

Research Paper

Peter Salisbury

Middle East and North Africa Programme | December 2017

---

# Yemen

## National Chaos, Local Order



**CHATHAM  
HOUSE**

The Royal Institute of  
International Affairs

---

# Contents

	Summary	2
1	Introduction	5
2	Yemen's Civil War: A Structural Analysis	8
3	Resources, Revenue and Incentives to Spoil	24
4	The Current Context	38
5	Yemen as a Chaos State	40
6	Conclusion and Recommendations	45
	About the Author	50
	Acknowledgments	51

# Summary

## Flawed perspectives

- Popular depictions of Yemen's three-year-old civil war suggest a chaotic, fractured and polarized country in which the differences between key fighting groups on the ground, and by extension between their international backers, are intractable. Such depictions also reflect an assumption that conflict covers much of the country.
- In fact, until the death of former president Ali Abdullah Saleh in December 2017 – as this paper was being finalized – the conflict had mostly settled into a pragmatic, if economically destructive, stalemate. Front-line fighting was confined to several largely static battlefields, with many actors increasingly focused on the internal politics of individual territories rather than on the wider conflict. The most dynamic aspect of Yemen's multidimensional conflict in 2017 was the fracturing of the troubled alliance between Houthi militias and Saleh loyalists, a showdown ultimately resolved in the Houthis' favour.
- Narratives of the war rarely acknowledge the relative stability of the borders between different areas of territorial control, the continuing flow of goods and people between these areas, or the political competition occurring within them. Nor do such narratives recognize the complexity of factors driving and sustaining hostilities, or the multiplicity of combatants and interests involved.

## 'Chaos state'

- Yemen has become in many senses a 'chaos state': a place where the central government has either collapsed or lost control of large segments of the territory over which it is nominally sovereign; and where a political economy has emerged in which groups with varying degrees of legitimacy cooperate and compete with one another. Yet 'chaos' is a relative term: although Yemen indeed appears to be chaotic from the outside, in the sense that general disorder visibly prevails, it contains its own internal logic, economies and political ecosystems.
- Yemen more closely resembles a region of mini-states at varying degrees of war with one another, and beset by a complex range of internal politics and conflicts, than a single state engaged in a binary conflict.
- The groups that hold the balance of power do not correspond directly to those engaged to date by the UN and key international powers – namely, the Houthis, loyalists of the now deceased Saleh, and the government of exiled President Abd Rabbu Mansour Hadi. For most Yemenis, these parties, while nominally the principal belligerents in the war, are just several groups among many (with President Hadi, moreover, widely seen as a bit player whose importance is derived from legal technicalities, external support and access to resources rather than from hard-earned 'grounded' legitimacy).
- The distinctions between state and non-state security and governance actors, and between the licit and illicit economies, were already blurry before the war began. Since then, these distinctions have become even more arbitrary.

## War economy and resources

- Despite clear divisions between different territories, basic goods (including food and fuel) cross internal borders with relative ease. Arms and other illicit goods are also traded so widely that prices for guns and ammunition have fallen nationwide since the war began.
- There is ample evidence that key political players and armed actors have benefited considerably from the war economy, and that their economic interests have been sustained by the continued national-level conflict. As a result, they lack incentives to agree to a peace process that might threaten the economic status quo.
- The country's few revenue-generating resources (oil and gas fields, and the infrastructure used to transport, process and export hydrocarbons), its major economic institutions, and its marine and overland trade infrastructure have become sources of political and military power. Even in the event of a negotiated political solution, these assets and institutions are likely to be the focus of increasing armed and political struggle. The contest for their control to date has been little analysed.

## A path to peace?

- There is no easy way of transforming Yemen into a functioning, Westphalian model of statehood in the short time frame that many Western and foreign officials may wish for.
- Any deal brokered solely between the parties engaged by the UN is guaranteed to create incentives for other players on the ground to act as spoilers – triggering renewed conflict if careful provisions for a new, genuinely inclusive political process encompassing all other Yemeni groups are not embedded into the current UN-led peace process.
- An approach that ignores the role and nature of external actors and interests in Yemen will not be successful. The mediation process must include incentives for third parties involved in the conflict to act in good faith to support a negotiated political settlement, and must provide for punitive measures if they do not.
- Current policies and frameworks for peace in Yemen are built around simplistic, binary models of conflict that bear little resemblance to reality and that often reflect wishful thinking rather than careful analysis. Learning lessons from the 2012–14 transition period, policymakers and mediators need to adjust their priorities accordingly. In particular, they need to lend as much weight to ground-up initiatives – complex, messy, difficult and time-consuming as these are – as to top-down processes.

## Recommendations for policymakers

Policymakers from the United Kingdom, the United States and other UN member states should support the recalibration of the current UN-led mediation process and expand it, formally or informally, to three equally weighted tracks that:

- Address the role of third-party states – not limited to Saudi Arabia, the United Arab Emirates, Iran, the US, the UK and France – in directly or indirectly prolonging the war and sponsoring military actors.

- Intensify contact with, and mediation between, the parties formally anointed as the key belligerents by the UN Security Council (the Houthis, Saleh loyalists and the Hadi government). Communicate to them the need to expand participation in the peace process.
- Address subnational and local political and conflict dynamics by engaging with key military and political leaders from each governorate and the senior leaderships from the current subnational divisions: the Houthi-occupied north and west of Yemen; the highland tribal territories of Al Jawf, Mareb and Al Bayda; Taiz; the separatist tribal south; Aden; Hadramawt (coastal and northern); and Al Mahra. Consider outreach to the Saba regional council, the Southern Transitional Council and other similar regional initiatives. Integrate these groups into the broader mediation process.

# 1. Introduction

Partial or total collapses in state authority, once rare, are no longer outliers in an otherwise stable international state system.<sup>1</sup> A growing number of formally defined ‘states’ – that is, places with official borders and internationally recognized governments – now exist in reality only as lines on maps and concepts in policy papers and newspaper reports. The governments in these places lack the ability to perform the most basic of state functions, or are able to do so only in enclaves of state control. For the most part, governance vacuums on the ground are filled by unofficial groups that perform state-like functions.

In such places, basic functions and services – the supply of electricity and water, security, justice – are provided by political opposition networks, local communities and identity groups including extremist organizations like Al-Qaeda, often using revenues raised from taxing local trade. The lines between formal, informal and illicit economies are so blurred as to be almost entirely erased. Thus, in some cases the same networks that sustain gun-runners and people smugglers also ensure the flow of basic goods and even services to the poor.

The Middle East and North Africa (MENA) region has proven particularly susceptible to this kind of disorder. The region had a reputation for instability even before the Arab Spring uprisings that began in Tunisia in 2010, the reverberations of which continue to be felt from the coasts of the Arabian Sea to the Mediterranean. Today, the MENA region confronts what the UN Economic and Social Commission for West Asia (UNESCWA) describes as ‘a bewildering array of intense, complex, and interlocked armed conflicts’.<sup>2</sup> Iraq, Libya, Syria and Yemen face varying degrees of internal turmoil, deepened by the proliferation of armed groups with wildly different agendas and by the internationalization of the countries’ conflicts.

State collapse and civil war in the MENA region have precipitated some of the worst humanitarian crises in the world, displaced millions, destabilized and strained neighbouring economies, and given extremist groups such as Al-Qaeda and Islamic State of Iraq and Syria (ISIS) room to grow and plan attacks on foreign soil. Unsurprisingly, this has made the region a top priority for international policymakers.

**Conventional diplomatic, peacebuilding and state-building tools, often developed around binary models better suited to interstate conflict, have proven inadequate in the face of complex, interconnected challenges.**

Conventional diplomatic, peacebuilding and state-building tools, often developed around binary models better suited to interstate conflict, have proven inadequate in the face of these complex, interconnected challenges. Many analysts have come to believe that a new approach is needed if stability is to be brought to the lives of the tens of millions of people caught in or affected by conflict and state collapse.

---

<sup>1</sup> When, in 1994, the CIA’s Political Instability Task Force began to study the issue of state failure, it found too few incidences of the phenomenon on record to be able to build quantitative models. A quarter of a century later, it has no such problem.

<sup>2</sup> Wilcoxon, G. (2017), *Political Transformation and Conflict: Post-War Risks in the Arab Region*, UNESCWA.

This paper argues that policymakers and politicians need to fundamentally change the way they think about so-called ‘failed’ and ‘failing’ states. Rather than viewing them as ungoverned spaces entirely without order in which centralized government needs to be restored to create structure, policymakers and politicians must acknowledge that these ‘chaos states’ in fact have their own internal logic, with legitimacy earned at the local level rather than being imposed from the top down. In each case, the diverse groups within a given state will have very different incentives for cooperation in any peace deal – incentives often divorced from any proposed solution to the ‘master cleavage’<sup>3</sup> that initiated conflict.

Yemen is in just such a position. The country is in the midst of profound and lasting change, having experienced shifts in power and territorial control that are unlikely to be reversed by any political peace accord. Civil wars such as Yemen’s do not just destroy local infrastructure, state institutions or political orders, they also:

... contribute to shaping and producing them. Civil wars, in other words, are part and parcel of state formation... if we are to understand how stable political institutions can be built in the aftermath of civil war, it is essential to study the institutions that regulate political life during conflict.<sup>4</sup>

To understand what the Yemen of tomorrow might look like, we must therefore try to understand how it is being changed by the civil war of today.

In common with most internal conflicts, the war in Yemen is not a binary contest for power, but a complicated and overlapping series of rivalries and armed struggles. Yemen has been divided into areas of territorial and political control, with meaningful front-line fighting limited to several largely static battlefields beyond which Yemenis attempt to continue their day-to-day existences and to insulate themselves against future political cleavages.

Each territory has its own leadership structure, internal politics and external backers, to the extent that Yemen resembles less a divided country than a collection of mini-states engaged in a complex intraregional conflict. The role of third parties – in particular Saudi Arabia, the United Arab Emirates (UAE), Iran, the UK and the US – with different and often divergent agendas deepens the complexity of the conflict, and is likely to prolong it. The presence of Salafist fighters, Al-Qaeda in the Arabian Peninsula (AQAP) and the local branch of ISIS – and the apparent separation of UAE- and US-led counterterrorism initiatives from broader policy frameworks – adds yet another layer of complexity to any attempt to resolve the conflict(s). Since mid-2017, meanwhile, internal power struggles between ostensible allies have taken priority over the national-level conflict.

Dozens of interviews and meetings conducted during the research for this paper indicate that policymakers and diplomats are largely in agreement with the analysis above. Yet the current UN-led mediation process is still focused on engaging with the two ‘sides’ named in a 2015 UN Security Council resolution. These nominal principal actors are, respectively, the government of exiled President Abd Rabbu Mansour Hadi, and the now-collapsed alliance between the Houthis and former president Ali Abdullah Saleh. The binary UN approach is increasingly divorced from the reality of Yemen’s political geography, particularly since the Houthi–Saleh split of early December 2017, which resulted in the death of Saleh and sharply changed the balance of power in the north and west of Yemen. So-called ‘track two’ initiatives, which could widen the scope of mediation, are not

---

<sup>3</sup> Kalyvas, S. (2003), ‘The Ontology of ‘Political Violence’: Action and Identity in Civil Wars’, *Perspectives on Politics*, Vol. 1, No. 3.

<sup>4</sup> Péclard, D. and Mechoulan, D. (2015), *Rebel Governance and the Politics of Civil War*, working paper, Swisspeace, [https://www.files.ethz.ch/isn/191183/WP\\_1\\_2015.pdf](https://www.files.ethz.ch/isn/191183/WP_1_2015.pdf).

at a sufficiently advanced stage to make their integration into a broader peace process feasible in the near future. Many international policymakers also mistakenly assume, and hope, that a single political system with a single leader will emerge from the conflict, on the grounds that this would make interaction with a post-war Yemen easier.

Policymakers often develop a nuanced understanding of contexts such as Yemen's over time, but all too often they struggle to build policies that reflect this subtlety. Ultimately, in Yemen and elsewhere, policies need to be built around reality as it is, rather than as policymakers and other stakeholders would like it to be.

As such, Yemen's recent history contains a cautionary tale. It is widely accepted that diplomats and other foreign officials devoted most of their resources during the transitional period of 2012–14 to just three tasks: addressing the political wrangling among the country's previous elite; maintaining President Hadi's position; and conducting counterterrorism initiatives. These efforts were prioritized to the virtual exclusion of many other issues that were far more important to local populations.<sup>5</sup> This narrow focus – a product of regional and capital-level priorities – left many Yemenis feeling excluded from the 'real' political process. In addition, it resulted in an institutional 'blind spot' among foreign officials *vis-à-vis* the agenda and intentions of the Houthis, a historically marginalized Zaydi Shia movement from the northern province of Sa'dah who were not seen as being important players in national-level politics. Consequently, in September 2014 the Houthis were able to seize Sana'a, Yemen's capital, with relatively little resistance.

Since the war began, in late 2014/early 2015, the structure of power in Yemen has been fundamentally altered. Failure to recognize this, to anticipate the growing strength of key groups, or to translate a new understanding into policy could lead to the mistakes of the past being repeated, with realization dawning too late and policy built around static, out-of-date models.

The cost of taking a business-as-usual approach to Yemen is clear. Most peace deals collapse within five years.<sup>6</sup> They are more likely to do so in contexts involving several factions on the ground, a wide variety of third-party state interests, and a peace process or deal that excludes key groups. All of these factors are present – or, on the basis of current policy frameworks, will be present – in Yemen.

### About this paper

This paper provides a systemic analysis of Yemen's 'chaos state', accompanied by an interactive digital map hosted on the Chatham House website (<https://yemen-map.chathamhouse.org>), aimed at giving policymakers and political leaders the context and tools required to rethink their approach to Yemen. It also provides a table of incentives for key players in the conflict to cooperate in a peace process (see Table 2, pages 48–49). The paper also offers recommendations for developing a joined-up policy to end the conflict, and for developing a durable post-war political and economic settlement.

---

<sup>5</sup> See, for example, Yemen Polling Center (2012), *Yemeni citizens' main concerns, perception of human rights and CSOs*, [http://yemenpolling.org/Projects-en/Yemeni\\_Citizens\\_Concerns\\_Perception\\_of\\_Human\\_Rights\\_and\\_CSOs\\_\(English\\_Version\)\\_v3.pdf](http://yemenpolling.org/Projects-en/Yemeni_Citizens_Concerns_Perception_of_Human_Rights_and_CSOs_(English_Version)_v3.pdf).

<sup>6</sup> Uppsala Conflict Data Program and Peace Research Institute Oslo, 'Armed Conflict Dataset', <http://ucdp.uu.se>.

## 2. Yemen's Civil War: A Structural Analysis

### Box 1: The roots of Yemen's civil war

Much has been written about the roots of Yemen's war and about international responses to it. The drivers of conflict in Yemen include the country's debilitating and kleptocratic patronage system; the gradual rupture of a regime made up of a Sana'a-based military, tribal, religious and political order; and the rise to national prominence in the 2000s of formerly peripheral and marginalized identity and territorial groups, including the Houthis, southern secessionists and tribal groups. Tensions boiled over in 2011 when a youth uprising was co-opted and used as cover for infighting within the elite. Many of these tensions were left unresolved during the political transition of 2012–14. Two Chatham House publications – *Yemen: Corruption, Capital Flight and Global Drivers of Conflict* (2013) and *Yemen: Stemming the Rise of a Chaos State* (2016) – deal with these issues in considerable detail.<sup>7</sup>

As argued above, a UN-led peace process structured entirely around a ceasefire and political accord between the (now effectively dissolved) Houthi–Saleh alliance and the Hadi government is not only unlikely to succeed, but could also spark renewed conflict. The country's 'big war', already in reality made up of a series of 'small wars', could splinter further into a series of complex, localized conflicts that are even harder to resolve.<sup>8</sup>

From the standpoint of the international community, President Hadi retains technical legitimacy, enshrined in UN Security Council Resolution 2216 of 2015. Yet armed forces loyal to the Houthis retain control of the capital, most key government institutions and up to 60–70 per cent of the country's military resources.<sup>9</sup> It is these two nominal 'sides' that, under the structure of the current UN mediation plan, must make peace with one another.

But the Houthis and the Hadi government are just two actors among a multiplicity of groups, and face their own internal divisions – as evidenced most recently by the Houthis' battle with loyalists of former president Saleh for control of Sana'a. From the perspective of many Yemenis, especially those outside the Houthi-controlled highlands in the north and west, the Houthis and President Hadi have no more or less legitimacy than other local leaders and identity groups with a degree of 'grounded legitimacy'<sup>10</sup> stemming from their provision of state-like services. These services are often delivered without the support of the de facto authorities in Sana'a or the Hadi administrations, and in many cases in the face of active resistance from the Hadi government. Some local groups are able to function due to support from third parties, most notably from the UAE in the case of southern Yemen.

In an illustration of the extent to which the state, in any formal sense, has fractured, Yemen now has two central bank headquarters, in Sana'a and Aden; and two ministries of finance, also in Sana'a and Aden. In addition, two governorates, Hadramawt and Mareb, have what are in effect makeshift

<sup>7</sup> Hill, G., Salisbury, P., Northedge, L. and Kinninmont, J. (2013), *Yemen: Corruption, Capital Flight and Global Drivers of Conflict*, Chatham House Report, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/publications/papers/view/194239>; and Salisbury, P. (2016), *Yemen: Stemming the Rise of a Chaos State*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/publication/yemen-stemming-rise-chaos-state>.

<sup>8</sup> Salisbury (2016), *Yemen: Stemming the Rise of a Chaos State*.

<sup>9</sup> UN Security Council (2016), 'Letter dated 22 January 2016 from the Panel of Experts on Yemen established pursuant to Security Council resolution 2140 (2014) addressed to the President of the Security Council', <http://digitallibrary.un.org/record/819771/files/>.

<sup>10</sup> See Clements, K. (2010), *Traditional, Charismatic and Grounded Legitimacy*, Deutsche Gesellschaft für Technische Zusammenarbeit, <http://www.gtz.de/de/dokumente/gtz-2010-en-traditional-charismatic-grounded-legitimacy.pdf>.

central banks and manage their own finances. Despite a ream of public announcements, President Hadi has been unable to bring the many militias and military units in non-Houthi-controlled Yemen under a unified chain of command. Moreover, many of the militias operating in what can be termed 'liberated' Yemen – that is, the areas outside Houthi control – are focused less on the war, the front lines of which are in reality limited to 10 locations at most, and more on building up their power and outmanoeuvring their rivals. In early December 2017, the alliance between the Houthis and loyalists of former president Saleh collapsed, with open conflict breaking out between the two sides in Sana'a. So entrenched have territorial divisions become that this did not alter the overall national-level picture of the conflict, however.

**Fierce fighting continues in and around the city of Taiz, at multiple locations in the Al Bayda governorate, and to a lesser extent in the Sa'dah, Shabwa, Hajja, Al Jawf and Sana'a governorates.**

Fierce fighting continues in and around the city of Taiz, at multiple locations in the Al Bayda governorate, and to a lesser extent in the Sa'dah, Shabwa, Hajja, Al Jawf and Sana'a governorates. In early 2017, militias backed by the UAE launched one of the few structured military campaigns into Houthi–Saleh-controlled territory since 2015 when they pushed up the country's western coast to the small port city of Mokha. The same UAE-backed forces have since targeted a key road leading from western Taiz to the major port of Hodeidah, a prominent supply route for Houthi fighters and a possible entry point for any military campaign to take the port, which the UAE and Saudi Arabia have also mooted assaulting from the sea.

Below is a brief account of the evolution of the conflict, which includes a structural analysis of the broad contours of the current areas of territorial control, the front lines and the internal dynamics of each territory.

### A structural analysis

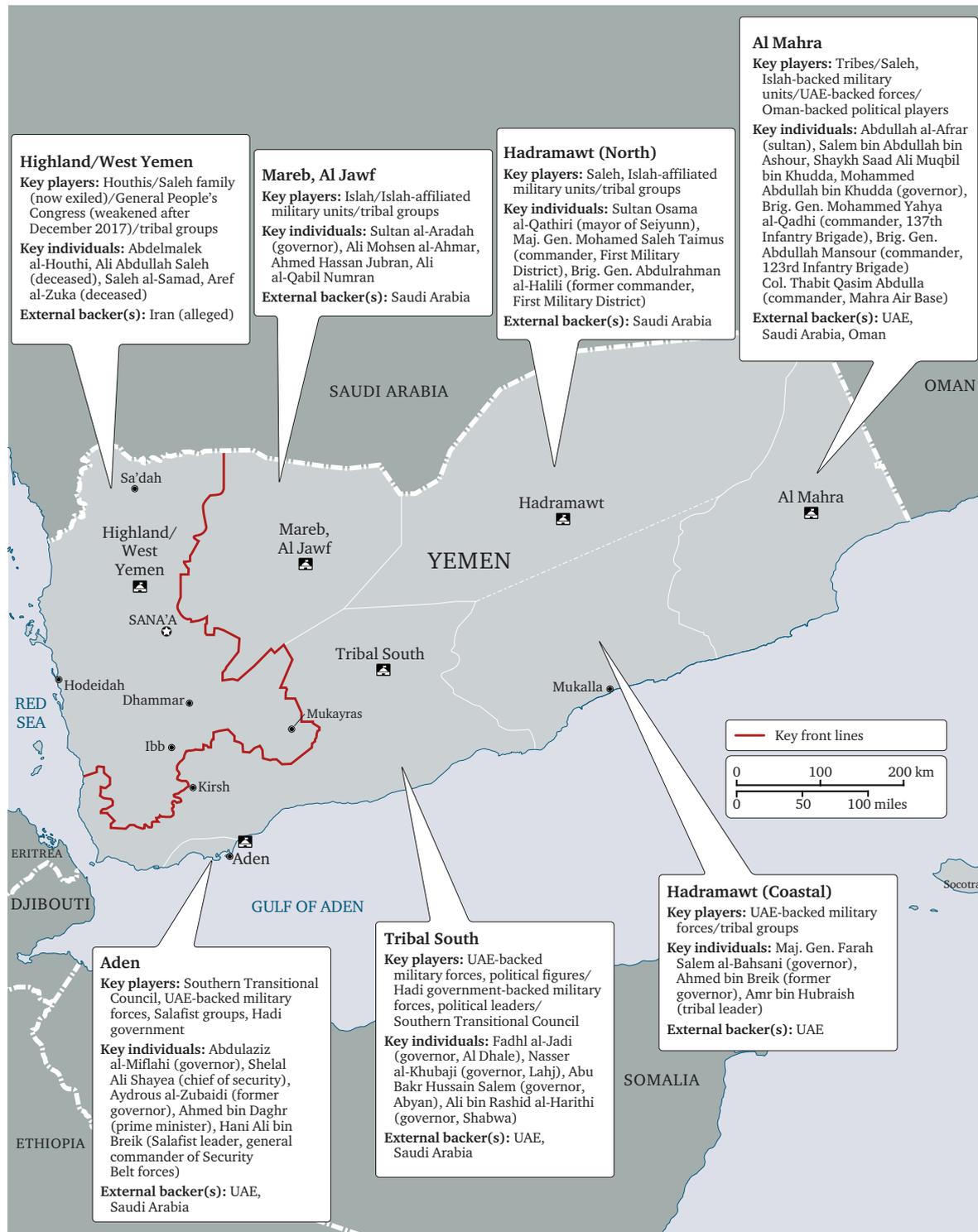
Yemen's civil war was precipitated by a slow-burning coup. In September 2014 the Houthis, a northern Yemeni hybrid military/religious/political grouping, seized Sana'a with the backing of military units and tribal groups loyal to the former president, Ali Abdullah Saleh. Houthi militias and Saleh loyalists then quickly spread south, east and west from the capital. In early 2015, the Houthis placed President Hadi under house arrest. After escaping and taking refuge in the southern city of Aden, President Hadi fled for Saudi Arabia after Saleh loyalists in the air force began bombing the city in March 2015.

The Houthi–Saleh alliance faced little resistance in the highland heartlands of the former Zaydi imamate: the governorates of Sa'dah, Hajja, Amran, Sana'a, Hodeidah, Dhammar and, to an extent, Ibb. But its forces soon became bogged down in battles against local fighters in the tribal areas to the east and northeast of Sana'a; in the city of Taiz; in the central governorate of Al Bayda; and in the governorates of what was independent South Yemen (Al Dhale, Lahj, Aden, Abyan and, in particular, Shabwa – the alliance did not make it as far as Hadramawt or Al Mahra in the east).

In a surprise move, a military coalition led by Saudi Arabia entered the conflict in March 2015 with an intense campaign of aerial bombardment. It announced its intention to back what it termed 'pro-government' fighters. In Al Jawf, Mareb and Al Bayda, those who fought against the Houthi–Saleh alliance were largely drawn from local tribal groups. They were later joined by military units

consisting of loyalists of General Ali Mohsen al-Ahmar, a one-time Saleh ally affiliated with Islah, Yemen's main Sunni Islamist political party. In Taiz, where tribal identity is less pronounced, fighters came from a mix of political backgrounds, with Islah-backed forces, directed by a local leader, Hamoud Saeed al-Mikhlafi, organizing resistance to the Houthi–Saleh alliance.

Map 1: Yemen – internal divisions



In the south, resistance was mounted by untrained secessionists – among them ex-military officers who were veterans of the formerly independent southern state, along with conservative Sunni groups. First in Aden and later in Taiz, a new form of armed group emerged, consisting of dedicated, religiously motivated fighters affiliated to young, conservative Salafist leaders who had fought the Houthis during running battles around a Salafist *madrassa* in the Houthi heartland of Sa'dah between 2010 and 2014.

Broad definitions of allegiances are problematic. Until its split in December 2017, for example, the Houthi–Saleh alliance had always been a marriage of convenience. The uneasy arrangement collapsed when, after several days of fighting, Saleh was killed by Houthi forces in Sana'a on 4 December. Yet the two groups had morphed, to a degree, into a hybrid fighting force that was broadly nationalist in outlook and in which loyalties remained complex, layered and fluid, making an assessment of the balance of power between the two difficult. Before the split, many observers had assumed that they were evenly matched, even though Houthi insiders claimed that they had taken a dominant position in front-line fighting and provision of local security. The speed and relative ease with which the Houthis ultimately overpowered Saleh loyalists demonstrated the extent to which they had gained the upper hand.

### Internationalization of the conflict

The more parties involved in a conflict, the longer it is likely to last and the harder a peace accord will be to broker. The involvement of third-party states also prolongs civil conflicts, particularly if their interventions are balanced out by one another and create a stalemate that is relatively low-cost for them. As Christopher Phillips writes:

[T]he more external actors involved, the longer civil war is likely to last.... they are unlikely to cease their involvement until their independent agendas are met and the more agendas in play, the more difficult for any resolution to satisfy all players.<sup>11</sup>

Yemen's civil war has become increasingly internationalized since March 2015, when the Saudi-led coalition initiated an intensive aerial campaign across the country that continues to this day. UAE troops entered Aden in mid-2015 and helped secure the city before developing an increasingly visible and assertive role in the south, training and equipping different militias. Saudi Arabia has also trained and equipped troops. Initially, Saudi support for forces in Yemen was largely directed through President Hadi, but more recently it has flowed through Ali Mohsen, who in 2016 was named vice-president of Yemen and deputy supreme commander of the armed forces.

A division of labour between members of the Saudi-led coalition has become increasingly apparent. The UAE drives the military campaign and efforts to provide security in the south of Yemen – including cooperation with the US on counterterrorism initiatives – while Saudi Arabia is the main sponsor of the fighting in the north and west and leads the aerial campaign.

The divisions go beyond territorial demarcations. The UAE's web of patronage is marked by an absence of, and indeed opposition to, any group or individual with links to Islah, which has a Muslim

---

<sup>11</sup> Phillips, C. (2016), *The Battle for Syria: International Rivalry in the New Middle East*, Yale University Press, <https://yalebooks.yale.edu/book/9780300217179/battle-syria>.

Brotherhood wing and is often described as ‘the Yemeni Muslim Brotherhood’.<sup>12</sup> The UAE’s de facto ruler, Mohammed bin Zayed, abhors the Muslim Brotherhood, perceiving it and its affiliates as a threat to Emirati and regional political stability.

UAE forces have been accused of persecuting Islah-affiliated individuals in southern Yemen, most notably in Aden and southern Hadramawt, and of working to isolate the group’s affiliates in Taiz.<sup>13</sup> Islah-affiliated groups directed by the powerful Ali Mohsen play a leading role in the war in the north, most notably in Mareb and Al Jawf, as well as in Taiz to the south. Many Yemenis have come to see the coalition war effort as being driven by a not entirely joined-up Ali Mohsen–Islah–Saudi Arabia nexus on the one hand, and by a UAE–secessionist–Salafi network on the other. Tensions are clearly visible in areas where both sets of actors are present, such as Aden and Taiz. Such tensions could well be sowing the seeds of future conflict between the two sides or some permutation of their components.

Iran, meanwhile, has long been accused by Saudi Arabia, the US and others of backing the Houthis, and is widely held to have increased its support for the group since Saudi Arabia entered the fray in 2015. This is discussed in more detail in Chapter 3.

### A new status quo

At the outset of the war, front lines were fluid and it was difficult to discern who was fighting whom. The confusion was compounded by the Houthi–Saleh alliance’s rapid expansion. The alliance’s arrival in some parts of Yemen was not in every case the result of a mass influx of troops, but rather reflected moves by Saleh loyalist military units already stationed in those areas to join Houthi militias that had been gathering nearby. The combined units then simply announced their presence, as happened in Aden and Taiz.

*At the outset of the war, front lines were fluid and it was difficult to discern who was fighting whom.*

At the same time, the Hadi government made a practice of claiming that resistance to the Houthi–Saleh alliance was being mounted by the ‘national army’ and Hadi loyalists. However, many of the groups fighting the alliance were informally assembled local militias, which complained of a lack of support from and communication with the government. The lack of cohesion and general confusion made it hard to discern patterns and groups that could be analysed.

Since 2015, however, most front lines and divisions of territorial control have calcified. A broad status quo of military power, governance and territorial subdivision has emerged. The internal coherence of each territory is influenced by the degree of conflict, the extent to which any one group has a monopoly over violence, and the availability of resources to sustain local structures (and, arguably, conflict). A sign that the main players in each territory do not expect major shifts in the nationwide balance of power can be seen in the extent to which they have engaged in internal

---

<sup>12</sup> Yadav, S. P. (2017), ‘How war is changing Yemen’s largest Islamist coalition’, *Washington Post*, 22 March 2017, [https://www.washingtonpost.com/news/monkey-cage/wp/2017/03/22/how-war-is-changing-yemens-largest-islamist-coalition/?utm\\_term=.b3a871f47a55](https://www.washingtonpost.com/news/monkey-cage/wp/2017/03/22/how-war-is-changing-yemens-largest-islamist-coalition/?utm_term=.b3a871f47a55). Philbrick Yadav writes: ‘Islah is typically referred to as Yemen’s Muslim Brotherhood party, but the reality has always been more complex. Founded in 1990, the Yemeni Congregation for Reform (Islah) was a diverse coalition from the outset, bringing together members of the Muslim Brotherhood and tribal leaders, Salafists and conservative business executives.’

<sup>13</sup> Human Rights Watch (2017), ‘Yemen: UAE Backs Abusive Local Forces: Resolve ‘Disappearances’, Grant Access to Detention Sites’, 22 June 2017, <https://www.hrw.org/news/2017/06/22/yemen-uae-backs-abusive-local-forces>.

political jostling for position since the spring of 2017. This has been evidenced, in particular, by the fighting between the Houthis and Saleh loyalists, whose internal rivalry ended in an intense battle for control of Sana'a in which the Houthis prevailed.

What follows is an account of the new internal status quo, based on digital mapping undertaken by Chatham House (see Introduction) to outline the different areas of control, smuggling routes and key influencers.<sup>14</sup>

### Highlands and West Yemen

Before a schism in early December 2017, the Houthi–Saleh alliance jointly controlled seven of Yemen's 21 governorates – Sa'dah, Hajja, Amran, Hodeidah, Sana'a, Dhammar and Ibb – in their entirety. It was also in direct contestation for control of the Taiz and Al Bayda governorates, and controlled or was contesting limited territory in five more (Al Jawf, Mareb, Al Dhale, Lahj and Shabwa). Despite infighting between the former allies, the Houthis still control the same territories and the front lines remain largely unchanged (in the aftermath of the fighting in Sana'a, UAE-backed southern troops gained some ground on Yemen's west coast). Saleh loyalists do not control any territory at the time of publication.

The alliance was the only military power in the region under its control, and had become increasingly embedded in state institutions since the seizure of Sana'a by the Houthis in September 2014.<sup>15</sup> It also formed governing councils, most recently (in July 2016) announcing a 10-member Supreme Political Council made up of an equal number of representatives of the Houthis and Saleh's General People's Congress (GPC), historically Yemen's most powerful political party. The council formed a self-declared National Salvation Government in October 2016.

The Houthi–Saleh alliance, long seen as one of expediency, was never likely to be sustainable in the long term. In August 2017, tensions between the two sides mounted in the days before a major GPC rally in Sana'a. A few days after the rally, fighting broke out between rival pro-Houthi and pro-Saleh gunmen. A cooling-off period followed, with the GPC and Houthi representatives announcing de-escalation measures. However, open fighting between the erstwhile allies erupted on the streets of Sana'a in early December 2017. This ended with a decisive victory for the Houthis, including the death of Saleh and a number of senior GPC leaders.

At the heart of the alliance had been an increasingly integrated military and security structure, made up of units from pro-Saleh wings of Yemen's armed and security services (the Republican Guard and the Central Security Forces, in particular) and the Houthis' less clearly structured Popular Committees, informal militias built around cell-like structures with relatively fluid command lines. The Houthis also built parallel security structures within pre-existing state institutions, injecting their own operatives into the country's main intelligence agencies (the National Security Bureau and the Political Security Organization); and using irregular, local Popular Committee militiamen – the so-called 'Houthi neighbourhood watch' – instead of conventional police forces to patrol checkpoints in urban spaces and villages.<sup>16</sup>

---

<sup>14</sup> For a detailed digital map of the political geography of Yemen's chaos state, please visit <https://yemen-map.chathamhouse.org>.

<sup>15</sup> From September 2014, the Houthis began to appoint overseers to each ministry office in Sana'a, often supported by more educated and politically sophisticated members of the movement's political wing and in some cases by former GPC officials. Islah officials were uniformly removed.

<sup>16</sup> Author's interviews in Sana'a and elsewhere in Yemen, January–September 2017.

What emerged was a hybrid structure, with the Houthis integrating some conventional military and special forces-style tactics, along with the use of heavy weaponry not previously available to the movement, and the Republican Guard and Central Security Forces adapting to the Houthis' fluid, insurgent approach to warfare.

In interviews before the internal split, officials and insiders in north Yemen described a quiet tug of war between the Houthis and Saleh over control of the military and security services. Saleh and his inner circle battled to maintain the combination of policy, finance, human resources, training operations and other structures required to sustain the armed forces over a prolonged period, while the Houthis promoted their own, more organic forms of resource management.<sup>17</sup> For example, when Houthi militia commanders are killed, removed or promoted, their replacements are generally sourced from within the ranks of their units on the basis of military acumen and popular perceptions of their abilities rather than in observance of any formal hierarchy. This resulted in many combined Houthi–Saleh units falling under the leadership of young Houthi commanders and becoming increasingly 'Houthified'.

The balance of power shifted significantly in the Houthis' favour in October 2016, when a funeral hall in Sana'a was bombed by aircraft from the Saudi-led coalition. Among those killed were Major General Ali al-Jaifi, the commander of the Republican Guard, and Abdulqader Hilal, the mayor of Sana'a. The two men were seen as Saleh loyalists but had served as mediators, easing tensions between different parts of the Houthi–Saleh alliance, and were a somewhat moderating force in their approach to military and security affairs.<sup>18</sup>

### The balance of power shifted significantly in the Houthis' favour in October 2016, when a funeral hall in Sana'a was bombed by aircraft from the Saudi-led coalition.

A subsequent spat between the Houthi and Saleh leaderships prevented the appointment of a replacement for al-Jaifi, further weakening command-and-control structures, and strengthening the parallel, less structured networks preferred by the Houthis. By mid-2017, well-informed contacts were convinced that day-to-day battlefield operations were almost entirely directed by the Houthis' senior leadership, while Saleh loyalists were increasingly marginalized in defence and security structures. The Houthis, meanwhile, claimed that Saleh's nephew, Tareq Mohammed Saleh, the de facto leader of the family's military forces, was training soldiers but not deploying them to the battlefield.

In the run-up to the December 2017 schism, interviewees had argued that tribal leaders in the northwest – particularly those of seven key tribes around Sana'a, the so-called 'collar tribes' – had become more closely aligned with Saleh (with whom their allegiances have historically lain). But, in the view of a well-informed source in Sana'a, tribal leaders – whose primary responsibility is to their tribes – are pragmatic and will ultimately work with the likely winner in any conflict rather than engage in what they think is a losing battle for control of the country.<sup>19</sup> In the event, they chose to remain neutral during the fighting in Sana'a and chose to work alongside the Houthis once the latter had emerged as the clear winners. This was despite entreaties from both Saleh and Ali Mohsen, who is said to have lobbied tribal leaders to fight alongside the former president (in the days before his

---

<sup>17</sup> Interviews conducted by a Chatham House consulting researcher in May 2017.

<sup>18</sup> Author's interviews, May and June 2017.

<sup>19</sup> 'The northwestern tribes tend to want to work with whoever is strongest and most likely to win, unless there is a serious attack on their inner workings,' an individual with close ties to several tribal leaders told the author via a social media messaging platform in September 2017.

death, Saleh announced a split with the Houthis and called for a ‘new page’ to be opened in relations with the Saudi-led coalition; this was widely seen as a pre-planned signal that he was switching his allegiances).

While the Houthis have built up a dominant military and economic position, they have become increasingly unpopular among Yemenis in the highlands and west of Yemen. This is in no small part due to their tendency towards political repression, their heavy-handed tactics, their disrespect towards tribal leaders, and the growing perception that they are looting state resources and that their leadership is enriching itself while Yemen starves.

In one survey, living conditions and governance in the parts of Yemen controlled by the former Houthi–Saleh alliance were perceived as notably worse than in the rest of the country, although local security was perceived to be better than elsewhere.<sup>20</sup> While those polled attributed the weakness of governance and lack of basic services to the war in general, the data show that the state is generally visible as a security actor in the northwest. This tallies with the perception of the Houthis’ approach to governance as being security-led, and as being focused on the diversion of resources to military operations and the maintenance of a police state.

Yet this dissatisfaction did not translate to a willingness to challenge the Houthis’ rule. When Saleh announced his split from the Houthis, he called for an ‘uprising’ against them but received surprisingly little support. The Houthis quickly quelled unrest in the highlands and west coast of Yemen and soon gained the upper hand in Sana’a. Since Saleh’s death – allegedly followed by the arbitrary execution of many key loyalists – morale has sunk among the Houthis’ critics.<sup>21</sup> There is ‘no hope’ for anyone to dislodge the Houthis, one Sana’a resident said soon after the former president’s death. Saleh had been seen as the last resort for those who hoped to dislodge the Houthis. ‘In 2011 we wanted to get rid of him, but by this year we wanted him back if it meant getting rid of the Houthis,’ he said. ‘But now there is no chance. It seems like nobody can beat them.’<sup>22</sup>

### The south

Five of Yemen’s southern governorates – Aden, Lahj, Al Dhale, Abyan and Shabwa – and its two easternmost governorates – Hadramawt and Al Mahra – are ostensibly controlled by the Hadi government and affiliated forces. In reality, the region is subject to varying degrees of control by a mixture of UAE-backed secessionist militias, which are organized into rough military units, emerging police forces, ‘elite forces’ and so-called ‘Security Belts’. Some of the Hadi government’s military allies also operate on the ground, often in competition with UAE-backed forces.

Before 1990, these governorates formed the independent People’s Democratic Republic of Yemen (PDRY). (Most of the territory of the current Al Dhale governorate was carved out of the PDRY-era Lahj province in the 1990s as part of a post-war redistricting process.) The governorates are now collectively – and, for newcomers, confusingly – known as ‘south Yemen’.

---

<sup>20</sup> The data were collated by the Yemen Polling Center, a nonpartisan research centre based in Sana’a and backed by the EU. Yemen Polling Center (2017), *Perceptions of the Yemeni public on living conditions and security-related issues*, [http://www.yemenpolling.org/advocacy/upfiles/YPCPublications\\_YPC-Data---Perceptions-of-the-Yemeni-public-on-living-conditions-and-security-related-issues---May-2017.pdf](http://www.yemenpolling.org/advocacy/upfiles/YPCPublications_YPC-Data---Perceptions-of-the-Yemeni-public-on-living-conditions-and-security-related-issues---May-2017.pdf).

<sup>21</sup> Houthi spokesmen claim that Saleh was killed during a gunfight as he attempted to flee the capital, but subsequent reports suggest he was executed at his home in Sana’a. In the days after Saleh’s death, it became clear that a number of his loyalists had also been killed under equally murky circumstances, including his nephew Tareq, his son Khaled and Aref al-Zuka, the assistant secretary general of the GPC.

<sup>22</sup> Author’s interview via social media messaging application, 4 December 2017.

While the different groups on the ground in the south saw the former Houthi–Saleh alliance as a common foe, the Houthis have not attempted a serious incursion into the south since 2015. Internal divisions and tensions have thus become the more visible priority in the south. In particular, the UAE and its allies have come to see President Hadi as an impediment to progress, in part because of his government’s failure to establish control over the south and restore services, and in part because of its alliance with Islah-linked groups elsewhere in the country.<sup>23</sup>

### Aden

Internal tensions in the south are most visible in the port city of Aden, previously the capital of the independent south. Control of the city is contested by a variety of different factions: militias and military units loyal to President Hadi, clustered around the presidential palace in central Aden; security forces loyal to the local, UAE-backed former governor, Aydrous al-Zubaidi, around the Mualla district; and UAE-led ‘Security Belt’ forces, many of them Salafist in nature, in much of the rest of the city. Also present are armed secessionist ‘Southern Resistance’ cells, which took part in the liberation of the city from Houthi–Saleh forces in 2015 but have struggled to find a patron since; and other military units with a broad range of alliances. Security in Aden has been disrupted by AQAP and the local wing of ISIS, although many locals say that attacks purportedly by extremists are often led by Saleh-era intelligence services embedded in the south.<sup>24</sup>

In February 2017, tensions between different factions boiled over when Hadi loyalists attempted to seize control of Aden airport from a local UAE-backed militia. The fighting was halted when a UAE Apache helicopter fired a rocket into a military vehicle occupied by pro-Hadi troops. Local news outlets reported that three people were killed. Later in the month, local militiamen clashed with Hadi loyalists during protests near the presidential palace over unpaid salaries and the Hadi government’s failure to provide medical treatment promised to those who had fought the Houthis in 2015.

In August 2017, news emerged of deal under which many UAE-backed units – and reportedly a considerable proportion of the overall UAE military contingent based in Aden – were to be deployed to other parts of the south. According to local sources, some Saudi and Sudanese troops had been brought into the city. Yet the deal did not lead to substantive change. President Hadi, who had been due to return to Aden from Riyadh, remained – and remains – in Saudi Arabia. The Saudi military contingent is largely confined to the presidential palace and a UAE-run military base. The port and airport remain under the control of UAE-aligned militias.

### The ‘tribal south’

In the Lahj, Abyan, Al Dhale and Shabwa governorates, local militias and military units supported by the UAE (in turn supported by the US) have moved to secure territory from AQAP and from the former Houthi–Saleh alliance. The Houthis still control much of Damt district in Al Dhale, Mukayras district in Abyan, and Bayhan district in Shabwa – all reputedly key areas for cross-country trade and smuggling networks (see Chapter 3). They are also contesting territory in Kirsh district in Lahj. The various UAE-backed and government-affiliated military and security forces are largely made up of local

---

<sup>23</sup> Assertion based on interviews with several Emirati policymakers in London, Washington and Abu Dhabi over the course of 2017.

<sup>24</sup> For a persuasive analytical framework for this argument, see Jerrett, M. and al-Haddar, M. (2017), *Al Qaeda in the Arabian Peninsula: From Global Insurgent to State Enforcer*, Hate Speech International, <https://www.hate-speech.org/wp-content/uploads/2017/03/From-Global-Insurgent-to-State-Enforcer.pdf>.

men with close ties to the areas in which they operate, with senior military commanders drawn from influential families and tribes. This has led some analysts to designate these areas as the ‘tribal south’.

There is considerable crossover between key tribes and families, the various security forces and emergent local government structures in each governorate. The key military and political leaders in these governorates are uniformly secessionist in outlook. President Hadi has some loyalists in the different governorates (for example, Hadi-backed military units have been at the forefront of fighting with the former Houthi–Saleh alliance in Shabwa), and he has attempted to assert his control over the south by removing pro-UAE leaders and replacing them with his own affiliates. The broad balance of power, however, lies with pro-UAE secessionist groups, and will do so at least for as long as the UAE funds, equips and supports them.

Shortly after the death of Saleh, UAE-backed forces launched a fresh offensive along Yemen’s west coast, using forces drawn largely from Lahj province and backed by Sudanese troops, in the apparent aim of seizing Hodeidah port. The outcome of the campaign had not been decided at the time of publication.

### East: divided Hadramawt and Al Mahra

In the telling of local residents, the governorate of Hadramawt has been broadly divided into two spheres of influence and control since the war began. Coastal Hadramawt covers the southern section of the governorate. It runs up to where the highlands of the governorate meet Wadi Hadramawt, which was controlled by AQAP until early 2016 and is now held by UAE-backed militias known as the Hadrami Elite Forces. Northern Wadi Hadramawt and the Empty Quarter, to the north, are largely controlled by military units that have not engaged in the wider civil war. Northern Hadramawt has long been a key location along smuggling routes that link southern and eastern Yemen with Sana’a and Saudi Arabia, and locals have attributed the relatively stability of the area to its importance among influential figures in the elite. However, contacts in Hadramawt have reported a spate of assassinations in the area, leading to fears of a ‘cold war’ for territorial control between loyalists of Saleh and those of Ali Mohsen al-Ahmar (it is unclear how the balance of power will be affected by Saleh’s death).

The governorate of Al Mahra, where there has been no fighting since the war began and which adjoins Oman to the east, is under the ostensible control of local tribes but has become the site of mounting internal tensions. Since the start of the war, Al Mahra’s main border crossing, ports and highways have become entry points for licit and illicit goods as well as objects of competition, with territory jealously guarded. ‘What is going on in Al Mahra is unbelievable,’ said a local researcher. ‘They have even divided the sea. This bit of the sea belongs to this tribe. All the tribes try to control the areas for trade.’<sup>25</sup>

Key military units in Al Mahra are manned and led by former Saleh regime insiders from the northern highlands (reputedly, the two main infantry brigades are respectively led by a pro-Saleh commander and a pro-Islah commander), while the governorate’s chief of security is a Hadi appointee. Since mid-2017, UAE-backed troops, under the umbrella of the Mahra Elite Forces and largely drawn from the local population, have also become increasingly visible. In November 2017, Saudi-trained and -equipped forces also arrived in the governorate.

---

<sup>25</sup> Author’s interview with south Yemeni researcher via social media messaging application, August 2017.

Governance across the south is managed at the governorate and district levels. Most interviewees confirmed that local governance and service delivery are in effect organized by individual local leaders, even though members of the Hadi government are based in Aden. Humanitarian metrics and perceptions of governance demonstrate that there is no uniform implementation of governance standards across the south.

## Unstable southern politics

A key complaint among southerners interviewed for this paper is that power politics has proven a far higher priority in the south than any attempt at imposing stability or introducing sustainable models of governance. Interviewees said that the power struggle between the Hadi government and the UAE has undermined southern unity, while President Hadi's tendency to replace popular governors and military leaders who do not directly follow orders, or who are perceived as threatening his position, with less able allies has had a debilitating effect on attempts to build meaningful state structures.

In April 2017, Hadi removed Aydrous al-Zubaidi, a secessionist and military leader, from his post as governor of Aden after al-Zubaidi had repeatedly criticized what he called the 'Riyadh government' for doing too little in the south. Soon after, al-Zubaidi announced the formation of a Southern Transitional Council, a body widely perceived as UAE-backed, which promised to govern the south and secure the region's autonomy from the rest of the country. The governors of Hadramawt and Shabwa were among the southern military and political leaders on the council, but they were removed from their positions by Hadi soon afterwards, apparently because of their support for al-Zubaidi's plans and their close ties to the UAE.

Hadi's attempts to assert control have had mixed results. He replaced Ahmed bin Breik, the governor of Hadramawt, with Farah Salem al-Bahsani, the head of the local military regional command. Bahsani is broadly popular among residents. He is said to have a Hadrami nationalist and pro-UAE world view not dissimilar to that of his predecessor. Shabwa residents say that Ahmed Lamlas, a tribal and military leader whom Hadi also removed from his post as governor, had made some progress towards stabilizing an often restive area that has been subject to attacks by AQAP and by the Houthi–Saleh alliance. The Houthis still control territory in Bayhan district, in the northwest of the governorate. 'Lamlas was well organized, he contacted the tribes, he made a few deals that made the governorate much better than before,' said a resident. 'But now the area is out of control. The new governor cannot control anything.'<sup>26</sup>

Some southerners have questioned the dedication of the Hadi government and members of the coalition – the UAE, in particular – to defeating the Houthi–Saleh alliance, given the relative freedom with which goods, arms and money pass from south to north and vice versa. Land borders, ports and roads in Al Mahra, Hadramawt and Shabwa are said to be key to smuggling operations moving goods into the north, while goods are also said to pass north through Aden, Lahj and Al Dhale. Several southerners argued that the UAE, in particular, was more focused on fighting Islah than on combating the Houthi–Saleh alliance. Before Saleh's death, a number of southern observers believed that the UAE saw the former president and his family as the lesser evil among key northern power players, considering him to be more pragmatic than the Houthis and more palatable than Islah.<sup>27</sup>

---

<sup>26</sup> Author's interview via social media messaging, September 2017.

<sup>27</sup> Several diplomats, interviewed between June and October 2017, echo this sentiment.

---

## The northern tribal territories

The governorates of Al Jawf, Mareb and Al Bayda are tribal in nature. They have a history of resistance to centralized rule by the government in Sana'a, due to a mix of tribal, religious and local differences. As in Taiz, local groups in these governorates were among the first to take up arms against the Houthi–Saleh alliance, with varying degrees of success. Because they did not uniformly oppose the alliance, the war has affected the tribes in each governorate in different ways, with the impact on tribal cohesion often proportional to the intensity and duration of the conflict with the alliance.

Mareb has emerged as an apparent success story since the beginning of the war. Away from the front line of Sirwah, where fighting is ongoing, there has been little conflict elsewhere in the governorate since late 2015. Mareb is now almost entirely under the control of local authorities, led by the governor, the popular tribal sheikh Sultan al-Aradah. Mareb was historically the biggest oil-producing region in Yemen, and small volumes of oil and gas continue to be produced, refined and bottled at facilities there. The governor has been able to generate some income from oil and gas sales. He has used these revenues, as well as taxation of goods in the local market, to underwrite the local government.

**The civil war has, to an extent, unified a historically fractious group of tribes in Mareb by providing them with a common enemy.**

The civil war has, to an extent, unified a historically fractious group of tribes in Mareb by providing them with a common enemy. In this it has helped to resolve broader disputes, at least in the short term. In anticipation of the Houthis' imminent expansion into the governorate in 2014, the Abeedah tribe of Mareb signed a truce with the Balhareth tribe in Shabwa. This proved particularly important when the Houthi–Saleh alliance attempted to enter Mareb from the east, near Bayhan district, one of the areas under the control of the Balhareth. The war has also helped some political rivalries to ease in Mareb, as members of the GPC have joined forces with allies of its rival Sunni Islamist party, Islah, to defend the governorate from the Houthi–Saleh incursion.<sup>28</sup>

Improvements in governance and service delivery in Mareb have been so marked that many Marebis say that the situation is better than before the war. In Mareb city, property prices have risen dramatically as the market has boomed. Several infrastructure projects are under way and electricity supply, historically limited to around four districts, now reaches nine out of 14 districts.<sup>29</sup> An influx of people displaced by the war has provided stimulus to the local economy, albeit while straining local resources. A Saba Region University has opened in Mareb city. A previous university, an outpost of Sana'a University, was shuttered years before the war began.<sup>30</sup>

However, local activists have voiced increasing concerns about the growing dominance of 'highland' elite players – known locally as the 'al hadabah elite' – over local security structures. Protests in Mareb city on 16 October 2017 reportedly left two people dead, and marked the latest ratcheting-up of tensions between local groups and military and security groups led by Ali Mohsen.<sup>31</sup>

---

<sup>28</sup> Author's interview with local journalist, 4 May 2017; author's interview with local leader, 24 April 2017.

<sup>29</sup> Consultant researcher's interview with governor secretary in Mareb, 5 December 2016.

<sup>30</sup> Hadarm.net (2017), 'Discussions under way over construction of three new faculty buildings at Mareb's Saba University' [*munaqashat 'iiedad tasamim li'insha' maban tlhath kliyat bijamieat 'iqlim saba bimarib*], Hadarm.net, 13 March 2017, <http://www.hadarem.net/?ac=3&no=25287>.

<sup>31</sup> Local sources indicate that the Mareb security governorate leadership is drawn entirely from outside the governorate, as is the local Special Forces chain of command and that of the Political Security Organization (PSO).

## Al Jawf and Al Bayda

Tribal groups in Al Jawf and Al Bayda have not been able to unite as effectively as those in Mareb. In Al Jawf, this is in part because the Houthis have been present in the governorate since at least 2009. Having gained territorial control and earned local support before the wider civil war broke out, they have been able to exploit differences between members of Yemen's two main tribal confederations, the Bakil and Hashid.

In Al Bayda, where the conflict is particularly intense, some tribes have chosen to fight alongside the Houthi–Saleh alliance. This reflects their ties both to the Houthis and to Saleh, as well as pre-existing political and tribal rivalries. Al Bayda remains an important prize for the Houthis because of its crucial place in wartime smuggling and trade networks.

## Government control

Some attempts have been made to bring the tribes in these areas under the control of the Hadi government. Most of those who fought against the Houthi–Saleh alliance in Mareb and Al Jawf have been enlisted into the army or the newly expanded police and security services. About 12,000 new troops have been added to military units established in Mareb since the beginning of the war, with around 75 per cent of these coming from the governorate.<sup>32</sup> Another 7,000 men have been integrated into the military in Al Jawf.<sup>33</sup>

In Al Bayda, less of an effort has been made to integrate tribal militias into state structures. In mid-2016, President Hadi issued a decree to establish three new brigades in the governorate. However, only one (Brigade '117 Meca') was actually formed.<sup>34</sup> Its commander, Abdurrah al-Asbahi, and many of its members are from Al Bayda.

As in the past, the military has come to be seen as a source of partisanship and patronage. Corruption is reportedly rampant among military units, with commanders who have not been involved in front-line fighting becoming the chief beneficiaries of state funds rather than the tribes that have suffered the heaviest casualties during the war. This has weakened morale and is doing little to engender any sense of loyalty to the state instead of to the tribes.<sup>35</sup>

Senior military commanders and government officials are said to receive payments for entire 'ghost brigades' that exist only on paper, a long-standing practice in Yemen. Other forms of corruption include the failure by commanders to pay out the allowances allocated to new recruits; the theft of vehicles provided for front-line fighting; and the sale of heavy weapons on the black market, likely to the benefit of the former Houthi–Saleh alliance.

---

<sup>32</sup> Consultant researcher's interview with military official in Mareb, 27 April 2017.

<sup>33</sup> Author's interview with a military officer in charge of enforcing fingerprints, 27 April 2017. It is hard to confirm the figures given to the author for all governorates, as there is a lack of transparency surrounding the enlistment process.

<sup>34</sup> 'Meca' stands for 'mechanized'.

<sup>35</sup> A military general from Al Bayda indicated that the commander of the brigade formed specifically to liberate Al Bayda had no prior military training. Interview, 7 May 2017. Several former military officers, resistance fighters and activists indicate that thousands have been hired into senior positions with no prior training or military experience. Thousands were enlisted but did not take part in the fight against Houthis. A resistance fighter mentioned a figure of 9,000 men. Several also complain that corruption in the pro-Hadi military is worse than it was during the Saleh era.

## Taiz: a front-line city

In a complex conflict, the city of Taiz is the most fractured space, with different anti-Houthi militias vying for control of key areas while battling to repel the advance of their northern rivals.

At the outset of the conflict, the fight against Houthi–Saleh forces was led by groups and individuals identified as members or affiliates of Islah. Later, Salafist militias entered the city, seizing some territory and often clashing with Islah militias and the 22nd Mechanized Brigade, a military unit backed by the Hadi government and led by Sadeq al-Sarhan, an ally of Ali Mohsen. A small number of secular, non-military fighters, many of them affiliated with the local Nasserist party, also began the war working alongside Islah-backed militias but later distanced themselves, reputedly under the influence of UAE operatives.<sup>36</sup> Locals now describe a broad alliance between UAE-funded groups – including Nasserists, Salafists led by Abu al-Abbas and the 35th Brigade commanded by Adnan al-Hammadi. Another Salafist militia, Kata'eb al-Hassam, operates independently of this alliance and is described by Taiz residents as being in alignment with AQAP.

Currently, forces of the former Houthi–Saleh alliance control the northeast section of Taiz along with the mountains overlooking it, a position the alliance previously used to shell the city. Salafist groups control the central basin of the city. Hadi-affiliated military units with historical ties to Ali Mohsen are sited in the southeast. Key Islah militias are sandwiched between the Salafist forces of Abu al-Abbas and Houthi/Saleh loyalist territory. Until 2016, the Houthi–Saleh alliance had controlled all of the key roads entering Taiz and was thus able to impose a siege on the city. However, local fighters now control a small road leading southwest to the neighbouring Lahj governorate and then on to Aden.

Taizis complain that the cause of the resistance has been damaged by political rivalries, particularly between UAE-backed militias and Islah fighters, and by infighting between the Hadi government and the UAE. By July 2017, UAE-backed militias had consolidated their control over Mokha, to the west of Taiz on the Bab al-Mandeb coast, after pushing Houthi–Saleh forces out of the area, and they had seized the key military camp of Khalid ibn al-Walid that overlooks a major highway interchange linking the north with Mokha and Taiz. A build-up of armoured vehicles led some observers to believe that an offensive was being planned to create a military corridor into Taiz. But troops and vehicles were reportedly pulled back after infighting between Hadi- and UAE-backed forces in Aden.<sup>37</sup>

Another complaint is that Taiz – as the site of brutal fighting, including the indiscriminate use of artillery in civilian areas by the former Houthi–Saleh alliance – serves a useful military and political purpose. Before the collapse of the alliance in December 2017, it was said to keep Houthi–Saleh forces stretched militarily; withdrawal from the city would have freed up considerable resources. The brutality of the fighting has also allowed the Hadi government and Saudi Arabia to offset criticisms of the Saudi-led aerial campaign. Many Taizis see themselves as abandoned and as little more than chips in a bigger political game.

‘They want to keep the city as a swamp; to do more crimes by shelling, so they can exchange crimes by airstrikes with the crimes of the Houthis here,’ said a local contact. ‘If there is a big operation here, they can do it. The Houthi and Saleh groups have been run out of various different areas. But the infighting is preventing anything from happening.’<sup>38</sup>

---

<sup>36</sup> According to local residents.

<sup>37</sup> Author's interviews with key southern contacts, September 2017.

<sup>38</sup> Author's interview via Skype, July 2017.

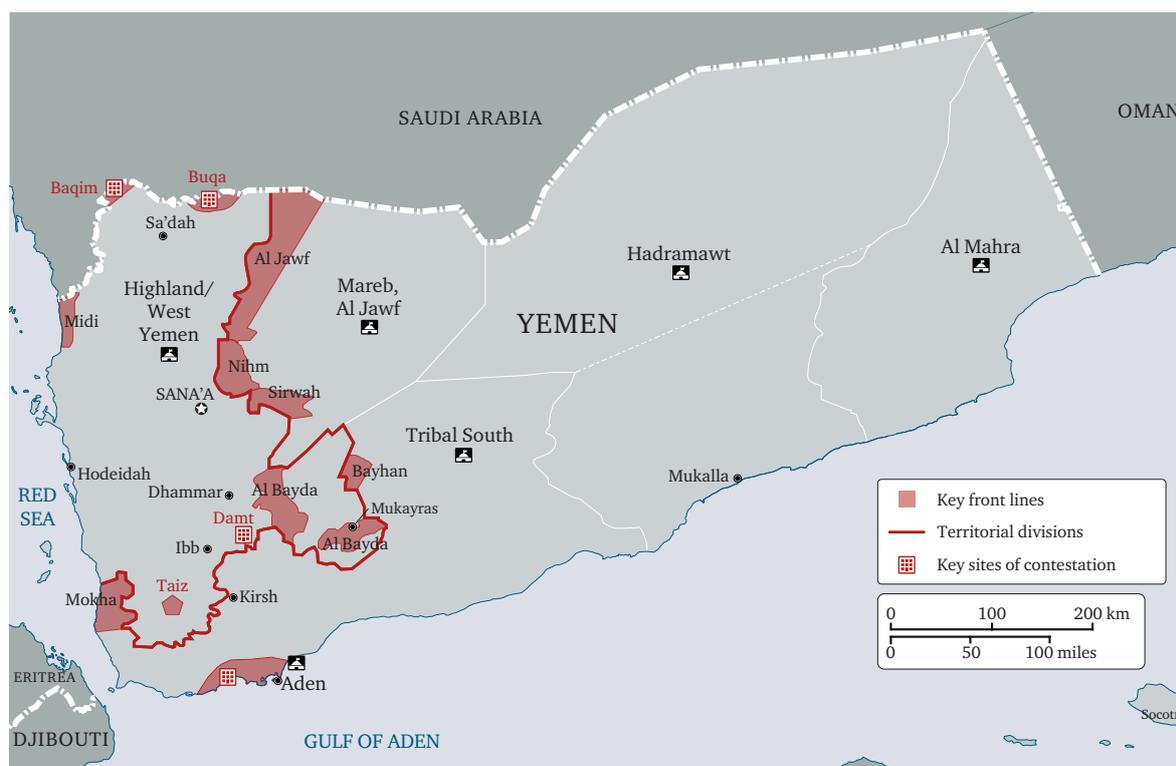
## Perim and Socotra

The islands of Perim, to the west of the Bab al-Mandeb coast, and Socotra, in the Gulf of Aden, are reportedly under the control of Emirati military forces, leading to charges from some Yemeni groups that the UAE is ‘stealing’ Yemeni territory as part of a wider regional play for geostrategic power. The UAE is believed to be building an airbase on Perim,<sup>39</sup> known in Arabic as Mayunn, which is situated on a strategically important chokepoint in global trade, and also to be developing a plan to turn Socotra into an ecotourism resort, port and military base. UAE news sources have reported that Yemeni forces are being trained on Socotra.

## Other sites of contestation

In several districts of Al Jawf, in Niham in northern Sana’a and in Sirwah in western Mareb, what were violently contested front lines have evolved into relatively defined border regions variously controlled by Houthi and Saleh forces, tribal militias, and military units affiliated with the Ali Mohsen-led First Armoured Brigade. The front lines in these areas ‘haven’t moved an inch’ since late 2016, said a foreign official who monitors the different conflict areas of Yemen.<sup>40</sup> Fighting is causing significant casualties, and there is little sign that the conflict in Mareb is likely to shift beyond the current stalemate in the near future. Similarly, in 2015 Saudi-backed forces led by Ali Mohsen loyalists entered Midi, a port town in the northwestern Hajja governorate, but they have made no new ground since.

Map 2: Yemen – front lines and areas of contestation



<sup>39</sup> Binnie. J. (2017), ‘Large runway construction project underway on Yemen’s Mayyun/Perim island in Bab al-Mandab, probably another UAE military base in the making’, tweet by IHS Jane’s Defence Weekly editor Jeremy Binnie, 17 February 2017. The tweet includes a map of the project. See <https://twitter.com/jeremybinnie/status/832555853337284608>.

<sup>40</sup> Author’s interview via Skype, September 2017.

During 2016, Saudi-backed Yemeni forces, mainly made up of Salafist brigades transported from the south, attempted to open new fronts in key areas of the Jizan–Sa’dah border, which separates Saudi Arabia from Houthi-controlled territory. However, this yielded only a new set of static front lines, and many of the Salafist groups that were fighting in the border areas have since been redeployed to the south and Taiz.

### Box 2: Unintended consequences – Yemen’s Salafist problem

Defining the many and continually evolving armed factions fighting in Yemen’s war is a complex task. Different groups have multiple, overlapping identities and loyalties – tribal, political, religious etc. This is particularly true of the numerous Salafist groups that have emerged since the beginning of the war, playing a key role in the battle for Aden in 2015 and in the ongoing struggle for Taiz, as well as in attempts to seize territory from Houthi militias on the border with Saudi Arabia.

The vast majority of Salafist militias find their roots in the Dar al-Hadith Institute, a Salafist network of *madrassas* and mosques, the most famous of which were located in the Kitaf and Dammaj districts of Sa’dah, the Houthis’ northern heartland. After numerous rounds of fighting between Salafist fighters and Houthi militias, residents of the Dar al-Hadith facilities were forced to evacuate in January 2014 after government mediation. Having scattered across the country in disarray, many groups found a new *raison d’être* in the fight for Aden against their old foe, the Houthis, in early 2015.

The Salafists’ rise to prominence is often attributed to the backing of the United Arab Emirates (UAE), which entered the war by sending military equipment, heavy weaponry and later its own special forces into Aden to work alongside anti-Houthi groups. The Emiratis singled out the well-organized and highly motivated Salafist groups for financial backing, as well as for the supply of military equipment and weapons.

The UAE reportedly sees the Salafists as useful allies because of their organization, dedication to winning battles, and lack of the sort of political aspirations associated with the Muslim Brotherhood. But the Salafists do not form a single, monolithic faction. In some cases, competition between different groups has led to armed clashes and resulted in intra-Salafist assassination campaigns. Some Salafist groups have proven themselves to be as extreme as Al-Qaeda in the Arabian Peninsula (AQAP) or Islamic State of Iraq and Syria (ISIS). Some factions, in Taiz in particular, demonstrably include members of AQAP.

Since the liberation of Aden by a broad coalition of southern groups in 2015, the UAE has lost the allegiance of some prominent Salafist figures – in part because of the desire of key groups to engage in a war of sectarian-tinged vengeance with the Houthis. It remains unclear what goals, beyond revenge against the Houthis, the major Salafist groups in the south have, or what role they expect to play within the state or politics in the future.

What can be said with certainty is that the Salafist groups are not proxies for any one actor; nor can they be described as controlled from a foreign capital. Some formerly UAE-backed Salafist militias are now part of military units on the Saudi–Yemeni border, working alongside command structures put in place by Ali Mohsen al-Ahmar. Others have aligned themselves with President Abd Rabbu Mansour Hadi’s forces in Aden, placing some Salafi groups in opposition to the UAE.

The use of religiously motivated fighters to achieve short-term goals is deeply problematic and has a track record of backfiring in Yemen. In the 1994 north–south civil war, a relatively small number of jihadists, many of them returnees from Afghanistan, were utilized by the regime of Ali Abdullah Saleh against the socialist south. The war was won by the regime, but the jihadists empowered during the conflict became the forerunners of AQAP. The rise of the Salafists risks fuelling religiously motivated violence and deepening sectarian divisions in a country previously immune to religious conflict. As the civil war continues, this could have dire, irreversible consequences for the country’s social fabric, setting in motion all too familiar cycles of repression, marginalization, division and revenge.

Analysis by contributing researcher Iona Craig.

---

## 3. Resources, Revenue and Incentives to Spoil

Yemen has been divided into several distinct territories over the course of the war, each with its own key military and political centres of gravity, broadly delineated borders and internal rivalries. Yet in at least one aspect the country continues to operate as a single coherent, if somewhat uneven, ecosystem.

Since at least 2016, and despite disruption to port access, trade has flowed across Yemen with an ease that belies the facts of the war. This trade includes fuel, weapons and other materiel, often mixed with basic goods such as food and medicine, and hard currency. As most of the rest of the economy has ground to a halt, the control of entry points (including land borders and ports), trade routes and local markets has become increasingly lucrative for local power brokers.

That trade of all kinds flows freely across Yemen is not surprising. In civil wars from Sierra Leone to Syria, rival groups have reached accommodations that create economic benefit for rank-and-file fighters and senior commanders, as well as a lifeline for the population. Access to resources also prolongs conflicts and, crucially, creates incentives to spoil peace processes and maintain the profitable status quo. This is particularly the case when a peace deal is likely to restore centralized state control of resources, and when demobilization would mean an end to predatory practices such as the imposition of fees at checkpoints.

*In civil wars from Sierra Leone to Syria, rival groups have reached accommodations that create economic benefit for rank-and-file fighters and senior commanders, as well as a lifeline for the population.*

Control of economic resources shifts incentives for engagement in peace deals. While access to resources and revenues is rarely the determining factor in conflict, so-called combatant self-financing ‘complicate[s] and prolong[s] hostilities, in some cases creating serious impediments to their resolution’.<sup>41</sup>

### An integrated war economy

In interviews in early to mid-2017, Yemeni traders based inside the country and across the region told the same story: while it is often difficult to ship goods into Yemen, and into the port at Hodeidah in particular, trucking them overland through Oman or Saudi Arabia remains entirely feasible.<sup>42</sup> Once goods have entered Yemen, they tend to arrive at their intended destination, despite crossing several internal borders. ‘It’s a free market,’ said a Sana’a-based businessman when asked why supermarkets in the capital are stocked with Saudi goods, including perishables such as juice and yoghurt. The electronics he sells are bought in Dubai and trucked into Sana’a within 48–72 hours – this timespan tallies with estimates provided by other traders and two people involved in the trucking business.

---

<sup>41</sup> Ballentine, K. and Nitzschke, H. (2003), *Beyond Greed and Grievance: Policy Lessons from Studies in the Political Economy of Armed Conflict*, International Peace Academy, [http://www.worldpolicy.org/sites/default/files/imported/projects/arms/study/bak05\\_1.pdf](http://www.worldpolicy.org/sites/default/files/imported/projects/arms/study/bak05_1.pdf).

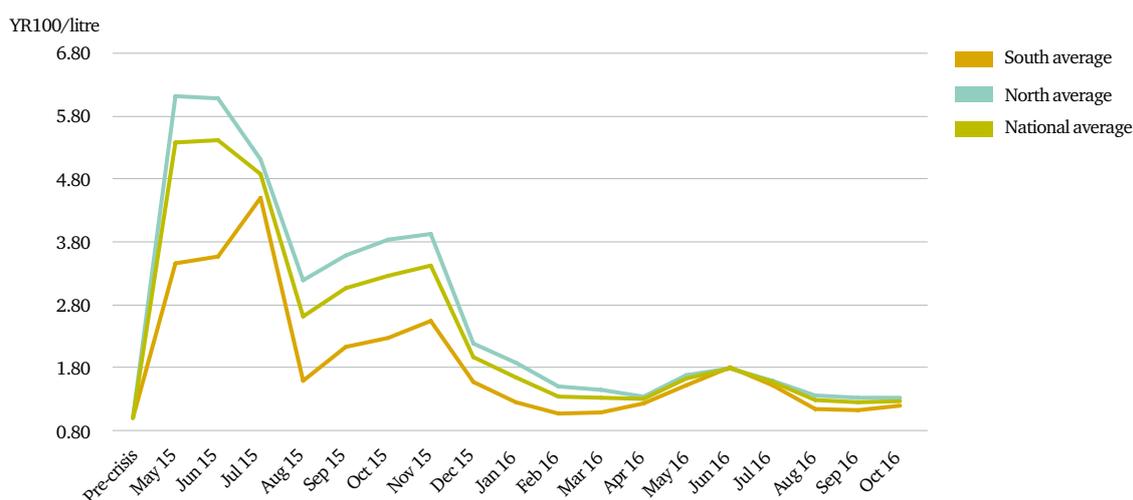
<sup>42</sup> Author’s interviews with five traders based in Sana’a, Dubai and elsewhere in the region.

Overland trade has become increasingly lucrative. Trucks, if travelling into Houthi-controlled parts of the country, pass through dual customs facilities: first at the land border with either Oman or Saudi Arabia, and then when they move into Houthi-controlled territory. Their drivers must pay duties on the goods they are carrying at customs stations on both occasions, as well as fees (demanded by the militias that control each territorial entity) at as many as 15–25 checkpoints. Thus, groups on each side of the conflict benefit from trade. Traders estimate that checkpoint fees alone inflate the prices of basic goods such as wheat by 10–15 per cent.<sup>43</sup>

Traders interviewed also describe a relatively frictionless overland trade environment, once checkpoints are taken into account. Incidences of trucks being halted and searched are generally low, and have been since at least early 2016. However, when trucks are halted, the cost of releasing them can be high. One merchant reported having to pay YR3,000 (around \$10 at the time) per item for the release of a shipment of electronics. Another said that smaller traders have taken to bringing goods into the northwest using passenger vehicles so as to avoid facing extortion from rogue checkpoint commanders.

Data from the World Food Programme on wheat, flour and diesel prices support the argument that Yemen remains a single market despite being divided politically and militarily. While prices in Houthi-controlled territories are typically higher than elsewhere – and there are regional variations in liberated areas of the country – prices generally move in concert, albeit with some time lag between regions. An increase in the price of fuel in Aden, for example, tends to translate into a broader increase nationally in the subsequent weeks, while higher wheat prices in Hodeidah filter through across the country as traders exploit the arbitrage opportunity: moving goods from an area where prices are lower into one where they can extract greater profit.<sup>44</sup>

Figure 1: Diesel prices by region, March 2015 to October 2016



Source: World Food Programme.

<sup>43</sup> All assertions based on author's interviews with traders in Yemen and the region, January–October 2017.

<sup>44</sup> World Food Programme data provided to the author on request.

Although the banking system has been severely damaged by the war, overland trade is facilitated by existing and new *hawala*<sup>45</sup> money-transfer networks, which are increasingly integrated with currency-exchange businesses. Businessmen involved in overland trade collect earnings and currency from expatriate Yemenis who hope to send money home, and use this money to underwrite the cost of goods and shipping, paid for in dollars or regional hard currency. When the goods arrive at their destination, they are sold into the local market in Yemeni riyals. In this type of transaction, a local relative of the expatriate worker in question then receives the riyal equivalent of the money from a family member of the businessman involved, minus a fee and often at an exchange rate advantageous to the businessman or money exchanger used. 'People are profiting two, three times over from their businesses,' said a Yemeni analyst.<sup>46</sup>

Profits are also extracted from bringing illicit goods into the country. These goods include small arms, ammunition, military technology (including components for surveillance and attack drones) and hard currency. A UN Panel of Experts, formed in 2014 to oversee a sanctions regime imposed on Yemeni individuals by the UN Security Council and given a wider remit as part of an April 2016 Security Council resolution, has documented instances of such goods being interdicted at checkpoints.<sup>47</sup> Its most recent report, a draft of which was made available to Security Council members in August 2017 and which was provided to the author, notes that ammunition prices in Yemen have fallen since the war began, suggesting a steady supply across country. The report notes that arms and munitions provided by the Saudi-led coalition to its local partners are being sold and transferred to Houthi and Saleh forces on a regular basis; this claim is in line with other information and anecdotal evidence provided to the author.<sup>48</sup>

Sources with an understanding of internal arms sales say that weapons are widely available in local markets, and can pass freely both within territory controlled by the Houthis and through areas outside of their control. Arms are transferred between these zones along established smuggling routes, the most important of which cross southern Mareb and southern Shabwa governorates before transiting into the highlands through tribal territories in northern Al Bayda.<sup>49</sup>

The exceptions to the flow of trade are the city of Taiz and contested areas of the Al Bayda governorate, the two sites of the fiercest and longest-lasting front-line fighting in the war. The Houthi–Saleh alliance imposed an effective blockade on Taiz until 2016, when local and southern militias were able to seize control of a mountain road linking the city with the neighbouring Lahj governorate. In Al Bayda, skirmishes along key supply lines have led to areas controlled by anti-Houthi–Saleh groups being cut off for days at a time.

---

<sup>45</sup> 'In the *hawala* system,' *The Economist* explains, 'no money moves physically between locations; it is transferred by means of a telephone call or fax between dealers in different countries. No legal contracts are involved, and recipients are given only a code number or simple token, such as a low-value banknote torn in half, to prove that money is due. Over time, transactions in opposite directions cancel each other out, so physical movement is minimised.' *The Economist* (2001), 'Cheap and trusted', 22 November 2001, <http://www.economist.com/node/877145>.

<sup>46</sup> Author's interview, via Skype, July 2017.

<sup>47</sup> Letter from the Panel of Experts on Yemen addressed to the president of the Security Council, United Nations, 27 January 2017, [http://www.un.org/ga/search/view\\_doc.asp?symbol=S/2017/81](http://www.un.org/ga/search/view_doc.asp?symbol=S/2017/81).

<sup>48</sup> Author's interviews, January–October 2017.

<sup>49</sup> Confidential conversations with sources inside and outside Yemen, June–October 2017.

## Customs, checkpoints and taxation

**Table 1: Yemen customs authority locations income (2013)**

Customs collection location	% of total customs revenues (Total: \$1.065 billion)
Hodeidah port	41
Aden free zone	26
Al Tuwal border crossing (Saudi Arabia–Yemen)	10
Shaheen border crossing (Oman–Yemen)	5
Sana'a airport	5
Aden port (Mualla)	4
Al Wadiyah border crossing (Saudi Arabia–Yemen)	3
Salif port (Hodeidah)	1
Mokha port	1
Mukalla port	1

Source: Yemen Customs Authority.

Customs and taxation make up the bulk of income for the Houthis. While a relatively small proportion of pre-war state revenues was generated by taxation, customs and excise, income from customs fees in particular grew in the years before the conflict broke out, peaking at around \$1.2 billion in 2014. The Tax Authority was most active at Yemen's three main ports – Hodeidah, Aden and Mukalla – and at land borders with Saudi Arabia (in Hadramawt and Sa'dah) and Oman (in Al Mahra). Sana'a airport, now closed, was also a major revenue generator, accounting for around 5 per cent of the Tax Authority's income in 2013.

## Ports and trade routes

Since 2015, control of customs collection points has been divided between different groups. Hodeidah port and Salif port to its north were controlled by the Houthi–Saleh alliance before its collapse, as was Sana'a airport and the Al Tuwal border crossing with Saudi Arabia (which has been sealed off since 2015). As of December 2017, they were still controlled by Houthi forces. Aden port was largely inaccessible during the first six months of 2015, as it was the site of fighting between the Houthi–Saleh alliance and local militias. Since 2016, it has been controlled by southern militias backed by the UAE. Mukalla port was seized by AQAP during its takeover of the city in April 2015, but it has been under the control of UAE-backed Hadrami forces since early 2016. The Al Wadiyah crossing with Saudi Arabia in northern Hadramawt is under the control of Islah-aligned forces, while the Shaheen crossing with Oman in Al Mahra governorate has become a busy access point for trucks from the sultanate and beyond. Many smaller ports – such as Nishtoun in Al Mahra, Ash Shihr in Hadramawt and Al Beidah in Shabwa – have also become far busier since the outbreak of war.

In Hodeidah port and the affiliated Salif port, according to well-connected sources, the key individuals overseeing customs and other tariffs were Houthi-affiliated. With the division of the country into spheres of influence, the Houthi–Saleh alliance also created its own customs facilities at key overland access points. The most notable of these were two checkpoints, positioned respectively in the

---

Dhammar governorate and Al Bayda. Both were run by Houthi commanders. Officials in Sana'a and elsewhere say that they are generating revenues comparable with those earned in Hodeidah.

Figures provided to the author suggest that the former Houthi–Saleh alliance was earning over YR10 billion (around \$30 million) a month from customs collections before the infighting of December 2017, while the Hadi government, if it were to control all of the customs collection points outside of Houthi territory, would earn around YR18–20 billion (\$54–60 million).<sup>50</sup> Figures from the central Customs Authority in Sana'a, however, show income from Hodeidah dwarfing revenues from other governorates. This lends credence to claims that revenues from Houthi-controlled institutions were being redistributed directly by the movement's military leaders rather than returned to state institutions (Houthi officials deny this).

Before their dominance over the highlands and the west coast of Yemen was sealed, the Houthis had already consolidated control over the finance departments of most major government institutions. They also led taxation of local markets and businesses, levying increasingly prohibitive fees on firms. Anecdotal evidence suggests that Houthi leaders control many key smuggling routes, particularly for fuel, and have been able to earn substantial revenues by selling fuel to state fuel stations and into the black market.<sup>51</sup>

This set-up provides considerable incentives for the Houthis' military leadership to continue to prosecute the war, despite the civilian toll and even in the face of the internal schism with Saleh loyalists. The Houthis have a steady income stream for the first time in the movement's 13-year history. As discussed in more detail elsewhere in this paper, the current UN-proposed peace deal is heavily weighted towards the creation of interim security arrangements and the creation of a unity government that would demand oversight and control of customs receipts, as well as the dissolution of internal customs checkpoints. This would weaken the Houthis as a movement and local Houthi commanders specifically. Anecdotal accounts from Sana'a and elsewhere in Houthi-controlled territory detail the purchase or seizure of valuable property, land and businesses by Houthi military commanders.<sup>52</sup>

## The Hadi government's revenues

The Hadi government has struggled to gain control over customs and tax revenues, even where duties, fees and taxes are levied. However, it has been able to restore some income from Yemen's hydrocarbons resources. The outbreak of the war saw conflict reach two of the country's main oil- and gas-producing governorates, Mareb and Shabwa, with key export pipelines cut off as a result. Production was also halted in Hadramawt when AQAP seized the oil terminal on the south coast that was used to store and export oil produced in the governorate. A liquefied gas export project, Yemen LNG, was shut down at the same time.

---

<sup>50</sup> The Houthi–Saleh alliance reportedly earned around YR5.5 billion a month from its customs agency in Dhammar, YR2.5 billion from Al Bayda, and YR3.5 billion from Hodeidah. The Hadi government is said to earn as much as YR5.5 billion a month from the Al Wadiyah crossing, YR7 billion from collection points in Al Mahra, YR1 billion from Mukalla and YR7.5 billion from Aden.

<sup>51</sup> 'The Houthis have become the big smugglers since the war began,' a contact in Sana'a with knowledge of trading routes told the author. This view is in line with interviews conducted over the course of the project. 'They control all the access points, all the markets, all the state distribution, and they profit from it several times over.'

<sup>52</sup> Assertions based on author's interviews with residents of Sana'a, analysts and well-connected individuals. 'They have become very rich since the war began, and have been doing all the things they criticized Saleh for,' a Saleh-linked individual told the author during an interview in Europe in June 2017.

The country's oil and gas production facilities remain a major prize for the parties to the conflict. It was widely assumed that part of the Houthi–Saleh alliance's military strategy during the early days of the war was to achieve control of oil facilities in Mareb and Shabwa in order to ensure a sustainable source of rents. Tribal groups in Mareb, Shabwa and Hadramawt secured the oil fields in their respective governorates, while UAE-backed paramilitary forces have controlled export facilities in Hadramawt and Shabwa since the ouster of AQAP in 2016.

Since AQAP's withdrawal, the Hadi government has been quietly negotiating with the different forces on the ground, first to export oil held at the Ash Shihr storage and export facilities in southern Hadramawt, and then to resume production and export from fields in central Hadramawt. In July 2016, a European oil trading firm, Glencore, entered into an agreement with the government to buy 3 million barrels for around \$40 a barrel.<sup>53</sup> The same firm has reportedly been offloading around 2 million barrels every two months since January 2017. At the time of writing, more than 14 million barrels had been sold at an estimated average price of around \$50–55 a barrel.

Before accounting for production and storage costs and payments to local groups, oil sales had earned the government around \$700–770 million in around a year. A plan to truck oil produced at oil fields in Mareb to export facilities in the south, if successful, could bolster government income in 2018. In interviews, foreign officials said that the Hadi government initially refused to reveal where the income from the oil sales was being deposited, before conceding that it was being held in a privately held account at Saudi Arabia's National Commercial Bank, better known as Al Ahli Bank.<sup>54</sup> The government has given some details of how the money is being used, but officials have no oversight of the spending.

**Oil income reduces the Hadi government's dependence on Saudi Arabia. This also makes Saudi officials less inclined to underwrite the Hadi government's initiatives.**

Oil income reduces the Hadi government's dependence on Saudi Arabia. This also makes Saudi officials less inclined to underwrite the Hadi government's initiatives. 'People complain that we are not paying for things in Yemen but the government has its own income now,' a Saudi official said.<sup>55</sup> This arguably provides clear disincentives for the Hadi government to accept the terms of a peace deal that establishes a unity government. An interim administration would insist on oversight of and access to oil revenues. Oil rents have also allowed the Hadi government, which has little credibility among the different groups in Yemen, to build its own patronage networks, particularly among disaffected southern Yemenis who have been marginalized by the emerging centres of power in the south and by Salafist groups.

### Mareb and Mukalla: complicating factors

Oil resources have also benefited the local government of Mareb, which is led by a prominent tribal leader, Sultan al-Aradah. While exports from facilities in Mareb have been frozen since the early days of the conflict – oil is transferred instead to an export terminal on the west coast that cuts through the current front lines – the state-run Safer Exploration Production and Operations Company operates

---

<sup>53</sup> Reuters staff (2017), 'Exiled Yemen government sells crude to Glencore – agency', Reuters, 27 July 2017, <https://www.reuters.com/article/yemen-oil/update-1-exiled-yemen-government-sells-crude-to-glencore-agency-idUSL8N1AD5HX>.

<sup>54</sup> Author's interviews with multiple Yemeni diplomatic sources, January–October 2017.

<sup>55</sup> Author's interview, London, April 2017.

---

a small refinery and natural gas bottling facility on-site. Gas production has continued throughout the war, while the refinery has been running at or close to capacity (estimated at 8,000–10,000 barrels a day) since at least late 2015, using locally produced oil.<sup>56</sup>

At the outset of the conflict, al-Aradah instructed local authorities to deposit revenues from oil and gas sales at the local branch of the Central Bank of Yemen rather than transferring them to Sana'a. The money has been used to pay for local fighters (many of whom have been formally inducted into the military), civil servants, basic services such as water and electricity provision, and local infrastructure. Over the course of the war, a governorate historically seen as troubled and underdeveloped has become, in the opinion of its residents, safer, more stable and more prosperous.

It is unclear what incentives al-Aradah would have to accept the terms of a peace deal that creates a unity government in which he has no say, and which is likely to demand control of Mareb's oil and gas resources. When asked whether he agreed with the terms of such a deal, and whether or not he had been consulted on this by the UN, a senior Marebi tribal leader said: 'The problem in Mareb before the war was that no one listened to us. We fought the Houthis, built a local government and helped our people. But no one has asked us what we want after the war. Who is this deal for exactly?'<sup>57</sup>

Since the Hadrami Elite Forces seized Mukalla port and its surrounding areas, the local government has reduced the customs fees levied on cargoes, increasing the volume of trade passing through the port. With the port seen as the most secure in Yemen and, allegedly, having the least oversight over inbound cargoes, it has become a busy and lucrative trading station, providing the local government with a considerable income stream. These revenues are augmented by income from oil exports and cash payments from the Hadrami Elite Forces' chief sponsor, the UAE.

### Smuggling

A Chatham House mapping of key trade and smuggling routes into and within Yemen demonstrates that goods of all kinds, including food, fuel, money and arms, enter the country freely, and that licit and illicit goods pass freely between rival territories.

Mukalla port was seized along with the rest of the city by AQAP in April 2015. Day-to-day administration of security and of the port was handled by an ostensibly local staff largely made up of Saleh-era officials.<sup>58</sup> Cargoes continued to be discharged at the port, with trade allegedly funded by individuals in the Gulf states and in the city itself. Smuggling networks originating in Mukalla supplied arms and fuel to Houthi–Saleh-controlled territory.<sup>59</sup> It is said that these smuggling networks have remained operational since the ouster of AQAP in April 2016.<sup>60</sup>

Similarly, smuggling networks operating around Nishtoun port in Al Mahra, Ash Shihr port in Hadramawt and Al Beidah port in Shabwa have reputedly provided a steady supply of arms to the Houthi–Saleh alliance since the beginning of the war. Weapons and other military technology have also allegedly been imported via the Shaheen border crossing with Oman. Often, members of local groups know and disapprove of the smugglers' activities but fear reprisals – which range

---

<sup>56</sup> Sources with knowledge of the oil industry and internal governance structures in Mareb.

<sup>57</sup> Author's interview, August 2017.

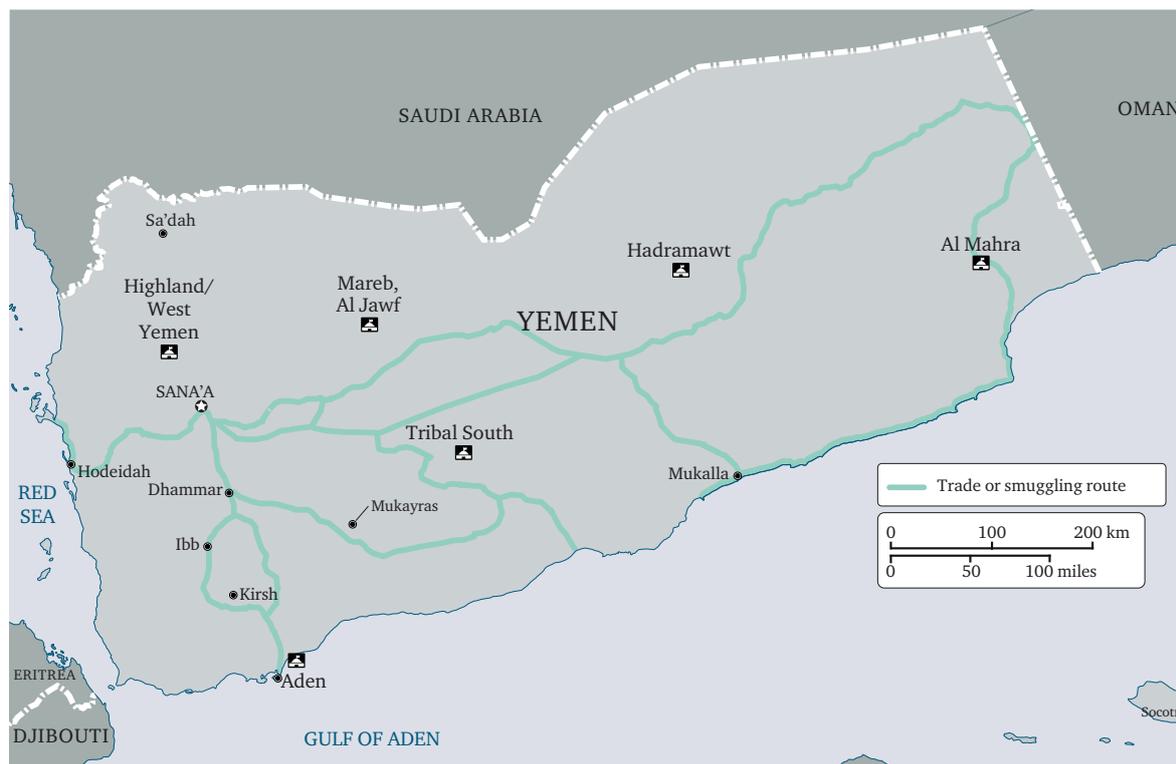
<sup>58</sup> Jerrett and al-Haddar (2017), *Al Qaeda in the Arabian Peninsula: From Global Insurgent to State Enforcer*.

<sup>59</sup> See International Crisis Group (2017), *Yemen's al-Qaeda: Expanding the Base*, 2 February 2017, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/yemen/174-yemen-s-al-qaeda-expanding-base>.

<sup>60</sup> Author's interviews with multiple confidential sources, February–September 2017.

from dismissal from their jobs to assassination – should they act to stem the flow of arms. ‘People in Shabwa know who the sheikh is who brings arms in and smuggles them to Sana’a, he was close with Saleh,’ said a well-informed southern contact, echoing similar comments made by other sources. ‘But saying anything or doing anything is too dangerous.’<sup>61</sup>

### Map 3: Smuggling and trade routes



## External sources of funding and support

External funding and support have played a key role in many groups’ rise and sustained success during the conflict. From the beginning of the war, Saudi Arabia underwrote the day-to-day running of the Hadi government and, reportedly, provided the funds to arm, equip and pay tens of thousands of soldiers and militiamen in the northeast of the country. Senior militia leaders opposed to the former Houthi–Saleh alliance reported travelling to Riyadh to collect payments during the early days of the conflict.<sup>62</sup> Such payments are now made in Mareb. Saudi Arabia has also funded Islah-affiliated armed groups in Taiz, as well as some Salafist militias. It is unclear whether the kingdom has also provided funds for governance and services.

The UAE has funded a broad array of armed groups, and has also provided cash for governance and basic services in the south of Yemen. As of July 2017, it was paying salaries to the Security Belt and different Elite Forces militias in Aden, Lahj, Abyan, Shabwa, Hadramawt and Al Mahra. It was also underwriting the day-to-day running of Mukalla with cash, equipment and the fuel required to generate electricity

<sup>61</sup> Author’s interview with confidential source in Shabwa, via messaging application, August 2017.

<sup>62</sup> Author’s interview, Yemeni official, August 2017.

---

for the city. Upon the liberation of Aden, the UAE provided funds, people and equipment to rebuild schools and hospitals there. In 2016, the then governor of Aden, Aydrous al-Zubaidi, said that the UAE was providing funding for the local government while complaining that he needed more support.<sup>63</sup> The Hadi government, he said, was not providing any resources to the local government.

Saudi Arabia and the UAE have been reluctant to provide large-scale funding to the Hadi government. For example, they refused to inject large sums of dollars into the Central Bank of Yemen after Hadi had announced he would move its headquarters from Sana'a to Aden in September 2016. Several officials from the Hadi government said they had been given assurances that the move would lead to an injection of funds. 'They are worried about corruption, that the government can't be trusted with billions of dollars,' said a Western official who was involved in talks over the central bank.<sup>64</sup>

### Iran

Saudi Arabia and the UAE, in justifying their aggressive stances on Yemen, have repeatedly claimed that they intervened because the Houthis are an Iranian-funded movement and military force. The Houthis have long been accused by Saudi Arabia and the US, among others, of receiving support from Iran via Lebanon's Hezbollah.<sup>65</sup>

There is mounting evidence to support claims of backing from Tehran, but the exact extent of Iranian support for the Houthis remains unclear. Drones that the Houthis have obtained strongly resemble Iranian-manufactured unmanned aerial vehicles (UAVs). Researchers provided with access to some of these UAVs, captured by Emirati forces, concluded that the 'acquisition of Iranian-designed Qasef-1 UAVs supports allegations that Iran continues to bolster the capacity of Houthi and Saleh-aligned forces through the transfer of new technology and advanced weaponry'.<sup>66</sup> Diplomats have also reported direct interactions with Hezbollah advisers during meetings with the Houthis, although this could not be confirmed independently.<sup>67</sup>

Western and non-Western officials interviewed for this paper agreed with a broad narrative concerning Iranian involvement in Yemen. This narrative asserts that before 2011 measures to support the Houthis (and the southern separatist movement) were 'speculative plays' by Iran:<sup>68</sup> low-cost initiatives that gave its intelligence services and Al Quds force operatives access to a country that borders Saudi Arabia, its key regional rival, and is adjacent to important international trade routes.

Iranian support, consisting largely of capacity-building and advice to Houthi commanders, increased in 2011. Yet when the Houthis entered Sana'a, Saleh was a far more important backer. Iranian handlers had little influence over the Houthis' overall strategy, and despaired at times at the latter's intransigence and lack of political nous.<sup>69</sup>

Since 2015, Iran's support has further increased considerably. A cadre of highly skilled Iranian or Hezbollah operatives is allegedly advising the Houthis directly on the ground, supporting in particular the

---

<sup>63</sup> Author's interview, Aden, February 2016.

<sup>64</sup> Author's interview, London, April 2017.

<sup>65</sup> Such accusations were for a time viewed with scepticism by Western officials. In US diplomatic cables released by Wikileaks, US officials worry that then-president Saleh's claims of Iranian support were aimed at garnering more support for an internal political struggle that was diverting resources from the battle against Al-Qaeda.

<sup>66</sup> Conflict Armament Research (2017), *Iranian Technology Transfers to Yemen*, March 2017, <http://www.conflictarm.com/publications/>.

<sup>67</sup> Author's interview with a senior diplomat, August 2017.

<sup>68</sup> Author's interview with Western analyst, London, June 2017.

<sup>69</sup> For more details on Iranian involvement and Saleh's support during this period, see Salisbury, P. (2015), *Yemen and the Saudi-Iranian 'Cold War'*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/publication/yemen-and-saudi-iranian-cold-war>.

---

latter's use of ballistic missiles, surface-to-surface missiles and UAVs, as well as remotely operated boats used to disrupt maritime traffic off the coast of Yemen. In November 2017, Saudi Arabia accused Iran of being behind a ballistic missile attack on Riyadh airport, declaring the incident an 'act of war'. The missile was launched from Yemen almost 900 kilometres into Saudi Arabia, the furthest a missile had travelled since the beginning of the war. Riyadh claimed that fragments of the missile bore Iranian markings.

**Yemen is a low priority for Iran, and the latter's involvement in the conflict continues to be seen by analysts as no more than speculative.**

Yemen is a low priority for Iran,<sup>70</sup> however, and the latter's involvement in the conflict continues to be seen by analysts as no more than speculative. From Iran's point of view, engagement with the Houthis in Yemen has the added benefits of providing an opportunity to probe Saudi defence capabilities, and of offering a diplomatic and public relations tool to offset accusations of Iranian-backed atrocities in the Syria conflict and elsewhere. According to two intelligence officials, one Western, one from the MENA region, Iran may view Yemen as a 'laboratory' in which it can test Riyadh, and gauge the US's ability to support Saudi Arabia in preventing cross-border attacks and assaults on vessels passing through Yemeni waters.

### Saleh, the UAE and 'secrecy jurisdictions'

Before December 2017, an important source of funding for the conflict was the wealth that Ali Abdullah Saleh built up over the course of 33 years in power, and which had been stowed abroad in investments and tax havens. A 2013 Chatham House report warned that, in the event of a civil war, Yemeni elites would be able to draw on a considerable pool of resources hidden abroad.<sup>71</sup>

Since the beginning of the civil war in late 2014/early 2015, foreign intelligence agencies and analysts, including the UN Panel of Experts, have identified tens of millions of dollars belonging to Saleh's family and the transfer of funds within his financial network. Khaled Ali Abdullah Saleh, the former president's son, was said by the panel to have laundered almost \$84 million through a bank account in the UAE within a three-week period in 2014, while a reputed Saleh ally, the businessman Shaher Abdulhaq, was found to have transferred around \$3 million dollars to Raydan Investments Limited, another Saleh family-controlled financial vehicle.<sup>72</sup>

### The role of Oman

Western and other officials and intelligence analysts believe that at least some of the illicit goods, weapons, technology and cash flowing into Yemen first pass through neighbouring Oman. The volume of trade through the sultanate into Al Mahra has led to accusations that the government of Oman is playing a 'double game' and quietly supporting the Houthis.

Omani officials deny this and counter that they will not contribute to the deepening humanitarian crisis by sealing off the border. They also express frustration at the position they find themselves

---

<sup>70</sup> According to two individuals with close ties to Tehran interviewed by the author in April and May 2017.

<sup>71</sup> Hill, Salisbury, Northedge and Kinnimont (2013), *Yemen: Corruption, Capital Flight and Global Drivers of Conflict*.

<sup>72</sup> UN Security Council (2017), 'Letter dated 27 January 2017 from the Panel of Experts on Yemen addressed to the President of the Security Council', [http://www.un.org/ga/search/view\\_doc.asp?symbol=S/2017/81](http://www.un.org/ga/search/view_doc.asp?symbol=S/2017/81).

in with regard to the war – which they strongly advised Saudi Arabia not to pursue – during a period of tensions within the Gulf Cooperation Council (GCC). Early in the crisis, Oman offered to play the role of mediator with the Houthi–Saleh alliance but found Saudi Arabia’s then-deputy crown prince and defence minister, Mohammed bin Salman (who subsequently became crown prince in 2017), to be uninterested in its involvement when the offer was made in mid-2015. One Omani official complaint is that the sultanate was frozen out of discussions by the UN and US during 2015, only to be drafted in to support talks in 2016.

Omani officials have worked to build the capacity of Houthi political representatives before and during periods of mediated talks. But they have found the experience a trying one, in part because of the Houthis’ resistance to negotiations of any kind; and also because of criticism from Saudi Arabia and the UAE, and from their many media outlets, for working with the Houthis. (The latter is particularly galling to Oman, given that Saudi and other intelligence officials and diplomats used Muscat as a discreet meeting place for direct talks with the Houthis and GPC representatives.)

### Counterterrorism, the US and the UAE

An overwhelming priority for US policymakers working on Yemen since 2001 has been the ability of Yemeni and American forces to engage in counterterrorism operations in the country. This stance remains largely unchanged. US diplomatic and military personnel were evacuated from Sana’a in early 2015. US officials then became frustrated by the Saudi-led coalition’s focus on the Houthi–Saleh alliance, with the Saudi-led coalition aerial campaign doing little to target AQAP. US officials were also frustrated by the US’s inability to operate or gather intelligence in the country.

The entrance of the UAE into the south and its role in the recapture of Mukalla offered the US an opportunity to return to the Yemeni theatre, working alongside one of the few regional militaries that senior Pentagon officials see as competent (US Defense Secretary James Mattis has described the UAE as ‘Little Sparta’ on the basis of his past encounters with Emirati special forces in Afghanistan).<sup>73</sup> In mid-2016, a contingent of US troops from the elite Joint Special Operations Command began working with their UAE counterparts in what the Pentagon said was an advisory capacity. In January 2017, a small contingent of US soldiers took part in a raid on a village in central Yemen in an operation aimed at killing local AQAP commanders and gathering intelligence. The US has since increased the volume of its drone strikes and airstrikes in cooperation with the UAE and partner forces.

**Analysts have questioned whether the US can continue its official line that it is not part of the Saudi-led coalition, given its direct participation in airstrikes.**

The presence of US troops in Yemen and the deepening of UAE–US cooperation in the south have led to several important questions. Analysts have questioned whether the US can continue its official line that it is not part of the Saudi-led coalition, given its direct participation in airstrikes. Human rights advocates have argued that the US should be held accountable when UAE forces are accused of the arbitrary arrest and torture of suspected extremists and political Islamists. Some southern Yemenis also argue that the US, knowingly or not, is playing an instrumental role in the UAE’s growing influence

---

<sup>73</sup> Chandrasekaran, R. (2014), ‘In the UAE, the United States has a quiet, potent ally nicknamed ‘Little Sparta’’, *Washington Post*, 9 November 2014, [https://www.washingtonpost.com/world/national-security/in-the-uae-the-united-states-has-a-quiet-potent-ally-nicknamed-little-sparta/2014/11/08/3fc6a50c-643a-11e4-836c-83bc4f26eb67\\_story.html?utm\\_term=.850e6593c71f](https://www.washingtonpost.com/world/national-security/in-the-uae-the-united-states-has-a-quiet-potent-ally-nicknamed-little-sparta/2014/11/08/3fc6a50c-643a-11e4-836c-83bc4f26eb67_story.html?utm_term=.850e6593c71f).

over southern Yemen; and that it is in practice supporting the UAE's anti-Islah campaign and indirectly lending capacity support to southern secessionists, in contravention of stated US policy.

The US–UAE working relationship also saw the UAE float the possibility of a greater US role in the campaign against the Houthi–Saleh alliance, on the basis that this was about pushing back against Iran. In late 2016, reports emerged of a UAE plan to capture Hodeidah, the last major port in Yemen under Houthi–Saleh control, with the consent of the US. The Obama administration demanded that planning for the operation be halted, according to a former US official, but the Trump administration subsequently asked the UAE for a more detailed plan before deciding its stance on the mission. Humanitarian agencies – including the UN, and the UK's Oxfam – warn that an assault on Hodeidah could push Yemen into a starvation crisis.

### A framework for peace?

The UN has acted as lead mediator in Yemen since the 2011 uprising. Its special envoy, Jamal Benomar, played a key role in negotiating the terms of the GCC-backed initiative that froze what many feared was an incipient civil war. Benomar remained a prominent figure during the political transition of 2012–14, with his team playing an important role in the National Dialogue Conference of 2013–14 and leading regular meetings between foreign diplomats in Sana'a. In September 2014, Benomar brokered the Peace and National Partnership Agreement, a deal aimed at preventing civil war and allowing the transition to reach a peaceful conclusion by handing the Houthis, who had entered Sana'a with Saleh's support, some political power.

Benomar could not prevent the Houthis' continued power grab and expansion, or the outbreak of war, however, and he was replaced by Ismail Ould Cheikh Ahmed in April 2015. The new envoy took the lead in mediation after the passage of a UN Security Council resolution enshrining the UN's role as chief mediator in Yemen but placing considerable restrictions on the special envoy's room for manoeuvre in negotiations.

Ould Cheikh Ahmed attempted to convene peace talks in Switzerland and Kuwait, with varying success. Two rounds of talks in Switzerland collapsed, while the talks in Kuwait lasted for more than 90 days but ended inconclusively in August 2016. After the Kuwait talks ended, US Secretary of State John Kerry began to promote his own plan, which similarly did not make any real progress. The Kuwait talks and the Kerry plan came as Saudi Arabia, the Houthis and Saleh signalled a willingness to make concessions in order to end the war. These efforts were arguably thwarted by the Houthis' lack of negotiating experience, the relative lack of influence of Houthi delegates to the talks within the wider Houthi movement structure, and the Hadi government's refusal to countenance a deal that would marginalize or remove the president. Perhaps most importantly, neither party could not come to an agreement on the sequencing of any deal (see below).

Provisions discussed in Kuwait included face-saving security measures (including a nominal Houthi–Saleh withdrawal from Sana'a, Taiz and Hodeidah which, in the telling of officials involved in the talks, would have changed little in the structure or location of forces).<sup>74</sup> The provisions also included a political agreement under which Ali Mohsen al-Ahmar – a controversial figure for many Yemenis – would have been removed as vice-president and President Hadi consigned to a figurehead role (a proposal referred to by some participants as the 'Queen of England' scenario). Deeper political

---

<sup>74</sup>Multiple interviews by author, January–October 2017.

discussions would have been deferred until after a peace deal (described as a ‘glorified ceasefire’ by one person involved),<sup>75</sup> with key issues decided by a committee based on the National Body formed at the end of the National Dialogue Conference.

The Kerry plan was more explicit in calling for the removal of Hadi, and for the appointment of a new vice-president who would take on the day-to-day administration of the government. This plan was to involve sequenced preparatory steps leading to a ceasefire, direct negotiations over the formation of a unity government, and Houthi–Saleh withdrawals from key areas.

Sticking points during the Kuwait talks and the Kerry-led negotiations included sequencing, confidence-building and the level of concessions made by each side. During the Kuwait talks, the Houthis refused to sign up to the deal because they wanted assurances on the formation of a unity government, while the Hadi government demanded Houthi–Saleh withdrawals before moving forward with discussions over political measures. The Hadi government ultimately quit the Kuwait talks because of (well-grounded) fears that most diplomats involved favoured a solution that would sideline Hadi.

### Sticking points during the Kuwait talks and the Kerry-led negotiations included sequencing, confidence-building and the level of concessions made by each side.

Officials who were present at the Kuwait talks wonder whether having an actual draft agreement available for discussion would have facilitated matters. ‘Perhaps part of the problem was that neither delegation saw a written version of any draft agreement, and they began to lose faith in what they were being told by the UN and diplomats,’ said one Western diplomat.

In contrast, the Houthi–Saleh alliance formally committed to the Kerry plan at meetings in Oman in November 2016, according to two people present. However, the Hadi government refused to sign, despite assurances from Saudi Arabia that the president would do so. Hadi government officials saw the deal as giving too much credence to the Houthis’ commitment to the initiative, and as too quick to remove President Hadi – thus in effect handing the initiative to the ‘putchists’ in Sana’a.

## The role of Saudi Arabia

Officially, the UN-led mediation process has been focused on finding an arrangement acceptable to the former Houthi–Saleh alliance and to the Hadi government. Yet in reality, the figures involved have conceded that the success or failure of any agreement will be contingent on Saudi Arabia’s approval in general, and on that of Crown Prince Mohammed bin Salman in particular.

During the Kuwait talks, members of the Hadi government’s delegation complained that the meaningful negotiations were actually taking place after hours at the temporary residence of Mohammed al-Jaber, the Saudi ambassador to Yemen, between the Saudi official and representatives of the Houthi–Saleh alliance but without representatives of the Hadi government. Hadi is said to have been infuriated that his delegation was being cut out of talks that would in effect have meant his political marginalization.<sup>76</sup>

---

<sup>75</sup> Author’s interview, via telephone from New York, August 2017.

<sup>76</sup> Author’s interviews with diplomats, analysts and Hadi government officials.

According to a senior Hadi ally, however:

Regarding the Kerry proposal, the Americans received certain promises from the Saudis. What was proved is that, if it is not in our national interest, we can take the decision [not to compromise]. There is very real, very strong cooperation between President Hadi and the Saudis. But he has the last say [...] and this is I think what he proved. I don't want to underestimate the influence the Saudis and others have, but President Hadi has the last say.<sup>77</sup>

The question of what Saudi Arabia would want from a deal is hard to answer. Officials involved in current negotiations concede that they do not have clarity on the definition of success for the Saudis, and that the kingdom's openness to deal-making in mid-2016 has been replaced by a less conciliatory approach since the US presidential election in November of that year.

The previous US president, Barack Obama, had barely hidden his distaste for the Gulf states, calling them 'free riders' and freezing arms transfers in late 2016 in response to alleged Saudi violations of international humanitarian law.<sup>78</sup> President Donald Trump, in contrast, has made his admiration of Saudi Arabia and the UAE clear, and he made it a priority to visit Saudi Arabia in the early months of his administration. According to a Western diplomat:

There was a definite [Saudi] shift after the [US] election from an approach of 'we need a deal' to thinking there might be a military solution to the war after all, and that the Americans might help, and it's still unclear where [they] stand on that.<sup>79</sup>

Domestic politics are also likely to play a major role in Saudi Arabia's calculus. The public face of its war effort since 2015 has been Mohammed bin Salman, the ambitious son of King Salman bin Abdulaziz al-Saud. Named defence minister upon his father's accession to the throne in early 2015, bin Salman has since been elevated to the position of crown prince. He has led high-profile and risky initiatives, reflecting the fact that he has gradually become seen as the 'minister of everything' and his country's de facto ruler. In addition to the Yemen war, these initiatives include economic reforms, an embargo against Qatar, a purge of rival princes, and attempts to bolster Saudi influence in Lebanon.

Western and Saudi officials concede that, while costly and unpopular among some segments of Saudi Arabia's elite, bin Salman's war in Yemen cannot appear to be 'lost' in the eyes of the public if he is to become king, as is widely anticipated. Given that the war has been presented as a much-needed Saudi pushback against Iran and the Houthis (the latter as a Hezbollah-like Iranian proxy), it is unclear whether a deal that removes President Hadi and gives preferential treatment to the Houthis can be sold to the Saudi public – and to the wider regional Arab public – as a victory.

Diplomats from several Western countries say that they have insistently lobbied bin Salman in private to end the war, but to little effect. Some dismiss as naive suggestions that public criticism of Saudi Arabia's role, or a more overt admission that it is seen as the 'real' counterparty to the Houthis and Saleh loyalists in peace talks, would create more pressure on the kingdom to compromise. 'We want a successful negotiation, and embarrassing the Saudis and humiliating Hadi would not have worked,' said one official who has worked closely with the UN envoy.

---

<sup>77</sup> Author's interview via telephone, July 2017.

<sup>78</sup> Goldberg, J. (2016), 'The Obama Doctrine', *The Atlantic*, April 2016, <https://www.theatlantic.com/magazine/archive/2016/04/the-obama-doctrine/471525/>.

<sup>79</sup> Author's interview via telephone, July 2017.

---

## 4. The Current Context

Little progress was made after the Kerry talks. Frustration with and criticism of Ould Cheikh Ahmed – who in August 2017 was asked to extend his role as UN special envoy until February 2018 – have been rising among diplomats. Key issues among officials interviewed for this paper,<sup>80</sup> and expressed at Chatham House workshops in The Hague, London and at the Dead Sea in 2016 and 2017, include: a lack of responsiveness by the envoy and his team to what they see as clear barriers to peace; his failure to build relationships with key individuals in the Houthis–Saleh alliance; and his over-reliance on assurances that Saudi Arabia and the UAE are willing and able to deliver a political settlement when the time is right.

‘The UN has a wonderful technical plan that makes a lot of sense on paper as a document, but if no one agrees to it, then there is no deal,’ said a senior Western diplomat.<sup>81</sup> ‘Usually in these kinds of situations you don’t develop the perfect plan and wait for everyone to agree with it; you mediate, negotiate, and get into the fine details with the parties, work out what is going to get the job done.’<sup>82</sup>

Said another Western official: ‘[The envoy] spends a great deal of time in the Gulf states, and meets the Hadi people regularly, but is hardly ever in Sana’a and has very little real contact with the Houthis in particular.’ The official estimated that the UN envoy had spent a total of around two weeks in Sana’a since the war broke out, and several months in the Gulf. ‘In Yemen, the personal relationships and trust are important, and he has not been able to build that trust.’<sup>83</sup> Other diplomats question whether or not the UN’s close coordination with the so-called ‘Quint’ – which is made up of the UK, the US, Saudi Arabia, the UAE and Oman – has undermined its standing with the Houthis and Saleh loyalists.

### Box 3: The Quad, the Quint, Iran and Russia

In July 2016, a first meeting was held in Saudi Arabia between representatives of the self-described ‘Quad’ – consisting of the US, the UK, the UAE and Saudi Arabia. The group said it had convened to discuss the best way of resolving the crisis in Yemen. The group was later expanded, at the insistence of the US and the UK, to include Oman, which had acted as a quiet mediator between the Houthis and others, bringing key officials from Sana’a to Muscat.

The Quad was criticized for presenting itself as an impartial international working group that ‘hoped to end the war’. In November 2016, it held meetings that included UN Special Envoy Ismail Ould Cheikh Ahmed, after which, several diplomats say, his engagement with the Houthis–Saleh alliance deteriorated significantly.

‘Regrettably, they – the four countries – invited the UN special envoy to their meetings. And that undermined the impartiality of the UN,’ said a senior diplomat who was working on Yemen at the time. The same official argued that the peace process should include a greater focus on UN discussions with Iran and Russia.

Diplomats subsequently involved in the Quint process countered that Houthis and Saleh insiders acknowledge the need to negotiate with Saudi Arabia and the UAE in order to end the conflict, and that the Quint offers a rare opportunity for the UK, the US and the UN to address key issues with Abu Dhabi and Riyadh at the same time.

---

<sup>80</sup> Officials included a wide range of Western, regional and non-Western diplomats.

<sup>81</sup> Author’s telephone interview, August 2017.

<sup>82</sup> Author’s telephone interview, July 2017.

<sup>83</sup> Author’s telephone interview, July 2017.

The UN envoy has also come under criticism for not doing more to engage with and work on mechanisms to integrate a broader range of voices into the mediation process, particularly given the evolving political geography of the conflict and the multiplicity of fault lines within Yemen. A Chatham House policy workshop in the UK in May 2017 brought together expert analysts, international development specialists and policymakers to discuss the status of the peace process. Participants broadly agreed that the peace process required recalibration so as to include the necessary incentives for each actor in the war to participate. This in turn would require a better understanding of each actor's perspectives and agenda. The UN and international community need to find a way to address the issue of the south of Yemen in particular, delegates argued.

Ould Cheikh Ahmed, however, appears to believe that he has the right calibration for a peace process, but that the players involved are not ready for peace. His office saw the Houthis–Saleh alliance, in particular, as a barrier to a deal, in part because of its refusal to re-engage in UN-facilitated de-escalation committees and also because of a security incident during the envoy's last visit to Sana'a in May 2017.<sup>84</sup> Yet with the Houthis, who from the outset of the war have adopted a hard-line stance on negotiations, while consolidating their power in highland and western Yemen, it will likely be even harder to reach an accord if key military leaders within the movement are not engaged and enrolled in the process.

Officials close to the UN process acknowledge that it could also be derailed by resistance from key groups that have not been involved in it to date. These include Islah and its tribal and military allies; key southern factions; and militias (including Salafist groups) fighting in Taiz. The grievances and agendas of these various actors are only to be addressed once a unity government has been formed and the National Body-based committee has been established, UN officials say.

### Box 4: Back-room dealmaking

Since 2015, rumours have persisted among Yemeni elites and foreign officials that an informal back-room deal to end the war outside of formal UN channels was under consideration, and that such a deal would involve one or both members of the Houthis–Saleh alliance and the chief players in the Saudi-led coalition, namely Saudi Arabia and the UAE. According to one person with close ties to the Saleh family, the UAE-led liberation of Aden was part of a broader deal negotiated between the UAE and former president Ali Abdullah Saleh's inner circle. Under the deal, the Houthis–Saleh alliance would withdraw from Aden and then negotiate a peace deal on preferential terms. However, the Houthis, according to this account, refused to withdraw or take part in the agreement. Even before the conflict began, according to a Saudi official, Riyadh had quietly sanctioned back-channel talks with the Houthis over a settlement that would involve them renouncing Iran and giving Saudi Arabia assurances over border security in exchange for support for a unity government in Sana'a. The talks were abandoned when King Salman bin Abdulaziz al-Saud ascended to the throne, the official said.

In 2016, Houthi representatives entered into negotiations with Saudi officials over a deal that would have entailed a de-escalation of attacks along the border – itself a precursor to a wider deal – and Houthi leaders again publicly calling for Iran to stay out of Yemeni affairs as part of a campaign of signalling. This initiative also failed, possibly because it was promoted by the then crown prince, Mohammed bin Nayef, a rival to Mohammed bin Salman, who was at the time deputy crown prince.

In mid-2017, officials from the General People's Congress (GPC), diplomats and other international officials confirmed to the author that Saleh and the GPC had discussed the contours of a deal with UAE officials, but that the deal had not been accepted by the ultimate decision-maker in Riyadh, Crown Prince Mohammed bin Salman. Saleh's decision in late 2017 to split definitively from the Houthis – and to call for a 'new page' in relations between his party, the GPC and the Saudi-led coalition – may well have been a precondition for such a deal. If this was the case, it backfired.

<sup>84</sup> Reuters (2017), 'U.N. wants investigation into attack on Yemen envoy's convoy', 25 May 2017, <https://uk.reuters.com/article/uk-yemen-security-un/u-n-wants-investigation-into-attack-on-yemen-envoys-convoy-idUKKBN18L18U>.

---

## 5. Yemen as a Chaos State

### ‘New wars’ and diplomacy

Many conflicts today bear the hallmarks of what the academic Mary Kaldor describes as ‘new wars’,<sup>85</sup> of the kind that broke out across the globe following the collapse of the Soviet Union and the end of the Cold War. These conflicts are fought by ‘varying combinations of networks of state and non-state actors’, and are fuelled by identity politics rather than geopolitical interests or formal political ideology.

Rather than taking place on conventional battlefields, ‘new wars’ are fought using unconventional and asymmetrical methods, and are funded not just by governments or external powers, but also by transnational movements such as Al-Qaeda. Such conflicts are also funded by illicit trade, enabled by the permissiveness of a lightly scrutinized international financial system that allows elites to loot resources and funds before and during wars, stow them away in foreign banks, and use them to buy influence and sustain conflict. New wars are messier, more complex and harder to resolve than the inter- and intrastate conflicts of the past.

One problem with resolving the new wars, another academic, David Keen, has argued, is that their protagonists are not so preoccupied with ‘winning’ outright victories. Rather, historically marginalized groups see relatively modest territorial, political and economic gains as successes in and of themselves, even in the context of an ongoing conflict.<sup>86</sup> This is arguably the case in Yemen.

All this makes understanding the mindsets of the groups involved in conflict crucial to negotiating political settlements and assessing incentives for cooperation in peace agreements. In a given conflict, many groups may stand to lose from a peace deal even if the wider population gains. If one group achieves greater political power, this is likely to come at the expense of another rival group, creating a fresh cycle of grievance and violence. Often, the emergence of a broad status quo in which conflict continues but the interests of key groups are served – and in which ostensibly warring parties cooperate – is preferable to a peace deal, Keen argues.<sup>87</sup>

‘The conventional model of a peace process is drawn from international negotiations in which there are two sides with equal legal standing and roughly commensurate capabilities,’ argues Alex de Waal, providing the image of a ‘square table, with the parties facing one another, and the mediator at the head of the table’.<sup>88</sup> In reality, he writes, most conflicts do not fit this model. Yet many peace processes, like Yemen’s, are designed for clearly defined, two-sided conflicts. They promote power sharing and constitutional reform, some form of wealth sharing – including promises of money from abroad – and ‘security arrangements, beginning with a ceasefire and concluding with disarmament, demobilisation and reintegration, and security sector reform’. If the resulting deals are to work, they require strong institutions, which are rarely in place; most countries beset by civil conflict tend to have particularly

---

<sup>85</sup> Kaldor, M. (1999), *New and Old Wars: Organized Violence in a Global Era*, Stanford University Press.

<sup>86</sup> Keen, D. (2008), *Complex Emergencies*, United Kingdom: Wiley.

<sup>87</sup> Ibid.

<sup>88</sup> de Waal, A. (2014), ‘Violence and peacemaking in the political marketplace’, in Ramsbotham, A. and Wennmann, A. (eds) (2014), ‘Legitimacy and peace processes: From coercion to consent’, *Accord*, Issue 25, April 2014, London: Conciliation Resources, <http://www.c-r.org/accord/legitimacy-and-peace-processes>.

---

weak institutions. As a result, most such deals collapse when the political calculus that underpinned them changes. On average, violent conflict returns to around half of all countries where formal peace deals have been negotiated within five years of such deals being signed.<sup>89</sup>

The problem with many peace deals is that they rarely address the underlying causes of the conflict. As such, they are little more than ‘glorified ceasefires’ (as some officials have described the framework for Yemen’s peace process). Phil Vernon, for example, writes:

After a lid has been put on the fighting, peace needs to be carefully nurtured and encouraged to evolve in subsequent years to deal with the issues that caused the conflict in the first place—such as inequality, poverty and historical grievances—and slowly building trust between the different sides. But the mechanisms and support required to do this are often lacking, especially on the most sensitive and hardest issues—the ‘higher hanging fruit’.<sup>90</sup>

Peace deals also often largely reflect external pressures and agendas, and are driven by calculated decisions by belligerents that the time is right to sue for peace. Agreements are also susceptible to being undermined by ‘leaders and factions who view a particular peace as opposed to their interests and who are willing to use violence to undermine it’.<sup>91</sup> When such actors are excluded from the negotiation of a peace deal and from its attendant benefits, they become ‘outside spoilers’.

### Policymaking constraints

Yemen’s war is not a unique case, either in its complexity or the nature of the international response. In February 2017, Chatham House convened a roundtable in London, bringing together experts on Yemen and other conflicts – including those in Syria, Somalia and the Democratic Republic of the Congo – in order to provide a broader picture of some of the challenges and limitations policymakers face.<sup>92</sup> Similar questions were posed at a policymakers’ retreat in Oxfordshire in May 2017.<sup>93</sup>

Policymakers working on the Yemen crisis and other regional issues face constraints ranging from the human and other resources at their disposal to the priorities of their respective governments. Consequently, their work is often based on calculations of what would constitute the most effective approach bearing in mind these priorities and constraints.

The priorities in this region for Western countries are often their domestic security (in relation to the threats from Al-Qaeda and ISIS), protecting international trade (through the Red Sea and around the Horn of Africa), and addressing threats to their allies (Saudi Arabia in particular). Western policymakers also point to the humanitarian crisis in Yemen as an important consideration, because of the moral imperative to prevent human suffering and because of the reputational risks that would result from inaction, particularly for countries with deep ties with Saudi Arabia. ‘Yemen has to keep passing the *Daily Mail* test,’ said one British policymaker, citing the influence of the major right-wing newspaper on UK policy.

Wider geopolitical considerations also factor into the foreign policies of Western states towards Yemen. Many officials are privately, and at times publicly, of the view that the Houthis are not in fact

---

<sup>89</sup> Per the Uppsala Conflict Data Program, <http://ucdp.uu.se>.

<sup>90</sup> Vernon, P. (2017), ‘Sustaining peace’, openDemocracy, 5 July 2017, <https://www.opendemocracy.net/transformation/phil-vernon/sustaining-peace>.

<sup>91</sup> Stedman, S. J. (2008), ‘Peace Processes and the Challenges of Violence’, in Darby J. and Ginty R. M. (eds) (2008), *Contemporary Peacemaking*, London: Palgrave Macmillan, <https://doi.org/10.1057/9780230584556>.

<sup>92</sup> ‘National Chaos, Local Order: Yemen’s Civil War in Comparative Context’, Chatham House event, 1 February 2017.

<sup>93</sup> ‘Yemen Policy Retreat’, Old Swan & Minster Mill, Minster Lovell, 16–17 May 2017.

an Iranian proxy in the mould of Hezbollah, for example. But the broader concerns of Saudi Arabia and the UAE over Iranian expansionism across the Middle East are seen as entirely valid. The two Gulf states are also seen as important partners in the battle against Al-Qaeda and ISIS, for maintaining regional stability, and for trade and investment (a particular priority of the UK and US governments).

Another constraint on policymakers is their limited knowledge of local dynamics or how to implement local programming. As one Western official noted at Chatham House's May policy retreat, 'We all understand that we need to do more at the local level, but there is a gap between that and knowing how to do the ground-up, grassroots stuff.' In line with subsequent interviews, participants at the May workshop agreed that even well-informed foreign officials tend to see conflicts through the prism of national- or capital-level dynamics and rivalries – issues with which they tend to be more familiar – and miss local, regional and even key international dimensions. Yet excluding these issues from analysis makes it harder to understand the incentives for key groups to sustain or resolve conflicts, and this only deepens the pre-existing gaps in analysis.

International policymakers also, at times, see some actors as either unacceptable or too marginal to be involved in mediation. Yet as a leading expert on the drivers of conflict in civil wars has argued, building peace around what the international community considers to be the 'right' actors rarely works. The grievances of those who have been excluded from an accord will only deepen in a context in which it has been demonstrated that the best way to earn resources and power is to take up arms. 'You can't just leave out the people you don't want or like,' said a participant in the February 2017 Chatham House workshop.<sup>94</sup>

More broadly, solutions to persistent, complex conflicts such as Yemen's take time, often years, to emerge. The prerequisite for ending conflicts is either genuine willingness among the warring parties to do so; or the willingness of external powers to expend sufficient resources and political capital to bring hostilities to a halt. In best-case scenarios, both ambitions are present.

The roots of many modern conflicts lie in local grievances, regional divisions and regime-led policies of marginalization. If such grievances are not addressed, new forms of marginalization and exclusion replace older ones, and conflict will almost invariably re-emerge. Local issues, meanwhile, can and should be addressed *during* a conflict, not just once it ends.

Unfortunately, the international community all too often works in silos and with short time frames, lacks a clear set of priorities and is too risk-averse, participants in the February Chatham House meeting agreed. Senior policymakers with wide-ranging briefs also struggle to understand the complex dynamics that underpin conflicts, relying on thin readings of elite rivalries (many senior decision-makers draw on 'five bullet points and two sides of A4' for context on many conflicts, said a veteran researcher). Shifts in policy, in turn, can only come from a shift among senior decision-makers towards embracing complexity.

## A new model

As with Syria, Libya and many other countries in the midst of debilitating civil conflicts, there is a strong argument for a peace and political process in Yemen that is expanded to include a wider range of groups and individuals than has been attempted to date, so that it better resembles the current map of the political economy of the war. (Efforts to develop more inclusive processes have been made in

---

<sup>94</sup> 'National Chaos, Local Order: Yemen's Civil War in Comparative Context', Chatham House event, 1 February 2017.

Libya and Syria, albeit with limited success.) Yet diplomats and other officials interviewed for this paper uniformly argue that bringing more parties into the Yemen mediation process at this stage would add unnecessary complexity to proceedings and slow talks down.

This flies in the face of most evidence on the short-term and long-term inclusion of numerous parties in peace deals and peace processes. Leading scholars of peace processes argue that an exclusive peace process ‘increases the likelihood of creating spoilers who have the potential to disrupt the peace’.<sup>95</sup>

More importantly, including more parties in the existing peace process – even as part of a subsidiary mechanism – would not make the situation in Yemen inherently more complicated. Indeed, it would only reflect existing complexity. Policy should mould itself to fit Yemen, rather than Yemen moulding itself to fit policymakers’ preferred frameworks or preconceptions.

Resistance to models that emphasize complexity, inclusivity and localism is not uncommon. Anecdotally, at Chatham House meetings on Yemen in The Hague, London and Oxfordshire in 2016 and 2017 – and at many similar workshops – a pattern emerged. Policymakers and experts would agree that equal weight should be given to bottom-up policies that help create social cohesion, support local economic growth, and create feedback loops between ordinary citizens and political leaders. They would also agree that the war in Yemen is likely to last for some time, and that policies should work on the assumption that the status quo will continue. When it came to developing policy recommendations, however, the conversation repeatedly returned to top-down models based on the assumed presence of a strong central government and the expectation that policies would be implemented in a post-conflict setting.

‘Perhaps there is a psychological bias across the diplomatic community for matching like with like,’ said a former Western official who has worked on conflict zones (including Yemen) over several decades, when asked about this phenomenon:

Diplomats and politicians tend to be more comfortable dealing with people like themselves, who understand and apply the same behavioural norms [...] There’s the prevailing view that the inclusion of more participants will inevitably mean the addition of more potential spoilers. Herding cats requires patience, stamina and a thorough understanding of the issues. There is the pre-eminence of the Westphalian principle which dominates the UN’s approach to peace negotiations. Each nation state has sovereignty over its own territory and internal affairs, with the acceptance of the non-interference in another country’s domestic affairs. Therefore, there is the natural inclination to focus on state institutions and representatives. Including issues which dominate the grassroots may be construed as interference in the internal affairs of another state and therefore an illegitimate interest.<sup>96</sup>

Yet it is increasingly clear that new frameworks are needed for conflict mediation and peacebuilding in the MENA region and beyond. These are unlikely to emerge unless policymakers fundamentally change how they think about the nature and structure of conflict, and about realistic goals and policy responses. There is a need for policy based on reality as it is, rather than as foreign functionaries would like it to be.

In the case of Yemen, the state has not disappeared, yet nor was it ever entirely present in a form that corresponds to a Westernized, Westphalian model. Today, many state-like functions in Yemen are fulfilled, to a greater or lesser extent, by a diverse collection of non-state actors and competing ‘state’ actors, including armed groups, tribes, groups of militants such as AQAP, and so on – each with varying degrees and different kinds of legitimacy, and with no central body to regulate and coordinate them.

---

<sup>95</sup> Suazo, A. (2013), ‘Tools of Change: Long-Term Inclusion in Peace Processes’, *Praxis*, Vol. 18, [http://fletcher.tufts.edu/Praxis/~~/media/Fletcher/Microsites/praxis/xxviii/article1\\_Suazo\\_Inclusion.pdf](http://fletcher.tufts.edu/Praxis/~~/media/Fletcher/Microsites/praxis/xxviii/article1_Suazo_Inclusion.pdf).

<sup>96</sup> Author’s interview via email, May 2017.

This is what can be termed a ‘chaos state’: a place in which the central state has either collapsed or lost control of large segments of the territory over which it is nominally sovereign, and in which a political economy has emerged in which groups of varying degrees of legitimacy cooperate and compete with one another. From the outside, such places appear to be chaotic – there is ‘general disorder’ – but they contain their own internal logic, economies and political ecosystems.

The term ‘chaos state’ draws its inspiration from the mathematical discipline of chaos theory.<sup>97</sup> Known for its association with the term ‘butterfly effect’, chaos theory has roots in the work of the mathematician and weather forecaster Edward Lorenz. His key insight was that even tiny, apparently irrelevant changes in inputs can lead to huge effects, caused by complex systems rather than random error. Modern practitioners of chaos theory hope to move beyond sanitized models excised of error towards an understanding of how complex systems function.

This debate in mathematics over chaos theory – which has gained growing currency in the business and domestic policymaking worlds – mirrors, to an extent, some of the debate around ‘fragile’ or conflict-affected countries.

Even in the midst of the messiest conflict, places such as Yemen contain improvised or partially informal systems of government, trade and politics. Multilayered networks of armed groups and local governance replace the state, where it existed at all, while key formal institutions are eroded beyond a few core functions. These institutions may often include an increasingly ill-disciplined military, key financial bodies such as a central bank and finance ministry, and a foreign ministry, the latter required to present the semblance of the ‘state’ to the outside world.

The essential point is thus that chaos states are not vacuums of structure waiting for the right leader to restore order, or for the international community to work out the right system of government. They are places where people have done their best to find ways of living, often under the most horrific of circumstances, and they must be understood before misguided and ill-informed attempts to ‘fix’ them are undertaken. All too often, peace deals focus on ending the ‘big war’ between national-level players but ignore the political and economic ecology of the chaos state. On-the-ground rivalries and grievances thus remain unaddressed, and ‘unity’ governments are set up in direct opposition to local actors. As a result, ‘small wars’ persist and all too often national-level ceasefires collapse.

The current international approach sometimes seems to suggest that with the application of the correct ‘algorithm’, so to speak, Yemen and places like it can somehow be tilted from chaos into orderly ‘stateness’ of a kind that is comfortably familiar to policymakers: one with a central government and institutions such as a foreign ministry, ministry of defence and central bank managed by qualified individuals, with a single leader at the top of the pyramid, and the country neatly managed by these people. In theory, the main driver of this new order should be the ‘enlightened self-interest’ of the groups, individuals and third-party states involved in conflict.

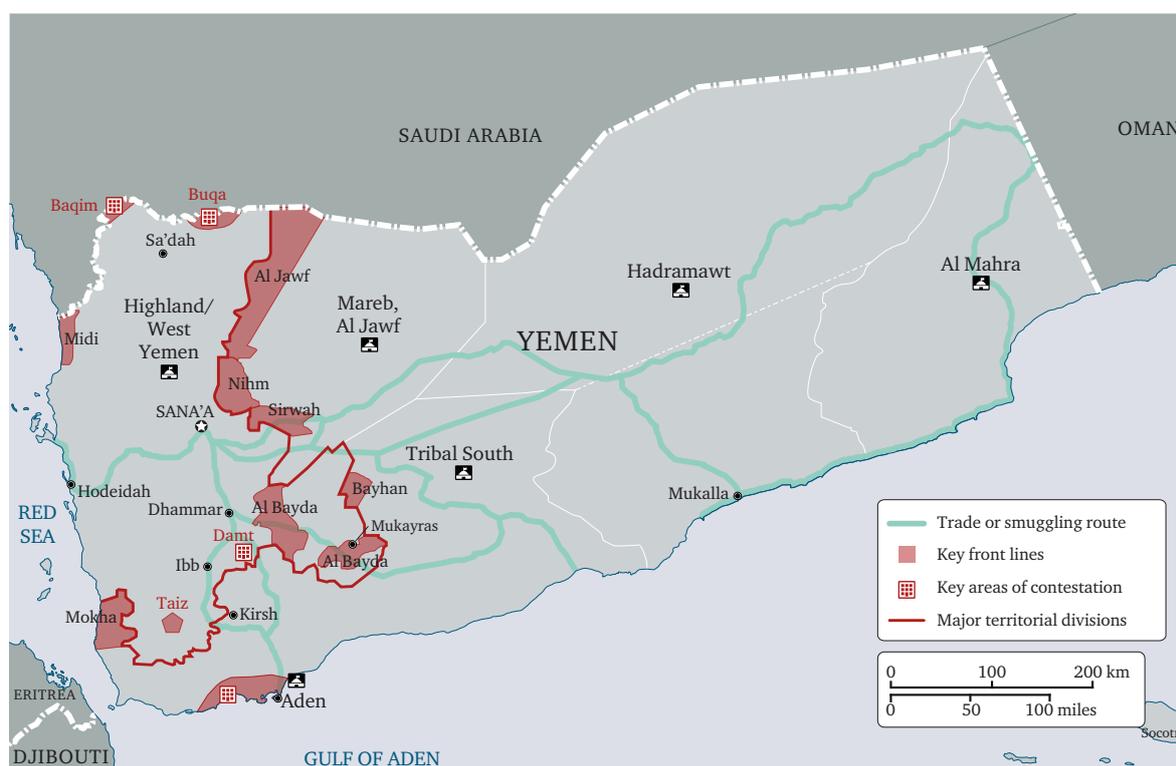
Yet in practice, the incentives of those taking part in a war rarely align towards peace. The same applies to external actors, for whom the cost of war is often relatively low. Chaos may well serve an external third party’s interests, particularly if peace would mean its purported proxy or proxies losing influence to the allies and proxies of regional or international rivals. Enlightened self-interest of the kind policymakers hope to encourage is thus lacking.

---

<sup>97</sup> Gleick, J. (2008), *Chaos: The amazing science of the unpredictable*, Penguin.

## 6. Conclusion and Recommendations

Map 4: Divisions, front lines and trade routes



Yemen has become a ‘chaos state’ – a nominal entity that exists largely as lines on a map and as a concept in newspaper reports and policymaker briefings. In reality, it more closely represents a region of mini-states at varying degrees of war with one another, and beset by their own complex internal politics and conflicts.

The groups that hold the balance of power in this chaos state do not correspond directly to those that have been engaged to date by the UN and international powers. In the lived reality of most Yemenis, the erstwhile Houthi–Saleh alliance and the government of President Hadi have been just two actors among many operating in the country. President Hadi, moreover, is widely perceived as a bit player whose importance is derived largely from legal technicalities, external support and access to resources rather than from hard-earned internal legitimacy.

The lines between state and non-state security and governance actors, and between the licit and illicit economies, already blurry before the war began, have become increasingly indistinguishable. Yemenis’ faith in internationally agreed rules and norms has been shaken by the actions of the Saudi-led coalition, and by those of UAE troops operating in the south, as well as by US counterterrorism operations across the country – all actions that have been carried out with apparent impunity.

Legitimacy and, arguably, regional sovereignty are now earned at local level rather than conferred by national or international writ.

Yemen's few revenue-generating resources (its oil and gas fields, and the infrastructure used to transport, process and export hydrocarbons), its economic institutions, and its maritime and overland trade chokepoints have become the main sources of political and military power. They are likely to be the focus of growing, if as yet little analysed, armed and political struggle even should a negotiated political solution be achieved.

As in similar contexts, no 'algorithm' exists for transforming Yemen's chaos state into a functioning, Westphalian model of 'statehood' in the two- to three-year time frame that many Western and foreign officials wish for. But in the current context, the incentives for cooperation in the peace process as proposed are limited. Any deal between the Houthis, Saleh loyalist forces and the Hadi government that excludes all other Yemeni groups is all but guaranteed to trigger renewed conflict if careful provisions for a new, genuinely inclusive political process are not embedded into an agreement.

It is also unlikely that any new nationally accepted leader – a 'national champion' – will emerge who can bring the country together through personal charisma. The international community's experience of dealing with President Hadi during the transition and since the civil war began should make it especially mindful of the limitations of this approach.

Finally, any approach that ignores the role and nature of external actors and interests in Yemen cannot be successful. The mediation process must include incentives for third parties to act in good faith to support a negotiated political settlement – and punitive measures if they do not.

Policymakers should use Table 2, alongside the digital map produced as part of this project and hosted on the Chatham House website (<https://yemen-map.chathamhouse.org>), as a starting point to guide strategy, and to formulate a joined-up approach. They should build on the table and the map to guide conversations about what a post-conflict political and economic settlement might look like. A more inclusive map would include, for example, local non-governmental organizations, civil society organizations and women's groups.

Beyond this, the international community should do the following:

- Support the recalibration of the current UN-led mediation process and expand it, formally or informally, to three equally weighted tracks that:
  - Address the role of third-party states – not limited to Saudi Arabia, the UAE, Iran, the US, the UK and France – in directly or indirectly prolonging the war and sponsoring military actors.
  - Support mediation between the parties formally considered by the UN Security Council as principal belligerents (the Houthis, Saleh loyalists and the Hadi government), and communicate to them the need to expand their participation in the current peace process.
  - Acknowledge subnational and local political and conflict dynamics by engaging with key military and political leaders from each governorate, and with the senior leaderships from the current subnational divisions: the Houthi-controlled highlands and west coast; the tribal territories of Al Jawf, Mareb and Al Bayda; the separatist tribal south; Aden; Hadramawt (coastal and northern); and Al Mahra. Consider outreach to the Saba regional council, the Southern Transitional Council and other similar regional initiatives. Integrate these groups into the broader mediation process.

- Prioritize localized mediation and ceasefires, as well as other measures aimed at de-escalation, with a focus on Taiz, Al Bayda, the Bab al-Mandeb coast and Mareb/Al Jawf through direct engagement with key military leaders in these locations, alongside existing initiatives.
- Consider sponsoring the formation of, and support for, local councils in areas not directly affected by conflict. Consider developing mechanisms to allow communication and information flows between these councils and the international community. Apportion resources appropriately to allow for this expanded remit.
- Ensure that the economy and humanitarian situation are no longer used as political bargaining chips by any party to the conflict or by the international community.

Table 2: Incentives for peace

Territory	Governorates/ regions	Key political institutions/ groupings	Influential external parties (in order of relevance)	Key power centres	Key individuals	Incentives for cooperation in peace process	Incentives to spoil	Incentives to maintain status quo
Highland/ West Yemen	Hajja, Sana'a, Amran, Hodeidah, Dhammar, Mahweet, Raymah, Ibb	Supreme Political Council, Revolutionary Council	Iran, Russia	Houthis	Leader: Abdelmalek al-Houthi Military commanders: Abu Ali al-Hakem, Abdulkhaleq al-Houthi, Abdulkarim al-Houthi, Yousif al-Madani Political representatives: Saleh al-Samad (SPC president), Mohammed Abdelsalem, Mehdi Mashat	Low	High	High
				Saleh-GPC (weakened post- December 2017)	Leader: Ali Abdullah Saleh (deceased) Military commanders: Maj. Gen. Mohammed al-Atafi (minister of defence, loyalties unclear), Tariq Saleh (Republican Guard, deceased) Political representatives: Sultan al-Barakani, Aref al-Zuka (deceased), Yasser al-Awadhi	Moderate	Moderate	Low
Northern Tribal Areas	Al Jawf, Mareb, Al Bayda	Saba regional council	Saudi Arabia, UAE	Tribal coalition	Leader: Sultan al-Aradah (governor of Mareb) Military/key tribal leaders: Ali al-Qabli Numran, Thiab al-Qabli, Ghaleb al-Ajda (Murad tribe), Influencers: Abdul Wahid al-Qabli (GPC)	Moderate	Moderate	Moderate
				'Legitimate' military	Military leaders: Brig. Gen. Ahmed Hassan Jubran (Third Regional District commander), Maj. Gen. Taher Ali al-Auqaili (chief of staff, Mareb-based), Ali Mohsen al-Ahmar (vice-president), Maqdash (former army chief of staff)	Low	High	High
'Separatist Tribal South'	Al Dhale, Lahj, Abyan, Shabwa	Southern Transitional Council	UAE		<b>Al Dhale:</b> Governor: Fadhl al-Jadi Military leaders: Aydrous al-Zubaidi, Shelal Ali Shayea, Maj. Gen. Muqbil Saleh (33rd Armoured commander), Balegh Abass Muhsen al-Humaidi (head of police)	Low	High	High
					<b>Lahj:</b> Governor: Nasser al-Khubaji Military commanders: Maj. Gen. Fadl Hassan (commander, Fourth Military Region), Brig. Gen. Thabet Muthanna Naji Jawas (Anad Axis commander), Brig. Pilot Adel Halimi (supreme commander, Southern Resistance), Col. Mukhtar Ali Muthna, Brig. Gen. Hadar al-Shuhouti (commander, Lahj Security Belt), Saleh al-Nubi (commander, Radfan Security Belt) Influencers: Murad Ali Mohammed Abdul Hai Alhalmi, Qasem Asker Jubran, Wadah al-Halimi, Sheikh Saif bin Mohammed, Fadl al-Uzibi (leader, Ubaiza tribe), Sheikh Abdulrahman bin Ahmed al-Naqib (leader, Yafa tribes)	Low	Moderate	High

Territory	Governorates/ regions	Key political institutions/ groupings	Influential external parties (in order of relevance)	Key power centres	Key individuals	Incentives for cooperation in peace process	Incentives to spoil	Incentives to maintain status quo
'Separatist Tribal South'					<b>Abyan:</b> Governor: Abu Bakr Hussain Salem Military leaders: Abdulatif al-Sayed (commander, Security Belt Forces), Brig. Gen. Abdullah al-Fadhli (Abyan chief of security)	Moderate	Low	High
					<b>Shabwa:</b> Governor: Brig. Gen. Ali bin Rashid al-Harthi Former governor: Ahmed Lamlas Military leaders: Maj. Mohammed Salem al-Buhair al-Qamishi (commander, Shabwa Elite Forces), Brig. Gen. Aziz Nasser Salem al-A'teqi (commander, 30th Infantry Brigade), Brig. Gen. Khaled Ali al-A'thmi al-Himyari (commander, Shabwa Elite Forces at Balhaf), Brig. Gen. Awad Masoud Ahmad al-Dahboul (director of police), Mufarrah Buhaibah (26th September Infantry Brigade, key in battle for Bayhan) Key tribal leaders: Saleh bin Farid al-Aulaqi (Shabwa) Influential: Maj. Gen. Nasser Ali al-Nouba (former head of local military axis)	Moderate	Low	High
Hadramawt	Coastal Hadramawt	Southern Transitional Council, Hadramawt Tribal Confederation			Key leader: Maj. Gen. Farah Salem al-Bahsani (governor) Military leader: Maj. Gen. Farah Salem al-Bahsani Influential: Ahmed bin Breik (former governor) Tribal leader: Amr bin Hubraish (Hadramawt Tribal Confederation)	Low	Moderate	High
	Northern Hadramawt		UAE, Saudi Arabia		Key leader: Sultan Osama al-Qathiri (mayor of Seiyunn) Key military leader: Maj. Gen. Mohamed Saleh Taimus, First Military District Influential: Brig. Gen. Abdulrahman al-Halili (former commander of first regional military axis)	Moderate	High	High
Al Mahra	Al Mahra				Key leader: Rajeh Saeed Bakreet (governor) Military leaders: Abdullah Qahtan (chief of security), Brig. Gen. Mohammed Yahya al-Qadhi (commander, 137th Infantry Brigade), Brig. Gen. Abdullah Mansour (commander, 123rd Infantry Brigade), Col. Thabit Qasim Abdulla (commander, Mahra Air Base) Influencers: Sheikh Abdullah al-Afrar, Salem bin Abdullah bin Ashour, Shaykh Saad Ali Muqbil bin Khudda	Moderate	Moderate	Moderate
Taiz	Taiz	Revolutionary Council, Supreme Political Council			Leader (political/governance): Abdullah al-Noman, Ali Mohammed al-Ma'amari (governor in exile) Military: Sadeq al-Sarhan (regular military), Abu Abbas (Salafi), Sadeq Mayhoub Hassan (Islah)	Low	High	High
Salafist groups	Aden, Taiz, Saudi-Yemen border	N/A	UAE, Saudi Arabia			Low	High	High

## About the Author

This paper was primarily researched, written and produced by **Peter Salisbury**, at the time a senior research fellow with Chatham House's Middle East and North Africa (MENA) Programme, between October 2016 and December 2017. Peter also researched the accompanying digital map of Yemen's 'chaos state' (<https://yemen-map.chathamhouse.org>). He is now a senior consulting researcher to the MENA Programme. The former energy editor at the *Middle East Economic Digest*, Peter has been working on political economy issues in the MENA region since 2008. He has written as a journalist for *The Economist*, the *Financial Times* and *Foreign Policy*; has consulted to the UK's Department for International Development, the United Nations and the World Bank on political economy studies; and has helped produce a series of films for VICE, a youth-oriented media network.

## Acknowledgments

Peter was assisted in his work by a group of consulting researchers: Nadwa al-Dawsari, a non-resident senior fellow at the Project on Middle East Democracy, who provided research on Mareb and Al Jawf; Iona Craig, an award-winning independent journalist whose work is supported by the Pulitzer Center for Crisis Reporting; and Iain Smailes, an independent consultant and former military officer. Deeproot Consulting, a Yemeni-led development consultancy, also provided assistance. Without this group, the project would not have been possible. Thanks are also due to Jane Kinninmont, Lina Khatib, Tim Eaton, Renad Mansour, Sophie Grant, Nicole El Khawaja, Reni Zhelyazkova and Mais Peachey from Chatham House's MENA Programme for their support and advice over the course of the project. Andy Bolton provided digital consultancy services to the project and built the digital map of Yemen's 'chaos state'. More of his work can be found at [www.isthmi.co.uk](http://www.isthmi.co.uk).

---

# Independent thinking since 1920

Chatham House, the Royal Institute of International Affairs, is an independent policy institute based in London. Our mission is to help build a sustainably secure, prosperous and just world.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical including photocopying, recording or any information storage or retrieval system, without the prior written permission of the copyright holder. Please direct all enquiries to the publishers.

Chatham House does not express opinions of its own. The opinions expressed in this publication are the responsibility of the author(s).

Copyright © The Royal Institute of International Affairs, 2017

Cover image: A Yemeni boy checks damage following a mortar attack in the city of Taiz, February 2016.

Photo credit: Copyright © Ahmad al-Basha/AFP/Getty Images

ISBN 978 1 78413 254 5

This publication is printed on recycled paper.

---

The Royal Institute of International Affairs  
Chatham House  
10 St James's Square, London SW1Y 4LE  
T +44 (0)20 7957 5700 F +44 (0)20 7957 5710  
contact@chathamhouse.org www.chathamhouse.org

Charity Registration Number: 208223