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Yemen in Crisis – Consequences for the Horn of Africa

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Sammanfattning

Jemen firar 20-årsjubileum av landets återförening 2010. Det kommer dock inte att vara mycket till firande. Jemen, som är en av världens äldsta civilisationer, genomgår stora svårigheter och har en osäker framtid framför sig. Delar av problemen utgörs av en separatiströrelse i söder, Houthirebeller i norr och eskalerande aktiviteter av al-Qaida. Jemen är dessutom det fattigaste landet i arabvärlden samt en tillflyktsort för islamistiska jihadgrupper. Dessa faktorer tillsammans har försvagat Jemen och lett till försämrad säkerhet i landet.

För närvarande har Jemen flera allvarliga problem, såsom vapensmuggling, människosmuggling, piratverksamhet och terrorism. Detta är delvis resultatet av statens bristande kontroll över det egna territoriet. Dessutom har den dåliga ekonomiska utvecklingen lett till uppkomsten av en krigsekonomi där olika aktörer berikar sig genom illegal verksamhet. Denna rapport, som är skriven under januari och februari 2010, kommer att diskutera några av de akuta utmaningar som Jemen står inför.

Ett antal slutsatser är dragna i denna rapport. En slutsats är att Jemen inte är en havererad stat, åtminstone inte för tillfället. Dock försämras nivån på det politiska, sociala och ekonomiska systemet kontinuerligt. Om den negativa trenden inte bryts inom kort, kommer Jemen troligtvis att följa samma öde som Somalia på andra sidan Mandabsundet. Om Jemen fallerar som stat, kommer det att leda till fortsatt instabilitet och en ökning av illegala aktiviteter samt terrorverksamhet. Detta skulle innebära omfattande konsekvenser för länderna kring Afrikas horn. En annan slutsats som dragits är att Jemen behöver internationellt stöd (politiskt och ekonomiskt) för att bekämpa problemen med den krisdrabbade ekonomin och den utbredda fattigdomen samt stimulera en ekonomisk utveckling som förbättrar livssituationen för den snabbt växande befolkningen.

Summary

Yemen will celebrate the 20th anniversary of national unification in 2010. But it will not be much of a celebration. Yemen, one of the world's oldest civilizations, is experiencing severe difficulties and faces an uncertain future. Some of the problems are a violent Houthi rebel group in the north and increasing al-Qaeda activity. Furthermore, the country is the poorest in the Arab world as well as a haven for Islamic jihadists. These factors together have weakened Yemen and have resulted in a deteriorating security situation in the country.

Currently Yemen is having a myriad of serious security problems such as arms- and human trafficking, piracy and terrorist activities. These are consequences of poor state control over Yemeni territory. Furthermore, deteriorating economic development has transformed the Yemeni economy into a war economy where different entrepreneurs are seeking to enrich themselves through illegal activities. This report, written during January and February 2010, will discuss some of the urgent issues facing the country.

There are a couple of conclusions drawn from this report. One is that Yemen is not to be considered a failed state, at least not for now. However, the health of the Yemeni political, social and economic systems is getting continuously worse. If this trend is not reversed in the near future, the country is likely to follow the same path as Somalia, located just a short distance away across the Mandab Strait. If this happens, it will lead to further instability and strengthening of illegal and terrorist activities with enormous consequences for the Horn of Africa countries. Another conclusion is that Yemen needs international support (political and economical) to combat the political crisis in the country, to combat the widespread poverty and to promote economic development to improve the lives of the rapidly growing population.

Keywords: Yemen, al-Qaeda, Sanaa, Saada, Somalia, Saudi Arabia, Iran, Piracy, Arms Sales, Terrorism, Houthi, Horn of Africa, Arabian Peninsula, Puntland.

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ACRONYMS AND ABBREVIATIONS

AQAP - Al-Qaeda in the Arabian Peninsula
BPD - Barrels Per Day
GDP - Gross Domestic Product
GPC - General Popular Congress
IDP - Internally Displaced Person
IMF - International Monetary Fund
ME - Military Expenditure
NLF - Marxist National Liberation Front
PDRY - People's Democratic Republic of Yemen
UNHCR - UN High Commissioner for Refugees
YAR - Yemen Arab Republic
YSP - Yemeni Socialist Party

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1 Yemen and the Horn of Africa

1.1 Introduction

As 2010 begins, a number of foreign policy issues are already vying for the very top level of international attention. One of those issues is the current developments in Yemen.

After two decades of civil strife in the north and in the south, but with relative stability at country level, Yemen now faces unprecedented challenges. At the heart of its problems is an alarming economic crisis. Falling exports of oil have resulted in a substantial fall in the government's revenue and a worsening economic outlook. In addition to that, the war in the north with the Houthi rebels is taking up a large part of the government's budget. There are other problems facing the Yemeni economy. A civil war that keeps investors out of the country, widespread corruption, high inflation and the falling value of the local currency are just a few of the economic challenges.

The result of this economic weakness is political instability, which in turn attracts militant organizations and regional actors to the country. Al-Qaeda's recent regrouping of its operations in Saudi Arabia and Yemen to form a regional power centre in Yemen is in itself an indication of the power vacuum in the country. Politically, unrest in the south¹, a rebellion in the north, and a new generation of al-Qaeda operatives are making the already difficult challenges even deeper. Yemen received renewed attention over the Christmas holidays as the Nigerian student Umar Farouk Abdulmutallab tried to blow up an aeroplane over Detroit. He is said to have been trained at a Yemeni al-Qaeda camp.

Far from media coverage, bloody fighting has been going on in Yemen's northern province of Saada since 2004. The fighting intensified in the middle of 2009 and even dragged in the northern neighbour, Saudi Arabia. Many people have lost their lives and more than 100,000 have been displaced by the clashes between government troops and the north-western Houthi rebels. These rebels belong to the Zaydi sect, a branch of Shia Islam in the mainly Sunni dominated country. The conflict has acquired a regional dimension, with the Yemeni authorities accusing Iran of backing the rebels, while the rebels accuse Saudi Arabia of supporting the Yemeni government.

¹ South Yemen became an independent state following the end of British rule in 1967. It was united with the north in 1990. Southerners seceded in 1994, sparking a short-lived civil war that ended with the region overrun by northern troops. Once again, the southern separatists are gaining momentum with the aim of obtaining independence for the region. Separatist leader Tareq al-Fadhli is in charge of the Southern Movement who demands disengagement from Sanaa.

Interrelated economic and political challenges are converging to threaten the stability of Yemen. The increasing instability in Yemen has given way to rising fears in the region. A Shiite revolt in the north combined with a humanitarian crisis and growing poverty have created grounds for instability. This could affect security and political developments not only in the Gulf region, but also in the countries across the Mandab Strait. There are also concerns about the proximity of the failed state Somalia and the connections between the pirates from Puntland and Yemen across the Gulf of Aden. If the necessary steps are not taken, Yemen is at risk of becoming another failed state. This will have consequences for the Horn of Africa countries, where we are already seeing global challenges in terms of arms sales, human trafficking and terrorism. A Yemeni failed state will most likely further enhance the links between the pirates in Somalia and Yemen.²

1.2 The Aim of this Study

Geographically Yemen is a part of the Arabian Peninsula. However, an analysis of Yemen should have a wider perspective. In this wider framework, a study of Yemen will also cover the Horn of Africa as well as the Arabian Peninsula. In many respects, Yemen's problems more closely approximate those of neighbouring countries in the Horn of Africa. A breakdown of Yemen would have consequences beyond its national borders.

If Yemen tipped further into instability, this could widen the opportunities for al-Qaeda militants based in Yemen to launch attacks in a region that sends oil to petroleum-dependent economies around the world. It will also encourage Somali pirates to use Yemen as a logistical base. Since the government does not have full control over its territory, the illegal activities emanating from Yemen will continue to grow. In the light of this approach, the aim of the study is to look into the security challenges facing Yemen and the implications for the Horn of Africa.

1.3 Method and Material

This study consists of a combination of qualitative and quantitative methods (descriptive statistics). It is based on both primary and secondary sources, including books, academic journals, magazines, newspapers as well as a telephone interview.

² For more background information on Yemen's political system and political parties, see chapter 4 and Appendix 3.

1.4 The Outline of the Study

The study consists of five chapters. Chapter two, following this introduction, presents an economic perspective on Yemen's economy, trade and military expenditure. The reason is that many of Yemen's security problems are the results of the poor economic development. In chapter three, the implications of the deteriorating Yemeni economy and political development for the Horn of Africa region are examined. In order to put Yemen in a regional context, this study will briefly go through Yemen's historical background and its connections with regional powers (Saudi Arabia and Iran) in chapter four. The study ends with some final remarks in chapter five.

2 Yemen: The Economic Dimension

Many of the serious problems facing Yemen today are partly a consequence of lack of economic development. In the absence of job opportunities and a reliable central government, people tend to engage in many sideline businesses such as drugs, arms smuggling and pirate activities in order to survive. Although these problems are not unique to Yemen, they reflect a weak state with weak political institutions and lack of legitimacy among the people. Circumstances like these have created similar serious problems in other countries, such as Somalia and to some extent Pakistan, before.

At the heart of the country's problems is a looming economic crisis. Yemen's oil reserves are fast running out, with few viable options for a sustainable post-oil economy. Falling oil reserves and higher extraction costs have resulted in falling oil production.³ This has led to a big hole in the government's budget, which is already suffering from the high costs of the war in the north. According to the Yemeni Foreign Minister, the budget deficit for the coming five years is 8 billion US\$, which means that Yemen will need between 2 billion and 2.5 billion US\$ each year to cover the deficit.⁴ This is a substantial amount of money for a poor country such as Yemen.

At the time of unification in 1990, the Yemeni state debt was approximately twice the size of the country's gross domestic product (GDP). This was hardly a satisfactory departing point for the young republic. Tough political and economic discipline was needed to turn the country around. Instead, in the years 1990–94⁵ the political deadlock between the two main parties in Yemen prevented the introduction – and indeed the execution – of a sound macroeconomic policy.

The consequences of the lack of a concrete economic policy were worsening deficits in the government's accounts and the public debt. Major political parties were willing to spend money in order to buy support from the public. When the fighting was over in 1994, the country was forced to seek help from international institutions, and the International Monetary Fund (IMF) became involved. In consultation with the IMF, the government agreed to a "structural adjustment" programme with the aim of bringing Yemen into the global economy and economic organizations. In addition to this and in order to deal with Yemen's urgent needs, the IMF stepped in with 190 million US\$ in 1996 and another 80

³ Telephone interview with Jan Thesleff, the Swedish Ambassador in Saudi Arabia, who is also accredited to the Republic of Yemen, 3 February 2010

⁴ E. Sohlman, *Våra problem kan drabba hela världen*, Fokus, 29 January 2010, Retrieved 5 February 2010 from <http://www.fokus.se/2010/01/vara-problem-kan-drabba-hela-varlden/>

⁵ A short civil war in 1994 between the southerners and northerners ended with northern victory and survival of the united Yemen.

million US\$ from the World Bank shortly after.⁶ These measures were meant to stabilize the economy and the Yemeni currency, which had been in free fall.

This chapter discusses the economic performance of Yemen. Since the country's economy and trade are heavily depending on oil and oil-related products, statistics on Yemen's total trade in oil are also presented.

2.1 Trade: Energy-Based Exports

From 2003 to 2007, Yemen's exports increased by on average 13.8 percent each year to 6.3 billion US\$. During the same period, imports increased on average by 22.5 percent each year and amounted to 8.3 billion US\$ in 2007.⁷ Due to higher oil prices, exports increased in 2008 reaching almost nine billion US\$, while import reached almost ten billion. Thus the country ran a trade deficit of almost one billion US\$ in 2008.⁸

Yemen's main trading partners are the countries of Asia, especially where exports are concerned. China is the main market for Yemen's exports of oil and oil-related products. Almost one-third of these exports are to China. Other major markets for Yemen's exports are Thailand and India. Regarding imports, the trading partners are more diversified. The United Arab Emirates, the European Union countries, China and the USA account for the lion's share of the Yemeni imports. In general, imports consist of agricultural products, fuel, and mining and manufacturing products.⁹

Oil production is very important for Yemen and its economy. Therefore, at the beginning of the 21st century, the government of Yemen announced a production target of one million barrels per day (bpd) for 2006.¹⁰ As long as exports of oil continue to increase, they will bring in hard currency to the central government in Sanaa. On the other hand, if oil exports decrease or the price of oil drops, the net income from exports will fall.¹¹ Current production stands in sharp contrast to the proposal targets of the government.

⁶ P. Dresch, *A History of Modern Yemen*, Cambridge, Cambridge University Press, 2002, pp. 198-209

⁷ Statistics from UN Comtrade, *Country Yemen*, Retrieved 9 January 2010 from <http://comtrade.un.org.ezproxy.ub.gu.se/pb/CountryPagesNew.aspx?y=2008>

⁸ World Trade Organization, *Statistics for Yemen*, Retrieved 3 January 2010 from <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=YE>

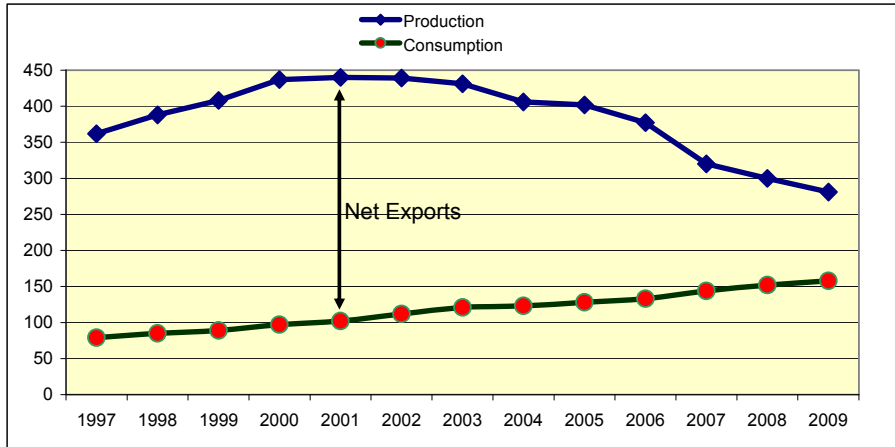
⁹ Ibid.

¹⁰ M. Javedanfar, *Yemen's economy- The region's untapped potential*, MEEPAS, 25 April 2005, Retrieved 10 January 2010 from <http://www.meepas.com/Yemeneconomicopportunities.htm>

¹¹ US Energy Information Administration, *Yemen Energy Profile*, Retrieved 3 January 2010 from http://tonto.eia.doe.gov/country/country_time_series.cfm?fips=YM

The figure below shows production and consumption of oil in thousand bpd between 1997 and 2009. The gap between the production and consumption is the net exports.

Figure 1: Production and Consumption of Oil in Thousand BPD, 1997–2009



Source: Statistics from US Energy Information Administration

The Yemeni oil production probably peaked in the years around 2000. Firstly, oil exports have declined sharply in recent years as shown in the figures above.¹² Secondly, Yemeni domestic consumption has risen constantly over that period (see figure 1). The result of these two trends is that the amount of oil Yemen is capable of exporting is falling resulting in reduced inflows of foreign currency. According to some estimates (from the World Bank, for instance) by 2017 the government of Yemen will earn no income at all from oil. So it is imperative that the country prepare for a post-oil economy.

2.2 Economic Growth

Yemen is one of the least developed countries in the world and is the poorest country in the Middle East. This is despite its natural resources, which include oil, gas, and abundant tourism attractions.¹³ With a population of approximately 25 million people, and total GDP of 26.5 billion US\$ in 2008, Yemen's GDP per

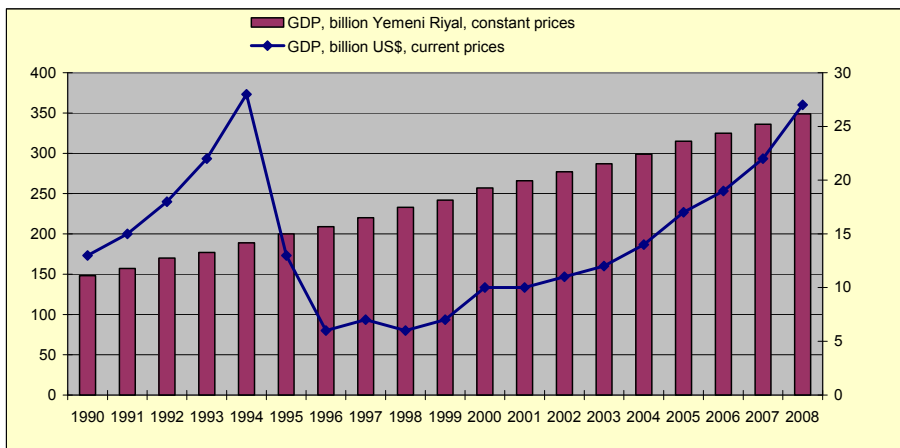
¹² From more than 450,000 bpd at the peak in 2003 to roughly 280,000 bpd in 2009. This is the lowest production capacity in the last 15 years.

¹³ Javedanfar, 25 April 2005

capita is around 1,000 dollars per year.¹⁴ One of the biggest problems facing the country is its high population growth. With a growth rate of 3.7 per cent per year, the Yemeni population will double in the coming 20 years.¹⁵

Figure 2 shows Yemen's GDP after unification, both in local currency and in US\$. It should be noted that GDP in local currency has been rising steadily since unification. However, GDP expressed in US\$ dropped dramatically in the mid-1990s. There are two explanations for this development. First, the civil war in the mid-1990s wiped out a large part of the Yemeni GDP. Second, the value of the Yemeni riyal versus major currencies dropped considerably. This meant that GDP in dollar terms decreased, even if the value of the nation's GDP in local terms showed growth

Figure 2: Yemen's GDP in Riyal (constant prices) and in US\$ (current prices) 1990–2008



Source: Statistics from International Monetary Found, IMF

2.3 Military Expenditure

What is the correlation between military expenditure in a country such as Yemen and economic growth? Generally speaking, there are two main alternative views. The first view would suggest that there is a positive correlation between military expenditure and economic growth in the sense that economic growth in a country would eventually lead to higher military expenditure. It would also imply the

¹⁴ World Trade Organization, *Statistics for Yemen*, Retrieved 3 January 2010 from <http://stat.wto.org/CountryProfile/WSDBCountryPFView.aspx?Language=E&Country=YE>

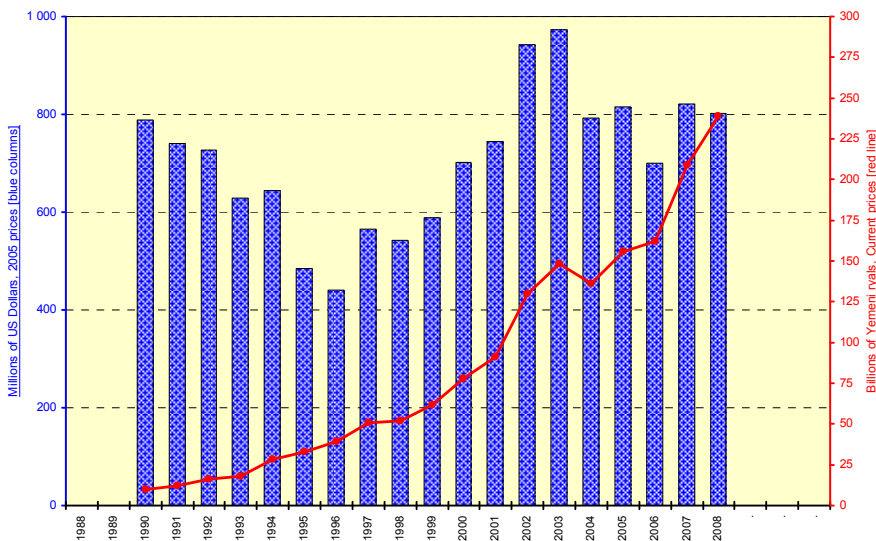
¹⁵ Globalis, *Yemen*, Retrieved 10 January 2010 from http://globalis.gvu.unu.edu/indicator_detail.cfm?Country=YE&IndicatorID=132#row

converse – higher military expenditure would have positive effects on economic growth.¹⁶ This hypothesis would be applicable to many developed countries.

The opposite view would suggest that there is instead a negative correlation between military expenditure and economic growth. The excessive amounts allocated to military expenditure by the Soviet Union and other communist states during the cold war certainly harmed social and economic development in these countries, and are one of the most important explanations as to why these states broke down.¹⁷ This view would be the most likely one to apply to Yemen given its political, economic and military development.

Yemen's economic growth during the last 15 years has been high. However, since its GDP is heavily dependent on oil and other petroleum products, changes in oil prices will have a direct impact on GDP. Since the price of oil has been on the rise during the last few years, Yemeni GDP shows big improvements. Figures 3 and 4 show military expenditure in Yemen in local currency, in US Dollars and as a share of GDP.

Figure 3: Yemen's ME in Million US\$ and Billion Yemeni Riyal 1988–2008

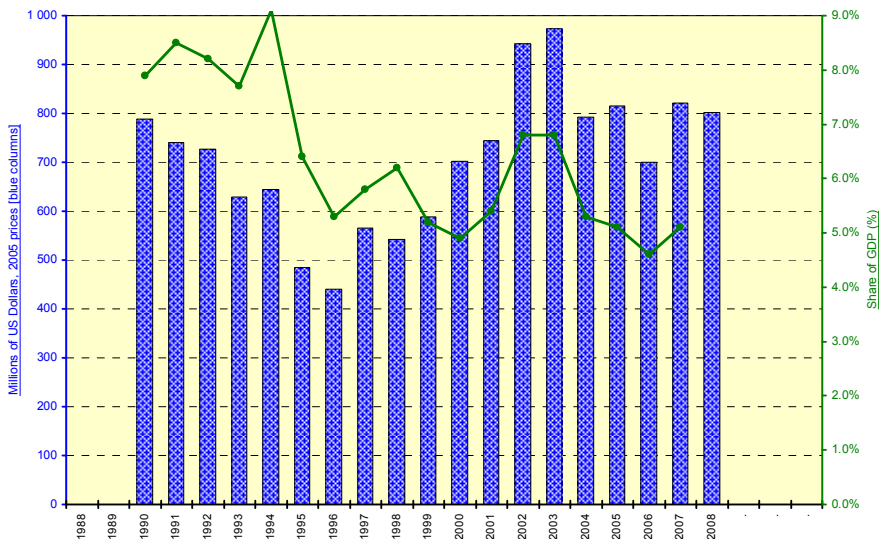


Source: Data adapted from the SIPRI Database

¹⁶ B.-G. Bergstrand, *A Few Comments on the Relationship between Economic Growth and Military Expenditures in Some Selected Countries*, Stockholm, Swedish Defence Research Agency, 1 October 2009, pp. 1-2

¹⁷ Ibid.

Figure 4: Yemen's ME in Million US\$ (2005 Prices) and as a Share of GDP (%) 1988–2008



Source: Data adapted from the SIPRI Database

It should be noted that military expenditure in local currency terms increased dramatically between 1990 and 2008, while the increase in US\$ terms has not been as marked. The reason for this is that the Yemeni rial has gone through a substantial devaluation. Another observation is that military expenditure in US\$ terms is close to the highest point since unification. The rapid economic growth has partly led to high military expenditure (approximately 30–40 per cent of the total state budget is devoted to the military).

□ □ □

A summary of this chapter tells us that the Yemeni economy is suffering from multiple problems. Falling oil production, decreasing net exports of oil, high inflation and high unemployment are just a few issues mentioned. On top of this, the deteriorating economic situation and the lack of sound macroeconomic management have created a war economy. This has consequences not only for the Yemeni people, but also for the region as a whole. In the following chapter, we will take a closer look at some of the major problems as regards the Horn of Africa. The roots of problems such as arms smuggling, piracy, human trafficking and terrorism are the weak Yemeni state and the widespread poverty in Yemen. These factors force many Yemeni people to engage in illegal activities with links to the Horn of Africa countries, especially Somalia.

3 The Destabilizing Links with the Horn of Africa

Yemen is since long back affected by security problems. Some serious terrorist attacks have been taking place in Yemen in the last decade. In 2000, 17 US sailors died and many more were injured when suicide bombers attacked the US Navy destroyer *Cole*, which was refuelling in Aden. In 2002, a French tanker, the *Limburg*, was also the victim of a terrorist attack off the coast of Yemen.

Since June 2004 the central government has been fighting a rebel Houthi group from the northern province of Saada. The war has resulted in thousands of casualties and enormous destruction. Since 2004, the region has been largely ignored and marginalized. The religious dimension, which was successfully managed for a long time, has resurfaced. The two parties signed a ceasefire in February 2008 but the truce fell apart just a month later as battles broke out again. Intermittent violence continued, and the Houthis have proved to be quite resilient and successful in gaining control of land in the northern border region of Saada. In August 2009 the army launched an offensive against the rebels, which provoked fierce retaliation.¹⁸

The instability caused by Yemen's internal development has weakened the state's ability to fight illegal activities in the country. Furthermore, the extremely low level of economic and social development in Yemen has forced Yemeni people to engage in activities such as arms and human trafficking, cooperation with Somali pirates and other criminal activities across the Mandab Strait. Terrorism is also an activity that links Yemen to the Horn of Africa, especially to Somalia.¹⁹ Terrorism is apart from economic incentives also politically motivated. These issues and their impact on the Horn of Africa are discussed below. This chapter also analyzes terrorism and the presence of al-Qaeda.

3.1 Arms Smuggling

Illegal arms sales to and from Yemen, are not a new phenomenon. Yemen has been home to an extensive network of arms sales through various arms markets. The government of Yemen had already started a programme to control the arms sales following 11 September, 2001. It embarked on a widely known weapons buy-back programme, hoping to disarm the clans and thus neutralize the threat they posed to government itself. Although some success has been achieved,

¹⁸ Infoplace, *Yemen*, Retrieved 20 December 2009 from <http://www.infoplace.com/ipa/A0108153.html?pageno=4>

¹⁹ For further reading on Somalia, see other FOI publications such as *Somalia: Failed State or Nascent State-System?*, written by P. Haldén <http://www.foi.se/upload/projects/Africa/FOI-R--2598.pdf>

Yemen's extensive boundaries (2000 km of coastline) make it difficult to control. Consequently weapons are flowing into and out of the country. At the present time, however, the coastguard remains unable to maintain a significant presence. Besides, the long border with Saudi Arabia (1,458 km long) is extremely difficult for the government to patrol, especially considering its limited resources.²⁰

Recently the political and economic crisis in Yemen has deepened. The ongoing war in Saada province and the problems in the south have given rise to a war economy. In the current circumstances, competing ethnic groups and clan leaders are striving for new positions to expand their power and gain economic benefits. This is partly a result of the fact that many groups are marginalized and do not trust the government in Sanaa. For various clans, ethnic groups, and even army officers and state officials, the war has translated into the ability to control the border with Saudi Arabia and the Red Sea coastline in order to profit from illegal arms sales from army stockpiles. Throughout the war, army leaders routinely demanded additional weapons. Although some were used against insurgents, a significant proportion was diverted to regional (particularly Somalia) and local markets.

Across the Gulf of Aden, in Somalia, an insurgency led by al-Qaeda allies al-Shabab and other armed opposition groups has gained control of the south of the country, leaving the weak Transitional Federal Government with little more than a token presence in the capital, Mogadishu. Al-Shabab has pledged to provide arms and fighters to help al-Qaeda overthrow Yemen's elected government. Meanwhile, arms from Yemen are arriving in all parts of Somalia. Arms smuggling with Eritrea and Somalia in particular is a major concern to the world community.²¹

Al-Shabab and Hizbul-Islam are two of the main insurgents in Somalia which are involved in arms sales and terrorist activities. They both want Somalia to become an Islamic state and are thus fighting the interim government in Somalia. However, recently the two fractions have been fighting each other, possibly over power issues in the chaotic country that is Somalia.²² The world community has often expressed concern regarding the flow of arms into Somalia, where hard-line Islamist groups are battling with government forces for control of the capital. Somalia itself has been subject to a UN arms embargo for many years.

²⁰ S. Overton, *The Yemeni Arms Trade: Still a Concern for Terrorism and Regional Security*, Jamestown Foundation 6 May 2005, Retrieved 20 January 2010 from [http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[tt_news\]=471](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[tt_news]=471)

²¹ BBC, *Eritrea hit with UN sanctions for "aiding insurgents"*, 23 December 2009, Retrieved 18 January 2010 from <http://news.bbc.co.uk/2/hi/8428881.stm>

²² BBC, *Behind Somalia's Islamist Rivalry*, 1 October 2009, Retrieved 19 January 2010 from <http://news.bbc.co.uk/2/hi/africa/8284958.stm>

Nonetheless, weapons are still freely available in the Mogadishu weapons market, possibly coming directly from Yemen, or indirectly through Eritrea.²³

Recently, the UN Security Council imposed sanctions on Eritrea (Resolution 1907 imposed in 2009) because the country is backing Islamist insurgents in Somalia and is said to be involved in arms sales to different fractions there. Thus the resolution places an arms embargo on Eritrea. Furthermore, there will be travel bans and asset freezes on businesses and individuals.²⁴ Through the resolution, the UN Security Council demands that Eritrea ceases arming, training and equipping armed militant groups that aim to destabilize the region, especially in Somalia.²⁵ Eritrea has denied any involvement in arms sales to Somalia and reacted angrily to the sanctions. Eritrean officials say that the Security Council decision to impose sanctions on Eritrea is based on lies. Behind these lies are the Ethiopian regime and the US administration. Eritrea itself has been considered a terrorist state by the Ethiopian government for its support to militant organizations in Somalia, among them al-Shabab.²⁶

There is also concern about the flow of weapons to Sudan, especially south Sudan. It is believed that heavy weapons are getting there from north Sudan. Since the border areas in north Sudan are difficult to control, it is possible that weapons are coming in to Sudan from various directions including Yemen.²⁷

According to a UN report members of the Harardhere pirate group (located in central Somalia) have been linked to the trafficking of arms from Yemen to the Somali towns of Harardhere and Hoby. These cities have been two of the main points of entry for arms shipments destined for armed opposition groups in Somalia and Ethiopia, benefiting several elements in Somali society.²⁸ One of the main reasons for people becoming involved in arms sales is the marginalization of Yemeni society and deprivation, resulting in very high unemployment, especially among the young people. This is forcing many people

²³ BBC, *Eritrea hit with UN sanctions for "aiding insurgents"*, 23 December 2009, Retrieved 18 January 2010 from <http://news.bbc.co.uk/2/hi/8428881.stm>

²⁴ UN, Security Council, *Security Council Imposes Sanctions on Eritrea over Its Role in Somalia*, 23 December 2009, Retrieved 18 February 2010 from <http://www.un.org/News/Press/docs/2009/sc9833.doc.htm>

²⁵ UN News Centre, *Security Council Imposes Sanctions on Eritrea*, 23 December 2009, Retrieved 19 January 2010 from <http://www.un.org/apps/news/story.asp?NewsID=33337&Cr=somali&Cr1>

²⁶ A. McGregor, *Opposition Group Promises Attacks Following Sanctions on Eritrea for Support of Terrorism*, Jamestown, TerrorismMonitor, 7 January 2010, Retrieved 18 January 2010 from http://www.jamestown.org/uploads/media/TM_008_1_03.pdf

²⁷ L. Charbonneau, *U.S. concerned about arms flowing to south Sudan*, Reuters, 26 January 2010, Retrieved 27 January 2010 from http://www.reuters.com/article/idUSTRE60P60X20100126?loomia_ow=t0:s0:a49:g43:r2:c0.076923:b30071330:z0

²⁸ M. Harper, *Chasing the Somali piracy money trail*, BBC, 24 May 2009, Retrieved 15 February 2010 from <http://news.bbc.co.uk/2/hi/africa/8061535.stm>

to get involved in arms sales and other criminal activities: these people depend on the trade for their livelihoods. Without alternative sources of income, these dealers and brokers will not stop practising the arms trade.²⁹

Another factor behind the arms sales is the involvement of Yemeni officials in the lucrative business of arms sales. Leaders of key tribes constitute the majority of top military and security officers in Yemen. And Yemen's military controls an extensive array of commercial activities of different kinds. The weapons sales have therefore become individual business deals in Yemen. This is despite the fact that Yemen and Somalia have officially pledged to support each other concerning the arms smuggling into Somalia. However, the realities on the ground seem to be different. Various intelligence sources complain that officials at the highest levels in Yemen (people close to President Ali Abdullah Saleh's government) have been privately selling weapons to al-Shabab.³⁰

Finally, it should be noted that the weapons sales to Somalia will ultimately create problems for Yemen. Al-Shabab has declared its intention to support and to supply weapons to al-Qaeda. Paradoxically, the Yemeni central government is officially fighting al-Qaeda in the country. If the true intention of the government in Sanaa is to fight al-Qaeda, then the government should investigate the possible links to al-Shabab. Addressing the arms trade from Yemen to Somalia would be a step in that direction.

3.2 Piracy³¹

Pirate attacks in the waters off the Horn of Africa have brought international attention to the long-standing problem of piracy in the region. The Gulf of Aden and the waters outside the Somali coast are one of the most heavily trafficked maritime areas in the world. At the centre of pirate activities is Puntland in Somalia. It seems that piracy and hijacking of ships is the most lucrative economic activity in Puntland.³² There are ample incentives. Piracy has thus developed into a mini-economy, employing hundreds of people in north-eastern and central Somalia, all of whom need their share of the ransom. The pirates'

²⁹ IRIN, *Yemen: Small Arms Sales heading underground*, 14 February 2010, Retrieved 17 February 2010 from <http://www.irinnews.org/Report.aspx?ReportId=88094>

³⁰ G. Beals, *Somalia and Yemen: al-Qaeda's next hot spots*, The Root, 11 February 2010, Retrieved 17 February 2010 from <http://www.theroot.com/views/somalia-and-yemen-al-qaida-s-next-hot-spots>

³¹ For further reading on Piracy, see other FOI publications such as *State Failure on the High Seas – Reviewing the Somali Piracy*, written by K. Sörenson. <http://www.foi.se/upload/projects/Africa/FOI-R--2610.pdf>

³² A. al-Mutairi, *Puntland's Lucrative Piracy Business*, Arab News, 2 November 2008, Retrieved 5 February 2010 from <http://www.arabnews.com/?page=7§ion=0&article=113717&d=2&m=11&y=2008>

main advantage is the lawlessness of Somalia which has long been trapped in a civil war.

The increase in pirate attacks off the Horn of Africa is directly linked to continuing insecurity and the absence of the rule of law in war-torn Somalia. The absence of a functioning government in Somalia remains the single greatest challenge to regional security and provides opportunities for those engaged in piracy along the Somali coast. Somalia does not have the resources to tackle the problem without international help. One of the ambitions of the government in Somalia is to eradicate piracy in the country. But, given the fact that the government only controls a few districts of the capital, Mogadishu, it is difficult to imagine how it will deal with the pirates.³³ Most of the piracy activities are based in areas that are outside government control and where militant organizations such as al-Shabab are strong. There are reports indicating that pirates are giving as much as 50 per cent of their revenues to al-Shabab in those areas that are under the control of the militant organization.³⁴ This links the militant terrorist organizations to criminal activities such as piracy.

The two main groups are pirate networks based in different parts of Puntland. According to reports from the UN, Puntland has become the centre of piracy activities. These pirate networks are partly supported by some regional and local government officials who have benefited from piracy.³⁵ Consequently piracy off Puntland's coast has become an increasing problem for cargo ships from all over the world.³⁶ Every year an estimated 20,000 vessels pass through the Red Sea and the Gulf of Aden, either inbound to or outbound from the Suez Canal. In 2009, the number of incidents had almost doubled, although the number of successful hijackings was less than in 2008. This can partly be attributed to the increased presence and coordination of the international navies.³⁷

In 2008, when the international community intensified its effort, the pirates started to deploy even further out into the Arab Sea and the Indian Ocean. The recent increase in sea piracy incidents has had worrying effects for Yemen,

³³ BBC, *Somalia to purge piracy by 2011*, 28 October 2009, Retrieved 15 February 2010 from <http://news.bbc.co.uk/2/hi/africa/8330875.stm>

³⁴ M. Harper, *Chasing the Somali piracy money trail*, BBC, 24 May 2009, Retrieved 15 February 2010 from <http://news.bbc.co.uk/2/hi/africa/8061535.stm>

³⁵ Congressional Research Service, *Piracy off the Horn of Africa*, Retrieved 15 February 2010 from <http://www.fas.org/sgp/crs/row/R40528.pdf>, pp. 6-7

³⁶ BBC, *New Puntland Head "to end piracy"*, 8 January 2009, Retrieved 6 February 2010 from <http://news.bbc.co.uk/2/hi/africa/7817810.stm>

³⁷ ICC Commercial Crime Service, *2009 World Wide Piracy Figures Surpass 400*, 14 January 2010, Retrieved 25 January 2010 from http://www.icc-ccs.org/index.php?option=com_content&view=article&id=385:2009-worldwide-piracy-figures-surpass-400&catid=60:news&Itemid=51

especially for maritime transport, offshore oil exploration and fisheries.³⁸ According to the latest statistics for 2009, there were 116 reported attacks in the Gulf of Aden, 80 in Somalia and 15 in the Red Sea area. All these attacks are attributed to the Somali pirates. Their geographical locations vary and include the Arabian Sea, the east coast of Oman, the Indian Ocean, the Gulf of Aden and the southern parts of the Red Sea and the Mandab Strait. This means that Somali pirates were behind more than half of the world's reported attacks in 2009.³⁹

What is also worrying is that it is becoming clear that pirates in the region are using Yemen as a logistical base for their operations. The government of Yemen is trying to portray itself as part of the solution to the piracy problem in the region. However, the fact that Yemen itself is a failing or weakening state might be a part of the problem. It has a growing separatist movement in the south, an insurgency in the north, militant organizations on the rise and a collapsing economy. Yemen has become a base for pirates to operate from. Any further weakening in the Yemeni state will lead to Yemen expanding the belt of lawlessness in the region to both sides of the Gulf of Aden and becoming yet another place where pirates, smugglers and militants can thrive.⁴⁰

Piracy will probably continue to worsen unless Yemen and Somalia are made stable, because the main reason for the piracy in the Red Sea and the Indian Ocean areas is poverty in combination with a weak state and a fragile society. Regional stability is threatened by the fragile and unpredictable state of Yemen. Political turmoil in the country is likely to lead to an increase in piracy with implications for the security of shipping routes and the transit of oil through the Suez Canal. The rising number of piracy attacks in the Gulf of Aden has the potential to disrupt offshore oil exploration and the shipping of natural gas. If no action is taken, Yemen will sink further into instability, which stretches this lawless zone from northern Kenya, through Somalia and the Gulf of Aden all the way to the Arabian Peninsula.⁴¹

That will, in turn, lead to a further strengthening of piracy, which will start to attract major criminal elements. There are risks that Yemen will begin to mirror Somalia, acting as a breeding ground not only for al-Qaeda but also for legions of impoverished youths joining pirate gangs. The more the problem persists, the more likely it is that we will see Yemeni pirate expeditions on the scale

³⁸ World Bank Group, *Yemen Economic Update*, Spring 2009, Retrieved 20 January 2010 from <http://siteresources.worldbank.org/INTYEMEN/Resources/310077-1098870168865/YEU109.pdf>

³⁹ ICC, International Maritime Bureau, *Piracy and Armed Robbery Against ships*, Annual Report 2009

⁴⁰ K. Meevers, *Anti-Piracy Fight, Yemen May Be Part Of Problem*, NPR, 8 May 2009, Retrieved 25 January 2010 from <http://www.npr.org/templates/story/story.php?storyId=103904390>

⁴¹ M. Weaver, *Piracy will worsen unless Yemen and Somalia are made stable*, The Guardian, 20 November 2008, Retrieved 25 January 2010 from <http://www.guardian.co.uk/world/2008/nov/20/piracy-somalia-yemen-oil-instability>

comparable to the Somali expeditions. To prevent such a development, the international community will need to support the Yemeni government's efforts to tackle the underlying causes of the country's difficulties. This support will be fundamental in sustaining the country's long-term stability, security and integrity.

3.3 Refugees

Yemen is facing a twofold refugee problem. Firstly Yemen has to deal with internal refugees. Due to the ongoing war against rebel groups, thousands of Yemenis are fleeing from their homes to other parts of the country. The UN estimates that nearly 200,000 people have been displaced. Civilians continue to stream out of northern Yemen, where the war between government forces and Houthi rebels is still ongoing. The Saada province is badly affected. Due to water and food shortages, prices have gone up sharply. This means that more and more people are unable to meet their basic needs according to the UN High Commissioner for Refugees (UNHCR).⁴²

The situation for the internally displaced persons (IDPs), who are living in tents or deserted houses in the volatile northern Yemeni province of Saada and surrounding areas, is extremely difficult and getting worse due to cold winter weather.⁴³ The International Committee of the Red Cross recently declared that humanitarian conditions in northern Yemen are worse than ever.⁴⁴ The government of Yemen shares this view. There are reports from the capital, Sanaa, indicating serious difficulties for internally displaced refugees. Nearly 20,000 people from the Saada province have moved to Sanaa and are struggling to find shelter and income in the capital.⁴⁵

Secondly, Yemen is having major problems with external refugees. Yemen is the only country in the Arabian Peninsula that has signed the 1951 UN Convention Relating to the Status of Refugees and its related 1967 Protocol. In addition to IDPs, Yemen has been receiving thousands of African migrants since 1991 as a result of civil wars and instability in the Horn of Africa. Somalis are given

⁴² UN, *Civilians continue fleeing clashes in northern Yemen*, UN reports, 11 December 2009, Retrieved 22 December 2009 from

<http://www.un.org/apps/news/story.asp?NewsID=33219&Cr=yemen&Cr1=>

⁴³ IRIN, *IDP situation made worse by cold weather*, 7 January 2010, Retrieved 14 January 2010 from <http://www.irinnews.org/Report.aspx?ReportId=87646>

⁴⁴ C. Johnston, *Yemen rebels say completed Saudi withdrawal*, Reuters, 26 January 2010, Retrieved 27 January 2010 from

http://www.reuters.com/article/idUSTRE60P3ET20100126?loomia_ow=t0:s0:a49:g43:r1:c0.163636:b30071330:z0

⁴⁵ A. Saeed, *Over 17,000 displaced people in Sana'a in urgent need of humanitarian aid*, Yemen Times, 1 February 2010, Retrieved 1 February 2010 from http://www.yementimes.com/defaultdet.aspx?SUB_ID=33519

automatic refugee status in Yemen, while non-Somalis (mostly Ethiopians and Eritreans) must apply to the UNHCR for refugee status. Consequently hundreds of Somali migrants try to cross the sea to Yemen, taking their chance when the sea is calm. The majority of the new arrivals intend to seek a better life in the oil-rich Gulf States. Quite often people cross the sea on board fishing boats that are not designed to carry passengers. The result of this risky journey is that many refugees have lost their lives while crossing the sea to Yemen.⁴⁶

Illegal activities such as piracy, arms smuggling, terrorism and the smuggling of refugees are quite often carried out by the same actors. Therefore, actors involved in piracy in Puntland are also engaged in human trafficking activities where thousands of poor Ethiopians and Somalis are shipped in small wooden boats towards Yemen.⁴⁷

Behind the increasing inflow of the refugees to Yemen are various “push” factors as a great number of Ethiopians and Somalis are forced to leave their countries due to conflict, famine, drought and lack of job opportunities. There are also “pull” factors in the richer Gulf States, which attract many poor people from the Horn of Africa. The direction of the push and pull factors can easily change, especially the push factors. There is a growing risk of a large-scale outflow of refugees from Yemen if the domestic situation there continues to deteriorate.⁴⁸

In late January 2010 the Swedish Migration Board announced that it will prioritize refugees in the Horn of Africa, since the situation in this region is described as a humanitarian disaster.⁴⁹ If the situation in Yemen changes for the worse, or if Yemen fails as a state, we will most likely see a substantial outflow of people from the country. This will send shock waves throughout the region and exacerbate the already fragile situation for the refugees in the camps in the Horn of Africa and Kenya. This will affect European countries, including Sweden, as many Yemeni refugees will seek security outside the region. Consequently, the challenges that Yemen faces today are too important for the EU to ignore.

⁴⁶ IRIN, *Yemen – Horn of Africa: Calm sea lures African migrants*, 9 September 2008, Retrieved 15 January 2009 from <http://www.irinnews.org/Report.aspx?ReportId=80242>

⁴⁷ A. al-Mutairi, *Puntland's Lucrative Piracy Business*, Arab News, 2 November 2008, Retrieved 5 February 2010 from <http://www.arabnews.com/?page=7§ion=0&article=113717&d=2&m=11&y=2008>

⁴⁸ Telephone Interview with Jan Thesleff, the Swedish Ambassador in Saudi Arabia, who is also accredited to the Republic of Yemen, 3 February 2010.

⁴⁹ Swedish Migration Board, *Eritrean and Somali Refugees prioritised in the 2010 refugee quota*, 25 January 2010, Retrieved 9 February 2010 from http://www.migrationsverket.se/info/1822_en.html

3.4 The Presence of al-Qaeda in Yemen

Recently al-Qaeda announced the merger of its operations in Saudi Arabia and Yemen to create a single organization operating from Yemen. Several former Guantánamo detainees fled from Saudi Arabia to Yemen in 2009 and pledged to mount attacks on Saudi Arabia and other countries from their Yemeni bases. Considering the weakness of the Yemeni central government, the presence of al-Qaeda in the country is likely to have extensive implications for countries in the region, especially across the Mandab Strait where we have already seen a failed state scenario taking place in Somalia.⁵⁰

The origin of al-Qaeda can be traced back to the cold war era and the holy war waged against the Soviet occupation of Afghanistan during the 1980s. In order to stop the expansion of the communist ideology, the USA and Saudi Arabia played on nationalism and religion in Yemen. With the help of oil money from the Saudi and Pakistani intelligence services, many religious schools were built in which teachers preached against the communist occupation of Afghanistan. The religious message reached far beyond Afghanistan's borders and attracted many young men from other countries to participate in the armed struggle, jihad, against the Soviet occupation of Afghanistan. Soon this group of fighters came to be called the Mujahedeen; thousands of them came from Yemen.⁵¹

When the Russians left Afghanistan in 1989, many members of the Mujahedeen returned to Yemen, but they found it difficult to adapt to the society after a decade of guerrilla war. Many have been involved in militant Islamist groups and have found a new enemy in the United States, which they detest for its support of Israel as well as its involvement in the Middle East.⁵² Al-Qaeda's belief system is based on fundamentalist religious faith. The organization has therefore evolved into an ideology and a model for other radical Islamist organizations.⁵³ Thus al-Qaeda as an organization consists of a broad network of groups in many countries, with al-Qaeda placed at the centre of this network. Regarding Yemen and the connection to al-Qaeda, it is noticeable that the link between Yemen and al-Qaeda is closer than people think. The Bin Ladens hail from the Yemeni village of al-Rubat in the Hadramaut region. Many of the Mujahedeen fighters and thousands of Yemenis trained in al-Qaeda's camps were recruited by President Saleh in the war against southern Yemen.⁵⁴

⁵⁰ L. Weinberg, *Global Terrorism*, Oxford, Oneworld, 2005, pp. 66-86

⁵¹ E. Sohlman, *Arabia Felix i terrorns tid, Finland*, WS Bookwell, 2007, pp. 43-46

⁵² Sohlman, 2007, pp. 43-46

⁵³ G. Martin, *Essentials of Terrorism, Concepts and Controversies*, Los Angeles, SAGE Publications, 2008, pp. 146-150

⁵⁴ D. Korski, *Yemen: Europe's next challenge*, European Council on Foreign Relations, 4 January 2010, Retrieved 26 January 2010 from http://ecfr.eu/content/entry/commentary_yemen_europes_next_challenge_korski/

Finally, it should be noticed that it is essential to combat the roots of the problems in Yemen. And the roots of the problems are poverty and economic deprivation which are the breeding grounds for activities such as terrorism.⁵⁵ If governments and international agencies invest in economic development, providing people with hope for the future, terrorism will probably disappear.⁵⁶

If Yemen tipped further into instability, this could widen the opportunities for al-Qaeda militants based in Yemen to launch attacks in a region that sends oil to petroleum-dependent economies around the world. It will also encourage Somali pirates to use Yemen as a logistical base. Since the government does not have full control over its territory, the illegal activities emanating from Yemen will continue to grow. We should now examine the likelihood of Yemen failing as a state and the consequences of such a failure for the Horn of Africa.

⁵⁵ Weinberg, 2005, pp. 66-86

⁵⁶ G. Martin, *Understanding Terrorism, challenges, Perspectives, and Issues*, Los Angeles, SAGE, 2010, pp. 66-86

3.5 Failed State Scenarios

The question whether Yemen is a failing state or not has been under discussion recently in the light of the deteriorating situation in the country. Here are two different perspectives.

Yemen is fairly stable, but fragile

The breakdown of the Somali government has put pressure on Yemen and raised the question whether Yemen will follow the same path. Many of the state-failure indicators show that Yemen's state capacity is in fact increasing.⁵⁷ Over the past two decades, diplomats and analysts have regularly described Yemen as "on the verge of explosion". To their surprise, the country for the most part has remained stable, avoiding large-scale violence and managing multiple crises. Yemen has come through a difficult unification of the north and the south in 1990, followed by the civil war in the mid-1990s. Following the decision of the Yemeni government to support Saddam Hussein's invasion of Kuwait in 1990, thousands of Yemenis were deported from the Gulf region, especially from Saudi Arabia. Yemen managed to absorb this challenge. There is a belief that it will come through the difficult period at the beginning of the 21st century.

However, the immediate future will not be easy. The government will be struggling to cope with many internal problems at the same time. Problems with the Zaydi rebels in the northern parts of the country, growing southern secessionist sentiments and al-Qaeda activity are raising the question whether Yemen is capable of dealing with these serious threats. The deepening security and socio-economic challenges will threaten both the stability and the integrity of the state itself.⁵⁸ Nonetheless, the state of Yemen will most probably not disintegrate. Yemen needs to develop a long-term strategy for the country, for instance, fighting poverty and dealing with economic development for all Yemenis will be a top priority in the near future.

The failed state view

For almost two decades Yemen enjoyed relative stability and there was widespread optimism about democratic reforms among international observers. This has changed dramatically in recent years, and Yemen is now labelled a weak state on the verge of collapsing. There is a growing concern that it has

⁵⁷ D. Tucker, *Yemen's economic crisis threatens volatile region's security*, Huffington Post, 24 April 2009, Retrieved 30 December 2009 from http://www.huffingtonpost.com/diane-tucker/yemen-faces-make-or-break_b_190500.html

⁵⁸ Reuters, *Southern separatists close Yemen highway-travellers*, 27 November 2009, Retrieved 10 January 2010 from <http://www.reuters.com/article/latestCrisis/idUSGEE5AQ0JC>

become a significant front for al-Qaeda now that the organization has gone from being a local chapter to being a regional power.⁵⁹

The multiple problems of Yemen (in the north, in the south and in the al-Qaeda dimension) resonate with fresh memories from experiences in Afghanistan. In fact the parallels with Afghanistan are striking. There has been an attempt by a Nigerian student to destroy a US aeroplane, and he has said that he received training in Yemen.⁶⁰ Yemen is also a land of rugged mountains that could be a heaven for a guerrilla movement. Almost every Yemeni has a gun and Yemen possesses many weapon markets. Yemen is, just like Afghanistan, a land of conflicting authorities, and experiencing foreign intervention and a civil war. Before considering whether Yemen is a failed state or not, we should first introduce a definition of the term “failed state”.

Failed states are incapable of projecting power and asserting authority within their own borders. That means that their territories are governmentally empty and vulnerable to invasion by other countries or resistance from inside the country. Thus failed states become breeding grounds for instability. Under failed state conditions, the rulers increasingly work for their own benefit as the state capacity gradually weakens and people feel increasingly marginalized. The result is that citizens seek alternative forms of identity, and closer ties with warlords and ethnic leaders, which fuels domestic anarchy. Below are some ten characteristics of failed states.⁶¹

- Rise of criminal and political violence
- A loss of control over borders
- Civil war
- The use of terror against own citizens
- Weak institutions
- A deteriorated or insufficient infrastructure
- An inability to collect taxes without undue coercion
- Rising levels of infant mortality and declining life expectancy
- Declining levels of GDP per capita and high inflation
- Basic food shortages

With these characteristics as a starting point, it is clear that Yemen fulfils many of these criteria. It is experiencing political violence, it has connections to the Horn of Africa when it comes to criminal activities such as piracy, almost half of

⁵⁹ Tucker, 24 April 2009

⁶⁰ S. Erlanger, *Yemen Says Bomb Suspect Met with Qaeda Figures*, The New York Times, 7 January 2010, Retrieved 15 February 2010 from <http://www.nytimes.com/2010/01/08/world/middleeast/08yemen.html>

⁶¹ H. Solomon and C. Cone, *The State and Conflict in the Democratic Republic of Congo*, The University of Pretoria, pp. 57-59

the country is out of the control of the central government, and there is widespread poverty and so on. However Yemen has not disintegrated and the government still has a functioning state. That means that Yemen has not failed as a state, at least not at the present time. However the recent development has increased the risks of achieving the failed state status. During the last couple of years, Yemen has steadily climbed in the list of “Failed states” (see appendix 1 for further information).

The Yemeni government has declared that the situation in the country is worrisome and that there is a growing risk of Yemen falling apart as a state if the world community does not act immediately to improve the economic, political and social conditions of the Yemeni people.⁶² The consequences of a possible state failure will be significant, not only for Yemen but also for the Horn of Africa.

A failed state will open up a great deal of space for terrorist and criminal organizations to consolidate their presence in Yemen and probably become stronger than they are today. This will in turn result in even stronger connections to the Horn of Africa and the criminal activities associated with this region. There are clear indications that if the government of Yemen loses control over its territory any further, pirates, arms dealers, drug and human smugglers and terrorists will fill the gap. Lack of action from the world community today will most probably make the fight against these activities more difficult in the near future.

⁶² S. Nakhoul, *Yemen risk failing as a state without aid*, Reuters, 26 January 2010, Retrieved 27 January 2010 from <http://www.reuters.com/article/idUSTRE60P45V20100126>

4 Yemen in a Regional and Political context

In chapter two, we discussed the economic development of Yemen during the last decade. We also brought up the country's trade and its dependence of oil as the major exports commodity. In the last ten years, Yemen has been able to collect hard currency through export of oil. Since the lion's part of the Yemeni total GDP is heavily impacted by the oil, the country has thus experienced a relative high economic growth due to high oil prices and relative high oil production. However, the high economic growth has not materialised in a higher standard of living for the Yemeni people. Now, with falling oil prices, decreasing oil production and a costly war in the north, the shape of the country's economy has deteriorated rapidly.

In chapter three, we discussed the consequences of the deteriorating economic development. Here we mentioned that the lack of economic, political and social reforms have forced many Yemenis, especially the youth, to get involved in illegal activities such as arms and human trafficking, piracy and terrorism. Since many of these activities are planned and organised by actors across the Mandab Strait in the Horn of Africa, Yemen is being used as a logistic base for performing these illegal acts.

In this chapter, we aim to briefly describe the historical background of Yemen and its connections to regional powers in the Arabian Peninsula and the Persian Gulf. This will make it easier for us to understand the recent war between the Yemeni government and the Houthi rebels in the north.

4.1 A Brief History of Yemen

The unique geographical location of Yemen has meant intense interactions with the outside world. Yemen has had important links to other countries across the Red Sea, India and the East African countries.⁶³ Consequently, Yemen suffered occupation and interference with its internal affairs throughout the history.⁶⁴ The Ottoman Turks came to Yemen as early as in 1538. The Ottomans' control was largely confined to the cities near the coast of the Red Sea.⁶⁵ Only after the opening of the Suez Canal in 1869 could the Turks make a serious attempt to capture the central highlands. The heavy taxation imposed by the Turks led to an

⁶³ Dresch, 2002, pp. 9-12

⁶⁴ Infoplace, *Yemen*, Retrieved 20 December 2009 from <http://www.infoplace.com/ipa/A0108153.html?pageno=4>

⁶⁵ US Department of State, *Background Note: Yemen*, Retrieved 19 December 2009 from <http://www.state.gov/r/pa/ei/bgn/35836.htm>

uprising, first in Sanaa and later in other regions at the end of the nineteenth century.⁶⁶

The Ottomans were not the only colonial power with interests in Yemen. During the course of the 19th century, Britain came to increase its sphere of influence in the region. In the south, Britain's influence increased after it captured the port of Aden in 1839.⁶⁷ It was ruled as a part of British India until 1937, when Aden became a crown colony, and the remaining territory was designated a protectorate.⁶⁸ Thus, in the mid-19th century Yemen was occupied by two colonial powers at the same time, the British from the south and the Ottomans from the north. This led to competition and conflict between the big powers. The British Empire with its base in Aden stood face to face with the Ottoman Empire with its base in Sanaa.⁶⁹ When the Ottoman Empire collapsed, the Turkish forces were forced to leave the occupied territories and the whole of Arabia under the terms of the treaty of Mudros, thus ending several hundred years of Turkish presence in the region.⁷⁰ Britain's presence in southern Yemen did not come to an end until 1967 when it withdrew its forces due to the fighting going on with the Marxist National Liberation Front (NLF). The last British troops were removed at the end of 1967.⁷¹ The People's Republic of Yemen, comprising Aden and South Arabia, was proclaimed. In 1969, a radical wing of the NLF gained power. The country's name changed to the People's Democratic Republic of Yemen (PDRY) in 1970.⁷²

In the 1962 revolution, Egypt intervened militarily in support of the Yemeni revolution. The Egyptian troops in Yemen were seen as a major threat to Saudi Arabia and its national interests in Yemen. Egypt's involvement in North Yemen risked changing the country to one hostile to Riyadh and a threat to Saudi Arabia's hegemony in the Arabian Peninsula.⁷³ The Egyptian as well as the Saudi Arabian involvement in North Yemen marked the beginning of the long civil war in Yemen. The royalist forces were supported by Saudi Arabia and Jordan in opposition to the newly formed republic which was supported by Egypt. However, in 1967 the Egyptian troops were withdrawn from North Yemen.⁷⁴ This was a result of an agreement between President Nasser and King Feisal.

⁶⁶ Dresch, 2002, pp.1-6

⁶⁷ Library of Congress, *Country Profile: Yemen*, August 2008, Retrieved 28 December 2009 from <http://memory.loc.gov/frd/cs/profiles/Yemen.pdf>, pp. 1-10

⁶⁸ G. F. Cause, *The International Relations of the Persian Gulf*, Cambridge, Cambridge University Press, 2010, pp. 17-19

⁶⁹ T. Mackintosh-Smith, *Yemen, the Unknown Arabia*, New York, Overlook Press, 2000, pp. 30-32

⁷⁰ T. Little, *South Arabia, Arena of Conflict*, London, Pall Mall Press, 1968, pp. 14-15

⁷¹ Cause, 2010, pp. 17-19

⁷² Library of Congress, August 2008, pp. 1-10

⁷³ G. F. Cause, *Saudi-Yemen Relations*, New York, Columbia University Press, 1990, pp. 57-65

⁷⁴ Library of Congress, August 2008, pp. 1-10

Yemen was united as one entity in 1990, partly due to declining economic support from the Soviet Union to South Yemen. With unification, a transitional process started. The plan was that integration of the two systems would be achieved over a transitional period. The aim was to encourage democratization, a free press and freedom of speech for all the Yemeni people. Despite these high ambitions, two political parties dominated Yemeni politics – the General Popular Congress (GPC) which ruled North Yemen, and the Yemeni Socialist Party (YSP) which ruled South Yemen. As time later showed, achieving common political goals was difficult for both parties. Disagreements on how to run the country brought about considerable political challenges for the reunified Yemen. The transitional period was also a difficult period for the Yemeni economy. A combination of high unemployment, high inflation and a depreciating currency had created serious macroeconomic difficulties for Sanaa.⁷⁵

In 1990 Iraqi forces invaded Kuwait. Yemen had to deal with its first international crisis. In the discussions in the Security Council⁷⁶, Yemen was advocating an Arab solution to the crisis. In those circumstances, this meant indirect support for Saddam Hussein.⁷⁷ The Yemeni approach upset Saudi Arabia and Kuwait, which took action against Yemen. One of the actions was to revoke the special status of Yemeni residents in Saudi Arabia. This meant that thousands of Yemenis were forced to leave the kingdom immediately. Many Gulf states followed the Saudis' action in expelling Yemeni back to Yemen. This led to considerable problems for Yemen, which had to deal with almost 800,000 people returning to the country. In addition, the country lost an important source of foreign remittances.⁷⁸

4.2 The Houthis and Their Zaydi Origin

The recent war in the Saada province is a conflict between the Houthi rebels who are Shia Muslims and the central government that is Sunni dominated.⁷⁹ In the 10th century, Yemen came under the control of the Zaydi dynasty. They were Shia Muslims who claimed that the Muslims should be ruled only by men descended from the Prophet's cousin and son-in-law, Ali. The Zaydis created a stable state and maintained the political landscape of Yemen for a long time.⁸⁰

⁷⁵ Dresch, 2002, pp. 185-194

⁷⁶ Yemen was a member of the council at that time.

⁷⁷ Dresch, 2002, pp. 185-194

⁷⁸ M. N. Katz, *Yemen: The Evolution of a Problem*, European Union Institute for Security Studies ISS, February 2010, Retrieved 19 February 2010 from http://www.iss.europa.eu/uploads/media/Yemen_evolution_of_a_problem.pdf

⁷⁹ This branch of Shiism is slightly different from the Shiism in Iran and Iraq. Zaydism first took root in Mesopotamia and Central Asia in 740, but gradually moved south, where it reached Yemen.

⁸⁰ Muhammad, 1999, pp. 241-261, 264-274, 331-337

The Zaydis faced growing internal threats to their authority during the 18th and 19th centuries. Yemen came under attack from Wahhabi sheikhs (in what is now Saudi Arabia). In the south, Zaydi domination was ended in 1728 by the Abdali tribes. That led to the loss of Aden as well as the coasts of Arabian Sea. This was the beginning of a process that led to the formation of the two independent Yemeni states in the 20th century.

The Zaydis represent approximately one-third of the country's population, especially in the northern highlands, north of Sanaa and along the east coast of the Red Sea plain, spreading over poor territories where society is based on tribal structures.⁸¹

The 1962 revolution ended the imamate that was ruled by the Zaydis for over 1,000 years, and overturned a social order with which they had been associated. The Zaydis were disillusioned after losing power. Some of them adapted to the new regime, directly supporting it and accepting their own political decline, and some left the country. Thus the 1962 revolution triggered a deep religious, social and political restructuring within Yemeni society.⁸²

There are fractions within Zaydism who believe that the Zaydi identity is threatened by a dominant Sunni or even Wahhabi identity from Saudi Arabia. As the Yemeni multiparty system emerged, the Zaydi revivalists found new means of political expression. For instance, they created the al-Haqq party reflecting new Zaydi dynamism. During Yemen's first multiparty elections in 1993, Hussein al-Houthi participated in the election.⁸³ The political agenda of Houthis is that the republic is fundamentally anti-Zaydi. The government is accused of ignoring Zaydis' rights. According to them, the government is highly influenced by neighbouring Saudi Arabia which is providing financial support to the Yemeni government. In return, Sanaa has favoured the spread of Wahhabism in the country. The Zaydis believe that their mission is to fight Wahhabism.⁸⁴

On one hand Sanaa has tried to accommodate the Zaydis in the political power sharing. But on the other hand the Houthis have been described by the government as being a fundamentalist religious group seeking to provoke the central government in Sanaa.⁸⁵ The Shiite Houthi rebels therefore say that they are fighting social, economic and religious marginalization inflicted by the Sanaa

⁸¹ Cause, 1990, pp. 16-20

⁸² International Crisis Group, *Yemen: Defusing the Saada time bomb*, Middle East, pp. 1-7

⁸³ *Ibid.*, pp. 5-15

⁸⁴ Yahoo 7 News, *Southern separatists end Yemen highway closure*, Retrieved 19 December 2009 from <http://au.news.yahoo.com/a/-/newshome/6526111/southern-separatists-end-yemen-highway-closure/>

⁸⁵ International Crisis Group, *Yemen: Defusing the Saada time bomb*, Middle east, pp. 7-16

authorities. Moreover the Houthis accuse the government of receiving military support from Saudi Arabia in fighting the rebels in Yemen.⁸⁶

4.3 Engagements from Saudi Arabia

Saudi Arabia has had a complex relationship with its neighbour throughout history. Before the unification of Yemen in 1990, Riyadh was more successful in influencing policies in North Yemen than in South Yemen. There was a belief that in order to influence a state decision-making process, it is necessary to have access to its political system. Since the Saudis had access to the political developments in North Yemen, their influence on North Yemeni policies was understandable. Generally speaking, the more dispersed political power in a state is, the more points of entry to the decision-making process will be available to outside actors. The opposite happens in a state/government where decision-making is closed or tightly structured: external actors can easily be prevented from accessing the political development within the system. Putting it differently, in a state with little control over the society it wants to govern, it is much easier for external actors to develop favourable relations with many individuals and groups within the state.⁸⁷

Before unification, North Yemen was structurally fragmented, meaning that political power was shared by many individuals, clans, the military and others. The government did not have total control over the society, allowing clans and political groupings to develop their own political relations with Saudi Arabia. Moreover, the weak central government in North Yemen was heavily dependent on Saudi Arabia and its foreign aid in forms of investments and cash contributions. The poor management of the economy in North Yemen by the government meant that it could not reject the financial aid from the Saudis, even if it meant that North Yemen's political process became dependent on Riyadh.⁸⁸ The Saudis used this power to minimize the influence of outside powers in Yemen.

The situation was quite different in South Yemen. The political system was strictly controlled and dominated by the government, leaving little room for external actors to influence policies. Furthermore, the government in Aden was not dependent on the Saudi foreign aid: in fact, due to ideological differences, Saudi Arabia did not have diplomatic relations with Marxist South Yemen. Because of this difference, the Saudis were against a unification of the two Yemeni countries. The perception in Riyadh was that a united Yemen would be

⁸⁶ Jane's, *Houthi rebels claim Saudi forces fighting in Yemen*, 26 November 2006, Retrieved 31 January 2010 from http://www.janes.com/news/security/jiwbk/jiwbk091126_1_n.shtml

⁸⁷ Cause, 1990, pp. 1-10

⁸⁸ Ibid.

more powerful and could be a threat to Saudi Arabia's ambition to expand its own monarchical form of state.⁸⁹

Recently, Saudi Arabia's territory has been attacked by Yemeni Houthi rebels. The Saudis connect the rebels with al-Qaeda militants who are exploiting the instability in Yemen to destabilize the region.⁹⁰ Riyadh has been concerned about a spillover of the Yemeni fighting and about the possibility that Yemen-based al-Qaeda militants could take advantage of the tense situation by smuggling militant forces, arms and drugs across the difficult-to-control border. The reason for this concern is Yemen's weak central government, which has little control outside the capital, Sanaa. In addition to the northern rebels, the government in Sanaa is also confronting a separatist movement in the south, which weakens the authority of the government even further.⁹¹

Saudi Arabia ascribes a great deal of importance to Yemen and its security. Insecurity in Yemen would not be in the best interest of the Saudis. The Saudis are therefore involved in the fighting against the rebels, because it has vital impact on their own national interests in the region. In a way Yemen with a large population could also be a serious threat to the Saudi hegemony in the Gulf region. With its strategic location, the political instability in Yemen will have spillover effects upon the stability of the Arabian Peninsula and on the issue of access to the oil from the Persian Gulf. The domestic political development in Yemen is thus critically important to the security and stability of Saudi Arabia.⁹²

4.4 Reactions from Iran

Possible Iranian engagement in Yemen is not a new phenomenon. Persian (Iranian) involvement in Yemen dates back to the 7th century when Persian warships landed in present-day Aden. It was also under the Persian governor of Yemen that the country was Islamized. The administration of Iranian President Ahmadinejad has publicly denounced the military assault on the Houthis on a humanitarian basis. Iran does not support the rebels' aspirations for an autonomous state in northern parts of Yemen.

The central government in Sanaa (as well as Saudi Arabia) has condemned Iran for interfering in its domestic politics after the Iranian foreign minister, Manouchehr Mottaki, indicated that Iran will be able to help in bringing security

⁸⁹ Ibid.

⁹⁰ S. Karam, *Saudi clerics see Iran's hand behind Yemen rebels*, Reuters, 16 November 2009, Retrieved 5 January 2010 from <http://www.reuters.com/article/middleeastCrisis/idUSL6346479>

⁹¹ D. Abu-Nasr, *Saudi Arabia vows to continue Airstrikes against Yemen "Infiltrators"*, Huffington Post, 6 November 2009, Retrieved 20 December from http://www.huffingtonpost.com/2009/11/06/saudi-arabia-vows-to-cont_n_348171.html

⁹² Cause, 1990, pp. 1-4, 57-65

to Yemen. However, the official view in Tehran regarding developments in Yemen is fragmented between the different political factions. The debate in Tehran is focused on deep tensions within the Iranian political community and sheds new light on how Iranian foreign policy might be shifting on a regional scale in the 2009 post-election period.⁹³ Sanaa claims that Iran has secretly landed arms on the Red Sea coast. Yemen's government says that its navy intercepted an Iranian vessel carrying armaments in October 2009. Yemen's state-controlled press claims that Houthi rebels have been trained in an Iranian-run camp across the Red Sea in Eritrea. Yemen's president, Ali Abdullah Saleh, says members of Lebanon's Iran-backed Hizbullah militia are teaching the rebels.⁹⁴

High-ranking officials from the Iranian Revolutionary Guard were said to have secretly met with Houthi rebels and Hizbullah in Yemen to coordinate joint military operations against Saudi positions along the border. A number of intelligence services in the region have learned of the three-way meeting, which was also aimed at developing a plan to escalate the military situation along the Saudi-Yemeni border.⁹⁵ Despite the fact that President Saleh has avoided naming the Iranian government, senior officials from the ruling GPC party have accused Iran of providing direct support for the Houthi insurgency.⁹⁶

The Iranians deny any involvement and have told the Saudis that they should keep out of Yemen's affairs. Even Houthis themselves have rejected any suggestion of any agreement with Iran, and accuse the Yemeni government of discriminating against the Houthis in Yemen on the basis of religious affiliation.⁹⁷ Iran condemns military assaults against Yemeni civilians. Iranian officials have demanded that all sides involved in the conflict settle the disputes through dialogue and said that military actions against civilians are inhumane.⁹⁸

⁹³ B. Rahimi, *Iranian Leaders Weigh Support for the Houthi Rebellion in Yemen*, Jamestown, 19 November 2009, Retrieved 18 January 2010 from [http://www.jamestown.org/single/?no_cache=1&tx_ttnews\[swords\]=8fd5893941d69d0be3f378576261ae3e&tx_ttnews\[any_of_the_words\]=Yemen&tx_ttnews\[tt_news\]=35755&tx_ttnews\[backPid\]=7&cHash=23ec05bc91](http://www.jamestown.org/single/?no_cache=1&tx_ttnews[swords]=8fd5893941d69d0be3f378576261ae3e&tx_ttnews[any_of_the_words]=Yemen&tx_ttnews[tt_news]=35755&tx_ttnews[backPid]=7&cHash=23ec05bc91)

⁹⁴ The Economist, *Pity those caught in the middle*, 19 November 2009, Retrieved 23 December 2009 from http://www.economist.com/world/middleeast-africa/displaystory.cfm?story_id=14920092

⁹⁵ An-Nahar (النهار), *Secret Meeting in Yemen between Iran, Houthi, Hizbullah Officials*, 13 December 2009, Retrieved 25 December from <http://www.naharnet.com/domino/tn/NewsDesk.nsf/0/A857AE4FD533574CC225768B00262D5E?OpenDocument>

⁹⁶ Jane's, *Yemen's Houthi rebellion has regional dimension*, 10 November 2009, Retrieved 31 January 2010 from http://www.janes.com/news/security/countryrisk/jiwbk/jiwbk091110_1_n.shtml

⁹⁷ Al Jazeera, *Yemen says Iran funding rebels*, 16 November 2009, Retrieved 25 December 2009 from <http://english.aljazeera.net/news/middleeast/2009/11/2009111675649700628.html>

⁹⁸ Fars News Agency, *Iran Condemns Military Assaults against Yemeni Civilians*, 23 December 2009, Retrieved 6 January 2010 from <http://english.farsnews.com/newstext.php?nn=8810020384>

In mid-November 2009 Manouchehr Mottaki, the Iranian foreign minister, warned against perceived foreign intervention in the conflict.⁹⁹ Iran is also accusing Washington of interfering in internal Yemeni affairs. According to the official line in Tehran, Yemen needs to rehabilitate relations with its population, including the Shia minority from which the Houthi fighters come.¹⁰⁰ Ali Larijani, the speaker of Iran's parliament, has condemned the Saudi involvement in Yemen and called its action a deplorable event in the Islamic nation of Yemen.¹⁰¹ Iran is accusing neighbouring Saudi Arabia of launching air raids and artillery strikes on Houthi targets, killing many children and women in these actions.¹⁰²

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A quick summary of this chapter shows us that Yemen has gone through foreign interference in its domestic affairs. That makes the present conflict between the central government and Houthi rebels more difficult to handle. While Saudi Arabia is directly involved in the conflict in the Saada province, the Iranian engagement is more difficult to verify. It is possible that Iran is using the unstable situation in Yemen as a way to put pressure on its regional competitor, Saudi Arabia. If Iran is involved in Yemen's current development in one way or another, this raises concerns about a possible confrontation between Iran and Saudi Arabia.

⁹⁹ Al Jazeera, *Yemen says Iran funding rebels*, 16 November 2009, Retrieved 25 December 2009 from <http://english.aljazeera.net/news/middleeast/2009/11/2009111675649700628.html>

¹⁰⁰ IRNA, امریکا در امور داخلی یمن دخالت می کند, 15 December 2009, Retrieved 6 January 2010 from <http://www.irna.ir/View/FullStory/?NewsId=845488>

¹⁰¹ Iran Parliament News Agency (خانه ملت) به مصر (گزارش تفصیلی خانه ملت از سفر لاریجانی به مصر), 23 December 2009, Retrieved 6 January 2010 from <http://www.icana.ir/News/Friendship/2009/12/50132/0/default.aspx>

¹⁰² IRNA, حضور سربازان آمریکایی در یمن ابعاد گسترده تری می یاب, 7 December 2009, Retrieved 6 January 2010 from <http://www.irna.ir/View/FullStory/?NewsId=861667>

5 Final Remarks and Conclusions

Since 2001, the wars in Iraq and Afghanistan have captured the attention and resources of the world community. In the meantime, Yemen has been moving towards the kind of disaster that could seriously harm the already fragile situation in the Horn of Africa countries and the world community. Yemen rose sharply up the regional security agenda in August 2009 when the government launched a military operation against Muslim Shiite rebels in the north, prompting one of the bloodiest conflicts in the country's history. The situation became even more serious when rebels seized some Saudi territory and accused Riyadh of allowing Yemeni forces to use Saudi land for their attacks against them. This resulted in a military response from Saudi Arabia against the Houthi rebels and a domestic crisis for Yemen.

Crises are nothing new in Yemeni history. Yemen has always been on the verge of a crisis. However, the situation this time is now rapidly deteriorating, with potentially devastating results. Unlike earlier individual challenges, such as unification in 1990 or the 1994 civil war, the problems now facing the country are multiple and interconnected. Each one is posing serious threats to Yemen's future. Each could lead to a further erosion of central government authority in the country and the destabilization of the whole region.

Widespread poverty, high unemployment, scarce water resources, declining oil reserves, large refugee flows from the Horn of Africa and piracy in the Gulf of Aden are just some of the challenges facing Yemen. On top of these issues there are threats from the civil war in the northern province of Saada and a growing secessionist movement in southern Yemen. These factors have weakened the central government and made Yemen a fragile state and a breeding ground for al-Qaeda militants.

Consequently the country is currently stuck in a vicious circle, and could therefore become the world community's next headache if the pre-emptive actions required to tackle the country's underlying economic and social problems are not taken. If Iraq was yesterday's crisis and Afghanistan is today's problem, Yemen could possibly become the world community's next headache if the country's serious economic, political and social problems are not addressed in the near future. Yemen has already declared that it is at risk of becoming a failed state unless it receives support to develop its economy so that young people have alternatives to the path of radicalization. Yemen's connections with the fragile Horn of Africa are very much dependent on how the Yemeni government, with substantial support from the international community, will avoid the country facing the same fate as Somalia, state failure. If that happens, criminal activities such as arms sales, terrorism, and drug and human trafficking will constitute bigger problems for the international community. The course of developments in Yemen has to be reversed.

At the centre of this turnaround will be the handling of the ongoing war in the north and the separatists in the south. These problems constitute the urgent issues facing Yemen in the conflict phase. Once the internal actors in the north and in the south are included in the political dialogue, Yemen will have to deal with a serious post-conflict crisis. Most likely it will not be able to tackle the post-conflict crisis alone. The international community will therefore have to support Yemen. In order to do that, it should have a holistic approach towards Yemen in order to stabilize the country.

So far the approach to Yemen has mostly been related to the issues of security and counterterrorism. However, Yemen's current deteriorating level of security is a result of problems that are not only related to security as such. Yemen needs development assistance, an improved educational system, economic development that benefits all of the Yemeni people, support to build up institutions and support to strengthen democracy. The international community will have to support Yemen to make democracy relevant for ordinary Yemenis. And for many people in Yemen democracy is about access to fresh water, food, security and economic development.

Some of the most important issues discussed in this study are:

- **Piracy, arms sales and criminal activities:** Due to the strategic location of Yemen, and the nature of the current challenges, a failed Yemeni state would have an impact on both the Horn of Africa countries' security dynamics and international security. The instability in Yemen will enable Somali pirates to use Yemen as the logistical base for further pirate activities in the region. Arms sales and other criminal activities are also possible risks/threats since the government does not control its territory.
- **Terrorism:** Al-Qaeda has reorganized itself and merged the Saudi and Yemeni operations to form al-Qaeda in the Arabian Peninsula. After the terrorist attacks of 11 September, 2001, Yemen joined in a counterterrorism partnership with the United States. Several former Guantánamo detainees fled from Saudi Arabia to Yemen in 2009 and pledged to mount attacks on Saudi Arabia from their Yemeni bases. Al-Qaeda, the insurgencies in the south and the war in the north are troubling the government, which denies that there is a convergence between the three forces. If Yemen tipped further into instability, this could widen the opportunities for al-Qaeda militants based in Yemen to launch attacks in a region that sends oil to petroleum-dependent economies around the world. Al-Qaeda militants could strengthen their foothold in Yemen and form part of a belt of Islamist instability linking Asia to Africa if the government in Sanaa fails to crack down on them decisively. Since Yemen controls the narrow Mandeb Strait, through which more than

- **The economy:** Lack of economic development is the biggest threat to the state of Yemen. It is dependent on exports of oil to earn hard currency. Since the country's oil resources are nearly exhausted, there is an increased risk of economic collapse. Yemen's oil production is expected to disappear by 2017. The government, which receives the great bulk of its revenue from taxes on oil production, has no plans for its post-oil future. As the economy gets weaker, the political instability increases, which makes Yemen a target for foreign intervention by regional powers and other actors.
- **The humanitarian crisis:** The crisis is triggered by the war in the north, the result of which is a major refugee emergency in which the government is unable to provide even basic relief services. Humanitarian crises affect both internally displaced people as well as many refugees from the Horn of Africa, who aim to cross the country in order to reach richer countries in the region.
- **High population growth and water shortage:** The Yemeni population will double in the coming 20 years due to high population growth. This creates enormous challenges for the government in Sanaa. Partly as a result of the rapid population growth, the country is suffering from severe water shortages and widespread poverty. The country's limited water resources are being consumed much faster than they are being replenished. A rapidly expanding and increasingly poorer population places unbearable pressure on the government's ability to provide basic services. Shortages are acute throughout the country, and Sanaa may become the first capital city in the world to run out of water. The water crisis is partly the result of rising domestic consumption and poor water management.

Finally, a few words when it comes to further research areas on the geopolitical development in Yemen. The international community is engaged in Yemen. Many international players, including the European Union, the Gulf Cooperation Council, Saudi Arabia and others, all play key roles in Yemen, although their efforts are not coordinated. The United States has a major influence on internal developments in the country. There are therefore many interesting angles to be studied when it comes to external actors' role in Yemen. One interesting area to explore further would be the regional organizations and their possible role in Yemen and in the stabilization of the country. Other interesting research areas would be to explore the links between the Southern Separatist Movement and al-

Qaeda, between Iran and the Houthis and between the separatists in the south and piracy from Puntland.

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Interviews

1. Embassy of Sweden in Riyadh

In addition to the Kingdom of Saudi Arabia the Embassy is accredited to the State of Kuwait, the Sultanate of Oman and the Republic of Yemen.

Telephone interview with Jan Thesleff, who is the Swedish ambassador in Saudi Arabia.

Participants: Jan Thesleff in Riyadh and Alexander Atarodi (FOI) in Stockholm. The interview took place 3 February 2010.

7 Appendices

Appendix 1: The Failed State Index in 2009

Rank 2009	Change compared to 2008	Country	FSI in 2009
1	— (0)	Somalia	114.7
2	▲ (1)	Zimbabwe	114.0
3	▼ (1)	Sudan	112.4
4	— (0)	Chad	112.2
5	▲ (1)	Democratic Republic of the Congo	108.7
6	▼ (1)	Iraq	108.6
7	— (0)	Afghanistan	108.2
8	▲ (2)	Central African Republic	105.4
9	▲ (2)	Guinea	104.6
10	▼ (1)	Pakistan	104.1
11	▼ (3)	Côte d'Ivoire	102.5
12	▲ (2)	Haiti	101.8
13	— (0)	Myanmar	101.5
14	▲ (12)	Kenya	101.4
15	▲ (4)	Nigeria	99.8
16	— (0)	Ethiopia	98.9
17	▼ (2)	North Korea	98.3
18	▲ (3)	Yemen	98.1
19	▼ (7)	Bangladesh	98.1

Source: Foreign Policy

http://www.foreignpolicy.com/articles/2009/06/22/2009_failed_states_index_interactive_map_and_rankings

Appendix 2: The Human Development Index (HDI) 2009 and Yemen's HDI

Rank	Country (HDI Value)	Life expectancy at birth (years)	Adult literacy rate (% ages 15 and above)	Combined gross enrolment ratio (%)	GDP per capita (PPP US\$)
1	1. Norway (0.971)	1. Japan	1. Georgia	1. Australia	1. Liechtenstein
138	Myanmar (0.586)	127. Lao People's Democratic Republic (64.6)	126. Sudan (60.9)	145. Myanmar (56.3)	132. Pakistan (2,496)
139	Comoros (0.576)	128. India (63.4)	127. Burundi (59.3)	146. Mozambique (54.8)	133. Uzbekistan (2,425)
140 Yemen ¹⁰³	Yemen (0.575)	129. Yemen (62.5)	128. Yemen (58.9)	147. Yemen (54.4)	134. Yemen (2,335)
141	Pakistan (0.572)	130. Togo	129. Papua New Guinea	148. Bhutan	135. Lao People's Democratic Republic
142	Swaziland (0.572)	131. Myanmar	130. Nepal	149. Togo	136. Cameroon
182	Niger (0.340)	176. Afghanistan (43.6)	151. Mali (26.2)	177. Djibouti (25.5)	181. Congo (Democratic Republic of the) (298)

Source: UNDP (Human Development Report)

http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_YEM.html

¹⁰³ The HDI for Yemen is 0.575, which gives the country a rank of 140th out of 182 countries with data.

Appendix 3: Yemen: Background Information

Area: 527,970 sq. km.

Population: 22.2 million (2007)

Ethnic group: Predominantly Arab.

Religions: Islam (Sunni dominated Muslims and Shia Muslims minority), small numbers of Jews, Christians, and Hindus.

Language: Arabic.

Government

Type: Republic; Unification (of former South and North Yemen): May 22, 1990.

Constitution: Executive-president, and prime minister with cabinet.

Administrative subdivisions: 19 governorates subdivided into districts.

Main political parties: General People's Congress (GPC), Yemeni Grouping for Reform (Islah), Yemeni Socialist Party (YSP).

Current President: Ali Abdullah Saleh (from GPC)

Independence: In 1990 the Republic of Yemen was established with the merger of North Yemen and the Marxist-dominated People's Democratic Republic of South Yemen. Previously North Yemen became independent in November 1918 (from the Ottoman Empire) and became a republic with the overthrow of the theocratic Imamate in 1962; South Yemen became independent on 30 November 1967 (from the UK)

Economy:

GDP 20.4 billion US\$ 2006. Yemen is a largely rural country, and much of the economy and most of the population remains heavily dependent on agriculture for both subsistence and cash crops (principally coffee and qat) as well as on small industry and remittances from workers abroad.

Natural resources: Oil, natural gas, fish and seafood, rock salt, minor coal and copper.

Agriculture (est. 12.5% of GDP)

Industry (est. 42.8% of GDP)

Services (est. 43.7% of GDP)¹⁰⁴

Geography: Yemen is located on the southwest corner of the Arabian Peninsula. Towards the border with Oman its territory is sparsely populated. The Red Sea and Indian Ocean define Yemen's western and southern borders. Yemen is the second-largest country in the Peninsula. It is bordered to the north by Saudi Arabia and to the east by Oman. The coastline stretches for about 2000 km. The western coastline faces the Red Sea, and the southern coast sits on the Gulf of Aden and Arabian Sea. The two coasts meet in the southwest corner at Bab al-

¹⁰⁴ US Department of State, *Yemen, Background Note*, Retrieved 19 January 2010 from <http://www.state.gov/r/pa/ei/bgn/35836.htm>

Mandab, and from there it is only a short 25 km across the Mandab straits to the African coast of Djibouti, the only entry point from the Indian Ocean to the Red Sea and Suez Canal.

Climate: Varies according to geographical regions. Mountain regions are cooler than the other parts of the country. The desert areas are hot and dry during the winter and very hot during the summer with temperature reaching almost 50 degrees C. The rain affects mainly the mountainous areas of central and western parts of Yemen.

Appendix 4: A Map of Yemen



Source: http://www.lib.utexas.edu/maps/middle_east_and_asia/middle_east_pol_2003.jpg