succeed the Home Trade Company and which will conduct food stuff wholesale trade, for the employees in the researched establishments to a minimum number, and of those who are highly experienced and qualified, appropriate to the new tasks.
- E After the above-mentioned various teams have finished their works the liquidation of the three establishments is to be announced as well as the information of the new company, and the remaining assets and are put for sale or leasing by public tenders under the supervision of the technical office of privatization according to the privatization law.

7-2 Recommendations on the labour force in the Researched Establishments:-

- 7-2-1 As the purpose of this survey is to determine a clear vision of the destiny of the labour force in the researched establishments, and because their position is critical sensitive both at the level of the establishments or their economic and social situations, any vision must be quite clear. This is what we are after in our proposals. We propose that after determining all liabilities and rights due to the labour force in the researched establishments, and after determining the labour force required for the new company which will succeed the Home Trade Company which will do business in the basic food stuff wholesale, the remaining employees in the researched establishments should be transferred with their financial and administrative positions to a new fund to be formed under a special law called "the redundant employees fund". This fund must be a juristic body with an independent board of management with wide powers, and its basic task is to absorb the redundant workers from the researched establishments and any other public sector establishments. It will sponsors them, qualify them and prepare them for subsequent works in other establishments or the privatized establishments, or any other jobs as will be mentioned later on. This fund shall serve as a basket for the redundant labour force in all establishments which are to be liquidated or privatized. It is to be managed by an independent board of management in which the concerned governments are represented at the level of not less than ministers, or deputy ministers, including the ministries of Civil Service and Administrative reform, and Finance and appropriate representation of the workers' representatives from the trade unions or other social bodies such as the non-governmental societies which are concerned with human development, human rights or charitable societies. The private sector must be represented in the Fund's board of management. In our opinion the resolutions of this board should be

independent from other government resolutions and not to be subject to any other government approvals. It shall be responsible for its resolutions and bound for execution within the terms of reference of the fund. We suggest that the fund be headed by a prominent non-government social figure from among the leading traders. The fund must have branches in some governorates where there are redundant workers, and run in the same independent way, and the presence of a local board of management at the level of the governorate in which the same authorities in the governorate are represented.

7-2-2 The resources of the fund are proposed to be as follows:-

- The contributions allocated by the state for the wages of the employees in the establishments subject to be liquidated or privatized.
- 50 % of the proceeds of the privatization or leasing of the assets of the liquidated establishments the donations, gifts and simplified loans allocated by the states and donor organizations to contribute in solving the problems of the redundant workers or implementing the privatization procedures.
- The donations and gifts from local social and charity organizations.

7-2-3: The tasks of the Fund are also proposed to include:

- The fund constitutes a basket for the redundant labour force. The fund sorts out this labour force according to their qualifications, possibilities and specialization, and determines program of training and further training, and supervision of the implementation of these programs, and prepare these employees for subsequent works according to order in the labour market.
- The fund should pay the salaries of the labour force who are members in this fund and ensure complete welfare including qualifying, caring, and retiring those who qualified for retirement.
- The fund's relation with the employees who are its members is terminated when the fund provides new jobs for these employees, and they shift to work in these posts.

7-2-4: An executive management is formed for the fund from an appropriate number of the employees who enjoy specific specifications, and are prepared for public and social service, and believe in the objectives of human development, freedom and human rights, and have high education and preparation, dedication and to carry out such noble tasks.

7-2-5: Because of the sharp lack in statistics about need and demand in the labour market for each specialization, it is to carry out a field survey into the labour market's demand for all specialization in all governorates, so that the fund can, in the light of the survey results determine the labour market's demand for the labour force, the various qualifications and specialization and their consistency with the available offer in the labour force basket, and then amend the training programs to fit with the labour force requirements.

7-2-6: It is also proposed to give priority to employment from the redundant employees' basket and the education output according to certain proportion, so that priority for employment is to be given from the fund basket to meet the following authorities, the privatized corporations, the local and the foreign investment companies and projects which demand foreign labour force, the projects and authorities which will hire the assets of the establishments to be liquidated, and others.

7-2-7 It is concluded that the labour force in the researched establishments must not be discharged terminate the service without legal reasons and without providing over incomes for subsistence. In all cases, as long as the labour forces receive the care of the fund. These labour forces must be used through organized programs to participate in paid social actions such as repairing schools, maintenance of government establishments or works for others so that these do not remain idle and receive their pay while they stay at home.

7-2-8: It is also suggested that the fund should set up a strong relation with the social development fund and the anti-poverty projects in order to benefit from the possibilities of these funds and projects to transfer some of the labour force under their umbrella and encourage them to benefit from the projects created by these funds and projects in establishing their own business, and subsequently come out of the redundant employees' fund.

7-3 Recommendations to Provide Appropriate Atmosphere For Investment and Financing the Privatization

Because the present unemployment rates in Aden Governorate are high, and the Universities and schools in the governorate pump annually more of their outputs to join the unemployed, and in addition, these researched establishments and many of the break-down industrial establishments in the governorate will add a new unemployment burden in this governorate, and because the market capacity in general, and the finance market particularly in Aden and in Yemen as a whole are unable to absorb and finance privatization, we suggest a number of measures to contribute to providing atmospheres appropriate for investment

and for financing privatization. This specifically may be summarized as follows:-

- to solve promptly land problems and disputes, and rationalize land distribution, and stop trespassing the investors' lands.
- to strengthen the security situations and ban entry of weapons into the cities, and take firm actions against killing, kidnapping, and aggressions inside the cities, enforce the law on all and prevent the solution of such crimes according to tribal norms.
- to issue laws, resolutions and regulations relating to the emigrants, and encourage their investments and remittances and give their tranquility by granting them some rights to obtain nationality election and get access to legal documents.
- to tackle the legacies of the nationalization legally and peacefully on the "no harm to anyone " basis and in a way as to secure social security and give back to the people their rights.
- to speed up the formation of financial bonds, and, before this, encourage the big and ancient commercial houses to move to organized institutional situations so as to separate between ownership and management in these establishments.
- to encourage the formation of contributed private companies, give advice and technical and institutional support to these private establishments, and encourage the formation of technical, engineering, and financial consultative companies to ensure that these private corporations and projects get the responsible technical advice.
- to make reforms in the financial and banking sector in a way that secures pumping of loans and finance to the companies, and guarantees the loans granted to the private establishments and projects by the donor banks or international and regional organizations.

8 The End

We conclude our final report about the results of the pilot survey of the establishments and the redundant labour in the establishments of the public sector in the sphere of trade subject to privatization in Aden governorate, which has shown a number of important conclusions that enabled us to reach realistic recommendations that can be implemented to solve one of the most important tough problems in Aden governorate, which without its suitable, just and humane solution would have had political and economic impacts and would have created social tensions in the governorate. Therefore such a method of tackling the major problems in this studied manner, based on science, numbers and field work, can be generalized in studying the other phenomena and problems. Before that it can be generalized in dealing with the situations of the faltering establishments in the trade sector in other governorates or the faltering establishments in the spheres of industry, agriculture, construction, transport and other establishments of the public sector that have become a burden on the state and the society. We hope that these recommendations that we have proposed shall receive attention from the concerned authorities. We are ready for further crystallization and clarification of our recommendations and proposals, and also hope that the concerned foreign donor authorities, such as the United Nations organisations and the World Bank, will adopt these recommendations and present the technical and financial support need for their implementation, considering that this issue dealt with by the report is one of the components of the economic reform programme, which these donor organizations have committed themselves to support.
