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**Middle East and North Africa Programme:  
Yemen Forum Study Group Summary**

# Developments in Yemen's Transition and President Hadi's Next Steps

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## INTRODUCTION

This report is a summary of a small, expert-level study group held at Chatham House in January 2013 in which participants discussed the latest political developments in Yemen.

The main findings of the meeting were as follows:

- While the Yemeni government faces a critical budget deficit, negotiations over mechanisms for the delivery of aid pledges have stalled. Meanwhile, the defence budget has been increased.
- Tensions between the governing Islah and the General People's Congress (GPC) parties have had an unexpectedly positive impact on government transparency, with each party leaking details of government corruption against the other.
- Youth activists are increasingly drawn to the Houthis, who are emerging as the only credible opposition to established political elites seen as complicit with foreign influence in Yemen.
- Saudi Arabia has been less involved in Yemen of late as domestic and regional crises have taken precedence. Iran is building contacts with emerging power centres, but the larger impact of this remains to be seen.

The meeting was held under the Chatham House Rule and the views expressed are those of the participants. The following summary is intended to serve as an *aide-mémoire* to those who took part and to provide a general summary of discussions for those who did not.

### The Chatham House Rule

'When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.'

## International aid and Yemen's economic crisis

With attention focused on the national dialogue process, the transition government is paying insufficient attention to Yemen's economic crisis. A participant reported that it was currently facing a deficit of up to \$3 billion, and that progress on disbursing the \$6.4 billion pledged at the September 2012 Riyadh donor conference had stalled owing to disagreements over mechanisms for delivering the aid.<sup>1</sup> Another reported that the president had significantly increased the defence budget, which continued to be spent without accountability.

It was argued that the all-encompassing existence of patronage networks in Yemen's political structures mean that entirely excluding patronage practices from aid delivery is unfeasible. A few participants noted the danger of moving too far in the opposite direction, as had happened in other countries in the region where 'hyper-accountability' had led to government paralysis. Also neglected was the question of what would happen to donor aid if the national dialogue collapsed since development aid was tied to the success of transition mechanisms. Humanitarian aid, being less subject to political conditions, was being given insufficient priority by international donors.<sup>2</sup>

## Government dynamics

Some observers of the transition have been concerned that President Hadi's civilian and military appointments might favour individuals from his home governorate of Abyan and see a concentration of power similar to that under former President Saleh. However, participants did not consider that such a government-wide process of 'Abyanization' was taking place and noted that it was occurring only in President Hadi's inner circle. The expectation was expressed that President Hadi would continue his restructuring of the military by taking steps soon to reshuffle the command of Major General Ali Mohsen.

Participants also discussed the growing strength of the Islah Party and gave evidence of Islah taking the opportunity of holding cabinet positions to build its own patronage networks. One participant reported that an unintended consequence of the coalition government between the General People's

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<sup>1</sup> Donor delivery reform was confirmed in the [Mutual Accountability Framework \(MAF\)](#) agreed by the government of Yemen and its development partners in September 2012. Plans were underway to establish an independent Executive Bureau to oversee aid projects, however, they are on-going disagreements on the precise role and structure of this new body.

<sup>2</sup> In 2013, \$716 million has been requested through the UN Consolidated Appeals Process (CAP) to meet humanitarian needs in Yemen. In 2012, \$585 million was requested, of which international donors funded \$329 million. For further information, see: <http://www.unocha.org/cap/appeals/humanitarian-response-plan-yemen-2013>.

Congress (GPC) and the Joint Meeting Parties (JMP, the established opposition coalition dominated by Islah) has been the provision to civil society of valuable evidence of government corruption, as each party has been leaking documents and details of the other's corrupt practices.

However, this increased flow of information has not been paralleled by any institutional response or signs of reform. Participants agreed that while the individuals in top government posts might change, existing patronage networks and the traditional elite would remain. It was argued that Yemen was experiencing a systemic crisis of representation, which neither the national dialogue nor the presence of the JMP in the government was likely to change.

### **The Houthis and the youth**

The question of external support for the rebel Houthi movement was divisive: most participants argued that the Houthis were unlikely to accept support from Iran, but a few stated that this remained a possibility. Another participant stated that the group had modelled itself on Hezbollah before its entry into Lebanese national politics, and while there were links between the Houthis and Hezbollah, Houthi ties to Iran could not be confirmed. The difference between the Houthis and the secessionist Southern Movement was emphasized: the Houthis did not currently appear to have plans to enter the formal political arena through the creation of a political party, and did not want independence for the northern regions (mostly Sa'dah Governorate), over which they had *de facto* control.

Participants noted that the Houthis appeared to be winning against the Islah Party in their competition to recruit young Yemenis, who were attracted to the Houthi narrative of resistance against foreign oppressors. It was explained that the Houthis were the only group to engage with youth who feel victimized by past war crimes and marginalized by the government, the Islah Party and Western organizations alike. This rise of the Houthis could be tied to the formation of a regional Shi'a political consciousness focused on resistance, argued one participant.

### **External actors in Yemen**

Participants noted the changing dynamics of external actors in Yemen. Saudi influence in Yemen continues to operate via various channels, but links between Saudi Arabia and Yemeni businessmen in the south are increasing. The Saudis have maintained their links to traditional power centres but have

been less focused on Yemen in the last year, with internal security and Syria taking precedence. One participant said that more Saudi involvement could perhaps be expected in the upcoming Friends of Yemen meeting in London in March 2013.<sup>3</sup> Participants noted that Iran was building contacts with youth activists and the Southern Movement, but it was argued that the presence of these two external actors should not be characterized as a 'bidding war' between Iran and Saudi Arabia. Iran, a participant explained, had no real strategy for its engagement in Yemen and the impact of its overtures to youth remained to be seen. For its part, Saudi Arabia was still channelling support through its long-standing relationships with tribal sheikhs rather than competing with Iran for access to youth movements.

## Conclusion

Prospects for the national dialogue are mixed. Though preparations are progressing, several participants expressed a lack of confidence in the dialogue's likelihood of success. The start date has been repeatedly delayed and remains unconfirmed, partly because major parties and movements are threatening to boycott the dialogue. Still, for now it is 'the only game in town', as one participant observed.

Participants also agreed that President Hadi was likely to remain in office at least until the end of 2014 – with or without elections – as established political elites perceived that he would mostly maintain the status quo.

It was stated that while the youth movement in Yemen had been sidelined from the transition process, it remained energized and was continuing to exercise influence on certain questions, such as through the frequent use of protest tactics. Recently, it had mobilized on behalf of Yemeni students abroad who had not received their scholarship stipends from the government, protesting daily in Sana'a until the issue was investigated. 'My only hope for Yemen is in the youth movement,' argued a participant.

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<sup>3</sup> For further information on Friends of Yemen, see: <https://www.gov.uk/government/news/uk-to-host-friends-of-yemen-meeting-in-march>

## **ABOUT THE YEMEN FORUM**

The Yemen Forum is a specialist global network that pursues policy solutions for Yemen. The collective knowledge and influence of Yemen Forum members raise awareness, share expertise and support governments in forming policies that directly address the causes of conflict, poverty and poor governance in Yemen. The current phase of the project has two major strands: political economy analysis, and the politics of inclusion and legitimacy.

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## **ABOUT THE MENA PROGRAMME**

The Middle East and North Africa Programme, headed by Dr Claire Spencer, undertakes high-profile research and projects on political, economic and security issues affecting the Middle East and North Africa. To complement our research, the MENA Programme runs a variety of discussion groups, roundtable meetings, workshops and public events which seek to inform and broaden current debates about the region and about UK and international policy. We also produce a range of publicly available reports, books and papers.

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