

CNA Conference Report

Yemen: Crossroads of Conflict

24 May 2010

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Yemen today faces a wealth of crises that threaten state failure. Its impoverished population of 25 million is expected to double by mid-century. Not only is the small hydrocarbon sector recognized to be at the end of its resources, Yemen is slated to be the first country to exhaust its water supply. President Ali Abdullah Saleh has managed to remain in power for decades by dispensing favors and playing tribes against one another, but he now faces a determined revolt by the Houthi movement in the north and a renewed independence movement in the south. Of paramount concern to the United States, al-Qa'ida has found space amid weak governance, corruption, neglect and opportunistic tribes to foster a rejuvenated network of Yemenis with jihadist experience in Afghanistan, Iraq, Saudi Arabia and elsewhere.

On 24 May 2010, CNA gathered a group of current and past policymakers, academics, and other regional experts to discuss the current situation in Yemen with a particular focus on how Yemen's neighbors might influence, for good or ill, future outcomes. This report provides an overview of the most salient issues raised by the participants.

Yemen's Challenges

Yemen today faces a number of existential challenges. Its historical underdevelopment has left the economy fragile and the population on the brink of destitution. The future looks bleak. By 2017 analysts predict the simultaneous depletion of Yemen's petroleum reserves, which are the main source of government revenue, and the underground water reservoirs that supply the densely populated highlands around the capital Sana'a. The water shortage is exacerbated by extensive cultivation of qat, which is Yemen's primary cash crop and national habit. Qat production is water intensive, and a significant portion of Yemen's freshwater is being diverted to cultivate this addictive plant. Desalination plants could be built along Yemen's coastline but pumping water up the mountains to supply the population centers in the north would be very costly.

President Ali Abdullah Saleh, who ruled North Yemen from 1978 and then the united Republic of Yemen since 1990, maintains a careful balance among powerful political divisions that run through the society and threaten the return of civil war. The rapidly growing population will continue to put strain on the country's already scarce resources, exacerbating all of the above problems. This combination of crises and challenges makes for a dire situation in Yemen, yet the shared sense among meeting participants was that these challenges can be overcome. Moreover, they argued, it is in the vital interests of Europe, the U.S., and the Gulf states to help Yemen overcome them.

Yemen's internal cleavages pose a great challenge to the regime. A rebellion led by the Zaydi Shi'a Houthi family continues to roil the north and recently provoked armed conflict with Saudi Arabia. The Houthi movement, an Islamic revivalist movement based in Sa'ada prov-

ince along the Saudi border, is devoted to promoting and protecting Zaidi identity and has been particularly vocal in denouncing Saudi Arabia's promotion of Wahabi Islam in Yemen. Pushing back against perceived religious repression and economic exclusion by the Saleh regime, the Houthis have demanded the President's ouster. The Saudis and President Saleh cooperate in attacking the Houthis, each for their own reasons. Though the Saudis have lost up to 2,000 soldiers battling the Houthis, their efforts have not dislodged the rebels from their mountain redoubt.

In the south, various factions affiliated with the former People's Democratic Republic of Yemen (PDRY) voice growing dissent. Southern discontent, which is exacerbated by Yemen's current economic problems, has origins in the 1990 unification of the PDRY and the Arab Republic of Yemen. The new constitution of the unified state consolidated presidential power, which allowed Sana'a to distribute southern land to northerners, and take control of Yemen's oil, which is produced in the south. Moreover, the southern Yemeni city of Aden, the largest natural deepwater port in the region, has not become the nation's commercial capital as promised under the 1990 unity accords. Southerners believe that because of unification they lost the rule-based state of the PDRY that provided good social services and instead now face discrimination in an ineffective state that favors northerners over southerners. In the past two years, protests have spread in the South and include calls for self-determination.

Despite the heightened tensions, a re-division of the state seems unlikely. The solution to Yemen's internal conflicts is political and economic. As a panelist explained, there is not a unified southern independence movement, but an array of groups that often have different – and even competing – objectives. Such disunity discourages secession, though the growing momentum of these groups indicates a serious disillusionment with the current government. Moreover, Yemenis share a common identity and no regional or international actors seriously support southern independence. The Houthi revolt is also primarily an expression of political discontent that can be resolved by political means. Solutions to both grievances will require reform in Sana'a to bring greater responsiveness and accountability to the government: Saleh reportedly approved a 10-point plan for reform developed by his U.S.-educated Deputy Minister of Finance, but it remains largely unimplemented. One participant suggested that friends of Yemen should coordinate their interaction with President Saleh and encourage him to work for national reconciliation, deliver goods and services, and establish a stable and enduring central authority that addresses the needs of the whole population.

Meeting participants cautioned that the United States must not be shortsighted in focusing only on al-Qaeda. Anti-terrorism operations in Yemen need to have a Yemeni face with low collateral damage and low visibility for outside assistance. An overt U.S. presence would exacerbate fragile political crises, and provide targets and strategic communications advantages to al-Qaeda. The U.S. should recognize that Yemenis do not see al-Qaeda as an existential threat and give it a lesser priority than other issues confronting the country, and President Saleh combats al-Qa'ida largely because he benefits from U.S. assistance to do so. As a result, Saleh may not truly work to eliminate the problem so that he can assure continued U.S. support. Several participants noted that Washington's narrow focus on AQAP has caused the U.S. to lose potential leverage over Sana'a. For example, in 2006 the U.S. halted Millennium Challenge assistance negotiations with Yemen following the "escape" of the convicted leader of the attack on the U.S.S. COLE. While the reaction was intended to convey Washington's resolve to hold Yemen accountable in combating al-Qa'ida, it ultimately sent the message that the U.S. is an unreliable partner for Yemen.

Yemen and Saudi Arabia

Despite a historical reluctance to deal with its southern neighbor, Saudi Arabia today is actively involved in Yemen and has significant influence in the country. The traditional Saudi approach to Yemen was described by one speaker as a policy of “strategic enfeeblement,” through which tribal and regional actors were funded in an effort to bypass and undermine the central government. In the mid-nineties, however, this strategy backfired when the Saudis supported a southern group in a failed bid at secession. Since that time, Saudi leadership has learned to live with Saleh, as Riyadh does not want to risk prompting the collapse of Saleh’s government and inviting chaos on its southern border.

Saudi’s Yemen policy tends to be compartmentalized, which complicates their ability to maintain a cohesive policy toward Sana'a, and sometimes leads to stasis. Portfolios related to Yemen are handled by different members of the ruling family, muddling the Kingdom’s overall approach to Yemen. Prince Sultan bin Abdul-Aziz holds the Yemen portfolio and heads an aging advisory council on Yemen. His son, Khalid bin Sultan leads the Saudi Special Forces and oversaw military operations against the Houthis, while Muhammad bin Nayef oversees counter-AQAP missions.

The dispersal of responsibility for Yemen policy in Riyadh amplifies the Saudi tendency to deal with Yemen via personal contacts and informal politics. Saudi leaders have made frequent use of tribal contacts in Yemen in an effort to expand their influence. Yet the amount of direct influence purchased by the cash poured into tribal coffers, madrasas, and Islamic institutions is unclear. Still, what is clear is that Saudi Arabia maintains a wide network of contacts that could potentially be used to advance aspects of a coordinated, whole-of-Yemen policy.

Several participants expressed concern that the Saudis have overstated the matter of Iranian support for the Houthi movement. They noted not only a shortage of publicly available evidence, but also traditional Twelver Shi’a attitudes towards the Zaydis, which range from antipathy to ambivalence. It was also noted, however, that “crying wolf long enough may bring the wolf to the door,” and that the continuous emphasis on Iranian support may have actually increased Iranian interest and willingness to get involved in Yemen.

When it comes to working with Yemen, the Saudis have deep pockets and a wealth of experience to draw upon. Panelists suggested that their experience and expertise should be courted to support U.S. efforts. Many Saudi officials have influence in Sana’a and contacts throughout Yemen that other foreign players cannot match, but so far the Saudis have had difficulty turning these assets into an effective and comprehensive strategy.

Yemen and the GCC

When Ali Abdullah Saleh backed Saddam Hussein’s invasion of Kuwait in 1990, it proved a costly move that Yemen’s GCC neighbors have not forgotten. Saudi Arabia expelled hundreds of thousands of Yemeni workers in retaliation, and other GCC states followed suit. The sudden repatriation of more than 800,000 workers and the loss of their remittances was a severe economic blow that continues to have consequences for Yemen. Yet in the decades since Desert Storm, GCC nations appear to have accommodated themselves to Saleh’s continuing rule and are no longer actively seeking to undermine the government in Sana’a, as they once did. The GCC seems to have realized that a stable and unified Yemen is in the region’s interest, and that Saleh is the best option to provide that stability.

Among these states, Qatar and the United Arab Emirates have been much more active in expressing support for Yemen, while Kuwait and Bahrain have more closely followed Saudi's lead in maintaining wariness of the regime in Sana'a. The UAE has agreed to partner with the Netherlands as part of the Friends of Yemen effort to discuss improving governance and promoting rule of law in Yemen. To the annoyance of the Saudis, Qatar has recently tried to negotiate an end to the Houthi rebellion. Oman, which once put down a rebellion in its Dhofar region sponsored in part by Yemeni Marxists, is understandably somewhat wary of Yemen. Yet the Omanis have funded development projects in al-Mahrah and Hadramawt provinces, and Oman-based Yemeni businessman Shiekh Ahmed Farid al-Aulaqi's Desert Line Company was involved in a major road construction project in southern Yemen.

Participants noted that Yemen is unlikely to have the opportunity to join the GCC, despite periodic discussion of this issue. The demographic, political, and economic differences between Yemen and the GCC countries are sizable, and as one participant predicted, Yemeni membership would exacerbate tensions resulting from that imbalance. Opening the GCC labor market to Yemeni workers would significantly improve economic conditions in Yemen as would major investment in modernizing the port of Aden where Dubai Ports World has a management contract. However, GCC states do not look at the issue with the same point of view. For them there is less risk in importing "docile" laborers from South Asia than from an impoverished and somewhat resentful Arab neighbor. Similarly, while developing the port of Aden would provide needed economic stability to a desperate neighbor, it would also compete directly with GCC ports of Jeddah, Salalah, and Jebel Ali.

Regional states are also reluctant to give large amounts of money for Yemen development because they do not have the ability to administer and monitor such grants. A participant observed that Kuwait and UAE are fearful of being unable to manage the money once it reaches Yemen. They worry that the possibility of cash being funneled off to extremist groups would give Western governments and international organizations an opportunity to punish them for supporting terrorism. Despite these obstacles, the participants agreed that GCC cooperation and coordination is possible and should be a priority topic for discussion between Western leaders and their GCC counterparts.

Yemen and the Horn of Africa

American government agencies tend to divide the world by drawing a line down the Red Sea and across the Gulf of Aden, distinguishing the Middle East from Africa. An unfortunate side effect of this artificial division is that specialists and policymakers alike tend to neglect the vital relationships that Yemen maintains with its close neighbors across the sea. There are profound cultural and linguistic similarities between Yemen and the Horn of Africa; geographically, they are two parts of the Great Rift Valley separated by the Red Sea. Trade between the continents and along the Indian Ocean littoral has existed for millennia and continues today. The Gulf of Aden and the Red Sea should be viewed as a highway, not a divide. Weapons, diesel fuel and goods flow from Yemen to Africa, particularly to Eritrea and Somalia. Livestock, various contraband, and people are trafficked from the Horn to Yemen. Officially there are 150,000 Somali refugees in Yemen but the number is certainly higher, a fact which reinforces the connections between Yemen and Somalia.

Failure by policy makers to consider the region as a whole makes it difficult to effectively address the broader interrelation of conflicts. Southern Sudan is being called the world's first

pre-failed state. The Ethiopia and Eritrea conflict is at an impasse. The border between Eritrea and Djibouti is unstable, prompting Qatar to dispatch soldiers to Djibouti to prevent hostilities. The struggle between the Ethiopian central government and ethnic Somali separatists in Ogaden continues to fester. In Mogadishu, the Transitional Federal Government (TFG) remains a government on paper only, while fighting between al-Shabab and other groups has sent hundreds of thousands of Somalis fleeing to Yemen, Djibouti, and Kenya. In short, any number of conflicts in the Horn of Africa could explode, having a direct impact on the stability of Yemen.

Conclusions & Recommendations

The crises impacting the integrity of the Yemeni state are complex and integrally tied to regional relationships. Yemen can both benefit and suffer from the influence of its neighbors on the Arabian Peninsula and Africa. Yemen's GCC neighbors could provide financial subsidies, training, and jobs that could have a real impact on Yemeni development, whereas conflicts in the Horn of Africa could easily upset the fragile condition of the Yemeni state. At the heart of this maelstrom are President Ali Abdullah Saleh and the government in Sana'a. So far, the failure to address the state's underlying weaknesses by addressing the very real political and economic grievances of the Yemeni population has only contributed to the preponderance of crises, and created an opportunity for AQAP to recoup and present a danger to the United States, Saudi Arabia, and its other declared enemies. Amid this chaos, U.S. policy for Yemen has been undermined by inconsistency. Fluctuating support and an almost haphazard use of carrots and sticks has sent Yemen the message that not only is the U.S. an unreliable partner, but that Washington will respond with an influx of assistance when a problem becomes a crisis.

It would be neither prudent nor possible for the U.S. to attempt to take on AQAP with overt and direct military force. Rather, we must learn to lead a multilateral approach that addresses Yemen's underlying concerns, therefore empowering Saleh to stabilize Yemen and close the space where al-Qa'ida can thrive. Western leaders should quietly discuss with GCC counterparts the strategic threat of state failure in Yemen and seek opportunities to collaborate and coordinate international efforts. The U.S. must remain focused on rooting out AQAP, but we must also realize that comprehensive political and economic development is the ultimate solution to Yemen's problems, including those that threaten our own security.