



**THE NEW TERRORISM: UNDERSTANDING YEMEN**

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## **EXECUTIVE SUMMARY**

Yemen is failing. Not only is it the Arab world's poorest nation and challenged by mass protests, it is home to a resurgent al-Qaeda, a northern Shi'ite uprising and a revitalized southern secessionist movement. Yemen's 1990 North-South unification is not working. Today, Yemen stands alongside Pakistan as one of the most important al-Qaeda strongholds in the world and many of that organization's most dangerous operations have originated there. Judging from their actions, the extremists are both motivated and highly capable. In brief, the underlying sources of instability in Yemen are insoluble over the short run. The country is running out of oil and water. Its leader, Ali Abdullah Saleh, is proving incapable of holding the country together without force. Transitioning Yemen towards a more democratic system will only mean a hardening of tribal divisions and a deepening of the corruption, clientelism and cronyism that are rife throughout the country.

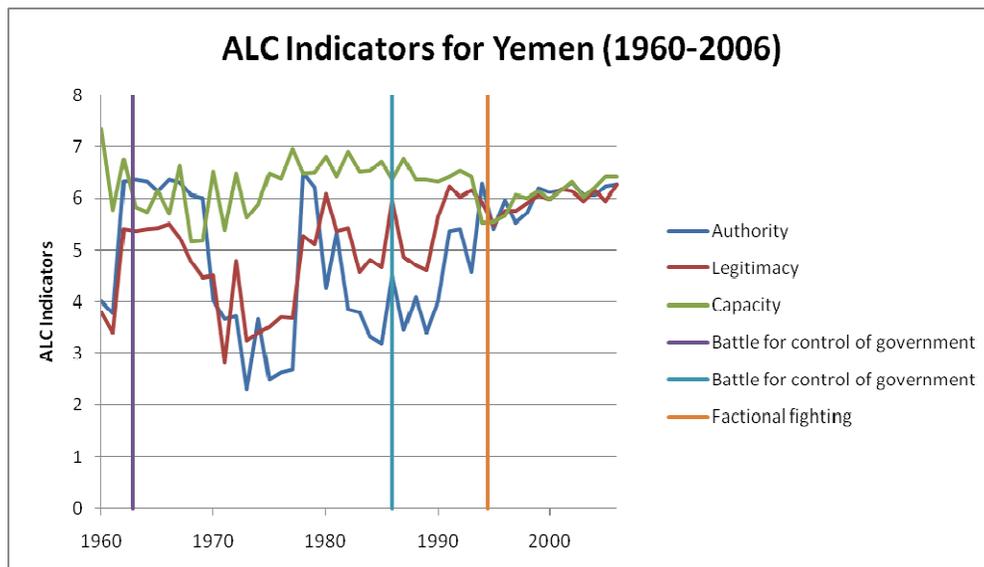
## SOMMAIRE

Le Yémen est glisse vers la déchéance. Non seulement le pays le plus pauvre du monde arabe est-il aux prises avec des protestations de masse, mais il abrite une al-Qaïda en résurgence, un soulèvement des Chiïtes du nord et un mouvement sécessionniste revitalisé au sud. L'unification nord-sud du Yémen de 1990 ne marche pas. Aujourd'hui, le Yémen est, avec le Pakistan un des bastions les plus importants d'al-Qaïda dans le monde, et plusieurs des opérations les plus dangereuses de cette organisation sont parties d'ici. À en juger par leurs actions, les extrémistes sont à la fois motivés et très capables. En bref, les sources sous-jacentes d'instabilité au Yémen sont insolubles à court terme. Le pays est à court de pétrole et d'eau. Son chef, Ali Abdullah Saleh, s'avère incapable de maintenir l'unité du pays sans recourir à la force. Une transition du Yémen vers un système plus démocratique ne signifiera qu'un durcissement des divisions tribales et un creusement de la corruption, du clientélisme et du copinage répandus dans tout le pays.

## INDICATORS OF FAILURE

Yemen has started to give way to internal stresses that have built up over the last decade. Not only is it the Arab world's poorest nation, it is also challenged by the mass protests that have toppled tyrants in Egypt and Tunisia, brought civil war to Libya and forced concessions from oil rich despots in Bahrain and Saudi Arabia, it is home to a resurgent al-Qaeda, a northern Shi'ite uprising and a revived Southern secessionist movement. The 1990 North-South unification is proving to be untenable. The country could easily disintegrate into three or more pieces. Today, Yemen stands alongside Pakistan as one of the most important al-Qaeda strongholds in the world. Many of that organization's most dangerous operations have originated in Yemen and, judging from their recent actions, the extremists are both motivated and highly capable.

Yemen's underlying sources of conflict and instability are impossible to solve over the short run. The country is running out of oil and water. Its leader, Ali Abdullah Saleh, in power for 32 years, is proving incapable of holding the country together without extreme force. Transitioning Yemen towards a more democratic system will only mean a hardening of tribal divisions and a deepening of the corruption, clientelism and cronyism that are rife throughout the country.



(Figure 1)

In a recent CDFAI update, Yemen ranked second only to the Palestinian Authority as the most fragile state in the Middle East and North Africa.<sup>1</sup> In fact it is consistently ranked among the ten most fragile states in the world.<sup>2</sup> Yemen's political authority, economic capacity and regime legitimacy experienced modest improvements in the mid 1990s, but since 2000 have seen an alarming deterioration (see figure 1). Yemen's risk profile represents a country that has few positive economic, social or political attributes.<sup>3</sup> The country suffers from an underdeveloped and haphazard rule of law, uneven and inequitable economic development that divides the North and the South, an extremely corrupt civil service and judiciary, a weak educational

<sup>1</sup> The data in this report shows that people are not just demonstrating for a lack of economic opportunity or poor social services. They have been challenging the very legitimacy of the regime itself. <http://www.cdfai.org/PDF/Social%20Underpinnings%20of%20Unrest.pdf>

<sup>2</sup> Please see: [http://www.carleton.ca/cifp/app/ffs\\_ranking.php](http://www.carleton.ca/cifp/app/ffs_ranking.php)

<sup>3</sup> Please see: <http://www.carleton.ca/cifp/app/serve.php/1250.pdf>

system, poor service delivery and a government struggling to control excessive spending on the military. Its leaders are heavily dependent on foreign aid to finance budget deficits and development programmes. Yemen's taxation system is almost non-existent, meaning the government is accountable to no one. Its agricultural sector is under threat due to water scarcity and a chronic inability to buy inputs, such as fertilizer, putting at risk more than half of the country's economically active population who work in agriculture.

Even before the country transformed into a sanctuary for extremists, Yemen was one of the poorest countries in the world. It ranks 133 out of 169 on the Human Development Index, with a per capita Gross Domestic Product (GDP) of about \$1,000, compared to an average of about \$26,000 for the other Gulf states. Yemen's GDP annual growth average of 2.6% is far below the regional average of 5.9%. Literacy and life expectancy are among the lowest in the world. There is a plethora of small arms scattered among Yemen's diverse tribal peoples, making security a major challenge. Adding to these problems, Yemen has a very high population growth rate of 3.46% and an extremely large "youth bulge" of 46.4%.<sup>4</sup> More than 18% of its total labour force is unemployed, especially in urban areas. Its urban population is growing at a rate double to that of the total population and city infrastructure is increasingly unable to handle that growth. Nearly half of Yemen's population lives below the poverty line with a daily income of \$2.00. Although many natural resources are located in the South, a reduced portion of public funds from an unsympathetic government leaves them hindered by grinding poverty. An analysis of Yemen's budget shows the regime's priority has been military spending, an area dominated by Saleh's relatives. Military expenditures are typically four times the amount spent on health care.

Oil accounts for almost 90% of export earnings and around 70% of government revenue, which makes the country susceptible to internal shocks, such as droughts and floods, and external shocks, such as oil prices. Based on current trends, oil reserves are expected to be depleted within 15 years.<sup>5</sup> Yemen is one of the most water-scarce regions in the world with water tables falling by about two meters a year; a rate of extraction that exceeds precipitation by about 70%. Without corrective action, groundwater supplies in Yemen's capital, Sana'a, are expected to be exhausted very soon and are already unsafe to drink. Some 50,000 Somalis flee to Yemen each year leading to the diffusion of their conflicts. Outbreaks of violence within refugee camps are contributing to Yemen's instability.

## **WESTERN INTERESTS**

The 1990 unification of the "republican" North Yemen with the formerly Marxist South Yemen was rapidly followed by civil war in 1994. That conflict ensured the domination of Saleh's Northern forces and his tribe's control of the country's political institutions. Since then, Saleh has established an intricate network of patron-client relations in the North while largely ignoring the economically weaker South. Saleh's government is heavily influenced by al-Qaeda Arabs: jihadists who fought for him in the 1994 civil war after their return from Afghanistan. Today, Bin Laden supporters are thought to be in positions of influence in the military and the government. Saleh also faces rebellion in the North from a band of very capable Shi'ite rebels in the Sa'ada region on the border with Saudi Arabia.

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<sup>4</sup> For a full description of these indicators and the sources from which they are drawn see: [http://www.carleton.ca/cifp/ffs\\_indicator\\_descriptions.htm](http://www.carleton.ca/cifp/ffs_indicator_descriptions.htm)

<sup>5</sup> See: Alie, Nicole, Mahsa Hedayati, Amy Keuhl and Nathan Lysons Yemen: A risk Assessment Brief (2007). <http://www.carleton.ca/cifp/app/serve.php/1338.pdf>

There is some urgency to the situation, both for the people of Yemen and the West. The country has become the centre of al-Qaeda operations for attacks on the United States including the 2000 bombing of the USS Cole in Aden, the failed targeting of CIA agents in 2010 and attacks on the US Embassy in Sana'a, twice in 2008. South Yemen-based al-Qaeda leader Anwar al-Awaki, an engineer with US-Yemen dual citizenship, has been implicated in the November 2009 Fort Hood shootings, the attempted bombing of a US aircraft in Detroit on Christmas Day 2009 and indirectly to the Times Square bombing of last year.

In response, the Obama administration has made a more secure and stable Yemen an administrative priority, insisting that the country improve its efforts to track down al-Qaeda operatives in the South. The collusion between Saleh's military and al-Qaeda is seen as a major impediment to progress in that area, so, using a blueprint suggestive of the United States' approach to Afghanistan and Iraq, the administration is focusing on root causes. When Secretary of State Hilary Clinton visited the country last year, she announced her government wanted a broader security relationship with Yemen, beyond fighting extremists, that tackles the sources of Yemen's fragility, such as poverty and corruption. In the past five years US military assistance to Yemen has totalled about \$250-millionUSD. In 2010, military and civilian aid was almost evenly split and combined for about \$300-million and will increase in 2011.

### **THE WAY OUT?**

If Yemen continues on its current trajectory it will become a failed state in less than two years and, depending on the actions of opposition forces and their supporters, collapse could come sooner. Yemen's implosion would have a significant impact on Saudi Arabia, itself feeling the direct effects of upheaval in the North. Failure would also give al-Qaeda unprecedented operational space in the South. For that reason the US is reluctant to create a power vacuum by pressuring Saleh to step down (the US has not signalled that Saleh should resign as they did with Mubarak and Qaddafi). It has been suggested that giving the opposition greater opportunities in advance of the elections planned for 2013 might lead to an immediate reduction of tensions. Accommodation, democratization and decentralization are often seen as solutions for moving a country away from authoritarianism. Yet there is little reason to believe 'democracy' offers a way out for Yemen. Most of the country's major institutions are controlled by Saleh and his family and are largely dysfunctional. There remains a deep economic and political divide between the privileged North and the impoverished South. The gap between popular expectations and authoritarian rule looms so large in Yemen it is doubtful that reform-minded movements like the kind we saw play out in Egypt, Tunisia, Bahrain and Jordan could succeed without significant international involvement. The country is simply too poor and too divided and Saleh's tribe too powerful.

Looking forward, we can anticipate that Saleh will continue to collaborate with the US for self-serving reasons: to maintain his control on power, to obtain access to foreign aid and to use the cover of anti-terrorism efforts to oppress opposition to his regime. The government's ongoing complicity with al-Qaeda is troubling, but it may also serve to co-opt some extremists. The problem is that the process of de-radicalization may take years to succeed. The crux of the issue is that Yemen, like much of the Middle East, has an authoritarian leader clinging to control well past his due date and there are no viable alternatives for keeping the country together.

## ABOUT THE AUTHOR

David Carment is a Professor of International Affairs at the Norman Paterson School of International Affairs, Carleton University, Ottawa. He served as Director of the Centre for Security and Defence Studies at Carleton University from 2002-2004. His recent books include, *Peacekeeping Intelligence*, *Conflict Prevention: From Rhetoric to Reality*, *Using Force to Prevent Ethnic Violence: An Evaluation of Theory and Evidence* and *Conflict Prevention: Path to Peace or Grand Illusion?* In addition, Carment serves as the principal investigator for the Country Indicators for Foreign Policy project. His most recent work focuses on developing failed state risk assessment and early warning methodologies evaluating models of third party intervention.

In 2000-2001 Carment was a Fellow at Harvard University's Belfer Center. While there he contributed an article on peacekeeping for Harvard International Review and co-authored a paper on "Bias and Intervention" for the BCSIA Working Paper Series.

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