

YEMEN: A RISK ASSESSMENT REPORT

**BY: NICOLE ALIE, MAHSA HEDAYATI,
AMY KEUHL AND NATHAN LYSONS**

CARLETON UNIVERSITY

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Historical Assessment

The evolution towards Yemeni statehood can be viewed as the convergence of two separate and conflicting societies. North Yemen, know known as the Yemen Arab Republic (YAR), was ruled by the Ottoman Empire until its dissolution. In sharp contrast, South Yemen was ruled by the British until 1937 when it became a crown colony. The land that did not fall under crown colony designation became two separate protectorates. Over the next few years rival factions - the Marxist National Liberation Front (NLF) and the Front for the Liberation of Occupied South Yemen (FLOSY) - were engaged in a power struggle.

By 1967, the NLF controlled most areas and on November 30th, 1970 the two protectorates united and later become the People's Democratic Republic of Yemen (PDRY), a socialist state. Throughout the 1970s the northern and southern states engaged in a series of open conflicts. The YAR was aided by Saudi Arabia, while the PDRY was backed by the Soviet Union. In 1979 a new round of fighting emerged, but in March of that year the two heads of state brokered a unification agreement.

In 1990, the Republic of Yemen was officially recognized by the international community, but unification was marred by domestic unrest and Southern dissatisfaction with the division of power within the new state. The government was also faced with an economic crisis and poor international relations following Yemen's decision to support Iraq during the 1990-1 Gulf War.¹ In 1994, civil war broke out between the north and the south. In May of that year, the south attempted to establish a new state, but their attempt was thwarted by northern forces and the international community.



Key Indicators	Influence
<p>History of Armed Conflict CIFP score: 3.60 (Low to Moderate)</p>	<p>Stabilizing:</p> <ul style="list-style-type: none"> • History of conflict between northern and southern regions, but no outright civil war since 1994 • Border disputes settled with Oman (1995), Eritrea (1999) and Saudi Arabia (2000) • Bombing of US warship (USS Cole) by Islamic militants in 2000 led to closer ties with the US, leading to economic and military benefits in Yemen. <p>Destabilizing:</p> <ul style="list-style-type: none"> • Support for Iraq during first Gulf War led to population rise of 8% due to expulsion of Yemeni expatriates from Saudi Arabia² • Lingering tension in the region despite border resolutions with neighbours • History of Somalian refugees – over 40,000 per year since 1995.³
<p>Governance and Political Instability CIFP Score: 6.89 (Moderate to High)</p>	<p>Stabilizing:</p> <ul style="list-style-type: none"> • Executive power strengthened in 2001; parliamentary term increased from 4 to 6 years; presidential term extended from 5 to 7 years.⁴ • Universal suffrage for citizens 18 years of age and older • President Saleh re-elected in 2006, having been in power for 28 years; international monitors declared elections "open and genuine".⁵ • In 2005, 10 year initiative by government to make judiciary more independent and better staffed.⁶ <p>Destabilizing:</p> <ul style="list-style-type: none"> • Longer executive terms and increased power of appointment has fostered domestic resentment.⁷ • Human rights abuses, including restrictions on media and abandonment of rule of law creating domestic unrest.⁸ • Opposition to central government growing in both north and south.⁹
<p>Militarization CIFP Score: 7.28 (Moderate to High)</p>	<p>Destabilizing:</p> <ul style="list-style-type: none"> • Military spending represents a disproportionate amount of GDP (6.4%).¹⁰ • High level of small arms importation (17th in global ranking).¹¹ • Military dominated by the North

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<p>Population Heterogeneity CIFP Score: Not Given</p>	<p>Stabilizing:</p> <ul style="list-style-type: none"> Population mainly ethnically homogeneous (Arab). <p>Destabilizing:</p> <ul style="list-style-type: none"> Significant tribal and religious differences; population divided between Sha'fi Sunni in the south (46.9%) and Zaydi Shi'a in the north (53%).¹²
<p>Demographic Stress CIFP Score: 6.63 (Moderate to High)</p>	<p>Destabilizing:</p> <ul style="list-style-type: none"> Annual population growth very high (3.46%, 2006 estimate); large youth bulge (46.4% of total population)¹³ In 2000, 18% of total labour force unemployed, especially in urban areas¹⁴ Urban population growing at a rate double that of total population; city infrastructure increasingly unable to handle growth.¹⁵
<p>Economic Performance CIFP Score: 6.73 (Moderate to High)</p>	<p>Stabilizing:</p> <ul style="list-style-type: none"> IMF-supported structural adjustment program begun in 1995 leading to greater economic openness.¹⁶ \$4.7 billion in assistance from Arabian Gulf and Western donors secured in November 2006.¹⁷ Steady imports over last five years, around 35% of GDP.¹⁸ Seeking WTO accession since 2000; third meeting of Working Party held in July 2006.¹⁹ <p>Destabilizing:</p> <ul style="list-style-type: none"> Oil accounts for almost 90% of export earnings and around 70-75% of government revenue²⁰, making the country susceptible to internal shocks (drought, floods, etc.) and particularly to external shocks (oil prices).²¹ Based on current trends, oil reserves expected to be depleted within 15 years.²² Government struggling to control excessive spending and rampant corruption.²³ Dependence on foreign aid to finance budget deficits and development projects.²⁴ Agricultural sector under threat due to water scarcity and inability to buy inputs (i.e. fertilizer); 54% of the economically active population works in agriculture.²⁵
<p>Human Development CIFP Score: 7.43 (Moderate to High)</p>	<p>Stabilizing:</p> <ul style="list-style-type: none"> Marked improvement in some key indicators; life expectancy increased 16 years between 1990 and 2006, yet still low (62.1 years).²⁶ Infant mortality decreased by 15% between 1990 and 2001 due to improved child immunization programs.²⁷ <p>Destabilizing:</p> <ul style="list-style-type: none"> Around 46% children moderately to severely underweight and 19% of infants born with low birth weight²⁸ due to chronic shortfalls in access to food. Only 42% of (mostly urban) population receives primary healthcare services.²⁹ Declining food security leading to increased difficulties for low income and geographically isolated population.³⁰ Less than half of population has access to safe drinking water and sanitation facilities.³¹ Combined rate of primary education completion only at 62% in 2004; ratio of girls to boys 0.63:1.32, resulting in low levels of literacy for females (30%) compared with males (70.5%).³¹
<p>Environmental Stress CIFP Score: 8.33 (High)</p>	<p>Stabilizing:</p> <ul style="list-style-type: none"> National Water Resources Authority (NWRA) created in 1995 to conserve water resources <p>Destabilizing:</p> <ul style="list-style-type: none"> Yemen is one of the most water scarce regions in the world³³; water tables falling by about two metres a year;³⁴ rate of extraction exceeds precipitation by 70%³⁵

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	<ul style="list-style-type: none"> Without remedial action, groundwater supplies in capital (Sana'a) expected to be largely exhausted by 2008.³⁶ Water sources becoming increasingly polluted with only half of all water sources considered to be safe.³⁷ Serious problems of soil erosion, sand-dune encroachment and deforestation³⁸
International Linkages CIFP Score: 6.10 (Moderate)	<p>Stabilizing:</p> <ul style="list-style-type: none"> Participation in over 47 international organizations³⁹ has enabled the young country to better face the challenges of a modern state. Border dispute settlements with neighbours (Oman and Saudi Arabia); increasing levels of trade with Oman since 1995⁴⁰ Increased ties with US since 2000 <p>Destabilizing:</p> <ul style="list-style-type: none"> Accused of harbouring wanted Saddam aide by Iraqi President Saudi Arabia providing direct subsidies to a number of northern Yemeni tribal leaders fighting with state Somali refugees ongoing problem Increased ties with US has led to rising domestic resentment

Key Stakeholders

Key Stakeholders	Peace-generating Factors	Conflict-generating Factors
President Saleh/GPC	Stated desire of pursuing democratic reforms and control of violent opposition	Government-enacted policies have increased executive powers, creating burgeoning resentment amongst domestic population.
United States	Technological and military transfers from US have benefited Yemeni government. Increased US aid to help fight terrorism. ⁴¹	Closer ties to US acting as a catalyst to militant Islamic groups in both the North and South. US "War on Terror" allowing Yemeni government to justify domestic oppression of civil liberties.
South Yemen	Primary source of the economic resources on which the country depends.	Resentment as the Northern state holds the political and military power. Lingering resentment over the failed secessionist attempt.
Somalia	Formal recognition of the Somali refugee problem.	Internal instability within Somalia's borders accounts for the displacement of many refugees into Yemen.
Saudi Arabia	Successful settlement of longstanding border dispute in 2000 has led to increased cooperation between the neighbouring countries, resulting in shared information and joint effort to police shared border.	Border remains porous and has become an easy point of entry/exit for Saudi Arabian militants. Saudi Arabia providing direct subsidies to a number of tribal leaders, fuelling domestic conflict.
Zaydis (including militant branch within group)	Despite being a minority group in the region, have maintained peaceful coexistence due to largely peaceful practice of Islam and political leanings. ⁴² Historically, the Zaydis have provided the regime with its greatest support.	Zaydi population disproportionately accounts for government and military officials, creating resentment in the south. Breakaway sect "Zaydi Shiaism" accuses government of corruption and unjust ties with US, and has engaged in sporadic outbreaks of violence since 2004.

Possible Scenarios

Worst Case Scenario

- **Domestic:** Population boom centered in urban areas overwhelms already strained city infrastructure and increases unemployment, challenging the eroding legitimacy of the state; crime rates soar; outbreak of civil war due to lack of state capacity over territorial control
- **Resources:** (i) Water: Crisis of epic proportions due to drought and over consumption, leading to resource conflict (ii) Oil: Utter depletion due to over extraction, OPEC cheating causing drop in oil prices, rioting due to hike in oil prices as government attempts to lower state fuel subsidies (iii) Fish: Renewal of hostilities with Eritrea over fishing rights, eventual depletion of fish stocks
- **US:** Continued cooperation with US for opportunistic reasons (i.e. foreign aid, use cover of anti-terrorism efforts to pursue own political objectives – including oppression of opposition) leads to increased internal conflict, OR internal or external trigger damages relationship with US
- **Somalia:** increased refugee flows into Yemen leading to transferral of conflicts and outbreaks of violence within refugee camps
- **Saudi Arabia:** Conflict with neighbours due to porous borders; Saudi militants use Yemen as base for operations as Saudi Arabia cracks down on dissidents, increased funding of militant religious groups in Northern Yemen fuels internal conflict

Best Case Scenario

- **Domestic:** Government implements democratic reforms (transparency, division of powers, free press), lowering internal tensions; increased employment opportunities combined with family planning campaign controls population growth, reducing stress on infrastructure and improving the overall economy
- **Resources:** (i) Water: NWRA develops increased capacity in effectively managing water resources (ii) Oil: New oil deposits discovered, oil prices remain high, diversification of the economy (i.e. fishing) decreases oil dependency
- **US:** Government increases ties with US on combating regional terrorist activity, while respecting democratic and civil rights
- **Somalia:** Swift resolution of Somalian conflict allows repatriation of refugees, strong Somalian government reduces regional instability
- **Saudi Arabia:** Successful coordination of border control policies, limiting illicit cross-border activities

Most Likely Scenario

- **Domestic:** Continued repression of dissidents leading to continued resentment towards government, continued low scale conflict among rebel groups; continued population growth putting undue stress on education, health, and other social services
- **Resources:** (i) Water: Depletion in Sana'a by 2008 (ii) Oil: Largely exhausted in fifteen years (iii) Fish: Fishing grants will lead to development of the sector
- **US:** Domestic perception of unpopular international ties fuels slow development of internal low scale conflict (due to resentment towards pro-US government stance); government uses “War on Terror” to justify its repressive actions; increased involvement with international (“Western”) institutions
- **Somalia:** Continued conflict and refugee flows lead to increased regional and domestic tension
- **Saudi Arabia:** Continued funding of militant anti-government religious groups causing some increase in violence; border remains porous and illicit cross border activities continue

Endnotes

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