Fragility and Extremism

in Yemen

Staff Paper
Stabilizing Fragile States Project
Bipartisan Policy Center

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Disclaimer

This white paper was prepared by the staff of the National Security Initiative and aims to promote a better understanding of the relationship between state fragility and extremism, as exemplified in Yemen. While this paper was drafted with the guidance of the Stabilizing Fragile States project co-chairs and some members, the views expressed here do not necessarily reflect those of each of the members of the Stabilizing Fragile States project.

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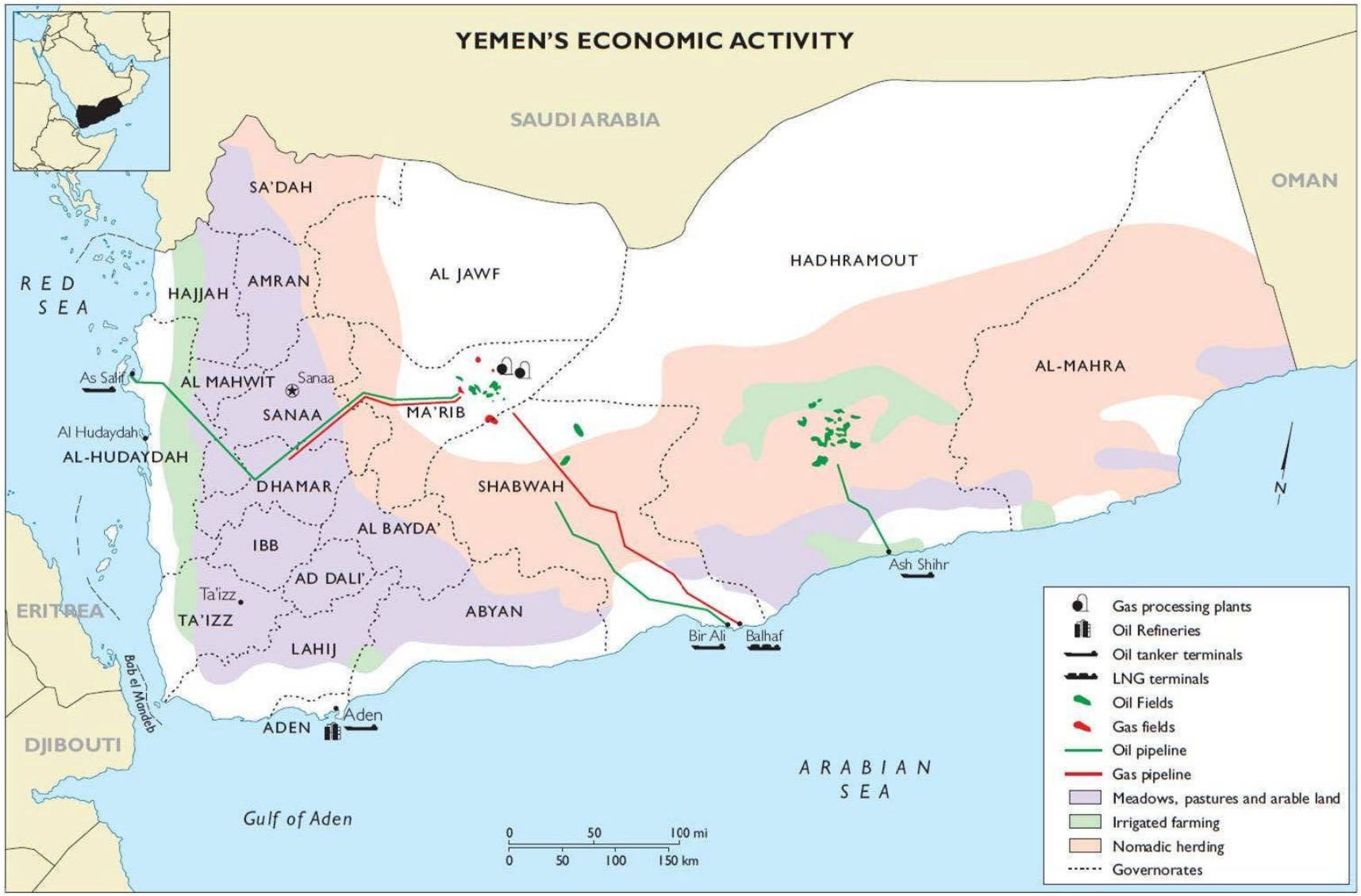
FRAGILITY AND EXTREMISM IN YEMEN

List of Maps

List of Illustrations


YEMEN'S ECONOMIC ACTIVITY
SAUDI ARABIA
OMAN
SA'DAH
HAJJAH
AMRAN
AL JAWF
HADHRAMOUT
AL-MAHRA
RED SEA
As Salif
AL MAHWIT
Sanaa
SANAA
MA'RIB
Al Hudaydah
AL-HUDAYDAH
DHAMAR
SHABWAH
AL BAYDA'
IBB
AD DALI'
Ash Shihr
Ta'izz
TA'IZZ
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Balhaf
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DJIBOUTI
ARABIAN SEA
Gulf of Aden
0 50 100 mi
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Gas processing plants
Oil Refineries
Oil tanker terminals
LNG terminals
Oil Fields
Gas fields
Oil pipeline
Gas pipeline
Meadows, pastures and arable land
Irrigated farming
Nomadic herding
Governorates

EXECUTIVE SUMMARY

Although its notoriety may be newfound, Yemen's fragility is not. Nor is the presence there of threats to U.S. and international security. For these reasons, Yemen has proven a constructive case study for the Bipartisan Policy Center's Stabilizing Fragile States project, which considers how to revise and restructure U.S. policy towards weak states.

Yemeni-based terrorism predates the 9/11 attacks by nearly a decade, reaching as far back as al-Qaeda's December 1992 bombing of an Aden hotel hosting U.S. servicemen. Since then the Yemeni government has committed to combating violent extremism within its borders, albeit with decidedly mixed results.

Terrorist threats continue to emanate from Yemen not because the government lacks the military strength to eradicate them, but because until recently the regime had little incentive to confront al-Qaeda or resolve the myriad of social, economic, and political problems that have encouraged extremism to flourish there. The counterterrorism offensive begun in December 2009, while effective and welcome, only serves to highlight the lack of successes in years past.

Ali Abdullah Saleh, the President of the Republic of Yemen, has compared the difficulty of governing his country to "dancing with snakes."[1] It is an equally apt description, however, of the governing style he has inherited. History, demography and geography have conspired to bequeath Yemen a legacy of factionalism and civil conflict, distrust and resource competition. Over the years, the rulers of the multiple political entities that now form present-day Yemen all found it easier to maintain a semblance of stability by playing various factions against each other in an effort to ensure that no one ever grew powerful enough to challenge the regime.

Saleh has continued this practice, particularly in regards to al-Qaeda and other extremist groups. For most of the last decade, Yemen has carefully calibrated and controlled the threat of terrorism to reap the greatest advantage. The regime has maintained a "covenant of security" with militant extremists, even using them as mercenaries, to prevent the terrorist organization from turning against it.[2] At the same time, Yemen has been accepting counterterrorism and military assistance.

Indeed, partnership with the international community in the fight against extremism has been lucrative for Yemen. With foreign military assistance from a number of sources, including over $1 billion in arms sales from Russia over the past decade, Yemen boasts a large and well-equipped security apparatus. It has even been called the "best-stocked arms bazaar west of Peshawar."[3] Yet, Yemen's military might is more often turned to quelling civil conflicts than rooting out extremists. While this delicate

[1] Andrew Lee Butters, "The Most Fragile Ally," *Time*, January 18, 2010.

[2] Brian O'Neill, "Is Yemen really a centralized state?" *Daily Star* (Lebanon), September 12, 2009.

[3] "The world's next failed state?" *The Economist*, September 10, 2009.

balancing act, a true dance among snakes, has enabled Saleh's thirty-year reign, it also perpetuates the conflicts and cleavages that destabilize Yemen.

Thus, additional military aid and security assistance alone is likely to have a limited effect in solving Yemen's terrorism problem. As part of the Bipartisan Policy Center's Stabilizing Fragile States project, this paper lays out the intricate interconnections between Yemen's fragility and the presence of violent extremism there. Until Yemen develops both the capacity and will to address its underlying social, economic, and political weaknesses—by building partner security capacity and promoting civic resilience—it will continue to be a threat to international security. Recommendations for how to tackle such problems, and about what sort of capacity the U.S. foreign policy apparatus needs to develop in order to do so, will be contained in this project's final report.

INTRODUCTION

Nearly a decade after the September 11, 2001, attacks first brought terror to America's shores, a Nigerian-born and Yemeni-trained would-be terrorist reminded the world that global threats continue to emanate from fragile states, no matter how distant and remote. The calls for excising this latest terrorist cancer—al-Qaeda in the Arabian Peninsula (AQAP)—have been swift and all but unanimous. A more profound lesson that policymakers could learn from examining Yemen, however, is that state fragility and extremism are intricately interwoven—the threats emerging from fragile states cannot be addressed effectively without a commitment to stabilization.

The modern Republic of Yemen is a flimsy cartographical construct, even by Middle Eastern standards. Cobbled together from various entities with divergent histories only twenty years ago, it is plagued by many overlapping regional and tribal cleavages that have long simmered in this area, often boiling over into secessionist struggles or civil war. These divisions are only aggravated by deeply-entrenched political problems, including: ineffective governance, particularly the continued practice of patronage; poor economic performance, which is compounded by the dependence on depleting reserves of oil, natural gas, and water; dire demographic indicators; and a quickly-degrading security environment.

Extremist groups have persisted, indeed thrived, in Yemen by exploiting these weaknesses and the state's resultant lack of legitimacy. By manipulating persistent tribal grievances, militant extremists have gained acceptance amongst tribesman. This then forces the government to walk a fine line between rooting out terrorists and waging a war on its own people. At the same time, however, the Yemeni government has been hesitant to resolve conflicts and stabilize society. By ensuring a divided society, it has maintained its own precarious position.

The contrast between Yemen's long-standing fragility and its sudden prominence is a clear illustration of how weak states are too often left to fester until they metastasize into international threats. Addressing such threats will require developing the will, strategy and capacity to stabilize strategically important fragile states.

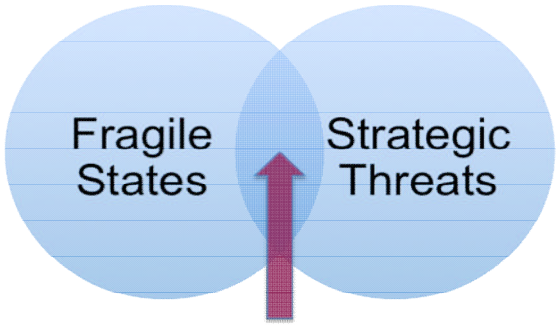
WHY FRAGILE STATES?

As the events of 9/11 horrifically demonstrated, a few determined individuals can threaten U.S. strategic interests. Their actions benefitted from the inability of a number of states to control their borders and enforce stability, showing that fragile states are central in today's international security landscape.

While "near-peer" competitors and rogue states continue to present a military challenge to the U.S. and its allies, the globalization and integration of economies, transportation, communication, and ideas, mean that serious threats can emerge not only from countries in which a strong government is present to push against American interests, but also from countries in which government is itself weak or absent.

FRAGILITY AS THREAT

This is not to suggest that *every* fragile state poses a strategic threat to the U.S. While many fragile states contain threats to themselves and neighbors (e.g., spillover effects from civil wars, famine, disease), this project of the Bipartisan Policy Center specifically concentrates on threats to the U.S. and international community that emanate from fragile states.



Project's Area of Inquiry

Such threats can be of two kinds: direct and indirect. Direct threats endanger U.S. interests, almost exclusively through the actions of rogue or non-state actors, and can be further divided into physical and economic threats. Examples include: the rise of violent radical or fundamentalist organizations;[4] international criminal organizations and narcotics traffickers;[5] the transfer of materials for weapons of mass destruction (WMD);[6] and restricted U.S. access to vital natural resources such as oil. Indirect threats include spillover effects that worsen regional instability, geopolitical considerations, and any activities (or lack thereof) that give rise to direct threats.

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[4] See U.S. Department of State Office of the Coordinator for Counterterrorism, "Chapter 5 - Terrorist Safe Havens (7120 Report)," *Country Reports on Terrorism 2007* (April 2008).

[5] U.S. Government Interagency Working Group, *International Crime Threat Assessment* (2000); and NIC (2004), *op. cit*. See also U.N. Office on Drugs and Crime, *World Drug Report* (2007).

[6] International Atomic Energy Agency, Illicit Trafficking Database (2006). See also Fund for Peace, Threat Convergence: New Pathways to Proliferation? (2006), and U.S. Department of Defense, National Defense Strategy (2005).

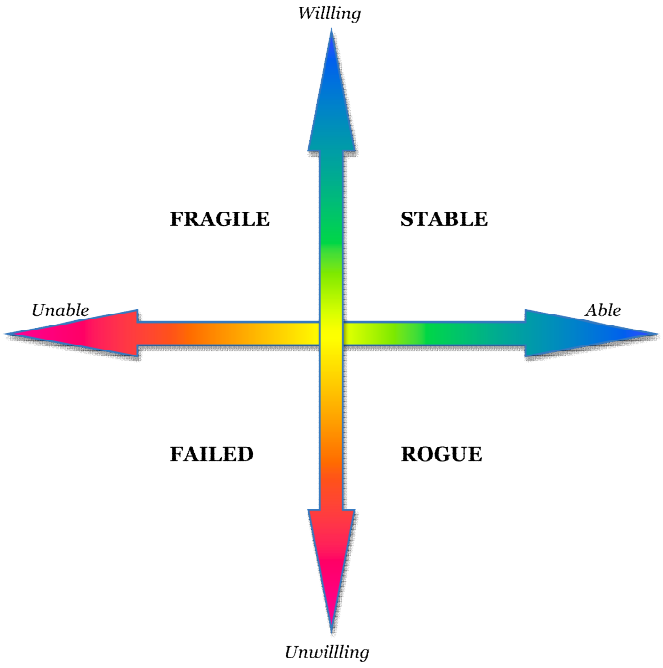
Unlike more conventional national security threats, those emanating from fragile states could be addressed by those states themselves, if only they had sufficient institutional capacity to do so. Suddenly, the United States needs to learn not just how to break hostile enemies, but how to build stable allies.

DEFINING FRAGILITY AND STABILITY

We identify two crucial axes of statehood: *ability* and *will*. The former is the traditional focus of political science approaches to the state[7] and is often captured by the concept of sovereignty—the ability of a state to exert control over its own territory and population. A state that lacks any centralized power structure capable of exerting such authority is clearly failed.

A FAILED state lacks any effective ability to control any significant portion of its territory or to provide basic services to its citizens. Lacking sovereignty, it is entirely unaccountable to the international community.

States, however, do not exist in a vacuum. The effects of their exercise of sovereign authority may well spill across borders, impacting other states. Those states that consider the ramifications of their actions on other states are *willing* members of the international community. Thus, we consider as stable those states that are both able to secure their territory and willing to do so as part of an international security scheme.



A STABLE state maintains a monopoly on the use of force within its territory, enjoys legitimacy in the eyes of its citizens, provides basic services for the wellbeing of its population, and remains accountable to the international community.

The distinction between "fragile" and "failed" state encompasses both ability and will. Unlike a failed state, a fragile one has leadership that is *willing* to resolve internal

[7] According to the renowned sociologist Max Weber, the state is "a human community that (successfully) claims the monopoly of the legitimate use of physical force within a given territory." See: Max Weber, "Politics as a Vocation," in Hans Heinrich Gerth and C. Wright Mills, eds. and trans., From Max Weber: Essays in Sociology (New York: Oxford University Press, 1958), 77. A state is also expected to uphold its end of what 17th-century British philosopher Thomas Hobbes termed the "social contract," where citizens give up some rights to the state in exchange for social order. (Thomas Hobbes, Leviathan, 1651). Contemporary thinkers go beyond Hobbes's initial "contract" and include other "political goods" owed to citizens, such as: security, justice, education, health services, economic opportunity, and so forth. See: Robert Rotberg, "The Failure and Collapse of Nation-States: Breakdown, Prevention, and Repair," in Robert Rotberg, ed., When States Fail (Princeton, NJ: Princeton University Press, 2003), 5-10.

problems and remain accountable to the international community; however, unlike a stable state, a fragile one is increasingly, though perhaps not totally, *unable* to do so for lack of institutional capacity and effective governance. Ultimately, fragile states suffer from an authority vacuum. Three key examples include: Nigeria, Yemen and Pakistan.

A FRAGILE state exists somewhere between a functional and failed state in terms of institutional capacity, has a reasonable chance of failure, and has a government that is willing but increasingly unable to fulfill the functions of a state.

Governments that are reasonably *able* to fulfill the internal functions of a state, but are *unwilling* members of the international community—such as North Korea, Syria or Myanmar—commonly referred to as ***rogue states***.

WHY YEMEN?

Even before its newfound prominence, Yemen was a compelling case study in fragility. Not only does Yemen represent the full spectrum of challenges to state stability—deep social cleavages, weak state legitimacy, dwindling natural resources, a skyrocketing population, crippling poverty, and the presence of extremist groups—it is also a known terrorist haven. But while the Yemeni government under President Saleh has been, for the most part, a willing partner in the attempt to root out violent extremism, this dedication to counterterrorism, supported by foreign military aid, has had limited success in disrupting terrorist activities, let alone bringing stability to the country. Examining Yemen brings to light not only the complexities and interdependencies of state fragility, but also the need for a comprehensive approach to stabilization.

YEMEN'S STRATEGIC IMPORTANCE

The spate of attacks against U.S. targets and interests launched by Yemeni-based or -trained terrorists over the past decade—the 2000 bombing of the *USS Cole*, the 2008 attack on the U.S. Embassy, and the Christmas Day airliner attempt being the most memorable—leaves little doubt about the danger emanating from within Yemen.

But Yemen also has a particular geostrategic importance. Lying on the Red Sea and Gulf of Aden, Yemen borders the fourth-busiest oil shipping lane in the world. With the Gulf of Aden already plagued by Somali pirates, a further deterioration of Yemen's security could pose a real risk to the world's energy supply.

YEMEN AS FRAGILE

Since at least 2005, Yemen has qualified as a fragile state in most indices that track such information. It routinely ranks particularly poorly in terms of corruption, accountability, government effectiveness, human development, freedom, and the absence of violence.

For 2009, Yemen was ranked eighteenth out of sixty countries that qualified as being at some level of risk for state failure (with "1" being a completely failed state), according to the Failed States Index.[8] In 2008, the Brookings Institution's Index of State Weakness in the Developing World ranked Yemen as the thirtieth-weakest out of 141 developing countries, qualifying as a "weak" but not "critically weak" state.[9] George Mason University Center for Global Policy's annual State Fragility Index listed Yemen as a "highly fragile" state alongside Pakistan and Zimbabwe, although not "extremely fragile" like Afghanistan, Somalia, or Nigeria.[10] The World Bank's International Development Association ranked Yemen as a "marginally fragile" state (twenty-second-most fragile out of seventy-five countries), giving the country poor marks for "rule-based

[8] *Failed States Index* (2009), published jointly by *Foreign Policy* and the Fund for Peace.

[9] Susan E. Rice and Stewart Patrick, "Index of State Weakness in the Developing World," Brookings Institution, 2008.

[10] J. Joseph Hewitt, Jonathan Wilkenfeld, and Ted Robert Gurr, *Peace and Conflict 2010: Executive Summary* (Center for International Development and Conflict Management, University of Maryland, 2010), 6.

governance," gender equality, and financial sector regulation.[11] Freedom House's *Freedom in the World Report* for 2009 ranked Yemen as "partly free."[12]

RECENT DEVELOPMENTS

The failed bombing of Detroit-bound Northwest Airlines flight 253 on Christmas Day 2009 has intensified international focus on Yemen. The suspect, Umar Farouk Abdulmutallab, is reported to have been recruited and trained by al-Qaeda in the Arabian Peninsula (AQAP; the merger of Saudi and Yemeni al-Qaeda militants) operating out of Yemen. The attempted attack is an example of AQAP's growing potency and ambition.[13] It has thrived in Yemen's vast ungoverned reaches, capitalizing on the central government's weakness and illegitimacy.

Before mid-December, Yemen's campaign against al-Qaeda amounted to little more than informal truces punctuated by raids and other limited incursions against suspected hideouts.[14] However, after uncovering al-Qaeda plans for suicide attacks inside Yemen, the government launched a series of major airstrikes in multiple provinces on December 17 and 24, followed by other military and police actions in the wake of the failed Christmas Day attack. The December airstrikes targeted al-Qaeda's regional commander, Nasir al-Wahayshi (formerly Osama bin Laden's secretary), deputy Said al-Shihri, and a number of former Guantánamo Bay detainees—although it is unclear if they survived—as well as training camps and hideouts.[15] Security forces have begun setting up checkpoints in the capital city (Sanaa) and on major highways near al-Qaeda's rural strongholds,[16] while also pursuing and arresting dozens of suspected militants across the country.[17]

This ongoing offensive represents a sharp escalation in the fight against al-Qaeda, in three ways. First, Yemeni security services are engaged in across-the-spectrum operations, from airpower to police work. By pursuing and striking targets for days in a row, creating checkpoints, and arresting suspects, Yemeni forces at least appear to be reversing their previous trend of pinprick attacks against jihadist hideouts followed by prompt withdrawals and truces. Second, the offensive covers urban areas and remote rural provinces simultaneously, using thousands—as opposed to scores or hundreds—of security personnel to launch large attacks and sweeps. For example, the December airstrikes killed a combined sixty suspected militants (more than were killed in the preceding eleven months).[18] Finally, the U.S. has begun providing communications and

[11] "IDA Resource Allocation Index (IRAI) – 2008 (Yemen)," World Bank (2008).

[12] Freedom House, *Freedom in the World, 2009 Edition* (Washington, DC: Freedom House, 2009).

[13] Christopher Boucek, "A Fraying Yemen's Terrorism Problem," Council on Foreign Relations, December 29, 2009.

[14] "Yemen Claims 30 Killed in Raid on al-Qaeda," Associated Press, December 24, 2009.

[15] "Yemen 'foils al-Qaeda plot' killing 34," *BBC News*, December 17, 2009.

[16] Mohamed Sudam, "Yemen arrests three Qaeda militants, targets leader," Reuters, January 6, 2010.

[17] "News Wrap: Yemen Vows to Step Up Hunt for al-Qaeda," PBS NewsHour, December 28, 2009.

[18] Robert F. Worth, "Yemen Says Strikes Against Qaeda Bases Killed 34," *New York Times*, December 17, 2009; "Airstrike in Yemen Targets Terror Operatives," PBS NewsHour, December 24, 2009.

satellite intelligence—as well as firepower—for the airstrikes.[19] U.S. General David Petraeus met with Yemen's President Ali Abdullah Saleh in early January in an attempt to further U.S. counterterrorism cooperation with Yemen.[20]

Most importantly, the U.S. and British governments issued new promises of support. The U.S. pledged to increase counterterrorism assistance to Yemen (including earmarks) from $67 million in FY2009 to $190 million for FY2010[21]—on top of $121 million in development aid over the next three years[22]—while Britain increased its overall assistance from $32 million in 2009 to a pledged $80 million for 2010. In addition, both countries agreed to fund a new Yemeni counterterrorism police unit.[23] U.S., British, Arab, and other aid donors met with Yemeni officials in London on January 27, 2010, where Yemen's government issued a statement acknowledging the need for serious economic and political reforms to stabilize the country.[24]

[19] Eric Schmitt and Robert F. Worth, 'U.S. Widens Terror War to Yemen, a Qaeda Bastion," *New York Times*, December 27, 2009.

[20] Elizabeth Williamson and Alistair MacDonald, "Petraeus Visits Yemen as U.S. Beefs Up Counter-Terror Ops," *Wall Street Journal*, January 4, 2010.

[21] Elizabeth Williamson, Charles Levinson, and Tochi Dreazen, "Al Qaeda Threat Escalates," *Wall Street Journal*, January 4, 2010; Mohamed Sudam, "U.S. says Yemen raid allowed embassy opening," Reuters, January 5, 2010.

[22] Christopher Boucek, "Yemen's Problems Will Not Stay in Yemen," *CNN*, December 30, 2009.

[23] "UK says it, U.S. agree to fund Yemen police unit," Reuters, January 3, 2010.

[24] "Yemen Pledges Urgent Reforms to Tackle Al Qaeda," Reuters, January 27, 2010.

BACKGROUND

GEOGRAPHY

Yemen occupies the southwestern corner of the Arabian Peninsula between Saudi Arabia and Oman, covering an area about twice the size of Colorado. The Red Sea and Gulf of Aden separate it from the Horn of Africa. *Bab el Mandeb*, the eighteen-mile-wide strait which connects these two bodies of water, is the fourth-busiest oil shipping lane in the world, and is considered a "world oil transit chokepoint" by the U.S. Department of Energy. Around 3.3 million barrels of oil from the Persian Gulf pass through this strait daily en route to the U.S. and Europe.[25]

Though Yemen boasts a remarkably varied terrain, it possesses no permanent rivers. The interior of the country's north and west—generally referred to as "Upper Yemen"—is mainly an arid highland region with relatively few natural resources and little irrigated farmland. The majority of Yemen's population, including major cities like Sanaa (Yemen's capital) and Ta'izz (the third-largest city), is located in this region. The coastal areas of the country's south and east—and the Red Sea lowlands in the west—are much more fertile. This area is often referred to as "Lower Yemen," with the port city of Aden being its main urban area. Finally, the eastern expanses of the country are mostly sparsely populated stretches of scorching hot deserts. Yemen is subdivided into twenty-one provinces, often referred to as "governorates."

DEMOGRAPHY

With twenty-four million citizens, Yemen is the second most-populous country on the Arabian Peninsula, behind only Saudi Arabia. This is due largely to a rapid growth rate, which doubled Yemen's population in the span of only two decades. In fact, Yemen had the world's twelfth-highest birth rate in 2009.[26] This dramatic population explosion appears set to continue apace—projections call for Yemen's population to double yet again in the next twenty-five years. [27] The consequence of this growth is a pronounced youth bulge. With a 3.4% average annual population growth rate (8% in Sanaa[28]), a staggering *fifty-seven* percent of Yemenis are under the age of twenty, and nearly one-third of the entire population is under the age of ten:

[25] "World Oil Transit Chokepoints," Energy Information Agency (U.S. Department of Energy), January 2008.

[26] *The World Factbook 2009* (Central Intelligence Agency).

[27] Moneer al-Omari, "Yemen's Population to Reach 43 Millions in 2035," *Yemen Post*, July 21, 2008; major statistical databases on population (e.g., UN, IMF, and World Bank) provide similar estimates.

[28] Population Reference Bureau, "Demographic Highlights for Yemen" (2008).

Chart 1: Yemen Population Distribution, 2009[29]

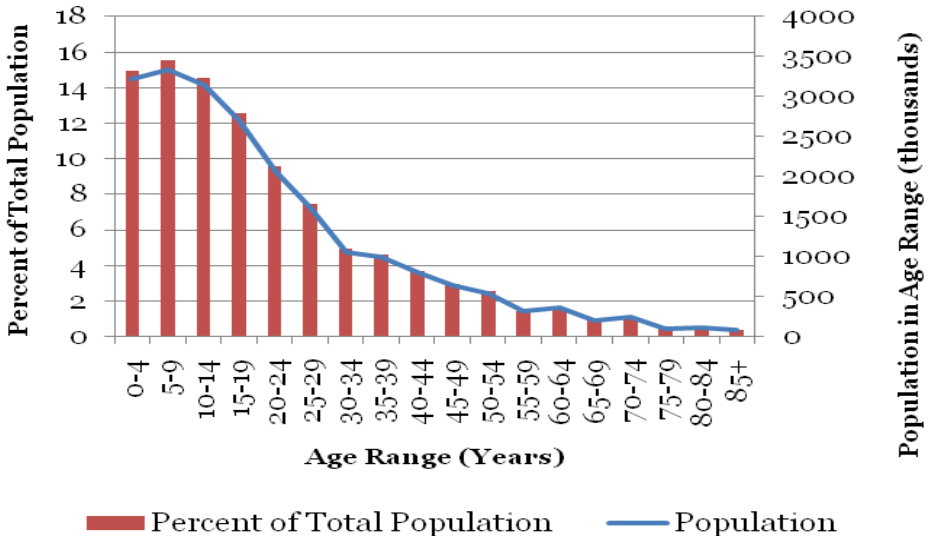
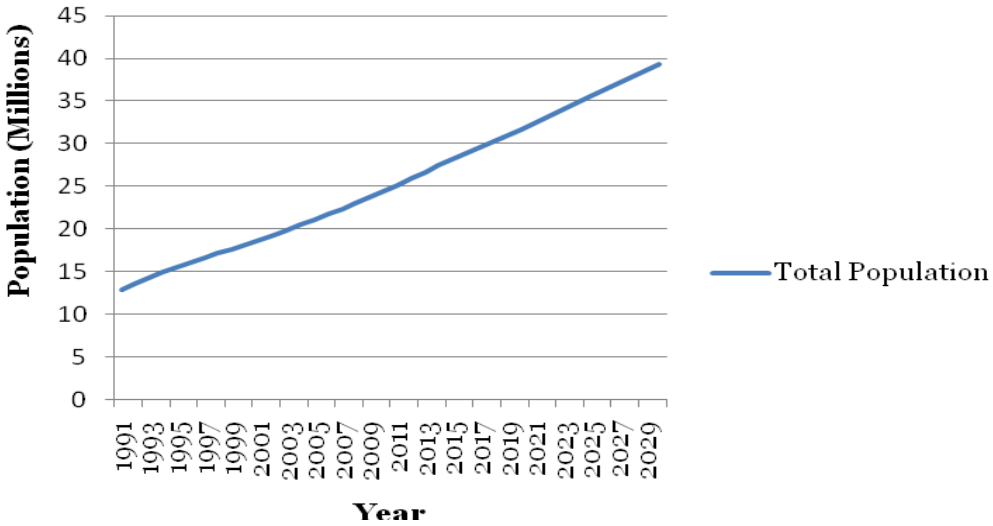


Chart 2: Yemen Population Growth (Forecasted 2009-2030)[30]



Currently, the majority of Yemen's population lives in Upper Yemen's arid highlands. Continued population growth will stretch Yemen's already depleting resources even thinner and increase competition for resources between different regions of the country.

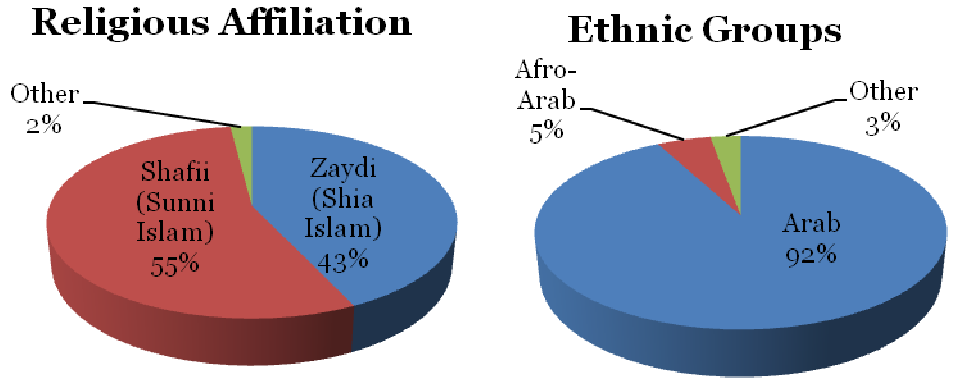
Indeed, resource competition has been a greater source of contention for most Yemenis than sectarianism, especially when compared to other Middle Eastern countries. Nevertheless, there is a soft geographical sectarian divide within the country. Much of

[29] Data retrieved from: UN Statistics Division, *Demographic Yearbook 2007* (New York: United Nations, 2009), 221-222.

[30] Data retrieved from: Population Division of Department of Economic and Social Affairs of UN Secretariat, World Population Prospects: The 2008 Revision (March 11, 2009); World Development Indicators, World Bank Group, 2009.

Upper Yemen, including parts of the capital city, feature majority populations of Zaydis, a Shiite sect that forms around forty percent of the country's overall population.[31] The Zaydi heartland of Sa'dah in northern Yemen is the site of an ongoing insurgency against the regime, but the grievances underlying it are as much political and economic as sectarian. Lower Yemen and the remote eastern deserts are predominantly Shafii, a Sunni order that makes up between half and two-thirds of Yemen's total population.[32] Ethnically, the vast majority of Yemenis are Arab, but the regime has welcomed large numbers of Afro-Arab refugees from the nearby Horn of Africa. By the government's reckoning more than 800,000 Somalis reside in Yemen. Although Yemen has never had deep ethnic cleavages, fissures could begin forming if the country becomes increasingly unstable.[33]

Chart 3: Yemen's Ethnic and Religious Breakdown[34]



HISTORY

Yemeni civilization and culture date back millennia. Modern Yemen, on the other hand, is more cartographical construct than coherent nation-state. An amalgamation of multiple historical entities, modern Yemen came about when the country of North Yemen—which covered most of Upper Yemen, parts of Lower Yemen, and the Red Sea coastline—absorbed the formerly independent South Yemen in 1990. Each of these, in turn, had been subject to decades of internal conflict, composed as they were of varied communities and tribes that had been ruled with varying degrees of control from places as divergent as Ta'izz, Sanaa, Aden, Bombay, Istanbul, and London.

This troubled past is reflected in Yemen's uncertain and fragile present: ineffective central government, strong tribalism, an insurgency in the country's north, secessionism in the south, and the growth of an al-Qaeda franchise in multiple provinces.

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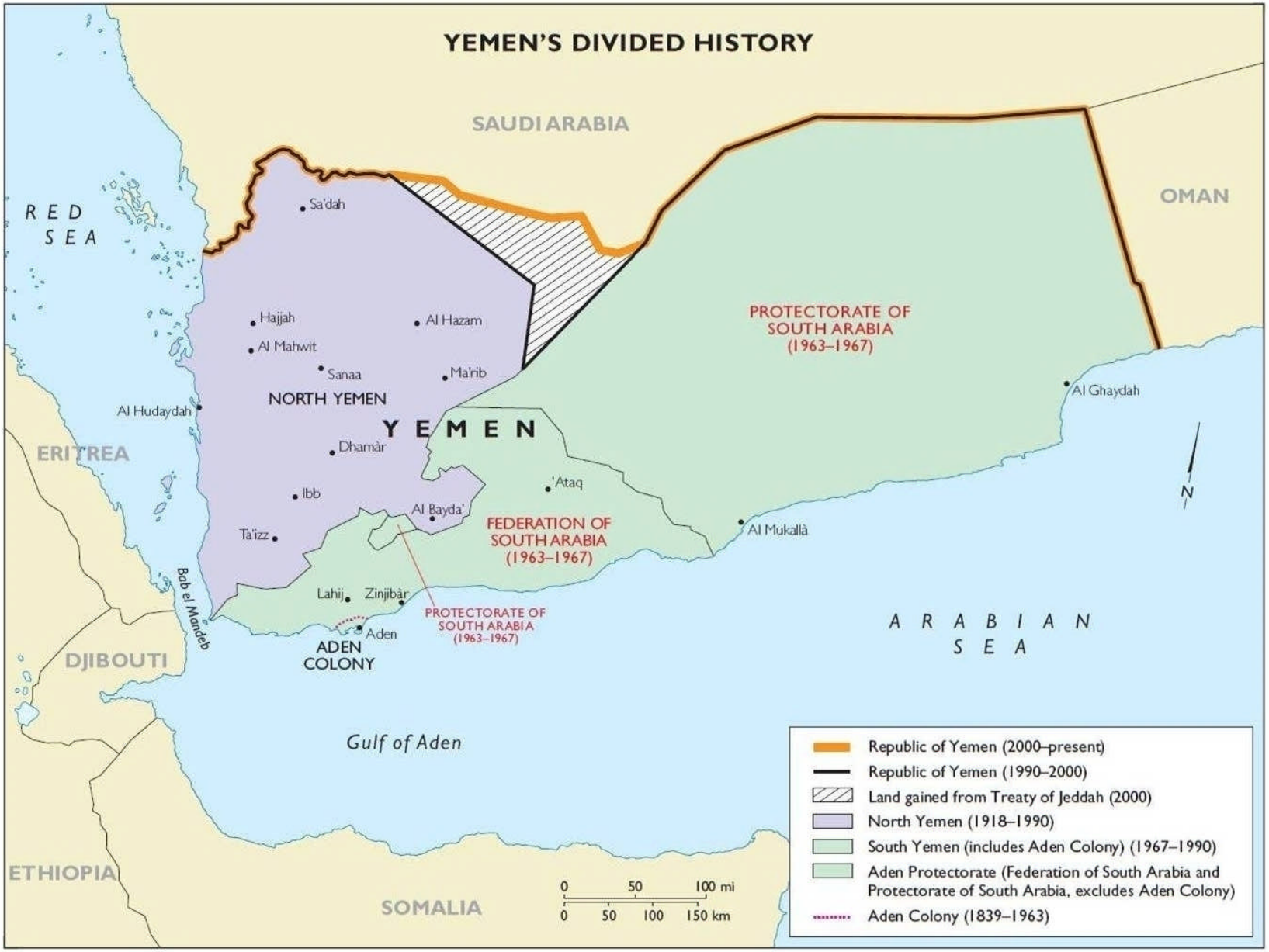
[31] "Country Profile: Yemen," Library of Congress – Federal Research Division, August 2008, 6.

[32] "Country Profile: Yemen," Library of Congress – Federal Research Division, August 2008, 6.

[33] Michel Moutot, "Qaeda threat compounds woes of Yemen's Somali refugees," Agence France Presse, January 24, 2010.

[34] Perry-Castañeda Library Map Collection (University of Texas-Austin), 2002. Data for religious affiliation collected from *2009 Report on International Religious Freedom* (U.S. Department of State, October 26, 2009); ethnic data collected from Joshua Project website (January 21, 2010).


YEMEN'S DIVIDED HISTORY
SAUDI ARABIA
OMAN
RED SEA
Sa'dah
Hajjah
Al Hazam
Al Mahwit
Sanaa
Ma'rib
NORTH YEMEN
Y E M E N
Al Hudaydah
ERITREA
Dhamàr
Ibb
Ta'izz
'Ataq
Al Bayda'
FEDERATION OF SOUTH ARABIA (1963–1967)
PROTECTORATE OF SOUTH ARABIA (1963–1967)
Al Ghaydah
Al Mukallà
Lahij
Zinjibàr
Aden
ADEN COLONY
PROTECTORATE OF SOUTH ARABIA (1963–1967)
Bab el Mandeb
DJIBOUTI
A R A B I A N S E A
Gulf of Aden
ETHIOPIA
SOMALIA
0 50 100 mi
0 50 100 150 km
N
Republic of Yemen (2000–present)
Republic of Yemen (1990–2000)
Land gained from Treaty of Jeddah (2000)
North Yemen (1918–1990)
South Yemen (includes Aden Colony) (1967–1990)
Aden Protectorate (Federation of South Arabia and Protectorate of South Arabia, excludes Aden Colony)
Aden Colony (1839–1963)

North Yemen: From Imamate to Arab Republic, 1911 - 1990

OTTOMAN RULE AND IMAMATE, 1911 - 1962

Historically, the Upper Yemen region had been dominated by large tribal confederations (the Hashid and Bakil), and was under the intermittent control of the Ottoman Empire. In 1911, after incessant warfare between Ottoman troops and highland tribes, Istanbul signed the Treaty of Da'an with the Zaydi Imam Yahya Mahmud al-Mutawakkil, granting the latter personal rule over much of Upper Yemen. Upon the Ottoman Empire's disintegration in 1918, Yahya turned this territory into the first modern independent Yemeni state, with its capital in Ta'izz.[35] Yahya's Mutawakkilite Kingdom of Yemen (often referred to simply as North Yemen) was officially a theocracy ruled by a Zaydi Imam. The imam's succession was supposed to be determined by a council of Zaydi elders, but Yahya simply named his eldest son Ahmad as his successor.[36] Yahya spent most of the 1920s and 1930s trying to expand his Zaydi Imamate at the expense of his neighbors, but was rebuffed by the British in the south, the Saudis in the north, and Yemeni tribes almost everywhere.[37]

Based in and around the arid highlands of Upper Yemen, Yahya's kingdom was poor in resources but rich in population, at least compared to its immediate neighbors. This mix provided the recipe for modern Yemen's governing traditions and institutions. Yahya's Imamate was based (at least in theory) on Islamic law (*sharia*), but the region's large tribal confederations—and the concomitant status enjoyed by tribal leaders (*shaykhs*)—ensured that many people in his kingdom still adhered to tribal customary law (*'urf qabali*).[38] Although these customs helped mediate and resolve inter-tribal disputes, continual conflict among tribes—and between tribes and the government—over land and resources (particularly water and food) led Yahya to devise a system of governance that endures today.

First, he recruited soldiers from the highland tribes and encouraged them to plunder more fertile regions like Lower Yemen. In addition to alleviating resource shortages, this practice redirected the tribes' energies away from conflict with Yahya. Second, he rewarded loyal tribes by allowing them to loot and plunder disloyal tribes' lands and villages. Third, he simply bought off other restive *shaykhs* in the tribal confederations with monthly stipends. Finally, he (literally) held hostage the sons and brothers of *shaykhs* as a deterrent against tribal unruliness.[39]

While this divide-and-conquer strategy allowed the new Yemeni state to expand, develop, and persist, it did less to resolve conflict with the kingdom's neighboring tribes.

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[35] F. Halliday, "Yemen," in Raymond A. Hinnebusch and Anoushiravan Ehteshami, eds., *The Foreign Policies of Middle East States* (Boulder, CO: Lynne Rienner, 2002), 260.

[36] "Yemen: The Eighth Son," *Time*, January 26, 1948.

[37] Spencer Mawby, *British Policy in Aden and the Protectorates* (London: Routledge, 2005), 25.

[38] Shelagh Weir, *A Tribal Order: Politics and Law in the Mountains of Yemen* (Austin, TX: University of Texas Press, 2006), 156.

[39] Elham M. Manea, "La tribu et l'Etat au Yémen [Yemen, the tribe, and the state]," in Mondher Kilani, ed., *Islam et changement au Yémen* (Lausanne, France: Editions Payot, 1998), 205-218. English translated version provided by www.al-bab.com.

It fomented frequent conflict with tribes in Lower Yemen and other fertile areas, and hence the popular saying: the "Yemen of the Bread" (i.e. fertile Lower Yemen) is always being plundered and oppressed by the "Yemen of the Army" (i.e. the raiders from Upper Yemen).[40] This tension very much exerts an influence on Yemen today.

CIVIL WAR, 1962 - 1967

Yahya was killed in a 1948 coup and quickly replaced by his son Ahmad. Called "the Devil" by many for his extreme corruption and repression, Imam Ahmad aroused the hostility of tribal *shaykhs*, military leaders, Arab nationalists, and reformists alike.[41] This created a succession crisis upon his (peaceful) death in 1962.[42] Within months, full-blown civil war broke out between the "republicans" led by Abdullah as-Sallal and "royalists" led by Ahmad's son Muhammed al-Badr. In general, the republicans' pledges to modernize the extremely underdeveloped country won support from Lower Yemen and major cities, while the royalist guerrillas were backed primarily by Upper Yemen's Zaydi tribes.[43]

Egyptian President Gamal Abdel Nasser supported the new republican government that set itself up in Sanaa, with the Soviet Union providing additional weaponry, while Saudi Arabia, Jordan, and Britain sent money and weaponry to the royalists. At the war's peak in mid-1965, Nasser had dispatched nearly 75,000 of Egypt's premier troops to North Yemen to prop up Sallal's regime and to foment anti-British insurrection in what he termed "the occupied South."[44] By the time it withdrew in 1967, the magnitude of Egypt's losses was such that "Yemen" in Egypt's collective memory would become analogous to "Vietnam" in the U.S.'s.[45]

YEMEN ARAB REPUBLIC, 1967 - 1990

The republicans eventually prevailed after five years of brutal and exhaustive fighting which killed at least 100,000 North Yemenis and as many as 26,000 Egyptian troops.[46] North Yemen officially became the "Yemen Arab Republic," The old regime's specifically Zaydi character was abandoned and a new constitution, at least putatively based on *sharia*, adopted. Ali Abdullah Saleh, Yemen's current president, rose to power in a 1978 coup and began instituting a divide-and-rule strategy based on his predecessors'. In 1990 the Yemen Arab Republic changed its name to the current "Republic of Yemen" upon the absorption of South Yemen.

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[40] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 41-42.

[41] "Yemen: Arabia Felix," *Time*, October 26, 1962; "Yemen: Worn Out," *Time*, July 7, 1961.

[42] "Yemen: After Ahmad the Devil," *Time*, October 5, 1962.

[43] "Yemen: For Allah & the Imam," *Time*, March 8, 1963.

[44] "Yemen: Visit from Nasser," *Time*, May 1, 1964.

[45] Michael B. Oren, *Six Days: June 1967 and the Making of the Modern Middle East* (New York: Presidio Press, 2003), 21.

[46] Yemeni statistics collected from: Melvin Small & Joel David Singer, *Resort to Arms: International and Civil Wars 1816-1980* (Newbury Park, CA: Sage Publications, 1982) Egyptian statistics collected from: Kenneth M. Pollack, *Arabs at War: Military Effectiveness, 1948-1991* (Lincoln, NE: University of Nebraska Press, 2002), 56.

South Yemen: From British Outpost to People's Republic, 1839-1990

BRITISH OUTPOST, 1839 - 1967

There is surprisingly little overlap between the history of the entities that eventually formed South Yemen and that of its northern neighbor. North Yemen was a semi-unified entity under the Ottomans before becoming an autonomous state in 1918. By contrast, South Yemen existed only as a highly-fragmented federation of fiercely independent tribes and an autonomous colony ruled by various organs of the British Empire until the late 1960s.

In 1839, the British East India Company conquered the port of Aden for use as a coaling station en route to India. Initially, the British simply wished to avoid the surrounding tribal areas altogether. However, fears of a growing Ottoman presence in Upper Yemen spurred the British Governor-General of India to sign advisory and protection treaties with various tribes in southern Yemen beginning in 1873.[47] By 1886, British India had entered into some *ninety* treaties with individual Yemeni tribes in Lower Yemen and the remote eastern desert, establishing the "Aden Protectorate" and carving out a sphere of influence in southern Yemen, albeit without creating a coherent political entity.[48] The protectorate encompassed more than the port city's immediate environs, including the traditionally independent sultanate of Hadhramout in the eastern deserts. Historically, Hadhramout had traded with India and Southeast Asia—not the Arabian Peninsula—and thus did not consider itself bound very closely to the tribes of Lower Yemen.[49] Meanwhile, the port of Aden remained an entirely separate entity ruled directly from India.

On the eve of World War I, London and Istanbul settled their outstanding differences in 1914 by drawing the so-called Violet Line to demarcate their respective spheres of influence in southern Arabia. As was the case all too often in the region, outside powers decided Yemeni borders rather arbitrarily, without consulting any Yemenis and despite the fact that this line bisected established tribal regions. The Violet Line would approximate the general boundary between the two Yemens until unification in 1990.

The British further compartmentalized southern Yemen by splitting the Protectorate into East and West halves in 1917, transferring control of these units from India to the British Foreign Office, and then making Aden a separate Crown Colony in 1937. While Aden became a prosperous hub of global commerce (especially oil bunkering), the British created the East Aden Protectorate as a separate administration for the Hadhramout region, after discovering potentially significant oil deposits in its eastern desert. This was a natural fit for the Hadhramout region, given its historical autonomy from the rest of the region. London maintained a modicum of control over these and other tribal areas by combining financial aid and other inducements with aerial bombing campaigns. This was especially true in the West Aden Protectorate, which

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[47] Spencer Mawby, *British Policy in Aden and the Protectorates* (London: Routledge, 2005), 14.

[48] Spencer Mawby, *British Policy in Aden and the Protectorates* (London: Routledge, 2005), 18-19.

[49] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 43.

encompassed most of Lower Yemen and had borne the brunt of Upper Yemen's raids. In fact, the British paid tribes in the West Aden Protectorate to fight against North Yemen during an undeclared—but destructive—border war in the 1950s. Such British "pacification" efforts in the hinterland fossilized the existing fragmentation of authority and deepened the autonomous nature of modern Yemen's eastern provinces, ultimately contributing to the distrust felt by this region toward Sanaa today.[50] As British Prime Minister Harold Macmillan noted, "it would be better to leave the local *shaykhs* and rulers in a state of simple rivalry and separateness, in which they [can] be played off one against the other rather than mould them into a single unit…"[51]

Following the Second World War, Britain hoped to create a major outpost in the Middle East by uniting Aden Colony with the protectorates. As part of this plan, Britain divided its Middle East Command and established the headquarters of the newly created British Forces Arab Peninsula at Aden in 1958.[52] By 1962—when North Yemen's entire army numbered only 12,000 men—40,000 British troops were stationed in Aden.[53] However, the British did little to ameliorate Aden's poor social conditions or distribute tax revenues, thereby alienating large parts of the populace.[54] In an effort to offset rising anti-British agitation and consolidate its hold over the area, London presented the fig leaf of unification by converting the West Aden Protectorate into the Federation of South Arabia (including Aden Colony) in early 1963. This new federation even had a 4,000-strong British-officered army.[55] Importantly, the East Aden Protectorate did not join this new federation, but instead remained a more loosely-incorporated protectorate (renamed the Protectorate of South Arabia in 1963).[56]

THE ADEN EMERGENCY, 1963 - 1967

These gestures failed to quell rising instability. Encouraged in part by Nasser's forces in North Yemen, trade unions in Aden and tribal leaders throughout the south began staging anti-British strikes, riots, and attacks. The British declared a state of emergency throughout the region in late 1963 (the "Aden Emergency") as its forces confronted an array of conflicts. From 1963 to 1967, British soldiers, Marxist militias, and impoverished rural tribes all fought one another in extremely brutal clashes in city streets and mountain redoubts across the newly-created Federation of South Arabia.[57] Egypt armed and paid Marxist groups and tribal leaders to form rebel coalitions like the "Red Wolves of Radfan" that exacted a heavy toll on British forces in the hinterlands and cities.[58]

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[50] John Peterson, "Nation-Building and Political Development in the Two Yemens," in B.R. Pridham, ed., *Contemporary Yemen: Politics and Historical Background* (New York: St. Martin's Press, 1984), 89.

[51] Philip Murphy, *Alan Lennox-Boyd: A Biography* (London: I.B. Tauris, 1999), 192.

[52] Paul Dresch, *A History of Modern Yemen* (New York: Cambridge University Press, 2000), 85.

[53] "Aden: The Last Base," *Time*, October 5, 1962; "Yemen: After Ahmad the Devil," October 5, 1962.

[54] S.R Ashton, and S.E. Stockwell, eds., Imperial Policy and Colonial Practice 1925-1945, Part II (British Documents on the End of Empire Project, Series A, vol. 1, 1996), 204.

[55] "Aden: It's No Eden," *Time*, May 15, 1964.

[56] "Aden: At Full Flood," *Time*, April 14, 1967.

[57] Julian Paget, *Last Post: Aden 1964-1967* (London: Faber and Faber, 1969), 39; Denis Doble, *British Diplomatic Oral History Programme* (Cambridge: Churchill Archives Centre, 2004), 9.

[58] "Yemen: The Forgotten War," *Time*, August 14, 1964.

Britain's situation became strategically untenable as casualties mounted and the press in London decried a "war which drags on with no end in sight."[59] In 1966 Britain announced it would leave Yemen altogether by 1968. In a testament to its desire to extricate itself from Yemen, the last British troops actually withdrew in 1967.

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN, 1970 - 1990

This precipitous departure created a power vacuum in Aden as it became clear that antagonism toward British occupation was the lowest common denominator uniting southern Yemenis.[60] The two leading Marxist groups—the National Liberation Front (NLF) and Front for the Liberation of Occupied South Yemen (FLOSY)—fought each other for control of the newly-liberated territory.[61] Eventually the NLF prevailed[62] and assumed nominal control of the liberated territories, but various NLF factions then fought one another until 1970.[63] At that point, the most radical Marxist NLF faction seized power from the more moderate ruling faction and declared the People's Democratic Republic of Yemen (PDRY).

The NLF became the ruling Yemeni Socialist Party (YSP) and set out to start building a state in a territory divided between the former British buffer zone of autarkic tribes and a prosperous, industrialized colony led by urban elites.[64] According to the new PDRY constitution, this project centered on the "liberation of society from backward tribalism," both within South Yemen and against its neighbor to the north.[65] Indeed, the Marxists in charge in Aden would expand work begun by their British predecessors to break down the region's tribal traditions. They would also continue the British practice of fomenting instability in North Yemen.

Unified Yemen: Civil War and Jihadism, 1990-Present

UNIFICATION, 1990

The merger of the two Yemens in 1990 would turn out to be at best a marriage of convenience between two substantially different states. North Yemen was formally a republican, conservative regime ruling over a highly tribal society, while South Yemen was a radically Marxist state seeking to transform its society along socialist lines. Throughout the 1970s and 1980s, inter-Yemen relations were often hostile, with a border war erupting in 1972 and nearly again in 1979. Sanaa spent this period building relations with the Arab and Western worlds, while Aden became the Soviet Union's

[59] "Aden: It's No Eden," *Time*, May 15, 1964.

[60] Spencer Mawby, *British Policy in Aden and the Protectorates* (London: Routledge, 2005), 76.

[61] "South Arabia: Gone With the Wind," *Time*, September 15, 1967.

[62] "South Arabia: Itching Toward Independence," *Time*, November 10, 1967.

[63] Paul Dresch, *A History of Modern Yemen* (New York: Cambridge University Press, 2000), 102.

[64] Spencer Mawby, *British Policy in Aden and the Protectorates* (London: Routledge, 2005), 25, 76.

[65] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 46.

main Middle Eastern client (by 1986 five thousand Soviet advisers were stationed in South Yemen).[66] It also maintained strong relations with communist China.

South Yemen was weakened politically and militarily by a civil war between rival socialist factions in 1986, which resulted in the deaths of 10,000 people. Hopes for recovery were buoyed by the Soviets' extensive oil exploration and production operations in its eastern provinces in the late 1980s,[67] but thereafter South Yemen abruptly lost its Soviet lifeline as Moscow had to deal with its own disintegration. As a result, South Yemen acceded to absorption by North Yemen once it became apparent its Soviet sponsor would not be able to support it much longer.[68]

Given the precipitous implosion of the Soviet Union in 1991, preliminary unification negotiations that had been underway since the 1980s were fast-tracked. Significantly, this haphazard unification process necessitated at least limited democratization, as this seemed to be the most pragmatic means of reconciling the divergent economies and polities of North and South Yemen. Although South Yemen accounted for only one-fifth of unified Yemen's population, the North's ruling party (the General People's Congress, or GPC) agreed to share power relatively equally with the YSP during a transitional period before general elections could be held. However, the hurried nature of the merger left many issues unresolved: elections were postponed, military units failed to integrate, the economy was unsteady, and revenues from energy exports were up in the air.[69]

CIVIL WAR, 1994

Civil war broke out in May 1994. Though brief, its consequences were significant. In the wake of the North's quick victory, Saleh tightened the regime's grip on the country's natural resource wealth—most of which is located in the former South Yemen—purged most southerners from his patronage networks, and placed northerners in charge of the south's economy and security. This was made all the easier by the fact that the former South Yemen's oil infrastructure was just coming online by the early 1990s. During the war, Saleh's security services helped deepen the north-south divide by recruiting so-called "popular armies" of tribesmen, itinerant jihadists, and former *mujahedin* as proxy militias to help prosecute the war against the South.[70] As a result, today the regime's legitimacy throughout much of the south is severely compromised and secessionist-inspired violence is a recurrent theme in southern provinces.

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[66] Murray J. Gart, "South Yemen: New Thinking in a Marxist Land," *Time*, January 9, 1989.

[67] Murray J. Gart, "South Yemen: New Thinking in a Marxist Land," *Time*, January 9, 1989.

[68] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 46-47.

[69] Paul Dresch, *A History of Modern Yemen* (New York: Cambridge University Press, 2000), 186-196

[70] Christopher Boucek, "Event Transcript: The Resurgence of Al-Qaeda in the Arabian Peninsula," Carnegie Endowment, November 19, 2009, 5.

CURRENT CHALLENGES TO YEMENI STABILITY

In addition to continued unrest in the South, since 1994 the Yemeni regime has had to contend with the wax and wane of al-Qaeda within its borders and a Zaydi-led uprising in the north. Unfortunately, these conflicts are not the only challenges confronting Yemen. Looming resource and demographic challenges, combined with poor governance, also threaten the viability and legitimacy of the state itself. These problems mutually reinforce one another and further undermine Sanaa's competence and legitimacy.

SECURITY

Yemen's government is illegitimate in the eyes of many of its people, its economy is stagnant if not sinking, and genuine moderate civil society organizations are struggling to survive. Grievances against the ruling regime have been accumulating in recent years, and groups hostile to the government have found ample under-governed space in which to operate. Driven in large part by Yemen's fractious history, it is not surprising that multiple, overlapping security problems confront the regime: a major insurgency centered on the northern governorate of Sa'dah; a simmering secessionist movement in multiple southern governorates; a growing al-Qaeda threat in the eastern and southern governorates; and the rise of piracy in the Gulf of Aden.

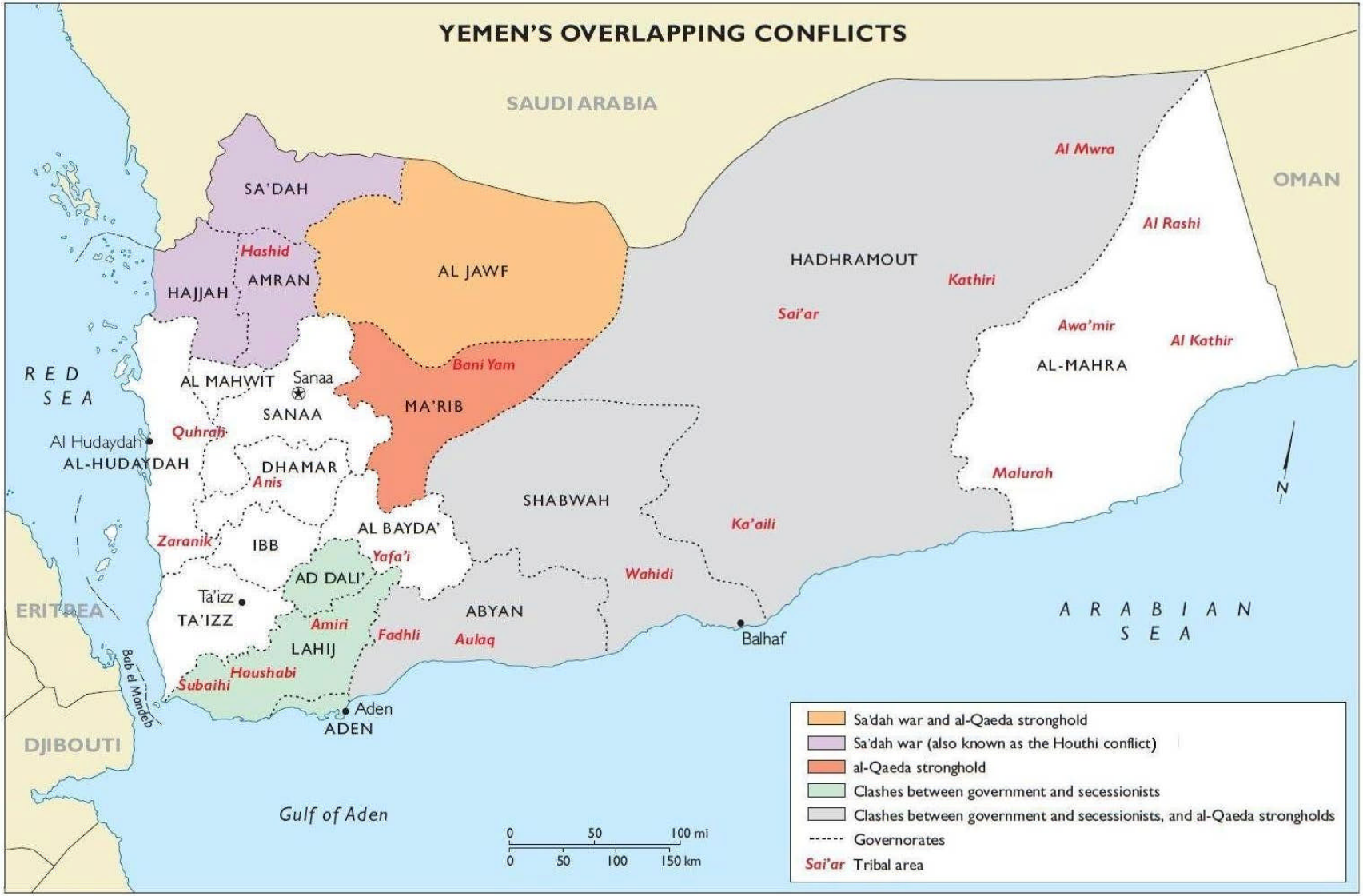
Sa'dah ("Houthi") Insurgency, 2004-Present

In June 2004, fighting broke out in the Zaydi-majority northern Sa'dah governorate between Yemeni security forces and a group calling itself "Shabab al-Muminin" (SAM; translated as "Youthful Believers"). The proximate cause of fighting was the government's attempt to arrest SAM leader Hussein Badreddin al-Houthi for criticizing the regime's ties with both Sunni extremists and U.S. counterterrorism forces. But this conflict has deeper roots, including the historical animosity between Zaydis and the Yemeni government that overthrew them in the North Yemen Civil War, and the fact that the peripheral and mountainous Sa'dah governorate has often been beyond the reach of Sanaa's limited ability to provide security, infrastructure, or public services.[71]

The first round of fighting lasted from June through September 2004 (see Appendix), when al-Houthi was killed by security forces. Houthi's three brothers assumed leadership of the insurgency, while their father became the group's spiritual leader. Each successive round of fighting only inflames the conflict, as each side repeatedly accuses the other of violating or rejecting truces while the continued violence aggravates existing grievances.[72] While the Zaydi insurgents initially waged a rural guerrilla war in the remote reaches of Sa'dah, they have since expanded the scope of their operations to include sophisticated terrorist attacks in urban areas (although not in Sanaa). The government has responded by arresting activists and cordoning off suspected rebel

[71] "Yemen: Defusing the Sa'dah Time Bomb," International Crisis Group Middle East Report, no. 86, May 27, 2009, 7.

[72] "Yemen rebels warn of 'long war' after offer rejected," Reuters, September 2, 2009.


YEMEN'S OVERLAPPING CONFLICTS
SAUDI ARABIA
OMAN
SA'DAH
Hashid
HAJJAH
AMRAN
AL JAWF
HADHRAMOUT
Al Mwra
Al Rashi
Kathiri
Sai'ar
Awa'mir
Al Kathir
AL-MAHRA
Bani Yam
MA'RIB
RED SEA
AL MAHWIT
Sanaa
SANAA
Quhrah
Al Hudaydah
AL-HUDAYDAH
DHAMAR
Anis
SHABWAH
Malurah
Ka'aili
AL BAYDA'
Zaranik
IBB
Yafa'i
AD DALI'
Wahidi
Ta'izz
TA'IZZ
ERITREA
ABYAN
Amiri
Fadhli
Aulaq
Balhaf
ARABIAN SEA
LAHIJ
Haushabi
Subaihi
Bab el Mandeb
Aden
ADEN
DJIBOUTI
Gulf of Aden
0 50 100 mi
0 50 100 150 km
N
Sa'dah war and al-Qaeda stronghold
Sa'dah war (also known as the Houthi conflict)
al-Qaeda stronghold
Clashes between government and secessionists
Clashes between government and secessionists, and al-Qaeda strongholds
Governorates
Sai'ar Tribal area

areas with a combination of roadblocks, checkpoints, airstrikes, artillery strikes, and a controversial food blockade.[73]

Saleh staked his most uncompromising position in the sixth round of fighting, setting stark ceasefire terms, deploying a "popular army"[74] similar to the 1994 civil war, and launching a no-holds-barred ground and air offensive (ominously named "Scorched Earth").[75] This intensification reflects Saleh's intent to force the Houthis into a position of utter weakness in any future negotiations,[76] but may instead exacerbate the conflict. Currently, the regime is devoting $200 million of foreign currency reserves per month to fight the Houthis, despite the fact that this money is desperately needed to address Yemen's other security and economic problems.[77] It is also distracting Sanaa's attention from other pressing matters, including al-Qaeda, as Foreign Minister Abu Bakr al-Qirbi admitted recently.[78] Moreover, the government's current strategy of leveling Sa'dah and organizing Sunni militants to help subdue the rebellion will likely inflame the current situation. Although precise figures are hard to come by, it is estimated that at least one thousand government troops have been killed—and six thousand more injured—since fighting began in 2004.[79] The number of rebel and civilian dead is difficult to determine, but estimates range from 3,700 to 5,500 (and are rising).

While Houthis downplay their sectarian identity—instead couching their grievances in terms of Sanaa's alliance with the U.S.[80] and Sanaa's inability and/or unwillingness to provide basic services—there is an underlying wariness on the part of Zaydis in general toward what they perceive to be Sanaa's previous comfort level with Salafist and other Sunni extremist groups[81] such as al-Qaeda. These divisions have been exacerbated by the regime's policy of co-opting tribes in neighboring governorates to help fight the Houthis, as this threatens to upset the region's deep-seated tribal structures. Since November 2009, Saudi Arabia's cross-border raids, airstrikes, and naval blockade threaten to further escalate the conflict by drawing in Shiite Iran,[82] and by aggravating a refugee crisis that has already displaced as many as 200,000 Yemenis since 2004 (many of whom are women and children).[83] Riyadh has also replicated Sanaa's practice of co-opting rival tribes to fight the Houthis.[84] Finally, Sanaa's refusal to open humanitarian

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[73] Jack Freeman, "The al Houthi Insurgency in the North of Yemen: An Analysis of the Shabab al Moumineen," *Studies in Conflict and Terrorism*, vol. 32, no. 11 (November 2009).

[74] Christopher Boucek, "Event Transcript: The Resurgence of Al-Qaeda in the Arabian Peninsula," Carnegie Endowment, November 19, 2009, 5.

[75] Alistair Lyon, "Analysis: Yemen war on northern rebels compounds instability," Reuters, August 24, 2009.

[76] Owen Bennett-Jones, "Crises multiply for divided Yemen," *BBC News*, December 15, 2009.

[77] Christopher Boucek, "Yemen's Problems Will Not Stay in Yemen," *CNN*, December 30, 2009; "Airstrike in Yemen Targets Terror Operatives," PBS NewsHour, December 24, 2009.

[78] "Yemeni official: Other conflicts diverted focus from al Qaeda," *CNN*, January 6, 2010.

[79] "Yemeni Authorities Set Conditions for Ending Military Operations in Sa'ada," *Yemen Post*, August 13, 2009.

[80] "Yemen forces launch major offensive – Shi'ite rebels," Reuters, August 11, 2009.

[81] Pierre Bernin, "Yemen's Hidden Wars," *Le Monde diplomatique*, October 2009.

[82] Salah Nasrawi, "Adviser: Saudi navy blockades north Yemen coast," Associated Press, November 10, 2009.

[83] Lisa Schlein, "More Civilians Fleeing Conflict in Northern Yemen," *Voice of America*, November 10, 2009. The number of displaced civilians has escalated sharply with the sixth and seventh rounds of fighting.

[84] Patrick Martin, "Saudis suffer heavy losses in Yemen's other war," *The Globe and Mail*, January 30, 2010.

corridors for emergency relief has intensified this refugee problem[85] and deepened the conflict. It will also likely reinforce the tendency of many northern Yemenis to rely on community ties instead of the government to provide security and meager basic services.[86]

For its part, the government tries to emphasize the Zaydi and Shiite character of the rebellion in an effort to galvanize popular support for the war. Sanaa accuses the Houthis of trying to restore the pre-1962 Zaydi monarchy[87] that ruled North Yemen, and declares that Iran has been providing aid for the revolt. While the Iranian state's official Shiism differs from Zaydism,[88] Tehran has begun using the conflict to undermine Saudi Arabia's standing in the region. Iranian and Houthi leaders deny the existence of any material support, but Iran has provided moral support to the rebels, even going so far as to warn the Saudis not to "pour oil on the fire" by intervening.[89] Amid increasingly sectarian recriminations from both the Yemeni-Saudi and Houthi-Iranian sides,[90] the extent to which Saudi Arabia and Iran will intervene remains unclear. Regardless, this latest phase of the conflict threatens to deepen existing antagonisms and grievances within Yemen, especially as previously neutral tribes have begun turning against the government's heavy-handed tactics.[91]

Sanaa has also tried to portray, to both domestic and international audiences, its campaigns in Sa'dah as counterterrorism efforts against fundamentalist insurgents.[92] These efforts have been effective thus far, as the U.S. has been reluctant to risk compromising counterterrorism cooperation with Sanaa by pushing the regime toward a political settlement with the Houthis.[93] However, in their mid-December phone call President Obama pressed Saleh to open a dialogue with the Houthis, primarily to free up military resources to go after al-Qaeda.[94] Nevertheless, in December 2009 General Petraeus revealed that U.S. naval forces had been tasked with intercepting arms destined for Houthi rebels. Considering that the Houthis claimed Sanaa's ties with the U.S. as a *casus belli* in 2004, it is not surprising that Houthi rebels immediately organized anti-U.S. rallies and blamed the U.S. for airstrikes in Sa'dah. Saudi intervention is likely to further complicate matters, since many neutral tribes in northern Yemen bear historical enmity towards the Saudis.[95]

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[85] Richard Meares, "Yemen fighting spreads, civilians living under bridges – UN," Reuters, September 17, 2009.

[86] Richard Meares, "Civilians' plight worsens in north Yemen war zone," Reuters, September 9, 2009.

[87] Pierre Bernin, "Yemen's Hidden Wars," *Le Monde diplomatique*, October 2009.

[88] Robert F. Worth, "Saudis' Effort to Swat Rebels From Yemen Risk Inflaming Larger Conflict," *New York Times*, November 12, 2009.

[89] Scott Peterson, "Does Iran play role in Yemen conflict?" *Christian Science Monitor*, November 11, 2009.

[90] "Pity those caught in the middle; Yemen's war," *The Economist*, November 21, 2009.

[91] Brian O'Neill, "Rebellions and the Existential Crisis," *Arab Reform Bulletin*, September 2009.

[92] "Yemen: Defusing the Sa'dah Time Bomb," International Crisis Group Middle East Report, no. 86, May 27, 2009, 10.

[93] Gregory D. Johnsen, "Zooming in on the conflict in northern Yemen," *Daily Star* (Lebanon), October 16, 2009.

[94] Peter Spiegel, Jay Solomon, and Margaret Coker, "U.S. Looks to Intensify Yemen Campaign," *Wall Street Journal*, December 30, 2009.

[95] "Yemen politics: US entangled?" Economist Intelligence Unit, December 24, 2009.

In late January 2010, Houthi leaders declared a unilateral ceasefire with Saudi Arabia,[96] which Riyadh rejected unless the rebels withdraw from the Saudi-Yemen border. On January 31, Houthi leaders then signaled their willingness to accept Sanaa's September 2009 ceasefire terms,[97] under which the rebels would disarm, release captured soldiers and property, remove roadblocks, and withdraw from mountain strongholds. In response, the regime vowed to continue operations until the rebels complied with the terms. Yemeni defense officials also reiterated Saudi Arabia's demand that the Houthis withdraw from the border.[98] The regime's tough line, in which neither it nor the Saudis should cease operations until the rebels lay down their arms and cede their strategic positions, reinforces the conclusion that Sanaa wants to "negotiate" an end to the Sa'dah conflict once and for all by pounding the Houthis into submission. By adding the condition that the rebels must also withdraw from the border, it appears that Sanaa doesn't mind if Saudi Arabia assists in the effort.

Southern Secessionism

Separatism in the former South Yemen is driven by economic and political grievances. Southerners were largely excluded from Saleh's patronage networks after unification,[99] which led many to feel that they had been excluded purposely from the regime's largesse.[100] Such feelings were amplified by the fact that Sanaa used southern energy resources to expand its patronage system, without including many southerners in the deal. This divide was deepened after the 1994 civil war, which Saleh used as an opportunity to install northern-born military governors in southern provinces, and to purge southern military and civil officers from the regime's patronage networks.[101] On top of this, Sanaa's use of "popular armies" and radical clerics in 1994 to buttress its war effort has left lasting scars in the memories of many southerners.[102]

Today many southerners—especially Aden residents—perceive themselves to be subject to "internal colonialism" by the north, manifest in everything from pension rights and tribal family law to property disputes and government bureaucracies.[103] The recent acceleration of major energy infrastructure projects in the southern governorates of Ma'rib and Hadhramout may likely compound existing north-south disparities. Sanaa's illegitimacy in the region is reflected in recurrent ambushes and low-level violence against government security forces, popular protests in Abyan against economic stagnation—including a July 2009 shootout between security forces and protestors that

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[96] Cynthia Johnston, "Rebel leader offers ceasefire, open war; Saudi Arabia considers deal," Reuters, January 27, 2010.

[97] Yemeni Rebel Leader Accepts Cease-Fire Conditions," Associated Press, January 31, 2010.

[98] Robert F. Worth, "Yemen Seems to Reject Case-Fire With Rebels," *New York Times*, January 31, 2010.

[99] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 92.

[100] Paul Dresch, *A History of Modern Yemen* (New York: Cambridge University Press, 2000), 85.

[101] Franck Mermier, "Yemen: The South Towards Secession?" *EchoGéo*, June 19, 2008.

[102] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 47.

[103] "Women of Southern Yemen Port Remember Better Times," Reuters, January 22, 2010.

left eight dead and eighteen wounded[104]—and in Aden against water shortages.[105] Although large protests erupted throughout south Yemen on the 2007 anniversary of unification, Sanaa's neglect of the region's political and economic grievances was on full display in 2009, as some of Saleh's important tribal allies and *mujahedin* have criticized his policies and even defected to the secessionist movement.[106] Most recently, a secessionist YSP politician was fatally shot in Abyan on January 31, 2010.[107] The regime maintains that it has always called for dialogue with secessionist leaders, but that these offers are met only with violence.[108]

At the same time, al-Qaeda has begun ingratiating itself to southern tribes by decrying government policies and providing stipends. It has shrewdly picked up on secessionists' and other southern tribes' sense of being excluded from patronage networks by publishing the argument that "the inhabitants of [energy-rich] Shabwa, Hadhramout, and Ma'rib are paying for their own oppression."[109] In May 2009, al-Qaeda leader Nasir al-Wahayshi went so far as to voice publicly his extremist Islamist group's support for the socialist-inspired secessionist movement.[110] Sanaa's ongoing attacks on al-Qaeda strongholds in the south have actually made things worse, since they reinforce southerners' perceptions of a regime determined to rule through coercion alone.[111]

Al-Qaeda

In addition to Sa'dah and secessionism, the government faces the growing threat of an al-Qaeda able and willing to use the regime's weaknesses to its own advantage. Although al-Qaeda is an increasingly clear and present danger to Yemeni security, only recently has it become an urgent one for the regime. Indeed, Yemen was slow to realize the evolution of extremism that occurred within its own borders over the last decade. In the place of the Sanaa-allied, externally-focused *mujahedin*, al-Qaeda in the Arab Peninsula (AQAP) has risen to become a major threat to Yemen and to the U.S. AQAP is a new generation of terrorists, hardened by experiences in Iraq, Saudi Arabia, and Guantánamo Bay and determined to target U.S. and Yemeni interests alike.

SANAA WALKS A LINE BETWEEN THE U.S. AND TERRORISTS

Given its need to deal constantly with insurgencies, border wars, and other uprisings, Sanaa has tended to view the extremists and militants that have trickled into Yemen more as a fortuitous mercenary force than a true security threat. The current regime has raised "popular armies" composed of rival tribesmen, itinerant jihadists, and former

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[104] "Eight dead in armed clashes in restive south Yemen," Reuters, July 23, 2009.

[105] One dead in south Yemen protest over water cuts," Reuters, August 24, 2009.

[106] Andrew England, "Tribal leader an emblem of Yemen politics," *Financial Times*, January 11, 2010; Robert F. Worth, "Yemen's Instability Grows as One of 3 Insurgencies Flares Up," *New York Times*, August 10, 2009.

[107] "Yemen Opposition Politican Gunned Down In South," Reuters, January 31, 2010.

[108] "Interview Transcript: Abu Bakr al-Qirbi," *Financial Times*, January 6, 2010.

[109] Excerpt from August 2009 edition of AQAP online magazine *Sada al-Malahim*, quoted in: Sarah Phillips and Rodger Shanahan, "Al-Qa'ida, Tribes and Instability in Yemen." Lowy Institute for International Policy (Sydney), November 2009, 6.

[110] Arafat Madayash and Sawsan Abu-Husain, "Al Qaeda call for Islamic State in Southern Yemen," *Asharq Alawsat*, May 14, 2009.

[111] Andrew England, "War threat hangs over Yemen's wild south." *Financial Times*, January 11, 2010.

mujahedin as proxy militias to help fight the 1994 civil war and the Sa'dah conflict (2004-present).[112] In return, the militants enjoyed the government's "benign neglect"[113] which allowed them to establish bases on Yemeni territory, just so long as they only operated against foreign targets. In fact, in the 1990s Sanaa brokered a "covenant of security" with hundreds or thousands of Yemeni *mujahedin* returning from Afghanistan: the regime would allow these groups safe haven in return for assisting the government in military operations against northern and southern uprisings.[114] In some instances after the 1994 civil war, Sanaa even permitted *mujahedin* to control land and abide by *sharia* in various areas throughout the country.[115]

After al-Qaeda's attack on the destroyer *USS Cole* in Aden harbor in October 2000 and an earlier botched attack on the destroyer *USS The Sullivans* in the same harbor in January 2000,[116] Saleh started cooperating with the U.S. on counterterrorism intelligence and operations. Working with the Central Intelligence Agency (CIA) and U.S. Special Operations Forces, Yemen launched attacks against al-Qaeda leadership targets in its eastern deserts in 2002-03.[117] In the wake of these operations, Yemen arrested two hundred suspected al-Qaeda associates, but its December 2001 offensive resulted in dozens of casualties among security personnel and local tribes.[118] Despite these efforts, terrorists struck again in October 2002, attacking the French crude oil tanker *SS Limburg* in Aden harbor in an attempt to target (indirectly) the U.S. military presence in the Middle East,[119] killing one crewmember. It required the CIA's November 2002 UAV strike in Ma'rib to successfully eliminate Ali Qaed Sunian ("Abu Ali") al-Harithi, the reputed head of al-Qaeda in Yemen and the suspected organizer of the *Cole* attack, as well as five of his associates.[120]

While Sanaa cooperated with the U.S. in hunting down those responsible for these particular attacks, it had no intention of abrogating its pre-existing "covenant of security" with the *mujahedin*. In fact, the regime purposely calibrated the threat of terrorism in Yemen as a means of ensuring continued U.S. military aid.[121] For much of 2002, the regime let the U.S. invest millions of dollars in cash payments and infrastructure assistance to lure tribes away from sheltering al-Qaeda, but refused to

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[112] Christopher Boucek, "Event Transcript: The Resurgence of Al-Qaeda in the Arabian Peninsula," Carnegie Endowment, November 19, 2009, 5.

[113] Daniel L. Byman, "The Changing Nature of State Sponsorship of Terrorism," Brookings Institution, May 2008, 22-23.

[114] Ginny Hill, "Yemen: Fear of Failure," Chatham House Briefing Paper, November 2008, 4.

[115] Brian O'Neill, "Is Yemen really a centralized state?" *Daily Star* (Lebanon), September 12, 2009.

[116] Andrew Gray, "Prosecutors charge accused USS Cole mastermind," Reuters, June 30, 2008.

[117] Gregory D. Johnsen, "AQAP in Yemen and the Christmas Day Terrorist Attack," *CTC Sentinel* (Combating Terrorism Center, West Point), January 2010 (special issue), 2.

[118] "Al-Qa'ida Cells in Yemen [Reactivating] Cautiously," *Al-Majallah* (London), November 9, 2002.

[119] "Yemen Admits 'Terrorist Act' Behind Tanker Blast,"Agence France Presse, October 16, 2002.

[120] "US Closes Yemen Embassy Fearing Retaliation for Killing of al-Qaeda Leader," Agence France Presse, November 6, 2002.

[121] Gregory D. Johnsen, "The Expansion Strategy of Al-Qa'ida in the Arabian Peninsula," *CTC Sentinel* (Combating Terrorism Center, West Point), vol. 2, no. 9 (September 2009), 10.

cooperate with the U.S. investigation into the *Cole* bombing.[122] Indeed, although the U.S. and Great Britain began working with Yemen's Political Security Organization (PSO) to raid safe houses and gather intelligence against al-Qaeda,[123] Sanaa was intent on covering up the U.S. role in hunting down those responsible for the *Cole* bombing, lest it be caught up in a popular backlash.[124] Even so, the U.S. State Department briefly shuttered its embassy in Sanaa in the wake of the UAV strike.

With U.S. and jihadists' attention focused on Iraq and elsewhere beginning in 2003, Yemen was no longer a frontline battleground for al-Qaeda. U.S. military assistance to Sanaa continued past 2003, albeit at reduced levels. Sanaa did attempt a large offensive against al-Qaeda strongholds in Ma'rib governorate in 2004, but Yemeni security forces suffered dozens of casualties without dislodging al-Qaeda or undermining the group's clout in that province.[125]

Given these setbacks, plus the monetary and political costs of attacking tribes and militants upon which the regime traditionally relied for support, Sanaa switched strategies, favoring the carrot over the stick. At the same time the U.S. was pursuing al-Harithi, the regime was setting up the Committee for Religious Dialogue under Minister for Foreign Affairs Hamoud al-Hitar to reeducate and rehabilitate imprisoned al-Qaeda sympathizers.[126] The program was criticized for only seeking to deter future attacks *inside Yemen*.[127] In addition, it had high recidivism rates,[128] and many "graduates" were absorbed directly into the security services.[129] The program was shut down in 2005.

In February 2006, twenty-three top al-Qaeda members—including those convicted of the *Cole* and *Limburg* attacks—escaped from a PSO detention center.[130] There was even speculation that perhaps PSO members had turned a blind eye to the jailbreak. These escapees began regrouping in remote areas of Ma'rib, Shabwah, and al-Jawf governorates[131] under the leadership of Naser al-Wuhayshi, a former Osama bin Laden deputy, and al-Harithi's successor as head of al-Qaeda's operations in Yemen.[132] Once Riyadh and Baghdad began aggressive counterterrorism campaigns, this core group was soon joined by al-Qaeda and affiliated militants returning to Yemen from Saudi Arabia

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[122] Michael Knights, "Yemen bombing attack underlines challenges face by weak states fighting terrorism," *Policy Watch*, no. 1404, September 24, 2008.

[123] Michael Knights, "Yemeni terrorist threat gathers pace," *Jane's Intelligence Review*.

[124] "Al-Arabiya discusses US, British aid, efforts to fight al-Qa'idah in Yemen," BBC Monitoring Middle East, January 6, 2010.

[125] Elizabeth Williamson, Charles Levinson, and Yochi J. Dreazen, "Al Qaeda Threat Escalates," *Wall Street Journal*, January 4, 2010.

[126] Peter Willems, "100 more 'reformed' Al-Qa'idah sympathizers released," *Yemen Times*, November 25, 2004.

[127] Michelle Shephard, "Where extremists come to play," *The Star* (Toronto), September 19, 2009.

[128] Margaret Coker and Charles Levinson, "Yemenis Consider Sending al Qaeda to Rehab," *Financial Times*, January 9, 2010.

[129] Eric Westerveldt, "Growing Repression in Yemen May Feed al-Qaeda," National Public Radio, November 10, 2005.

[130] "USS Cole plotter escapes prison," CNN, February 5, 2006.

[131] "In Yemen, U.S. Must Get Ahead of 'Failure Curve'," PBS NewsHour, December 29, 2009.

[132] "Behind Yemen's Strike Against Al-Qaida," *All Things Considered* (NPR), December 26, 2009.

and Iraq.[133] Graduates of the Committee on Religious Dialogue—some of whom had previously been detained at Guantánamo Bay—rounded out the group.[134]

SANAA AND EXTREMISTS TURN AGAINST EACH OTHER

Yemen's combination of weak central government, ambivalent security services, remote provincial regions, and autonomous tribal traditions created the ideal setting for a new base of operations for this new generation of terrorists. Whereas the older *mujahedin* generation still viewed Yemen's power vacuum as a sanctuary and Saleh as a partner, the younger generation had cut its teeth in Yemeni prisons and Iraqi cities. For the most part, this new generation had not been party to the "covenant of security" or Sanaa-*mujahedin* cooperation in the 1994 civil war. Instead, it saw Yemen as a battleground, and sought to punish Sanaa for its supposed closeness to the U.S. since 2000.

The reconstituted al-Qaeda in Yemen sought to correct its previous mistakes in Iraq and Saudi Arabia by currying favor with local tribes. This was accomplished through intermarriage, delivery of basic services (e.g., digging wells, providing security, and even handing out cash), and adoption of local practices.[135] This process was made easier by the regime's low legitimacy in much of southern and eastern Yemen's tribal areas.[136] In fact, al-Qaeda may even have begun developing connections with the country's other insurgencies—despite their sectarian and ideological differences—in an effort to increase its freedom of maneuver and appeal.[137] Before long, al-Qaeda was able to establish itself in what is widely referred to as the "triangle of evil"[138]—a swath of territory beginning in al-Jawf (near Sa'dah and the Saudi border) and running south through energy-rich Ma'rib to Shabwah, which is home to secessionists as well as oil and natural gas pipelines and terminals. Since then, it has likely been able to infiltrate the PSO, thanks to the government's previous history of cooperating with various militants.[139]

Yemen came under attack as al-Qaeda entrenched itself in tribal structures. In September 2006 an oil export terminal at Ash Shihr, in Hadhramout, and a refinery in Ma'rib were attacked, but without lasting damage.[140] After demanding Sanaa halt its "cooperation" with the U.S. in summer 2007, al-Qaeda and affiliated groups began going after another pillar of Yemen's fragile economy: tourism. Spanish tourists in

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[133] Ginny Hill, "Yemen: Fear of Failure," Chatham House Briefing Paper, November 2008, 4.

[134] Charles Fromm, "Yemen: U.S. Poised to Increase Military and Economic Aid," Inter Press Service, January 6, 2010.

[135] Andrew England, "War threat hangs over Yemen's wild south." *Financial Times*, January 11, 2010.

[136] Charles Levinson and Margaret Coker, "Al Qaeda's Deep Tribal Ties Make Yemen a Terror Hub," *Wall Street Journal*, January 22, 2010; Ian Bremmer, "Beware state failure in Somalia, Yemen, and Tajikistan," *Foreign Policy: The Call*, July 6, 2009.

[137] Gregory D. Johnsen, "The Expansion Strategy of Al-Qa'ida in the Arabian Peninsula," *CTC Sentinel* (Combating Terrorism Center, West Point), vol. 2, no. 9 (September 2009), 9.

[138] Ahmed al-Haj and Donna Abu-Nasr, "US imam who communicated with Fort Hood suspect wanted in Yemen on terror suspicions," Associated Press, November 11, 2009.

[139] "Yemen's most wanted terrorist blames state for terror attacks," *Yemen Times*, July 29, 2009; Daniel L. Byman, "The Changing Nature of State Sponsorship of Terrorism," Brookings Institution, May 2008, 23.

[140] "Nexen's Operations in Yemen Unaffected by Attack on Oil Terminal," CCN Matthews Newswire, September 15, 2006.

Ma'rib were killed in July 2007, Belgian tourists in Hadhramout were killed in January 2008, and German and Korean tourists were kidnapped and killed in Hadhramout in March 2009.

By early 2008, al-Qaeda had gained enough steam to begin publishing a regular journal (*Echo of Battles* [*Sada al-Malahim*]) and to plan larger attacks. After attacking the U.S. embassy in Sanaa in March and September 2008,[141] the Yemeni and Saudi branches of al-Qaeda merged to form al-Qaeda in the Arabian Peninsula (AQAP) in January 2009. Although AQAP is based in Yemen and its membership is predominantly Yemeni, the merger signaled the group's heightened ambitions and sense of security. Despite being composed of only one hundred-odd members, AQAP no longer saw itself as merely a local actor: it could now afford to plan and execute attacks on a regional and perhaps global scale.[142] This ambition was borne out in its audacious, but ultimately unsuccessful, attack on Saudi counterterrorism chief Prince Mohammed bin Nayef in Riyadh in August 2009.[143] If, as Yemeni defense officials suspect, AQAP provided training and instruction to Umar Farouk Abdulmutallab in Shabwah in October 2009,[144] the failed Christmas Day airliner bombing would be only the latest attempt by AQAP to expand its operations outside of Yemen.

Sanaa has been actively pursuing elements of al-Qaeda since the 2006 jailbreak. Beyond arresting or killing many of the escapees, however, Yemen has been reluctant to confront the deepening al-Qaeda presence in its southern and eastern tribal areas. Various elements within the security services were wary of disrupting the "covenant of security" with its militant proxy forces and other allies,[145] plus the regime realized that rooting out al-Qaeda would arouse the hostility of tribes into which al-Qaeda had insinuated itself.[146] However, the second attack on the U.S. embassy increased U.S. pressure on Sanaa to make a more concerted effort against the group. Saudi pressure began to grow around the same time.[147] Beginning in early 2009, the U.S. sent Special Operations commandos and CIA counterterrorism field operatives to provide training to Yemeni security services.[148] Hostilities escalated throughout 2009: Yemen's military and intelligence personnel came under increasing attack in Ma'rib and al-Jawf[149] as

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[141] Ellen Knickmeyer, "Attack Against U.S. Embassy In Yemen Blamed on Al-Qaeda," *Washington Post*, September 18, 2008.

[142] "Qaeda's resurgent Gulf wing stirs security fears," Reuters, November 16, 2009; Gregory D. Johnsen, "AQAP in Yemen and the Christmas Day Terrorist Attack," *CTC Sentinel* (Combating Terrorism Center, West Point), January 2010 (special issue), 3.

[143] Sudarsan Raghavan, "In Failed Strike on Saudi Prince, A New Fear of Al-Qaeda's Tactics," *Washington Post*, October 7, 2009.

[144] Sudarsan Raghavan, "Yemen links accused jet bomber, radical cleric," Associated Press, January 1, 2010.

[145] Elizabeth Williamson, Charles Levinson, and Tochi Dreazen, "Al Qaeda Threat Escalates," *Wall Street Journal*, January 4, 2010.

[146] Michael Knights, "Yemen bombing attack underlines challenges face by weak states fighting terrorism," *Policy Watch*, no. 1404, September 24, 2008.

[147] Andrew England, "Al-Qaeda in Yemen 'a threat to Saudis'," *Financial Times*, April 23, 2009; "Airstrike in Yemen Targets Terror Operatives," PBS NewsHour, December 24, 2009.

[148] Eric Schmitt and Robert F. Worth, "U.S. Widens Terror War to Yemen, a Qaeda Bastion," *New York Times*, December 27, 2009.

[149] "Al-Qaeda claims killing of top Yemen security officers," Agence France Presse, November 5, 2009.

Sanaa upped its efforts to split local tribes away from AQAP.[150] At the same time, AQAP began urging tribes to rebel against the regime.[151]

U.S. Pushes Sanaa to Escalate

In June 2009, Saleh responded to the growing domestic terrorism threat by launching an offensive—the "Battle of Ma'rib," backed by a personal visit from General Petraeus and plenty of U.S. funding—against an al-Qaeda hub. Yemeni security services' ineptitude was a major factor in the operation's failure, as poor training and coordination led to collateral damage.[152] Unfortunately, this was not an isolated incident; military incompetence has often led to fairly indiscriminate campaigns in Sa'dah and the south, with a September 2009 airstrike in Harf Sufyan against supposed Houthi rebels killing eighty women and children. Such catastrophes are counterproductive, since they turn the local populace against the regime.[153] Regardless of poor execution, however, the Battle of Ma'rib hinted at increased in U.S. pressure on Sanaa to confront the terrorist threat.

The strongest indicator of Sanaa's new resolve to combat AQAP came in December 2009. In a pair of airstrikes on December 17 and 24 encompassing Abyan, Lahij, and Shabwah governorates, the Yemen Air Force killed scores of AQAP suspects, but also dozens of civilians. The U.S. provided intelligence and "firepower," but was not involved in the actual execution of the attacks. After a late December phone call from President Obama and a second visit from General Petraeus, Saleh ordered ten thousand troops to Marib and al-Jawf, increased the number of security checkpoints,[154] began rounding up domestic terrorism suspects in Sanaa,[155] and boosted coast guard patrols to intercept any potential inbound militants from Somalia.[156] By its own tally, Sanaa's campaign resulted in the deaths of seventy AQAP suspects and their affiliates, and the detention of another seventy-seven.[157] According to the U.S. military, Sanaa mounted thirty strikes against AQAP—and killed several top leaders—between late December 2009 and late January 2010.[158] Sanaa has also published a "wanted list" of suspected AQAP members.[159]

The failed Christmas Day airliner bombing attempt was certainly not a cause, but likely an effect, of the ongoing conflict between AQAP on the one hand, and the Yemeni

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[150] Eric Schmitt and Robert F. Worth, 'U.S. Widens Terror War to Yemen, a Qaeda Bastion," *New York Times*, December 27, 2009.

[151] "Qaeda chief urges Yemen tribes to rebel," Agence France Presse, February 19, 2009.

[152] Gregory D. Johnsen, "The Expansion Strategy of Al-Qa'ida in the Arabian Peninsula," *CTC Sentinel* (Combating Terrorism Center, West Point), vol. 2, no. 9 (September 2009), 8.

[153] Robert F. Worth, "In Yemen, War Centers on Authority, Not Terrain," *New York Times*, October 24, 2009.

[154] "Local Terror Ties in Yemen," *Wall Street Journal*, January 22, 2010.

[155] "News Wrap: Yemen Vows to Step Up Hunt for al-Qaeda," PBS NewsHour, December 28, 2009.

[156] "Plane Bomb Suspect Joined Al Qaeda in London – Yemen," Reuters, January 7, 2010.

[157] Yu Zhongwn, "U.S., Britain join counterterrorism effort in Yemen," Xinhua General News Service, January 7, 2010.

[158] Yochi J. Dreazen, "Pentagon to Send More Special Forces Troops to Yemen," *Wall Street Journal*, January 28, 2010.

[159] "Local Terror Ties in Yemen," *Wall Street Journal*, January 22, 2010.

regime, the U.S., and Saudi Arabia on the other. Planning for the Detroit attack coincided with increased U.S. resolve to push Sanaa to go after AQAP, but preceded the December airstrikes, which were themselves based on actionable intelligence about planned AQAP attacks and activities inside Yemen.[160] Despite the U.S.-Sanaa effort against AQAP—and despite its successes in eliminating and dislocating AQAP leadership—underlying problems remain. In December 2009 U.S. officials halted their earlier decision to repatriate a fraction of Yemeni detainees from Guantánamo Bay—even though Yemenis account for fully 45% of total detainees—due to the White House's concern that Sanaa is "not capable" of handling them.[161] Furthermore, AQAP has used Sanaa's campaign as an opportunity to portray itself as the vanguard of opposition to an illegitimate regime,[162] even going so far as to hold open-air rallies with secessionist rebels to denounce Saleh as an "American lackey."[163] This point has been underscored by security services' recurrent need to negotiate with local tribes to hand over terrorism suspects.[164] In mid-January 2010, negotiations were ongoing between the regime and the Awalek tribe in Shabwah to hand over Anwar al-Awlaki, the radical cleric suspected of ties to Umar Farouk Abdulmutallab, Nidal Hasan (the suspect in the November 2009 Fort Hood, Texas, shooting), and two of the 9/11 hijackers.[165]

FIGHTING ON

In many ways, Sanaa has backed itself into a corner. On the counterterrorism front, AQAP is becoming a clear and present threat to the regime, but Saleh appears unwilling to eradicate this danger fully. To be sure, the December 2009 airstrikes, ground offensive, and arrests do represent a sharp escalation in Sanaa's anti-AQAP campaign. That being said, the regime will tread carefully. Saleh knows he must deliver results for the U.S., Saudis, and others to continue providing military assistance, but operations against terrorist safe havens also alienate local populaces, influential tribal *shaykhs*, and the militants comprising the regime's "popular armies."[166] This imperative is heightened by the fact that AQAP's strongholds are in energy-rich provinces where Sanaa's writ is limited.[167] Saleh demonstrated his reluctance to pursue AQAP full-bore and alienate *mujahedin* by offering to talk to terrorists willing to renounce violence.[168] In essence, this represents the regime's attempt to reinvigorate the "covenant of security" that has worked to Sanaa's benefit in the past.

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[160] "Yemen forces 'foil al-Qaeda plot'," *BBC* News, December 17, 2009.

[161] "U.S. to Suspend Gitmo Detainee Transfers to Yemen," *Fox News*, January 5, 2010.

[162] In Saudis, U.S. Has Ally Against Al Qaeda in Yemen," NPR Morning Edition, January 6, 2010.

[163] "Yemen politics: US entangled?, Economist Intelligence Unit, December 24, 2009.

[164] "Yemen needs help of tribes to win battle against Qaeda," Agence France Presse, January 19, 2010.

[165] Margaret Coker and Charles Levinson, "Yemen in Talks for Surrender of Cleric," *Wall Street Journal*, January 15, 2010.

[166] Elizabeth Williamson, Charles Levinson, and Tochi Dreazen, "Al Qaeda Threat Escalates," *Wall Street Journal*, January 4, 2010; Charles Fromm, "Yemen: U.S. Poised to Increase Military and Economic Aid," Inter Press Service, January 6, 2010.

[167] In mid-January 2010, the regime boosted security at energy facilities as it escalated its attacks against AQAP ("Yemen boosts security at al-Qaeda targets," Reuters, January 18, 2010).

[168] "Yemen's president open to dialogue with al-Qaeda," Associated Press, January 10, 2010.

At the same time, the regime's low legitimacy means it will remain wary of appearing too close to the U.S.[169] Sanaa will try to appear to be combating AQAP by itself, although in reality the country's security forces and economy are consumed by the commitment in Sa'dah.[170] Yemen's national security chief, foreign minister, and interior minister have all claimed publicly that the threat posed by AQAP is "exaggerated," while declaring that the regime should be able to disburse U.S. security assistance as it sees fit. The regime has also ruled out joint Yemen-U.S. operations, saying instead that the two will only cooperate on intelligence and logistical matters.[171] According to senior U.S. officials, since the December 2009 airstrikes the Pentagon (and perhaps the CIA) have increased the number of surveillance drones and armed unmanned aircraft flying over Yemen.[172]

The regime is walking on a tightrope. AQAP has capitalized on the state's weakness to cement itself as the most pressing threat to Yemeni stability and regional security. Campaigns against AQAP may weaken the group, but they are likely they hurt the regime more. As the British discovered during their 1958-62 aerial bombing campaign against tribes in Abyan, the iron fist approach can backfire by transforming local squabbles into showpiece confrontations between the central government and the tribes.[173] Shortly thereafter, the NLF began a systematic offensive against British Petroleum pipelines and refineries in the south.[174] The current situation in that exact province—and indeed throughout the country—is remarkably similar. Sanaa's neglect created an opening for AQAP to insinuate itself into disaffected tribes and threaten energy revenues, thereby making it counterproductive for the regime to try and simply bomb AQAP out of existence. AQAP's safe havens depend upon the tolerance of local tribes, so preventing Yemen's slide into state failure requires that Sanaa address the underlying grievances on which AQAP thrives.

Other Security Problems

Despite the multiple conflicts under way in Yemen, until the Christmas Day bombing attempt the most publicized security threat in the region had been piracy. In the eight months ending August 2009, there were 88 piracy attacks in the Gulf of Aden, 31 of which targeted oil and gas tankers.[175] Although most regional piracy operations operate out of the Horn of Africa, they are likely to pose threats to the security and viability of Yemen's energy exports in the region. This could disrupt the backbone of the country's economy and thus complicate necessary efforts to help Yemen transition toward a more stable, non-energy-based economy. At the very least, it means that Sanaa will have to choose whether to devote its precious time and money to naval escorts, radar stations,

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[169] "How to Deal with al Qaida in Yemen," *CNN International*, January 6, 2010.

[170] "Airstrike in Yemen Targets Terror Operatives," PBS NewsHour, December 24, 2009.

[171] "Al Qaeda threat has been 'exaggerated,' Yemen says," *Los Angeles Times*, January 4, 2010; "Yemen warns US military intervention could strengthen Qaeda," Agence France Presse, January 7, 2010.

[172] Jay Solomon, Margaret Coker, and Yochi J. Dreazen, "Nations Tie Aid for Yemen to Overhaul," *Wall Street Journal*, January 27, 2010.

[173] Spencer Mawby, *British Policy in Aden and the Protectorates* (London: Routledge, 2005), 82.

[174] Piers Brendon, *The Decline and the Fall of the British Empire 1781-1997* (New York: Alfred A. Knopf, 2008), 511.

[175] Martina Fuchs, "Gas probably not enough to buoy Yemen," Reuters, August 24, 2009.

and regional anti-piracy coordination, or to battling al-Qaeda and other security problems. This dilemma has been made more acute by the Somali militant group al-Shabaab's February 2010 pledge to support AQAP by sending fighters across the Gulf of Aden.[176]

Another security problem is the proliferation of small-arms weaponry among the Yemeni population. Senior government officials and tribal leaders alike rely on illegal sales of military hardware for power and revenue, thereby helping to perpetuate violence in conflict zones like Sa'dah.[177] Such weaponry is fairly easy to come by, as widespread corruption ensures that the windfall procurement levels needed to prosecute Yemen's wars disappear into private hands,[178] and in many parts of Yemen serves as the *de facto* currency of tribal negotiations.[179] As one French counterterrorism official stated, "anyone who has been to Yemen knows that automatic arms, explosives, and even rockets are sold out in the open [on] street corners."[180]

YEMENI SECURITY CAPACITY

Yemen's security forces are substantial and benefit from significant amounts of foreign military assistance. However, they are plagued by the same sorts of systemic governance problems that beset all other sectors in Yemen. Patronage, corruption, nepotism, and a concern for regime stability, above all else, have until recently rendered Yemeni forces less than effective. However, the success of counterterrorism operations in the wake of the attempted Christmas Day airliner bombing demonstrates that Sanaa has sufficient capacity, though not always the necessary incentives, to combat AQAP.

The Security Cerberus

There are three main groups of Yemeni security forces (see Appendix). First, the Political Security Organization (PSO) is responsible for internal security and intelligence-gathering, and has worked previously to organize the "popular armies" of militants used to fight in Sa'dah and the south. It also operates maximum-security detention facilities that house former Guantánamo Bay detainees. Alongside the PSO is the National Security Bureau (NSB), which was created in 2002 to work with Western intelligence agencies to induce Yemeni tribes away from al-Qaeda. Both the PSO and NSB report directly to Saleh, but the extent of PSO-NSB cooperation remains unclear.

Second, the Ministry of Interior's Central Security Organization (CSO) contains the paramilitary Central Security Forces (CSF) responsible for manning security checkpoints, tracking terrorism suspects, and undertaking special forces operations (including operations against al-Qaeda[181]). The Ministry of Interior's Criminal Investigative Department (CID) does just that, in addition to operating prisons.

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[176] Sarah Childress, "Somalia's Al Shabaab to Ally with Al Qaeda," *Wall Street Journal*, February 2, 2010.

[177] "The world's next failed state?" *The Economist*, September 10, 2009.

[178] Alistair Lyon, "Analysis: Yemen war on northern rebels compounds instability," Reuters, August 24, 2009.

[179] David Finkel, "Exporting Democracy: A Place Called Al Jawf," *Washington Post*, December 19, 2005.

[180] Andrew Lee Butters, "The Most Fragile Ally," *Time*, January 18, 2010.

[181] "Local Terror Ties in Yemen," *Wall Street Journal*, January 22, 2009.

Finally, the military consists of the army, navy, air force, and coast guard. The Ministry of Defense assumes responsibility for Yemeni military forces. This includes the Republican Guard which forms the core of the regime's defenses against external and internal threats, not to mention any potential coup plotters. Over half of the military's active strength is currently devoted to the Sa'dah campaign and to assisting the CSF with highway checkpoints, thus motivating the regime to continue recruiting "popular armies" to fill out the margins.[182] The PSO, NSB, and CID have been criticized by the U.S. State Department and human rights organizations for human rights abuses against southern secessionists, Sa'dah insurgents and civilians, terrorism suspects, and political prisoners.[183]

As the multiple layers of security services would suggest, this results in extensive duplication of effort and capability between the police, army, and interior ministry. Furthermore, this promotes inter-service rivalries and stovepiping of security ministries, [184] thereby preventing the military from potentially uniting to overthrow the regime. At the same time, this reduces effectiveness. For example, chief of staff for the CSF, Brig. Gen. Yahya Saleh, one of President Saleh's nephews, has complained publicly about his unit's inability to coordinate its counterterrorist activities with the Air Force, since the Ministry of Defense controls the latter.[185]

A Family Affair

Nepotism further compromises effectiveness. Saleh has built the country's security apparatus as the bedrock of loyalty to the regime; this may ensure continuity, but undermines accountability. Key military posts are awarded to members of Saleh's tribe (Sanhan), while his close relatives command important positions.[186] Within the Ministry of Defense, Saleh's eldest son Ahmed (believed to be Saleh's top choice for a successor) is a colonel in charge of the Republican Guard and special forces units, half brother Gen. Ali Muhsin al-Ahmar is the Commander of the Northwestern Military Zone (in charge of the Sa'dah campaign), half brother Brig. Gen. Ali Saleh al-Ahmar is the chief of staff of the military's general command, and half brother Brig. Gen. Mohamed Saleh al-Ahmar is Commander of the Yemeni Air Force. Sanhan members command the military zones of troublesome Aden and energy-rich Hadhramout, while one of Saleh's brothers-in-law is the political head of the Aden governorate. President Saleh's nephews occupy important positions in the Ministry of Interior (including CSF), Presidential Guard, and the cabinet.

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[182] Michael Knights, "Strengthening Yemeni Counterterrorism Forces: Challenges and Political Considerations," *Policy Watch* (Washington Institute for Near East Policy), no. 1616, January 6, 2010.

[183] "2008 Human Rights Report: Yemen," U.S. State Department, February 25, 2009.

[184] Yezid Sayigh, "Fixing Broken Windows: Security Sector Reform in Palestine, Lebanon, and Yemen," Carnegie Endowment Middle East Center papers, no. 17 (October 2009), 12.

[185] Margaret Coker and Charles Levinson, "Bureaucracy Hampers Yemeni Military Effort," *Wall Street Journal*, January 11, 2010.

[186] Steve Erlanger, "In Fragile Yemen, U.S. Faces Leader Who Puts Family First," *New York Times*, January 5, 2010. This article claims mistakenly that Ali Muhsin al-Ahmar and President Saleh are not related. They are in fact half brothers.

As with the command structures, loyalty trumps meritocracy in determining the composition of the various security organizations; many soldiers draw salaries without performing any actual duties.[187] In fact, in September 2007 the regime announced it would reinstate compulsory military service in part to counter unemployment.[188] Moreover, some 30,000 "ghost" troops are on the military's payrolls to ensure that enough money makes it to the officer class to keep them loyal.[189] This practice is abetted by the fact that Yemen's total military budget is a single line item in the national budget.[190] Thus, although the regime devotes up to forty percent of its budget to military expenditure, a significant fraction likely disappears into the patronage system. Not surprisingly, many security personnel lack adequate training.[191]

A Wealth of Security Assistance, a Bloated System

Nevertheless, Yemen boasts a sizable and well-equipped security apparatus. The country spends a robust 5-6% of its gross domestic product (GDP) on defense—the seventh-highest rate in the world[192]—to support the Arabian Peninsula's second-largest military force (behind Saudi Arabia). It also receives significant amounts of military assistance from a variety of suppliers. In fact, at almost two cents for every dollar Yemen has the world's third-highest ratio of conventional arms imports per dollar of GDP.[193]

Since the *USS Cole* bombing in 2000, the U.S. has provided military equipment and financing to Yemen, in addition to standing up counterterrorist, coastguard, and police forces. However, even if General Petraeus's promise of $150 million in overall security assistance for Yemen in 2010 is fulfilled,[194] this will be dwarfed by other suppliers' deliveries of conventional military equipment alone. In fact, the U.S. is currently Yemen's smallest arms supplier, at around one percent of total imports.[195]

Since unification, more than half of Yemen's arms imports have come from Russia and fully 83% have come from the former Soviet Union.[196] During 2001-08, Russia accounted for $600 million in arms deliveries to Yemen, about half the total for this period, and sixty percent of the total since 2004. These statistics conform to arms imports patterns since unification (Chart 4), and will likely hold for the foreseeable future. In February 2009 Saleh added a $1 billion arms deal with Moscow[197] as part of

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[187] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 70.

[188] "Country Profile: Yemen," Library of Congress – Federal Research Division, August 2008, 22-23.

[189] Brian Palmer, "Why Is Yemen So Poor?" *Slate*, January 4, 2010.

[190] "Yemen Corruption Assessment," U.S. Agency for International Development (September 25, 2006), 4.

[191] "Country Profile: Yemen," Library of Congress – Federal Research Division (August 2008), 22-24.

[192] Brian Palmer, "Why Is Yemen So Poor?" *Slate*, January 4, 2010.

[193] Stockholm International Peace Research Institute (SIPRI), SIPRI Arms Transfers Database,"Conventional arms imports (per $ GDP), January 20, 2010.

[194] Deborah Solomon, "Petraeus Rules Out Sending U.S. Troops to Yemen," *Wall Street Journal*, January 10, 2010.

[195] "U.S. backs Yemen, Russia arms it," UPI, January 11, 2010.

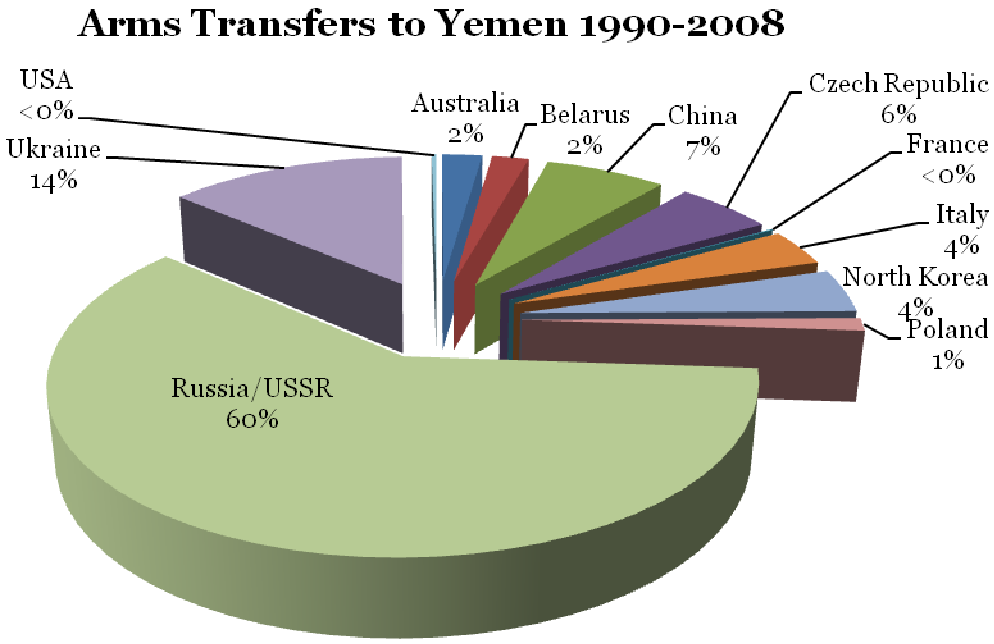
[196] Stockholm International Peace Research Institute (SIPRI), "Trend Indicator Values of Arms Imports to Yemen, 1950-2008," SIPRI Arms Transfers Database, January 20, 2010.

[197] Lauren Gelfan, "Yemen Concludes $1bn Arms Deal with Russia," *Jane's Defence Weekly*, March 11, 2009.

the Yemeni military's ongoing $4 billion modernization program, which relies in large part on Saudi financing to procure Russian, Chinese, Ukrainian, and Italian fighter jets, helicopters, tanks, artillery, and armored vehicles.[198] Some sources put the total figure for the Yemen-Russia arms deal at $2.5 billion.[199]

Not surprisingly, the core of Yemen's current offensive capabilities is—and will continue to be—a panoply of ex-Soviet and Russian ground-attack fighter aircraft and armored vehicles, mainly modern MiG-29 (and the older MiG-21, which are being used in Sa'dah campaigns[200]), jets, main battle tanks (MBT; Cold War-era platforms, primarily the older T-55 and T-62 but also the newer T-72 and T-80), and assorted artillery pieces (multiple-rocket launchers [MRLs], mostly Cold War-era BM-21s).

Chart 4: Arms Transfers to Yemen 1990-2008[201]



Yemen has also received large deliveries of equipment to operate, maintain, and upgrade these platforms.[202] At same time, Saleh's regime has been the asking the U.S. for counterterrorism assistance in the form of humvees and tanks, even though these are better-suited to conventional military operations.[203] Given the low probability of direct interstate conflict with any of its neighbors, the Saleh regime likely intends to direct its arsenal at domestic security threats.

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[198] Thalif Deen, "Russia, China Sustain Military Toehold in Yemen," Global Information Network, January 6, 2010.

[199] "U.S. backs Yemen, Russia arms it," UPI, January 11, 2010.

[200] "Yemen denies warplane shot down," Al-Jazeera, October 2, 2009.

[201] Source: Stockholm International Peace Research Institute (SIPRI) Arms Transfers Database.

[202] Stockholm International Peace Research Institute (SIPRI), "Trade Register: transfers of major conventional weapons, Yemen 1978-2008," SIPRI Arms Transfers Database, January 20, 2010.

[203] Peter Spiegel, Jay Solomon, and Margaret Coker, "U.S. Looks to Intensify Yemen Campaign," *Wall Street Journal*, December 30, 2009.

Despite the shortcomings of its security apparatus, the regime's need to maintain tight control over its forces means that Sanaa will continue to favor security assistance to genuine reforms. As Foreign Minister al-Qirbi remarked in January 2010, "it would be easier, more effective and more acceptable to build Yemeni armed forces and antiterrorism units than to impose them from outside."[204] This will likely frustrate joint counterterrorism efforts on the part of the U.S., as recent events indicate. Seeing that the government is unable to ensure their security, many Yemenis are falling back on deep tribal traditions of conflict mediation and resolution to provide justice and safe havens for disputants.

POOR GOVERNANCE: PATRONAGE AND CORRUPTION

Given Yemen's tribal society and scarce resources, Saleh has crafted a patronage system that attempts to co-opt potential rivals through the selective distribution of state largesse in such forms as employment, contracts, land grants, political support, and stipends. He has built on the traditions of North Yemen's prior rulers, who sought to mediate conflict and deflect opponents of the regime through bribery and punishments. In effect, Saleh has tried to tie Yemenis' well-being to their dependence on the regime. This has the additional effect of preventing tribes from uniting against the government, since the benefits of patronage instill certain tribal *shaykhs* with a reluctance to upset the status quo. This form of governance has made Yemen one of the most corrupt countries on the planet. As the U.S. Agency for International Development stated in 2006, corruption in Yemen "is the glue that keeps things in place."[205]

Patronage

The Ministry of Finance, which occupies a key role in the patronage system, is the largest government bureaucracy. It has administrative and financial divisions in all other ministries, determines other ministries' budgets, controls the Yemeni civil service, which is one of the country's largest employers, determines private-sector access to contracts and treasury funds, and answers directly to Saleh.[206] As of 2008, almost half of total government outlays went to the Upper Yemen tribal confederations that formed the backbone of regime support since the pre-unification era.[207] Although the individual amounts vary, the Department of Tribal Affairs sends regular direct payments (*mezaniyya*) to between four and five thousand *shaykhs* in return for their loyalty to the regime.[208] This is abetted by massive influxes of Saudi money—amounting to at least

[204] Anna Fifield and Andrew England, "US warned over military aid to Yemen," *Financial Times*, January 7, 2010.

[205] "Yemen Corruption Assessment," U.S. Agency for International Development (September 25, 2006), 6.

[206] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 73-74.

[207] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 96.

[208] Brian Palmer, "Why Is Yemen So Poor?" *Slate*, January 4, 2010; Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 104.

hundreds of millions of dollars—used to convince tribes to no longer shelter al-Qaeda and its affiliates.[209]

Diesel subsidies are another pillar of the patronage system. These are extremely popular given the country's water shortages, since they make it affordable for farmers to pump the exorbitant amounts of water needed to irrigate *qat* fields.[210] *Qat is* a lucrative but non-nutritive semi-narcotic plant that has been a staple of daily life and business throughout Yemeni history. In fact, diesel subsidies are helping fuel a rapid expansion in *qat* cultivation (up to 12% annual growth), since they also free up money for farmers to transport fertile soil into the *qat*-growing regions of Upper Yemen. In a country with few economic opportunities, *qat*'s minimal growing requirements make it an attractive crop for small farmers. Around 3.5 million Yemenis are involved in the *qat* industry, and its trade provides $2.5 million a day for rural communities.[211] Its cultivation, sale and usage, however, create opportunity costs in terms of food production, natural resource usage, and long-term economic development. As Yemen's population grows and its government runs out of energy revenues, these costs are likely to continue rising.

Another disturbing element of the patronage system is its ties with Islamist militancy. Although the regime is in the middle of its third offensive against al-Qaeda in the last ten years, it still seeks to maintain good ties with many militant groups,[212] and often turns a blind eye to many of their activities.[213] While this is dangerous enough, radical Islamist groups have exploited Sanaa's policy of benign neglect to carve out safe havens in some of the authority vacuums created by the northern and southern conflicts.[214] In fact, a mediator between the government and opposition figures has said extremists "are everywhere, in the government, in the military, among the tribes and the wealthy."[215]

Finally, the patronage system has stunted the growth of representative government in Yemen. Although Yemen has an elected parliament and vocal opposition parties, Saleh has crafted a deep and intricate web of what one Yemen analyst describes as "pluralized authoritarianism." This arrangement allows Saleh's ruling northern-based GPC party to maintain firm control of the state apparatus through bribery and cooptation.[216] Crucially, parliament has little budgetary oversight capability, and the Ministry of Finance can override parliament's decisions anyway. The Ministry of Finance's approval is also required for projects undertaken by local elected councils, thereby entrenching

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[209] Mark Landler, "U.S. Has Few Resources to Face Threats in Yemen," *New York Times*, January 8, 2010; Christopher Boucek, "Event Transcript: The Resurgence of Al-Qaeda in the Arabian Peninsula," Carnegie Endowment, November 19, 2009, 10.

[210] Robert F. Worth, "Thirsty Plant Dries Out Yemen," *New York Times*, October 31, 2009.

[211] Abigail Fielding-Smith, "Yemen economy hooked on qat," *Financial Times*, January 21, 2010.

[212] Charles Fromm, "Yemen: U.S. Poised to Increase Military and Economic Aid," Inter Press Service, January 6, 2010.

[213] "Yemen forces 'foil al-Qaeda plot'," *BBC* News, December 17, 2009.

[214] Andrew England, "Yemen leader's test as political survivor," *Financial Times*, January 5, 2010.

[215] "Obama: 'No intention' to send troops to Yemen," Associated Press, January 10, 2010.

[216] Sarah Phillips, "Evaluating Political Reform in Yemen," Carnegie Papers – Middle East Series, no. 80, February 2007, 4.

the patronage system down through the local and provincial levels.[217] On top of this, the regime has little incentive to accord its citizens a proper voice, since it doesn't rely heavily on taxation for revenue. In 2008 for example, oil and gas revenues amounted to $9.8 billion, while total tax revenues totaled only $1.84 billion.[218] Finally, the Ministry of Justice is so riddled with corrupt and inefficient appointees that Yemenis still rely on tribal (*'urf qabalî*) and other traditional customs to resolve disputes.[219]

The country's two other major parties—the Islamist umbrella group Islah and the southern-based YSP—exercise a token opposition role in Parliament, usually through symbolic initiatives (e.g., Yemen Parliamentarians Against Corruption [YemenPAC]) that establish commissions but achieve little else. Islah tries to maximize its appeal by including both centrist and fundamentalist elements, and it has called for *sharia* to be the "sole source" of the Yemeni constitution, as opposed to the "main source." It also curries popular favor through its various social programs. Islah, YSP, and assorted minor parties formed the Joint Meeting Party (JMP) coalition in 2002 to present a united front against GPC, but were still roundly defeated in 2006 elections that according to E.U. observers displayed "fundamental and systemic weaknesses."[220] In that instance, Saleh's patronage network boosted the GPC by giving state employees bonuses and providing free utilities to key precincts in the run-up to the election.[221]

Resource Drain

Of course, the patronage system requires having enough resources to spread around. In this respect, unification was a boon to Saleh. When it absorbed South Yemen in 1990, the former North Yemen's population grew by around one-fifth, but its energy reserves grew exponentially as eighty percent of Yemen's oil reserves are located in the former South Yemen. With the revenues stemming from increased energy exports, Saleh's patronage system ballooned in scope and became further embedded throughout Yemeni society.[222] Oil and natural gas now account for 90% of export earnings, one third of total GDP, and more than three-quarters of government revenue.[223]

However, this system cannot persist *ad infinitum*. Yemen's falling oil exports (Chart 3), compounded by a rising population (Chart 2) and falling energy prices, means Saleh must try to widen his patronage network while having fewer resources at his disposal. As a result, Yemenis' reliance on patronage networks is now backfiring against the regime—its writ is shrinking as its ability to provide the populace with bribes and basic services decreases. In the resource-rich Abyan governorate, for example, the regime is

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[217] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 75, 78.

[218] Central Bank of Yemen, *Annual Report 2008*, 26.

[219] "Yemen Corruption Assessment," U.S. Agency for International Development (September 25, 2006), 14.

[220] Ginny Hill, "Yemen: Fear of Failure," Chatham House Briefing Paper, November 2008, 5-6.

[221] April Longley, "The High Water Mark of Islamist Politics? The Case of Yemen," *The Middle East Journal*, vol. 61, no. 2 (Spring 2007), 240-245.

[222] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 74.

[223] Faisal Darem, "Yemen oil revenue decreases by 2 million barrels," *Yemen Observer*, December 26, 2009.

largely unable to pay local tribes to help keep the peace, nor can it provide basic services like electricity and running water.[224] Previously, riots broke out and 50,000-100,000 protestors marched through Sanaa when the government tried to trim diesel subsidies in 2005.[225]

The regime's growing illegitimacy and ineffectiveness is encapsulated in the complaint that "a government minister could wait thirty days to see [Saleh], but a minor *shaykh* could see him within twenty-four hours' notice."[226] One response has been to subsume illegal water drilling and various smuggling activities into the patronage system. While this benefits senior military officers, bureaucrats, and tribal *shaykhs*, the rest of Yemen suffers.[227] With the government offering little promise of help, many tribes and ordinary Yemenis are actively looking elsewhere for opportunity and security. In a country as desperately poor as Yemen, every cutback in government services and subsidies makes AQAP's money and services that much more attractive.

ECONOMIC WOES

Not surprisingly, Yemen's patronage system fosters extraordinary levels of corruption. According to Transparency International's 2009 Corruption Perception Index, Yemen ranked 154th out of 180 countries.[228] This in turn stifles economic growth. Yemen's economic climate is the least competitive in the relatively uncompetitive Arab World, and it is the second-most expensive place in the world to start a business, according to the World Bank.[229] The government finds it easier and safer (at least in the near-term) to simply buy off its citizens instead of reforming the economy or investing in education and human capital. Three of Yemen's largest professions are *qat* farmer, migrant laborer sending remittances from a neighboring country, and underemployed civil servant in a bloated bureaucracy. None of these generate sustained economic activity within Yemen itself. In fact, *qat* farming is counterproductive on a macroeconomic level, since it consumes government subsidies while simultaneously devouring precious water supplies.

All of this creates a vicious cycle. Yemen's patronage system forces its population to rely on institutionalized corruption in the form of selective distribution of income from energy exports. This forecloses alternative economic opportunities, thereby impoverishing an overpopulated, resource-poor country. This in turn promotes corruption at all levels of society, based on necessity at least as much as greed, since there are few alternatives to make ends meet. And so on. This plays into the regime's

[224] Steven Erlanger, "In Yemen, U.S. Faces Leader Who Puts Family First," *New York Times*, January 4, 2010.

[225] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 72.

[226] Andrew England, "Yemen leader's test as political survivor," *Financial Times*, January 5, 2010.

[227] Owen Bennett-Jones, "Crises multiply for divided Yemen," BBC News, December 15, 2009.

[228] *Corruption Perception Index 2009*, Transparency International: Surveys and Indices (2009).

[229] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 63-64.

hands; Saleh himself is widely reputed to have said he mistrusts people who "do not steal," since this would imply their independence from the patronage system.[230]

Population growth and the global economic recession feed into this cycle, too, as the grim statistics show: unemployment hovers around 35%; per capita income is $500-$900 per year, less than Nigeria and Pakistan;[231] 97% of households can't cover the daily costs of food; half the population is illiterate; and 43% live below the poverty line.[232] Despite the influx of energy revenues, poverty levels doubled between 1990 and 2006. Accordingly, Yemen ranked 140th out of 182 countries on the 2009 UN Human Development Index.[233]

Population growth and the global economic recession feed into this cycle, too, as the grim statistics show: unemployment hovers around 35%; per capita income is $500-$900 per year, less than Nigeria and Pakistan;[234] 97% of households can't cover the daily costs of food; half the population is illiterate; and 43% live below the poverty line. Despite the influx of energy revenues, poverty levels doubled between 1990 and 2006. Accordingly, Yemen ranked 140th out of 182 countries on the 2009 UN Human Development Index.[235]

Given current trends, there is little hope for improvement, especially as the global economic downturn means neighboring Gulf countries will not be able to absorb much, if any, of Yemen's growing excess labor force. Since 2004, Sanaa has scaled up its public efforts to spur non-oil growth and create jobs in agriculture, fisheries, manufacturing, services, and the financial sector. However, there is little indication that these initiatives are much more than cosmetic attempts to attract international investment by papering over the regime's reticence to abandon its current patronage system.

Increasingly, Yemenis prefer the informal collective action provided by tribal structures to the corrupt and inefficient state institutions. Tribes are able to provide social safety nets through the *ghorm* tradition, whereby all males over the age of eighteen share financial responsibility for their tribal members' needs.[236] This is an extremely important and vital social function provided by many of Yemen's tribes, but it directly undermines the legitimacy of the government. Furthermore, it remains to be seen how this tribal institution will withstand the simultaneous waxing of Yemen's population and waning of government largesse. As pressures have increased, so has the appeal of AQAP.

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[230] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 63.

[231] World Development Indicators database, "Gross national income per capita 2008, Atlas method and PPP," World Bank (October 7, 2009), 3.

[232] Data collected from UN Development Program webpage "Yemen Country Profile."

[233] *Human Development Report 2009 – HDI Rankings*, United Nations Development Program (2009).

[234] World Development Indicators database, "Gross national income per capita 2008, Atlas method and PPP," World Bank (October 7, 2009), 3.

[235] *Human Development Report 2009 – HDI Rankings*, United Nations Development Program (2009).

[236] "A woman among the tribes," *Yemen Times*, July 29, 2009.

The extremist group receives funds from sources outside Yemen, which it then distributes to the unemployed and disaffected populace in tribal regions.[237]

WEAK CIVIL SOCIETY

As the government's policies and weaknesses cause its writ and legitimacy to recede, certain forces and ideas fill the void. In large part due to the government's own policies, there is nothing to act as a buffer against extremism. While the regime permits freedom of expression as a relatively harmless safety valve for people's frustrations,[238] it has effectively co-opted or neutralized Yemen's civil society organizations (CSOs). Yemen's extreme poverty makes it difficult for CSOs to stay afloat, and thus the regime will buy off certain groups by incorporating them directly into the patronage system. The GPC will also create better-funded carbon-copy "mirror organizations" to split opposition CSOs apart. The best example of this is the al-Saleh Association, which was created by the GPC and headed by Saleh's son to compete with Islah. In addition, Yemen's fragmented polity means CSOs often compete with one another along regional, tribal, and/or sectarian lines.[239] On top of all this, the 2001 "NGO Law" and its 2004 bylaw allowed the government to monitor non-governmental organizations and forced them to accept semi-official functions.

The regime has also abetted radicalism through its support of Islamist militants. Saleh has been widely accused of gaining political allies by allowing Sunni extremists to enforce Islamic dress and moral codes, and to set up religious schools.[240] At the same time, the regime has tried to curry favor with conservatives by forging ties with extremist clerics like Shaykh Abdul-Majid al-Zindani—a man the U.S. suspects of having close ties with al-Qaeda.[241] In fact, the regime also used Zindani as a mouthpiece against the south in the 1994 civil war. Dwindling resources complicate matters, as Yemen's Committee for Religious Dialogue—established by Sanaa in 2002 to "rehabilitate" former jihadists—has not been able to replicate its Saudi counterpart's success in buying off former militants.[242] Of course, Sanaa's own tendency to *support* radicalism makes it difficult for moderate clerics to emulate the successful Saudi practice of developing and propagating a coherent narrative against al-Qaeda.[243]

Unfortunately, Yemenis are learning not to rely on central or local government for goods and services—nor to expect the rule of law—but instead on more immediate and capable tribal rules and institutions (many of which have a long history of repudiating attempts

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[237] "Yemen's slumping economy fuels extremism: analysts," Agence France Presse, January 10, 2010.

[238] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 66.

[239] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 116-117, 120, 131.

[240] "Al Qaeda threat has been 'exaggerated,' Yemen says," *Los Angeles Times*, January 4, 2010.

[241] Yemen's president open to dialogue with al-Qaeda," Associated Press, January 10, 2010; "Radical Yemeni Cleric Warns of Foreign Occupation," Associated Press, January 11, 2010.

[242] Kevin Peraino, "Can jihadists really be reformed? Closing Guantanamo may depend on it," *Newsweek*, June 8, 2009.

[243] James Hider, "'Orchard' of fighters has grown out of poverty and mistrust," *Times (London)*, January 4, 2010.

at subjugation to central authority). This trend will likely continue as the patronage system is stretched tighter in coming years. Islah has begun to fill in parts of the authority vacuum by offering social programs to those falling outside the government's patronage networks. Although Islah is an umbrella group and thus lacks a clear unifying ideology, the prevalence of Salafist elements poses the potential for radicalization among people for whom Islah's programs are a major source of support.[244] In addition, the absence of government capability and legitimacy in rural governorates creates a wedge for al-Qaeda and its extremist narrative.

[244] Sarah Phillips, "Evaluating Political Reform in Yemen," Carnegie Papers – Middle East Series, no. 80, February 2007, 20.

ROOT CAUSES OF YEMEN'S PROBLEMS

LEGACY OF EXTERNAL INTERFERENCE

As history indicates, modern Yemen is not much greater than the sum of its parts. Instead of a cohesive, unifying national narrative forged through common aspirations or struggles, modern Yemen was assembled primarily through the machinations and rapid collapses of external powers. The Zaydi kingdom of Imam Yahya filled the sphere of influence in the north left vacant by the breakdown of the Ottoman Empire, subduing and co-opting neighboring tribes while butting heads with the British and Saudis. Tribes in southern and eastern Yemen were cobbled—and at times forced—together haphazardly by various British imperial institutions into a neighboring sphere of influence. When the British withdrew precipitously from the south in 1967, an assemblage of socialist factions filled the void. However, North Yemen quickly moved in to fill the vacuum in the south once the latter's Soviet sponsor imploded.

External actors also share responsibility for many of the conflicts whose legacies still scar the landscape. Britain's indirect rule in the protectorates relied on punitive air raids against recalcitrant tribes and on bribing tribal leaders to launch raids into North Yemen. Saudi Arabian interference from the 1930s to 1990s exacerbated internal conflicts in northern Yemen in order to keep the area weak. While Riyadh's primary objective has shifted to avoiding Yemeni state failure, its current policies of buying off AQAP-affiliated tribes and intervening in Sa'dah undermine Sanaa's legitimacy in many Yemenis' eyes.

During the civil war in 1994, Saudi Arabia supported secessionism as a means of keeping Yemen weak—and former Soviet satellites provided southerners with ex-Soviet artillery, tanks, and fighter jets—while *mujahedin* from Yemen and abroad fought alongside Sanaa to prevent the resuscitation of a socialist South Yemen. The North Yemen Civil War (1962-67) escalated when Egyptian intervention transformed it into a Saudi-Egyptian proxy war, with the losers (the Zaydis) and winners (the current government) still battling one another today. Egypt also fomented subversive activities against British forces and their tribal allies in the protectorates, and encouraged border tribes to skirmish into the south. Finally, Soviet sponsorship of South Yemen in the 1970s and 1980s heightened tensions with the North, thereby contributing to the mutual recriminations that still plague north-south relations within Yemen today.

TRIBAL POLITICS

History shows that the country has been consistently and highly tribalized, with tribal institutions and traditions often responsible for maintaining order and providing services for tribe members. This is particularly true in Upper Yemen, where relationships within and between tribal confederations—and the plundering of resources from Lower Yemen—have formed the basis of political life antedating independence in 1918. Although the radical Marxist regime in South Yemen was partly successful in eradicating tribal allegiances in the 1970s and 1980s, Saleh reinvigorated tribalism after unification—and especially after the 1994 civil war—as a means of weakening opposition

from the south.[245] In addition, the tribes of the remote eastern deserts have never fully been brought under the sway of any Yemeni government. As but one example, sixteen people were killed during a November 2007 battle between tribesmen and army personnel sent to guard a foreign oil company in Shabwah governorate.[246]

Geography has contributed to this autonomy, given the harsh climate and the sheer distance from Aden and Sanaa. As a result, these areas had traditionally relied on themselves for security. This helps explain why the British maintained a separate East Aden Protectorate (EAP) for the governorates of Hadhramout, al-Mahrah, and parts of Shabwah after 1917. The EAP had a smaller administration, and was subjected to fewer air raids than its counterpart (the West Aden Protectorate or WAP), in no small part because the tribes and terrain were more difficult to overcome in the first place.[247]

RESOURCE COMPETITION AND DEPLETING RESERVES

Yemen is resource-poor. Less than ten percent of the land is arable, and less than one percent of the land receives more than 15 inches in average annual precipitation. Combined with the fact that there are no permanent rivers in any part of the country, only 13% of the land can support permanent crops.[248] Throughout much of its modern history—and especially in recent years—Yemen has not been self-sufficient in food production.[249] Despite this fact, and despite a rising population, much of Yemen's valuable farmland is used for *qat*.

Water

Although Yemen has always suffered from meager water resources, the current situation is quickly going from bad to worse. Rainwater has never fallen in abundance, so Yemen has had to look underground for a significant portion of its water. However, the combination of desertification, population growth, and *qat* cultivation has placed enormous strains on the country's water supply. Around 30% of the country's groundwater usage is due to *qat*-growing.[250] Currently, nineteen of the country's twenty-one water basins—and all of its alluvial aquifers—are not being replenished. Farmers, tribes and the government simply use fossil water instead. This is highly unsustainable, inefficient, and costly. In Sanaa, engineers now have to drill three thousand feet to reach the last of the capital's underground supplies.[251] Many of the city's residents receive piped water only once every nine days, and Sanaa could soon become the first capital city in world history to run out of water. On the whole, water availability is only 2% of

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[245] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 46.

[246] "Yemeni Government Reassures Ukrainian Oil Company Following Attack," Saba News Agency (Yemen), November 10, 2007.

[247] Spencer Mawby, *British Policy in Aden and the Protectorates* (London: Routledge, 2005), 22.

[248] "Country Profile: Yemen," Library of Congress – Federal Research Division, August 2008, 5.

[249] Sarah Phillips, *Yemen's Democracy Experiment in Regional Perspective* (London: Palgrave Macmillan, October 2008), 39-40.

[250] UN Office for the Coordination of Humanitarian Affairs, "Yemen: Unprecedented water rationing in cities," August 16, 2009,

[251] "Obscured By War, Water Crisis Looms in Yemen," *All Things Considered* (NPR), November 20, 2009.

the global average, and resources are expected to dry up by 2015. The UN Development Program considers 1000 cubic meters of annual water share per capita its "water poverty line," but the average Yemeni's share is only 100 cubic meters per year.[252]

Similar shortages in southern cities such as Aden have sparked deadly riots, and tribal conflicts have been aggravated over competition for newly-drilled wells. Alternatives—such as drawing Sanaa's water from remaining basins—would only inflame tensions with provinces and tribes[253] from whose land such precious resources would be drawn. This situation is likely to aggravate Yemen's myriad of other problems—including poverty and tribal tensions—as water scarcity compels rural Yemenis to move to cities where they are unlikely to find work.[254] In one Yemen analyst's estimate, eighty percent of the country's conflicts are already about water.[255] The prevalence of these disputes is pushing Yemenis to rely on tribal conflict-resolution mechanisms, since the regime is unable to deal with such a massive problem.[256] Much as the strains between Upper and Lower Yemen in the past stemmed from competition over scarce resources, so the rapidly-expanding Yemeni population is likely to present a growing challenge to future stability within the country.

Oil

Yemen's energy resources are also depleting. Oil exports have been a vital source of government revenue since production began in earnest in the late 1980s, but overall proven reserves are minimal compared to other Arab countries. Even at its peak in 2002, Yemen's daily oil production was less than 5% of Saudi Arabia's. Since its peak at 457,000 barrels per day (bbl/d) in 2002, the country's production levels have fallen steadily to 281,000 bbl/d in 2009 (Chart 5).[257] According to the International Energy Agency, this figure could fall as low as 248,000 bbl/d by 2014.[258]

The country's two largest basins (in volatile Ma'rib and Hadhramout) are past peak, and while new discoveries have been made since 2000, they are too small to allow Yemen to maintain current production capacity for very long. Despite these relatively low production figures, Yemen's 2.7 billion barrels of proven oil reserves are estimated to run out around 2030.[259] At the same time, diesel for the regime's fuel subsidies must be imported.[260] In fact, Yemen could become a net energy importer as soon as 2011, especially as domestic demand grows in tandem with the population. Declining crude oil

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[252] Alistair Lyon, "Water crisis threatens Yemen's swelling population," Reuters, August 30, 2009.

[253] Robert F. Worth, "Thirsty Plant Dries Out Yemen," *New York Times*, October 31, 2009.

[254] Alistair Lyon, "Water crisis threatens Yemen's swelling population," Reuters, August 30, 2009.

[255] Christopher Boucek, "Event Transcript: The Resurgence of Al-Qaeda in the Arabian Peninsula," Carnegie Endowment, November 19, 2009, 4.

[256] Alistair Lyon, "Water crisis threatens Yemen's swelling population," Reuters, August 30, 2009.

[257] BP Statistical Review of World Energy, British Petroleum, June 2009, 8.

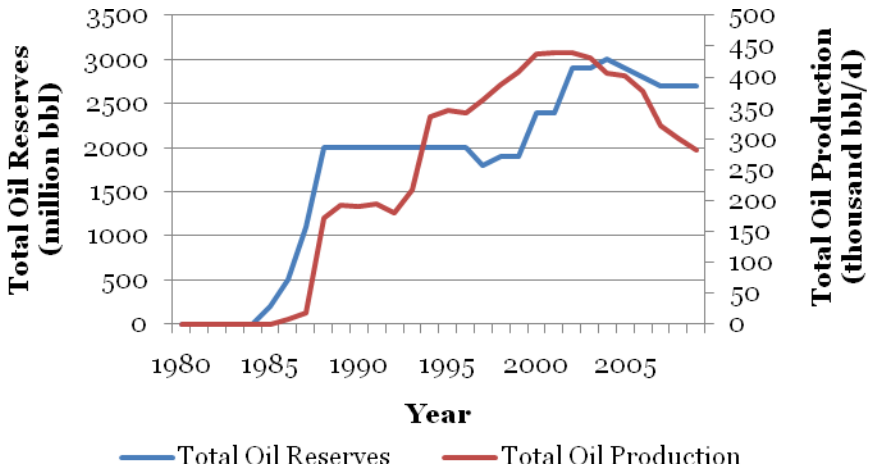
[258] Martina Fuchs, "Gas probably not enough to buoy Yemen," Reuters, August 24, 2009.

[259] Martina Fuchs, "Gas probably not enough to buoy Yemen," Reuters, August 24, 2009; Ginny Hill, "Yemen: Fear of Failure," Chatham House Briefing Paper, November 2008, 7; BP Statistical Review of World Energy, British Petroleum, June 2009.

[260] Ulf Laessing, "Yemen's central bank forecasts up to 8 percent growth in 2010," Reuters, January 26, 2010.

prices have compounded this gloomy forecast, having fallen from a peak of $147/bbl in July 2008 to just $74/bbl in late January 2010.[261]

Chart 5: Yemen Oil Sector[262]



This combination of falling output and prices meant oil revenues for 2009 were only one-quarter that of 2008.[263] Even before the end of 2009, however, the Ministry of Finance issued a directive for all ministries to cut expenditures in half.[264] Even if the regime is able to halt the decline in oil export revenues, Yemen's rocketing population will increase pressures on the patronage system.

Natural Gas

Yemen's natural gas future is a bit brighter—as its reserves are expected to outlast its oil reserves—but still offers no long-term solution to the country's economic and political problems. Exploration and production began bearing fruit later than the oil sector, with the first major project coming online only in 2009. However, proven reserves amount to only about 480 billion cubic meters (bcm). This figure places Yemen far behind most of its neighbors.[265] As with Yemen's oil, restive governorates like Ma'rib and Shabwah contain nearly all of the country's natural gas deposits, as well as much of the processing and transport infrastructure. While production and export levels will increase for the foreseeable future thanks to a major liquefied natural gas (LNG) project (see below), much of Yemen's natural gas is still used for oil extraction, and growing demographic challenges will likely place competing demands on the country's natural gas reserves.

[261] U.S. Energy Information Administration, data retrieved January 27, 2010.

[262] Data collected from BP Statistical Review of World Energy, British Petroleum, June 2009; and "Yemen Energy Profile," Energy Information Agency (U.S. Department of Energy), January 2010.

[263] Owen Bennett-Jones, "Crises multiply for divided Yemen," BBC News, December 15, 2009.

[264] Sarah Phillips and Rodger Shanahan, "Al-Qa'ida, Tribes and Instability in Yemen." Lowy Institute for International Policy (Sydney), November 2009, 3.

[265] BP Statistical Review of World Energy, British Petroleum, June 2009.

Because the regime and economy rely so heavily on energy extraction, exports, and subsidies, Sanaa is trying to maximize its remaining hydrocarbon reserves in lieu of implementing difficult and potentially dislocating—though much-needed—fiscal and other economic reforms. To this end the Ministry of Oil and Minerals has courted foreign investment by offering generous production-sharing contract terms for significant onshore and offshore exploration and extraction in several bidding rounds in 2008 and 2009.[266] In January 2010, Yemen's oil minister also announced that the country would upgrade refineries and sink new wells in an effort to boost oil output by ten percent in 2010.[267] Thus far India's Gujarat State Petroleum Corp., Indonesia's Medco, Austria's OMV AG, Norway's DNO, and Britain's Burren Energy have all signed production-sharing agreements with Sanaa. Specifically, OMG AV plans to drill forty new oil wells in conflict-prone Shabwah in 2010. Kuwait Energy Company (KEC), with the help of the World Bank's International Finance Corporation, has become Yemen's largest acreage holder in the oil sector. KEC has invested $150 million onshore and off, and is currently exploring for further oil deposits.

In October 2009, the $4-5 billion Yemen Liquefied Natural Gas Company Ltd (YLNG) project (led by France's Total) finally came online after months of delays. This will be the country's main energy program for the foreseeable future. It is expected to generate $30-50 billion in government revenue over the next 20-25 years (this will work out to 15-25% of Sanaa's annual government revenues), although this will only amount to $200-300 million in 2010.[268] For a country that produced just 280,000 bbl/d of oil in 2009, YLNG is expected to export as much as 5.7 million cubic meters of LNG per year[269] (the energy equivalent of around 180,000 bbl/d of oil) for at least two decades.[270] As one senior Yemeni central bank official stated, "we are hoping to see [economic] growth between 7.5 and 8 percent [for 2010]. This is basically attributed to the growth in gas."[271] Given the regime's dependence on revenues from energy exports, this project could help cushion the country's transition toward a post-oil economy. However, YLNG will not allow Sanaa to put off economic reform altogether.

Out of the 9.15 trillion cubic feet (tcf) of total reserves that will be extracted by this project (more than half of Yemen's remaining total reserves[272]), only 1 trillion are earmarked for domestic power generation. The project, which runs through 200 miles of tribal territories that have contested Sanaa's authority for decades (Ma'rib and Shabwah), is guarded by Yemeni security services. Total's status as the primary YLNG shareholder has actually aggravated tenuous north-south relations in Yemen, as southern politicians and tribal leaders fear they will not see any of YLNG's profits.[273]

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[266] "Yemen seeks changes to oil-production sharing agreements," Saba News Agency (Sanaa), December 28, 2009.

[267] "Yemen aims to top 300,000 bpd oil output, upgrade refinery in 2010," *Oil & Gas News*, January 28, 2010.

[268] Martina Fuchs, "Gas probably not enough to buoy Yemen," Reuters, August 24, 2009.

[269] "Yemen seeks changes to oil-production sharing agreements," Saba News Agency (Sanaa), December 28, 2009.

[270] Digby Lidstone, "Yemen hopes gas will fuel recovery," *Financial Times*, May 4, 2009.

[271] Ulf Laessing, "Yemen's central bank forecasts up to 8 percent growth in 2010," Reuters, January 26, 2010.

[272] *BP Statistical Review of World Energy*, British Petroleum, June 2009, 22.

[273] Digby Lidstone, "Yemen hopes gas will fuel recovery," *Financial Times*, May 4, 2009.

Sanaa has also begun building upand training naval forces to escort LNG tankers into the pirate-ridden Gulf of Aden.

Hopes of Expanding the Energy Sector

The Yemeni government is trying simultaneously to kick-start other energy projects. In late 2008 and early 2009, Bulgarian and Turkish companies expressed potential interest in receiving YLNG deliveries as a means of hedging against future uncertainties associated with Nabucco and South Stream pipelines. Around the same time, Saleh met with Gazprom officials in Moscow in search of agreements on power generation, oil, gas, pipeline, port infrastructure, and irrigation projects for Yemen. For its part, Gazprom only appears interested in building LNG transport and distribution facilities in Yemen.

Sanaa has also sought French cooperation on nuclear and geothermal energy, Dutch investment for electricity generation projects, Saudi agreements to connect Yemen to the Gulf Cooperation Council's (GCC) electricity grid, and Iranian help in developing oil and natural gas fields. Thus far, the regime has only reached official agreement with Japan to develop a solar energy plant in Yemen.

DIFFICULTIES OF MAINTAINING POWER

Tribalism, resource competition, and the legacy of historical divisions combine to make Yemen an extremely difficult country to rule. The past fifty years bear out this reality. North Yemen experienced four *coups d'état* in its brief history (1948, 1962, 1967, and 1977), as well as two failed coup attempts (1955 and 1959), while South Yemen underwent three *coups d'état* of its own (1969, 1978, and 1980) in its even briefer history. In addition to the post-unification civil war of 1994, North and South Yemen each fought their own civil wars (North: 1962-7; South: 1967-70 and 1986, not counting the 1963-7 Aden Emergency), while also fighting undeclared wars against each other in the 1950s and 1960s, as well as a short one in 1972. Another inter-Yemen war was averted in 1979 only through Arab League mediation. In addition, low-level warfare between Yemeni regimes and tribes—and warfare between tribes—has been a constant feature of Yemen's history.

The inherent difficulties of ruling over Yemen reverberate throughout the current regime's governing institutions and practices. Ali Abdullah Saleh and his cohorts have maintained power since 1978 by securing their regime first and foremost. In order to do so, they have had to build on their predecessors' use of bribery, divide-and-rule politics, and the mailed fist to maintain power. While this has ensured a relative level of stability for the regime, it has come at great costs to economic opportunity, political freedom, and human security. This contributes directly to current regime's low level of legitimacy among the majority of its people.

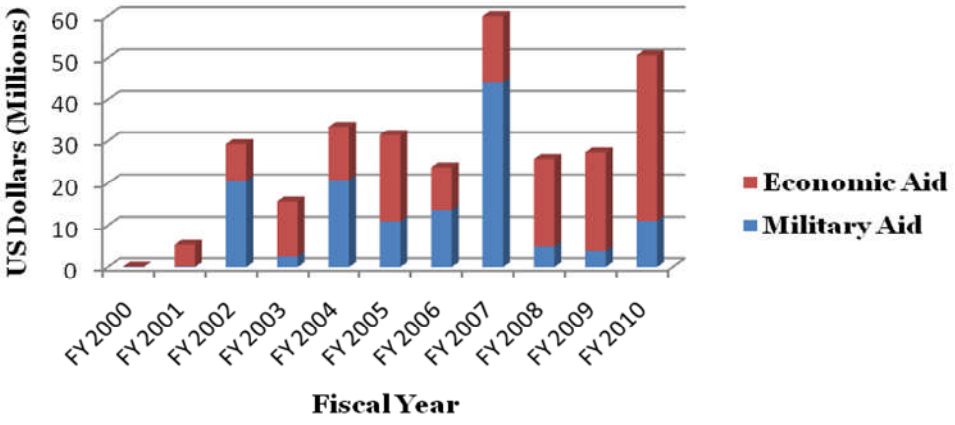
ASSISTANCE AND ATTEMPTS AT REFORM

Yemen's current trajectory is unsustainable. The economy is headed downhill while the population rises, resources are running out, Sa'dah is bleeding, the south is seething, AQAP is making inroads with tribes and rebels, and pirates infest the surrounding seas. Current efforts to reform the situation—or at the very least keep the country merely on the brink of failure—have had some positive impact. With the world's attention, at least momentarily, focused on Yemen in the wake of the Christmas Day bombing attempt, Sanaa and the global community may begin to shift their efforts.

PREVIOUS ASSISTANCE LEVELS AND REFORM EFFORTS

Yemen—and Saleh in particular—has a long history of manipulating foreign donors, and the country has come to depend heavily on foreign aid. In the 1970s, Western and Gulf countries began providing North Yemen with economic and military assistance. Few strings were attached, as Saleh was able to play up the threat from the Soviet-backed South Yemen. While Saudi Arabia has funneled large amounts of money into various Yemeni governments and tribes throughout the years, it was only after the *Cole* and 9/11 attacks that the U.S. gave significant assistance to Yemen. Congress designated Yemen as a "front-line state" in the War on Terror, which led to $55.5 million in military aid from 2002 to 2006. Primarily, this came in the form of security assistance intended to boost U.S.-Yemen counterterrorism cooperation. Funding was used mostly for covert projects to stand up new counterterrorism forces, improve intelligence collection capabilities, and equip and professionalize an army brigade and the coast guard. Between the *Cole* attack in 2000 and the failed Christmas bombing in 2009, U.S. non-military assistance levels for Yemen were relatively low.[274]

Chart 6: U.S. Government Aid to Yemen[275]



[274] Mark Landler, "U.S. Has Few Resources to Face Threats in Yemen," *New York Times*, January 8, 2010.

[275] Data for FY2010 reflects Congressional Budget Justifications and other open-source budgetary documents published and submitted prior to failed 2009 Christmas Day bombing. Since the failed attack, the U.S. has stated it will now provide up to $190 million for counterterrorism assistance to Yemen for FY2010, in addition to $121 million in development assistance over the next three fiscal years. Statistics for FY2000-FY2010 requests do not include U.S. Department of Defense, State Department, and other government agency assistance levels that were classified and/or unallocated at time of budget request.

The U.S.'s narrow focus on counterterrorism cooperation during this period gave Saleh the upper hand, since it allowed him to play up the threat of terrorism in Yemen as a means of increasing military assistance. Saleh was able to redirect this aid to suppress dissidents, reinforce his regime's security, and prosecute the Sa'dah war. Moreover, the focus on counterterrorism detracted from much-needed reforms to improve the efficiency and impartiality of Yemen's criminal justice services.[276] Saudi Arabia—whose counterterrorism assistance to Sanaa has always outpaced the U.S.—is estimated to send $200-300 million per year to Yemen.[277]

Saleh is also adept at manipulating the flow of non-military assistance. Many reform efforts—including anti-corruption legislation, expanded social services, government transparency initiatives, and investment in infrastructure and regional governorates—do not represent real change. In fact, the government's main initiative in this regard has been an attempt to improve donor coordination through the creation of the Aid Harmonization and Alignment Unit. Such efforts have paid off for Saleh, though, as his 2006 reform agenda was rewarded with $5.2 billion in aid pledges from Great Britain and the GCC through 2010. This figure represents 85% of Sanaa's external financing needs for this period but less than 20% of the $5.2 billion had been delivered by the beginning of 2010.[278] At the same time, the regime is trying in earnest to increase foreign investment in Yemen's energy sector.

FOREIGN ASSISTANCE AND REFORM AFTER 12/25 ATTEMPT

In the immediate aftermath of the failed Christmas bombing, General Petraeus promised to double U.S. security assistance to Yemen for 2010.[279] The U.S. and Britain also announced plans to increase drastically their development assistance in upcoming years. Although the final amounts of these pledges are still unclear, Sanaa will receive a large boost in Western security and development assistance in the short- to mid-term future. However, it is highly unlikely this will match the estimated $1 billion in annual official aid given by Saudi Arabia.[280]

At the January 27, 2010, conference in London to coordinate aid to Yemen, Sanaa responded to donors' pressure by acknowledging the need for economic and political reforms, and by promising to enter negotiations with the International Monetary Fund (IMF) to address the country's debilitating poverty.[281] At the same time, U.S. Secretary of State Hillary Clinton followed up President Obama's December 2009 call for a

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[276] Yezid Sayigh, "Fixing Broken Windows: Security Sector Reform in Palestine, Lebanon, and Yemen," Carnegie Endowment Middle East Center papers, no. 17 (October 2009), 17.

[277] "U.S., Saudi dominate Yemen security help," Reuters, January 21, 2010; Ulf Laessing, "Saudi-Western interests in Yemen not identical," Reuters, January 25, 2010.

[278] Jay Solomon, Margaret Coker, and Yochi J. Dreazen, "Nations Tie Aid for Yemen to Overhaul," *Wall Street Journal*, January 27, 2010.

[279] John J. Kruzel, "Petraeus: Aid to Yemen Likely to Double in 2010," American Forces Press Service, January 11, 2010; Deborah Solomon, "Petraeus Rules Out Sending U.S. Troops to Yemen," *Wall Street Journal*, January 10, 2010.

[280] "U.S., Saudi dominate Yemen security help," Reuters, January 21, 2010; Ulf Laessing, "Saudi-Western interests in Yemen not identical," Reuters, January 25, 2010.

[281] James Blitz and Abigail Fielding-Smith, "London summit pledges help for Yemen," *Financial Times*, January 28, 2010.

negotiated settlement to the Sa'dah conflict, while the U.S. Department of Defense announced it would "significantly increase" the number of U.S. special forces assigned with training Yemen's counterterrorism forces.[282] It remains to be seen the extent to which Sanaa will commit itself to enacting painful but ultimately necessary economic and political reforms broached at the London conference. Furthermore, it is still uncertain whether the U.S. and other donors will not only provide Yemen with much-needed development assistance, but also impose the proper conditions for their enactment.

WAY FORWARD ON STABILIZATION

The purpose of this paper has not been to provide definitive recommendations for how to stabilize Yemen, but to provide an overview of how the presence of violent extremists there is tied to the multiple other challenges that beset the country. The final report of the Bipartisan Policy Center's Stabilizing Fragile States project will lay out concrete recommendations for how to approach stabilization as well as discussing what sort of capacity the U.S. foreign policy apparatus needs to develop in order to effectively provide such assistance. The two major themes of that report are both relevant to Yemen.

First, *building partner security capacity* requires a certain investment in the procurement of armaments and the construction of facilities. But more importantly, it is a human and institutional development activity, with the training of forces and the development of competent command, control, and governance institutions at its core. Indeed, in Yemen the oversight and use of security forces is a much more critical issue than their capabilities.

Secondly, promoting *civic resilience* involves strengthening societies in fragile states to resist extremist ideologies. There are two main aspects to civic resilience, both of which are particularly crucial in Yemen: fostering *accountability* of government institutions; and seeking to *include* the disaffected in the political process by building political and civil society.

Assuring that our government has the proper capabilities, expertise, authorities and funding to undertake these missions is also critical. To this end, our final report will contain not only recommendations for stabilization tools and strategies, but for reforms to the foreign policy apparatus here in Washington as well.

[282] Yochi J. Dreazen, "Pentagon to Send More Special Forces Troops to Yemen," *Wall Street Journal*, January 28, 2010.

CONCLUSIONS

The severity of problems in Yemen—and their potentially grave ramifications—requires greater U.S. attention. Yemen's fragility has provided al-Qaeda a new base of operations from which to stage ever-brasher attacks, including attacks beyond Yemen like the Christmas Day bombing attempt. Were the situation to deteriorate further, and Yemen to fail completely, the U.S. would likely witness a security vacuum on the southern tip of the Arabian Peninsula. At best, this would mirror the nearby Horn of Africa; at worst the two would combine to destabilize the entire region. This would permit greater freedom of maneuver for al-Qaeda and pirates astride a major chokepoint for international energy flows, exacerbate ongoing internal conflicts, potentially turning them into Saudi-Iranian proxy wars and/or spilling over into neighboring countries, and could trigger major humanitarian disasters among an extremely impoverished and underserviced population.

The need for action, however, ought not obscure the difficulty of this task. Nor should it impede a thorough analysis of challenges facing Yemen, and their underlying causes.The case for increased counterterrorism and military assistance is easy to make in the wake of the failed Christmas Day attack by a Yemeni-trained terrorist. But as much as Sanaa's recently stepped-up efforts to target and eliminate the leadership of al-Qaeda in the Arabian Peninsula (AQAP) are particularly welcome, they should also give us pause.

An ally of the U.S., committed to rooting out extremism within its border, Yemen's efforts prior to December of 2009 were feeble, at best. While attempts to target al-Qaeda led to a handful of successes, more often Yemeni forces caused greater civilian than terrorist casualties. Many of the extremists who were captured were eventually released or escaped from prison. How, then, to account for the sudden escalation and effectiveness of Yemeni counterterrorism operations?

It is tempting to assume that we are finally witnessing returns on a decade of military assistance. But this would be to ignore the inconvenient fact that while fumbling major operations such as the Battle of Ma'rib, Sanaa has prosecuted the Sa'dah conflict with exacting ruthlessness. The contrast between the performance of Yemeni security forces in battling internal threats to the regime compared to its counterterrorism operations is stark. The Yemeni security apparatus has its shortcomings—troops would benefit from further training and its bloated command and control structures need to be streamlined—but has proven itself capable of projecting authority in the far reaches of the country and successfully waging campaigns, when it so desires.

Yemen does not lack security capacity, nor is it particularly in need of additional equipment and materiel. Called the "best-stocked arms bazaar west of Peshawar," Yemen is awash in small arms and Soviet-era military hardware due largely to more than $1 billion of arms sales from Russia over the last decade. Inevitably, many small arms fall into private hands. In a country where Kalashnikovs are often the currency of choice, it is perhaps unsurprising that Yemeni security forces occasionally find themselves outgunned by terrorists and insurgents. But Sanaa's emphasis on acquiring

heavy armor platforms, which are largely ineffective in quick-paced counterterrorism operations, belies its true strategic concerns: regime security.

There is, to be sure, strong precedent for this concern. History shows that every Yemeni political entity over the course of the last century and a half—and there have been many—faced, and was eventually undone, by internal challenges to its authority. Brutal civil wars and secessionist conflicts are one of the few constants on this southern tip of the Arabian Peninsula. That the regime should be preoccupied with staying in power is to be expected.

President Saleh has said that the difficulty of governing Yemen is on par with "dancing with snakes." It is no doubt a challenging task to hold together a state as fraught with weaknesses as Yemen. But "dancing with snakes" is also a particularly apt description of how Yemeni rulers have sought to do precisely that. Ironically, however, the historically preferred method for subduing Yemeni civil conflicts has been to encourage and inflame the very source of Yemeni fragility: factionalism. It requires dancing with the very snakes that threaten the state.

Given Yemen's many deep and crosscutting tribal, regional and sectarian cleavages, the easiest strategy for maintaining some semblance of order has historically been to play various factions off one another in hopes of preserving a rough balance of power among them, with none strong enough to challenge the ruling regime. Today, Sanaa continues in this tradition of divide-and-conquer politics.

By leveraging historical cleavages, Saleh has been able to raise proxy fighters and popular armies to suppress conflicts and insurrection, simultaneously ensuring that political society remains too fractious to mount a challenge to his rule. Further, because security forces are primarily assigned to protect revenue-generating infrastructure while significant combat duties are farmed out to non-regular units, the military also remains too weak to pose a threat to the regime. Nowhere has this delicate balancing act been more evident than with the extremist presence within Yemen's borders.

The regime long practiced a policy of "benign neglect" in regards to the *mujahedin* presence within its borders, precisely because they feared turning them into yet another internal foe. Using the extremists as a proxy fighting force, Sanaa could maintain a "covenant of security" with them, at the same time creating yet another faction that could be used to balance the northern conflict and southern secessionism. International pressure to conduct operations against al-Qaeda certainly complicated matters, but eventually the regime was able to calibrate its response so that it neither significantly damaged its ties to the extremists nor risked forsaking foreign military aid.

The rise of al-Qaeda in the Arabian Peninsula represents a new generation of extremists, hardened by experiences in Iraq, Saudi Arabia, and Guantánamo Bay. This new force is determined to strike at foreign and Yemeni targets alike, both on the Arabian Peninsula and the U.S. homeland. Unlike the *mujahedin* generation before it, AQAP can afford to harbor such ambitions. Instead of siding with the regime, it has exploited Sanaa's low

legitimacy to side with the regime's opponents and upset Sanaa's meticulously constructed balancing act.

Now, intense foreign pressure, and perhaps internal alarm, has prompted a new round of aggressive counterterrorism operations. Maintaining Yemen's newfound enthusiasm and successfully addressing the threat posed by AQAP to both Yemen and the U.S., however, will require more than additional aid or security assistance.

Ultimately, both the presence of violent extremists within Yemen and the government's reluctance to confront them spring from the same source: lack of political trust. Sanaa, concerned with its own survival, perpetuates the social divisions that plague and destabilize the country. Many Yemenis, on the other hand, place little stock in the government's ability to provide for them, instead relying on established tribal structures and mechanisms to secure basic services and justice. Far-reaching corruption and oil revenue-fueled patronage only serve to further isolate Yemeni society from the government, contributing to political grievances and undermining the state's legitimacy. Extremists have exploited this frustration to ally themselves with alienated tribes and find safe haven in the hinterlands of Yemen.

If we hope to uproot al-Qaeda and prevent subsequent Yemen-based attacks on U.S. targets, it will be crucial that we understand and confront these deeply entrenched challenges to Yemeni stability, that we treat Yemen as a fragile state and not merely a security risk. Beginning to address, let alone solving, the country's underlying problems will require convincing Yemenis—especially the government—to dance with one another, instead of with snakes.

APPENDIX

APPENDIX A

Sa'dah (Houthi) Conflict[283]

Round of Fighting	Description	Overall Casualties	Consequences
1. June – September 2004	Hussein al-Houthi killed. Sanaa declares unilateral ceasfire.	500-1000 killed.	Underlying causes not resolved. Sporadic fighting continues.
2. March – May 2005	Sanaa accuses Houthis of terrorism, launches "counterattack."	1,500 killed.	Government claims victory. Low-intensity fighting continues.
3. Late 2005-Early 2006	Government-supported tribes clash with Houthis.	Estimates unavailable.	Government appoints new Sa'dah governor more acceptable to Houthis. Conflict temporarily suspended.
4. January – June 2007	Government recruits anti-Houthi tribesmen and militants to meet supposed Houthi threats to renew fighting.	As many as 4,000 killed.	Qatar arranges ceasefire and pledges Sa'dah reconstruction.
5. April – July 2008	Government accuses Houthis of violating ceasefire agreement.	50-100 killed.	Government declares unilateral ceasefire.
6. June – November 2009	Sanaa launches Operation SCORCHED EARTH against rebels after accusing them of violating government's 2008 unilateral ceasefire.	2000+ killed.	Indiscriminate bombing by military escalates conflict; local tribes join Houthis; fighting spreads to Amran and Hajjah governorates. Up to 100,000 civilians left homeless since 2004 start of conflict.
7. November 2009 – Present	Saudi military strikes Houthis in Sa'dah, creates buffer zone, and sets up naval blocked after Houthis kill Saudi border guards. Abdul-Malik al-Houthi killed.	100+ killed (as of November 23, 2009).	Polarization of conflict, rising potential for Saudi-Iranian proxy war as Tehran denounces "Wahhabi state terrorism" against Houthis. 50,000 more civilians homeless.

[283] Ahmed Al-Hajj, "Yemen's Government, Shiite Rebels negotiate end to 3-year conflict," Associated Press, June 17, 2007; Zaid al-Alaya'a and Nasser Arrabyee, "Ina slip of the tongue, Abdul-Malik al-Houthi confirmed dead," *Yemen Observer*, December 27, 2009; "Iran military denounces Saudi 'killing' in Yemen," Reuters, November 17, 2009.

APPENDIX B

Yemen Security Services Manpower[284]

Security Service	Manpower
Political Security Organization (PSO) (Reports directly to President)	Estimated at 150,000 total personnel.
Central Security Organization (CSO) (Ministry of Interior)	50,000-strong paramilitary force (Central Security Forces, or CSF).
Criminal Investigative Department (CID) (Ministry of Interior)	Estimated at 13,000 police officers and criminal investigators.
Yemeni Army (Ministry of Defense)	60,000 active-duty volunteer and conscripted troops.
Yemeni Navy (Ministry of Defense)	1,700 active-duty sailors.
Yemeni Air Force (Ministry of Defense)	3,000 active duty airmen.
Yemeni Air Defense Forces (Ministry of Defense)	2,000 active-duty troops.
"Popular Armies" (PSO*)	Estimated 20,000 proxy soldiers (numbers fluctuate across different offensives/campaigns). *"Popular armies" likely recruited and paid by PSO, although no known formal chain of command exists.

[284] *The Military Balance 2009* (London: International Institute for Strategic Studies, 2009), 270-271.

APPENDIX C

Yemeni Security Services Missions and Capabilities[285]

Security Service	Core Missions and Major Operations	Major Platforms
Political Security Organization (PSO) (Reports directly to President)	1. Intelligence collection. 2. Internal security, including extrajudicial detention facilities. 3. Organizing "popular armies" of militants.	Unknown.
Central Security Organization (CSO) (Ministry of Interior)	1. Highway/checkpoint security. 2. Internal security, including counterterrorism and extrajudicial detention facilities. 3. Special forces operations.	Unknown.
Yemeni Coast Guard Authority (Ministry of Interior)	1. Coastal Defense. 2. Counter piracy/smuggling operations. 3. Littoral/riverine warfare.	Units: ~20 Cold War-era US and French patrol and coastal combat ships.
Yemeni Army (Ministry of Defense)	1. Regime security. 2. Counterinsurgency/ domestic suppression. 3. External defense.	Tanks: ~800 US (M-60A1) and Soviet/Russian (T-54/55, T-62, T-72, T-80) MBT. Artillery: ~1000 WWII and Cold War-era US and Soviet towed and self-propelled pieces (incl. ~300 MRL), plus mortar batteries. Armored Personnel Carriers: ~900 Cold War-era Soviet units (mainly BTR-40/-60), including armored infantry fighting vehicles Air Defense: ~800 Cold War-era Soviet and US anti-aircraft guns and surface-to-air missiles.
Yemeni Navy (Ministry of Defense)	1. Coastal patrol. 2. External defense. 3. Counter-smuggling.	Missile Boats: 10 Cold War-era Soviet corvettes (*Tarantul/Osa*) with short-range missiles (*Styx/Grail*). Patrol Boats: 10 modern Australian (*Bay*) and Cold War-era Chinese anti-submarine warfare ships.

[285] *The Military Balance 2009* (London: International Institute for Strategic Studies, 2009), 270-271.

		Mine Warfare: 6 Cold War-era Soviet minesweepers. Landing Craft: 6 Cold War-era Soviet landing craft.
Yemeni Air Force (Ministry of Defense)	1. Air superiority. 2. Ground-support combat operations. 3. Power projection/airlift.	Fighter Aircraft: ~40 modern Russian (MiG-21/-29) and Cold War-era US (F-5) units. Ground Attack Aircraft: ~30 Cold War-era Soviet (Su-17/-20/-22) units; 8 Cold War-era Soviet helicopters (Mil Mi-24). Other: ~30 Cold War-era Soviet and US transport aircraft and support helicopters; ~50 training aircraft.
Yemeni Air Defense Forces (Ministry of Defense)	1. Theater air defense.	Missile Batteries: unknown quantities of Cold War-era Soviet surface-to-air and US air-to-air (AA-2/AIM-9) missiles.
"Popular Armies" (PSO*)	1. Paramilitary combat operations, including proxy warfare. 2. Support Yemen Army ground assaults. 3. Deter/terrorize rebellious populations.	Unknown.

GLOSSARY

Term	Acronym	Definition
Aden Colony		British crown colony established in 1839 in southern port city of Aden. Joined by British to West Aden Protectorate in 1963. Capital of South Yemen from 1967 to 1990.
Aden Emergency		State of emergency declared by British from 1963 to 1967 in Aden and the protectorates due to violence between tribes, unions, and British soldiers. Precipitated Britain's withdrawal from the region in 1967.
Ahmad bin Yahya		Zaydi ruler of Mutawakkilite Kingdom of Yemen from 1948 to 1962. Known as "the Devil" for his corrupt and repressive rule. Death in 1962 led to North Yemen Civil War.
Aid Harmonization and Alignment Unit		Established in the Yemeni Ministry of Planning and International Cooperation to contribute to optimizing the impact of all resources including external assistance on development and poverty reduction in Yemen.
Ali Abdullah Saleh		President of the Republic of Yemen since 1978.
Al-Qaeda in the Arabian Peninsula	AQAP	Militant Islamist organization, primarily active in Yemen and Saudi Arabia, formed by a merger of al Qaeda's Yemeni and Saudi branches in January 2009.
Bab el Mandeb		Eighteen-mile-wide strait which connects the Red Sea and the Gulf of Aden. Fourth-busiest oil shipping lane in the world.
Central Security Forces	CSF	50,000-strong paramilitary force of Yemen's Central Security Organization, located in the Ministry of the Interior.
Central Security Organization	CSO	Yemeni internal security service located in Ministry of Interior. Controls the CSF.
Committee for Religious Dialogue		Program devised under Minister for Foreign Affairs Hamoud al-Hitar to reeducate and rehabilitate imprisoned al-Qaeda members and sympathizers. Terminated in 2005.
East Aden Protectorate	EAP	British administrative territory from 1917 to 1963 encompassing much of eastern Yemen. Originally part of Aden Protectorate. Renamed "Protectorate of South Arabia" in 1963.
Federation of South Arabia		Conglomeration of West Aden Protectorate and Aden Colony from 1963 to 1967. Created by British as basis for southern Yemeni state. Became part of South Yemen upon independence in 1967.

General People's Congress	GPC	President Saleh's ruling northern-based political party.
ghorm		Tribal social convention in which all males over the age of eighteen share their tribe's financial burdens.
Gulf of Aden		Extension of Indian Ocean, separates Yemen from Horn of Africa. Connects to Red Sea through Bab el Mandeb.
Houthis		Yemeni rebel fighters named for Hussein Badreddin al-Houthi, based in the Shiite Zaydi-majority northern Sa'dah governorate. Fighting ongoing insurgency against Sanaa since 2004, and against Saudi Arabia since November 2009.
Hussein al-Houthi		Former leader of "Shabab al-Muminin" (SAM) insurgent group fighting Yemeni security forces in Sa'dah governorate. Led initial stage of fighting in June 2004. Killed by Yemeni security forces in autumn 2004.
Imam Yahya		Founder of Mutawakkilite Kingdom of Yemen in 1918. Ruled until his death in 1948. Established many forms of governance still in use by current regime. Succeeded by his son Ahmad.
Islah		Islamist coalition party, part of main political opposition in Yemen. Also provides social services.
Joint Meeting Party	JMP	Coalition of opposition political parties. Two major members are Islah and YSP.
Lower Yemen		Geographic term used generally to describe fertile lowland in southern and parts of eastern Yemen.
Mujahedin		In Yemeni context: militants who returned to or settled in Yemen in 1990s and 2000s. Used as paramilitary by Sanaa, with whom they remain on relatively good terms.
Mutawakkilite Kingdom of Yemen		First independent modern Yemeni state, informally known as "North Yemen." Ruled by Zaydi leaders from 1918 to 1962. Overthrown by Arab nationalists in 1962 and renamed "Yemen Arab Republic."
National Liberation Front	NLF	Marxist militia that fought against southern tribes, other Marxist militias, and British forces in 1950s and 1960s. Supported in part by Egypt during Aden Emergency. Eventually established People's Democratic Republic of Yemen in 1970.
North Yemen		Informal title of state encompassing northwestern Yemen from 1918 to 1990. Known as Mutawakkilite Kingdom of Yemen from 1918 to 1962, and Yemen Arab Republic" 1967-1990. Absorbed South Yemen in 1990 and renamed "Republic of Yemen."

North Yemen Civil War		1962-67 war between "republican" and "royalist" forces, even won by republicans in 1967. Began when Zaydi leader Ahmad bin Yahya's death created vacuum of power. Egypt, Saudi Arabia, Britain, and others intervened. Over 100,000 Yemenis and 25,000 Egyptians are estimated to have been killed.
People's Democratic Republic of Yemen	PDRY	Marxist-ruled state (informally known as "South Yemen") from 1970 to 1990. Major client state of Soviet Union. Fought brief civil war in 1986. Absorbed by North Yemen in 1990 upon fall of Soviet Union.
Political Security Organization	PSO	Yemeni security and intelligence service tasked with internal security, organizing paramilitary forces, and running detention centers, among other activities.
Qat		Semi-narcotic plant grown throughout Yemen. *Qat*-chewing is a common daily activity in Yemen, especially among men.
Republic of Yemen	ROY	Official name of modern Yemeni state established in 1990.
Salafi		Sunni Islamic extremist movement that maintains a strict adherence to the teachings outlined in the Quran and Sunnah.
South Yemen		Informal title of People's Democratic Republic of Yemen, 1967-1990. Absorbed by North Yemen in 1990 to form Republic of Yemen.
Umar Farouk Abdulmutallab		Suspect in Christmas Day 2009 bombing attempt of Detroit-bound Northwest Airlines flight 253. Is suspected of receiving training and guidance from al-Qaeda sympathizers in Yemen before attack.
Upper Yemen		Geographic term used generally to describe arid highlands of northwestern Yemen.
urf qabalî		Tribal customary laws.
USS Cole		U.S. Navy destroyer attacked by al-Qaeda in Aden Harbor in October 2000, killing 17 sailors.
West Aden Protectorate	WAP	British administrative territory from 1917 to 1963 encompassing much of Lower Yemen. Originally part of Aden Protectorate. Renamed "Federation of South Arabia" upon merger with Aden Colony in 1963.
Yemen Arab Republic	YAR	Official title of North Yemen state from 1967 to 1990. Replaced Mutawakkilite Kingdom of Yemen, and succeeded by Republic of Yemen after absorbing South Yemen in 1990.
Yemen Civil War		Brief 1994 civil war between northern-based Yemeni regime and southern secessionism movement, won by regime. Deepened north-south divisions within country.

Yemen Liquefied Natural Gas Company	YLNG	Project led by France's Total energy company to extract, transport, and export liquefied natural gas from Yemen. Expected to offset in part Yemen's declining oil production.
Yemen Parliamentarians Against Corruption	YemenPAC	A formal Yemeni parliamentary coalition that works to eliminate corruption in Yemeni government processes.
Yemeni Socialist Party	YSP	Yemeni political opposition party, and former ruling party in South Yemen before the unification in 1990.
Zaydis		Shiite sect dominant in Upper Yemen. North Yemen was ruled by Zaydis from 1918 to 1962. Forms around forty percent of Yemen's overall population.

STABILIZING FRAGILE STATES

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An ongoing project of the BPC, *Stabilizing Fragile States* aims to assess existing U.S. capabilities and explore those bureaucratic structures and on-the-ground instruments that can be modified or created to address the myriad threats posed by fragile states. The inability of failed states to carry out basic functions—securing their own borders, providing essential civil services and public goods, and maintaining rule of law and governing legitimacy—can spark a range of crises that might undermine U.S. strategic interests, involving terrorism, international crime, the proliferation of weapons of mass destruction, and limiting US access to vital natural resources. Neutralizing these threats posed by state failure is becoming a national security priority.

However, the U.S. cannot afford to wait until the strategic dangers of state failure materialize. Responding only once a state has already collapsed requires great effort, possibly including costly, hasty, and indefinite military intervention. A reactive policy that relies on the military for peacekeeping and post-conflict reconstruction—when such personnel lack the relevant training and are needed to serve in other capacities—is often more expensive and less effective than a preventive civilian-led response might be.

The basic assumption of this project is that *preventing* rather than *reacting* to the security threats state failure produces, is the best strategy for national security. While situations may arise that require use of military force, this project hopes to identify a preventive approach that would prove a less costly and more effective means of neutralizing national security threats emanating from failing states. However, for those cases in which state failure cannot be prevented, many of the same tools could support reconstruction efforts better than those exercised to date. Although the dynamics of state breakdown are rarely identical across countries, the project focuses on three central areas which we believe are essential to preventing state failure and promoting stabilization: Building Partner Security Capacity, Governing Services, and Civic Resilience.

The failed December 25 airliner attack by a Nigerian national significantly intensified U.S. and international attention on the country where he allegedly acquired ideological momentum and training from al-Qaeda: Yemen. Based on the Yemen case study of its Stabilizing Fragile States project, the BPC has developed a white paper showcasing both the symptoms and causes of the growing forces of extremism emanating from Yemen.

The Bipartisan Policy Center (BPC) is a non-profit organization that was established in 2007 by former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole and George Mitchell to develop and promote solutions that can attract public support and political momentum in order to achieve real progress.

To confront this challenge, the BPC seeks to develop policy solutions that make sense for the nation and can be embraced by both sides of the aisle. After reaching shared solutions through principled compromise, we work to implement these policies through the political system. The BPC is currently focused on the following issues: health care, energy and climate change, national security, homeland security, transportation and economic policy. Each of these efforts is led by a diverse team of political leaders, policy experts, business leaders and academics.

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