



# Yemen, Saudi Arabia and the Gulf States: Elite Politics, Street Protests and Regional Diplomacy

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## Summary points

- Yemen's power structures are under great strain as the political elite struggles to adapt to nationwide grassroots demands for a more legitimate, responsive and inclusive government.
- Dramatic political change in Yemen could lead to violent upheaval and a humanitarian crisis, against the backdrop of the country's deteriorating economic and security conditions. It might also result in a new, more legitimate political configuration.
- In 2010, Western governments initiated a partnership with the Gulf Cooperation Council (GCC) states to address the security risks posed by the situation in Yemen. This was based on the recognition that these states have significant financial resources, strong cultural ties to Yemen and important connections within its informal power networks.
- Ambivalence and limited bureaucratic capacity initially constrained the Gulf states' potential to respond strategically to instability in Yemen. However, growing domestic opposition to Yemen's President Ali Abdullah Saleh, coupled with his diminishing international support, triggered a collective GCC response in 2011 aimed at mediating a political transition.
- Saudi Arabia maintains extensive transnational patronage networks in Yemen. Many Yemenis believe it is trying to influence the outcome of political change and that succession dynamics within the Saudi royal family are affecting the calculations of Yemeni political actors.
- The 'Arab Spring' has generated reformist pressures and divergent regime responses within the Gulf monarchies themselves. This increases the complexity of the policy landscape regarding Yemen.

## Yemen, Saudi Arabia and the Gulf states



## Introduction

The ‘Arab Spring’ has penetrated the Arabian Peninsula, affecting both Yemen and the bordering countries of the Gulf Cooperation Council (GCC). A prosperous trading bloc of profound importance to the world economy, the GCC comprises the Gulf monarchies of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE).<sup>1</sup> At under \$1,000, Yemen’s per capita gross domestic product (GDP) is forty times lower than the average per capita GDP for the GCC countries.<sup>2</sup> This extreme disparity is set to worsen within the next decade, as Yemen becomes a net oil importer and its foreign exchange reserves dwindle.

In Bahrain, popular unrest inspired by the wave of revolutionary change sweeping across the region was suppressed in late March, with support from the Gulf monarchies, even as they swung behind the rebels in Libya. While this did not reflect unanimity in approach (Oman’s support for the ostensible common position on Bahrain was only declaratory, Kuwait sent naval ships that were unlikely to come into contact with any protestors, and Qatar sent a token number of troops), it did reflect nervousness about pressures on the monarchical social contract, exacerbated by fear of Iranian support for Shia assertiveness. By contrast, the GCC countries’ common dislike of Colonel Muammar Gaddafi led them to join (although to varying degrees) the international movement in support of the Libyan rebels. Their position on Yemen has been more complex still.

In Yemen, public resentment over elite corruption has found sustained non-violent expression in a nationwide pro-democracy movement. Hundreds of thousands of protestors took to the streets of the capital, Sana’a, and a number of provincial cities in January 2011, and maintained a presence on the streets throughout February, March and April. The protestors called for President Ali Abdullah Saleh to stand down immediately after three decades in power, and rejected all proposals for a phased transition that would defer his departure until the end of

an interim period in which constitutional changes would be agreed.

As popular support for Yemen’s revolution gathered momentum, long-standing competition within the country’s ruling elite came into open view. In March, General Ali Mohsin al-Ahmar, head of the 1st Armoured Division and the commander of Yemen’s North-Western District, publicly split from Saleh, declaring his support for the opposition. Neither this nor a wave of successive defections from within the political elite generated enough pressure to convince President Saleh to relinquish control. The prospect of an extended stalemate between rival military factions in Sana’a contributed to growing fears of civil war and government paralysis. In April, the GCC proposed a series of initiatives, putting pressure on the president to accept a negotiated transition, albeit one that would in effect keep power in the hands of established political actors rather than letting it develop in the grass-roots movement that has emerged.

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Prior to the 2011 ‘Arab spring’, the death of Osama bin Laden and the subsequent risk of al-Qaeda retaliation, Yemen had already been rising sharply up the international policy agenda in the past few years. This was largely because of the presence of a local al-Qaeda franchise, considered the most active branch of the global organization. However, concerns about Yemen’s stability extend far beyond a preoccupation with terrorism to encompass challenges

<sup>1</sup> The GCC was created in 1981; the organization announced a customs union in 2003 and launched a common market in 2008.

<sup>2</sup> World Bank, *World Development Indicators*, <http://data.worldbank.org/indicator>.

to the government's competence and legitimacy from northern 'Houthi' rebels and southern separatists. In addition, the economy is in a perilous state: oil production has passed its peak, falling by nearly half since 2002, and investment outside the energy sector is negligible.<sup>3</sup> More than a third of Yemen's population is undernourished, and social violence related to land disputes and diminishing water resources leads to several thousand fatalities each year.<sup>4</sup>

In January 2010, the British government initiated a high-level diplomatic coordination mechanism, known as the Friends of Yemen, to mitigate the regional and international risk posed by the situation in Yemen. International donors agreed to support coordinated state-building measures to encourage better service delivery, good governance and more sustainable economic management. This comprehensive approach designated Yemen a 'fragile state' and assumed that timely intervention was 'a million times better than the effort that would be needed to cope with any state failure later'.<sup>5</sup>

A strategic partnership between Western governments and the Gulf states was central to the Friends of Yemen process and will remain so throughout Yemen's political transition, although the Friends of Yemen meeting scheduled for March 2011 in Riyadh was postponed as result of the crisis. The Friends of Yemen is considered too unwieldy to function as a transition mechanism, and a smaller informal international contact group has already emerged to support Gulf-led mediation efforts.

Western donors' hopes of fostering regional leadership by the GCC states rest on the recognition that the latter not only have greater resources as donors and investors, but also enjoy stronger cultural ties and greater political leverage in Yemen. Western powers believe that the GCC states share their interest in maintaining regional stability, containing terrorism and ensuring the security of busy shipping channels in the Gulf of Aden and the

Bab al-Mandab strait. Britain, in particular, has strong historical links with the Gulf states as well as important present-day political and economic relationships, including an increasing reliance on gas supplies from Qatar to meet its growing domestic energy needs.

This paper examines the actual and potential roles of the various GCC states with regard to Yemen, explores how these have been linked to wider international roles and frameworks, and addresses the response of various political actors in Yemen. It highlights the predominance of elite politics and informal networks on both sides, even as 'people power' is making itself felt across the Arabian Peninsula.

## Yemen's political settlement

The current political crisis in Yemen follows a simultaneous loss of faith in the legitimacy of the government, the established opposition and the parliamentary framework. Power has been only partially structured through government ministries, with key decisions taken by an unaccountable elite. President Saleh has straddled both formal and informal power structures. Even different army divisions have not always acted entirely as instruments of the formal state. As a result, Yemen has become a contested space, where 'different concepts of legitimacy coexist and compete' and the shift to violence expresses 'people's sense of alienation from the formal state'.<sup>6</sup> The OECD has warned: 'Lack of legitimacy is a major contributor to state fragility, because it undermines the processes of state-society bargaining that are central to building state capacity'.<sup>7</sup>

During 2010, the Friends of Yemen tried to encourage comprehensive political and economic reforms that would strengthen the state's legitimacy, but their impact was limited because they were engaging with counterparts in government ministries, to the extent that they perform functions associated with the formal state. Western diplomats, in particular, have much less exposure to and influence over

<sup>3</sup> Economist Intelligence Unit, *Yemen Country Report*, April 2011.

<sup>4</sup> International Food Policy Research Institute, *2010 Global Hunger Index*. Yemen Armed Violence Assessment, 'Under Pressure: Social Violence over Land and Water in Yemen', Issue Brief No 2, October 2010.

<sup>5</sup> Rt Hon. Alan Duncan MP, UK Minister for International Development, keynote speech, conference on 'Yemen: Political Dynamics and the International Policy Framework', Chatham House, 1 November 2010.

<sup>6</sup> Organisation for Economic Co-operation and Development, *The State's Legitimacy in Fragile Situations – Unpacking Complexity* (Paris: OECD, 2010).

<sup>7</sup> Ibid.

the informal network of power in Yemen, especially outside the capital. Certain actors within the GCC states have more contacts and partnerships with elite players inside this network. They also interact more easily with key players in secondary political settlements between local elites at the sub-national level, such as tribal sheikhs.<sup>8</sup>

Yemenis widely believe that the current political crisis presents a growing opportunity for an external “selectorate” to try to influence the outcome of elite competition.

Political actors in Yemen have long believed that the resources of external players might be mobilized to further their own personal interests.<sup>9</sup> The most extreme recent example is documented by a US embassy cable from Riyadh during Saudi involvement in Yemen’s Houthi conflict in Sa’dah province in late 2009 (see below). The cable relayed Saudi concern that Yemeni military planners had presented their pilots with coordinates to strike the headquarters of General Ali Mohsin, who was said to have opposed the prospect of Saleh’s son Ahmed succeeding him.<sup>10</sup> Until American officials began to distance themselves from the status quo in the spring of 2011, many Yemeni observers also viewed the provision of US military aid to elite security and intelligence units under the command of President Saleh’s relatives as sustaining his family’s ability to maintain control.

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Many think that Saudi Arabia, with its historical proprietary stance towards their country, will try to manipulate any change in the political settlement. There is much speculation about the kind of trade-offs that Riyadh will be looking for in return for supporting a new leader and bankrolling the collapsing economy, and a lingering conviction that Saudi Arabia wants a weak, unstable Yemen that is easy to control.

By contrast, in Riyadh, the late King Abdul Aziz’s alleged deathbed injunction to his sons to ‘keep Yemen weak’ appears to have been replaced by the fear of al-Qaeda in the Arabian Peninsula (AQAP) operating freely in a failing or failed state, and security concerns are dominant. Until early 2011, Saudi Arabia avoided putting public pressure on Saleh, despite mounting frustration with his leadership. But as the political crisis escalated after General Ali Mohsin’s defection in March, Riyadh put its weight behind a GCC initiative to ease President Saleh out of office.<sup>12</sup>

However, informal models of transnational patronage that characterize aspects of Saudi Arabia’s relationship with the Yemeni regime and the tribes run in parallel with formal processes of mediation and multilateral diplomacy, and many Yemenis question Saudi Arabia’s ability to act as an impartial mediator. This highlights the value of the GCC’s formal collective role in mediation and the formulation of transition proposals since April. While the centre of gravity remains clearly in Riyadh, these initiatives have had a collective imprimatur – although specific Qatari and UAE diplomacy was also active within this framework.

The GCC proposal on 23 April for a 30-day handover period to a transitional unity government, subject to immunity for President Saleh and his family, was rejected, then accepted, then again seemingly ignored by him over the course of three days, before he signalled his willingness to

8 The Asia Foundation, ‘Political Settlements: Implications for International Development Policy and Practice’, Occasional Paper No. 2, July 2010.

9 Authors’ interviews, Sana’a, April 2010.

10 Wikileaks. 10RIYADH159, released 07.12.2010, subject: (S) Saudi Arabia: Renewed Assurances on Satellite Imagery.

11 Timothy Besley and Masayuki Kudamatsu, ‘Making Autocracy Work’, Development Economics Discussion Paper Series, STICERD, LSE, London, 21 May 2007, <http://sticerd.lse.ac.uk/dps/de/dedps48.pdf>.

12 Authors’ interviews and discussions with Saudi sources, senior Western diplomats and analysts, Riyadh, January 2011; ‘GCC urges Saleh to go’, *Financial Times*, 10 April 2011.

sign the agreement.<sup>13</sup> On 1 May, GCC Secretary-General Abdullah al-Zayani flew to Sana'a to obtain Saleh's signature, while the GCC foreign ministers waited in Riyadh to receive the opposition delegation on the following day. President Saleh's last-minute refusal to sign the deal triggered 'hectic political consultations among Gulf leaders'<sup>14</sup> and phone calls between Saleh and several GCC monarchs, in which they discussed ways to salvage the agreement.

Many Yemeni pro-democracy activists reject the idea of lending their support to a leadership bid from another member of the power elite who will simply perpetuate the current political settlement

Regardless of the timing and details of the eventual political transition, Yemeni business tycoon and opposition politician Hameed al-Ahmar is among the contenders expected to attempt to benefit from the power shift. Hameed is the son of the late Sheikh Abdullah al-Ahmar, the Saudi royal family's key patronage broker in Yemen until his death in 2007. Hameed's eldest brother, Sadeq, is now paramount chief of the Hashid confederation, while another brother, Hussein, organized the Saudi-backed Hashid militia during the Sa'dah war. As Yemen's political crisis intensified during February and March, the brothers began to stake out a more aggressive leadership position. In a BBC interview on 31 March, Hameed called for President Saleh to leave the country, not just step down from power.<sup>15</sup>

According to Yemeni sources, the al-Ahmar family has provided financial support to people living inside the pro-

democracy camp in Sana'a. At least some of this money is thought to come from regional sponsors. However, several Saudi observers have privately expressed the view that Hameed is a 'businessman, not a politician', while General Ali Mohsin is looked on favourably in certain circles in Riyadh.<sup>16</sup> Others argue that Yemen's own 'intrinsic dynamics' will determine the future political trajectory, and there is a sense among the technocrats advising senior Saudi princes that preferences are still being discussed and policy towards the transition is still being made.<sup>17</sup>

Many Yemeni pro-democracy activists reject the idea of lending their support to a leadership bid from another member of the power elite who will simply perpetuate the current political settlement. Instead, they have promised to hold out for a peaceful transfer of power to a civilian authority, a new constitution that boosts the role of parliament and a federal system of government. Independent youth activists are slowly developing their own management structure and deciding on mechanisms to nominate leaders, but by the end of April this process was not sufficiently advanced to enable them to send observers to the GCC transition talks.<sup>18</sup>

## The formation of the Yemeni state

One particular challenge for outsiders in understanding Yemen, and therefore in engaging with it, is the history and nature of the Yemeni state. Yemen has never truly been one polity – notwithstanding the unification of North and South in 1990. Tribalism is strong throughout the country, but especially in the northern highlands, where Zaydism is predominant. Zaydism is a distinct, rationalist offshoot of Shia Islam, quite unlike the 'Twelver' Shi'ism found elsewhere. Over the centuries it grew closer in many ways to the dominant version of Yemen's Shafi'i (Sunni) Islam, with which there were traditionally few religious tensions.<sup>19</sup> Zaydi Imams from the Qasimi dynasty ruled Yemen's

13 *Arab News*, 24 April 2011; BBC Arabic, 24 April 2011; Reuters dispatch 25 April 2011; *New York Times*, 24 April 2011.

14 'GCC plans more talks on Yemen', *Arab News*, 2 May, 2011.

15 'Yemen's Hamid al-Ahmar urges President Saleh to leave', BBC News, 31 March 2011.

16 Authors' interviews and discussions with Saudi sources, Riyadh, January and April 2011.

17 Authors' interviews and discussions with Saudi sources, Riyadh, April 2011.

18 Authors' interviews and discussions with sources in Sana'a and Riyadh, April 2011.

19 Followers take their name from Zayd ibn Ali, a direct descendant from the prophet, through Mohammed's daughter Fatima and her husband, Ali, and the 'crux of Zaydism' rests on legitimacy through this line of descent. Until the 1962 revolution, all rulers ('Imams') were recruited from this line. Zaydism arrived in Yemen in 893 with Imam al-Hadi ila'l-Haqq Yahya, who was invited from Medina as a mediator in a local conflict in Sa'dah.

highlands from the seventeenth to the early nineteenth century and created the first significant political order in the North.<sup>20</sup> The Hamid al-Din dynasty (1904–62) then laid the rudimentary foundations of a centralized bureaucracy.

In the *North*, the neo-traditional system of the Imamate was overthrown in 1962. There followed successive attempts at creating the sort of secular, ideology-based republic that has been problematic and authoritarian everywhere else in the Arab world. In the northern civil war of the 1960s, Saudi Arabia backed the monarchists, while Nasser's Egypt backed the republicans before withdrawing in 1967. The key tribal figure in Yemen, Abdullah al-Ahmar, paramount sheikh of the Hashid tribal confederation, came out in support of the republic. This was the beginning of decades of balancing and fluctuating networks between tribes and the state, and different constituencies within each, as well as between Saudi Arabia, the state and the tribes. After the removal and/or assassination of several presidents, Ali Abdullah Saleh took power in 1978 and subsequently proved the most adept yet at this game.<sup>21</sup>

Meanwhile, the *South* was a case apart: a mosaic of semi-traditional, poor sultanates, combined with the creation in Aden of a peculiar, urbanized working class not found elsewhere in the Arabian Peninsula, under a British colonial framework. This generated a radicalized, left-wing nationalist movement that spread from Aden and tried to impose an alien ideological structure on the whole South, only partly succeeding in disrupting traditional socio-political dynamics.<sup>22</sup> The end of the Cold War exposed the political and economic bankruptcy of this system and significantly enhanced the difference between southern and northern society. The South's population is also much smaller than that of the North.

When the southern leadership's need and the northern leadership's ambition came together with the prospect of developing the oil reserves straddling the border between North and South, and popular enthusiasm for the dream of unity, the united Yemen Republic was born in 1990. But given the disparities between the two sides, its sustained political and economic success would have required an extraordinarily compromise-oriented ruling class. The contrary was the case. This led to an increasing perception of domination by a northern elite over the South, and in turn to a further civil war in 1994.<sup>23</sup> The northern victory exacerbated this domination in all areas. Simultaneously, the grip of the northern core elite on national resources including land and business opportunities was further extended in much of the country, exacerbating the regime's legitimacy problems. While modest oil exports lasted, the regime was able to build further patronage networks, accompanied by increasingly coercive methods. But with the decline in this temporary boon, the central power structures were left vulnerable.<sup>24</sup> Strong tribal traditions and autonomy in the north and centre of the country, as well as in Hadramawt (in the southeast), reasserted themselves against an under-resourced government. Simultaneously, Salafi interpretations of Islam increasingly made inroads across the border from Saudi Arabia.

### The Gulf states and Yemen: foreign policy and aid

The foreign policy of the Gulf states and their potential role in Yemen are shaped and constrained by a number of common factors as well as individual specificities.<sup>25</sup> Their style of policy-making and implementation has typically

20 Paul Dresch, *A History of Modern Yemen* (Cambridge University Press, 2007). The seventeenth-century Imam al-Mutawakkil came closest to bringing all of Yemen under his control, even conquering Hadhramaut.

21 Sheila Carapico, *Civil Society in Yemen* (Cambridge University Press, 1998), pp. 19–59; Robert Burrowes, 'Prelude to Unification: The Yemen Arab Republic, 1962–1990', *International Journal of Middle Eastern Studies*, vol. 23 (2001), no. 4, pp. 483–506; Robert Burrowes, *The Yemen Arab Republic: The Politics of Development, 1962–1986* (London: Croom Helm, 1987).

22 See Dresch, *A History of Modern Yemen*, chapters 3–5; Carapico, *Civil Society in Yemen*, pp. 23–54; and Noel Brehony, *Yemen Divided: The Story of a Failed State in South Arabia* (London: I.B. Tauris, 2011).

23 See Burrowes, 'Prelude to Unification'; and Gerd Nonneman, 'The Yemen Republic: From Unification and Liberalisation to Civil War and Beyond', in H. Jawad (ed.), *The Middle East in the New World Order* (London: Macmillan, 1997), pp. 61–96.

24 Dresch, *A History of Modern Yemen*, pp. 193–204; Nonneman, 'The Yemen Republic'.

25 One of the best analyses of GCC states' foreign policies is Abdullah Baabood, 'Dynamics and Determinants of the GCC States' Foreign Policy', in Gerd Nonneman (ed.), *Analyzing Middle Eastern Foreign Policies* (Routledge, 2006), pp. 145–73. Also see Kristian Coates Ulrichsen, 'The GCC States and the Shifting Balance of Global Power', CIRS (Georgetown University School of Foreign Service in Qatar), Doha, Occasional Paper 6, 2010.

been highly personalized around top members of the royal families. Institutional capacity for policy formulation, implementation, coordination and follow-up remains limited, notwithstanding the very gradual professionalization of foreign policy bureaucracies.

The Gulf states have all shown a long-term pattern of pragmatism and combined the aim of obtaining great-power protection with securing a measure of autonomy. Their prime focus has traditionally been on the region. A more global focus has tended to appear only in so far as it secured regional aims or the states' economic interest – although an emerging interest has become evident recently in issues of global governance. Yet *political* involvement by these states tended to be limited to serving their immediate security needs or towards settling or containing conflict in the region. They rarely took a strong leadership role, with the occasional exception of Saudi Arabia and, since 1995, Qatar. However, early 2011 has seen Qatar's example in this respect being followed by the UAE and Saudi Arabia in particular – not least with regard to the Libyan and Yemeni crises.

Finally, there has been a strong tendency to bilateralism, whether in aid, strategic or economic policy, with the exception of GCC's coordination of trade negotiations with the EU, the construction of a GCC economic community of sorts and, most recently, policy towards Yemen and Libya.

The distinctions among the foreign policy roles of these six states are in part determined by location, size, ideological basis of legitimacy, particular historical experiences and the idiosyncracies of their rulers and regimes.

### Saudi Arabia

Saudi Arabia stands out from the other GCC states by its size and resources, as well as by its need to be seen as a regional and Muslim leader given the religious basis of the claim of the royal family (the Al Saud) to legitimacy as

protectors of Mecca and Medina in the birthplace of Islam. It also stands out, however, by the ruling family's size and the division of labour and opinion within it.<sup>26</sup> Moreover, Saudi Arabia has the longest and most problematic border with Yemen, and a long history of migratory, economic and political involvement with the country – from war and civil war to informal intervention and unofficial subventions to tribal and other players.

The Saudi system is essentially a family oligarchy, supported by a gradually professionalizing bureaucracy. Yet the state apparatus replicates the division at the top into princely 'fiefs': different senior princes have their own interests and policy domains.<sup>27</sup> Since the death of Saudi Arabia's founder, King Abdulaziz, the crown has passed among a succession of his sons, from Saud in 1953 to Abdullah today. While King Faisal had stamped his authority on policy during his reign from 1964 to 1975, Saudi decision-making has become more diffuse since then. Influence in the upper reaches of the royal family depends on a subtle combination of seniority, perceived capability, personality, the status of one's mother, and having allies such as full brothers and a strong fief. King Abdullah, who acceded to the throne in 2005 after a decade-long *de facto* regency following King Fahd's incapacitation, benefits from seniority, legitimacy and popularity, and has a long-standing base in the National Guard, but he lacks any full brothers. By contrast, Crown Prince Sultan and princes Nayef and Salman are among seven full brothers often referred to as the 'Sudairi Seven'. All are sons of the Kingdom's founder. Yet lines of alliance do not always follow such genealogy neatly. Proven effectiveness and personal likes or dislikes are also involved. The fief-like nature of some offices of state is illustrated in their father-to-son transmission: King Abdullah handed control of the National Guard to his son Mit'ab in 2010, the defence ministry is viewed as the personal fief of the Al Sultan and the interior ministry as that of Prince Nayef and his son Mohammed bin Nayef.

26 Authors' discussions with Saudi observers and officials, and Western academic and diplomatic sources, in Riyadh, Dubai, Doha, Menton, Princeton and Leiden between 2004 and 2011. Also Gregory Gause, 'The Foreign Policy of Saudi Arabia', in Raymond Hinnebusch and Anoushiravan Ehteshami (eds), *The Foreign Policies of Middle Eastern States* (Boulder, CO: Lynne Rienner, 2002); and Gerd Nonneman, 'Determinants and Patterns of Saudi Foreign Policy', in Paul Aarts and Gerd Nonneman (eds), *Saudi Arabia in the Balance* (Hurst/New York University Press, 2006), pp. 315–51, at pp. 335–37.

27 Steffen Hertog, *Princes, Brokers, and Bureaucrats: Oil and the State in Saudi Arabia* (Cornell University Press, 2010); Madawi Al Rasheed, 'Circles of Power: Royals and Society in Saudi Arabia', in Aarts and Nonneman (eds), *Saudi Arabia in the Balance*, pp. 185–213.



Although the King has the final say on matters where he insists, there tends to be informal consultation. Given the vertical fragmentation of implementation structures and patronage networks, there is a lack of coordination or cross-sectoral implementation in many policy areas, including foreign policy.

Indeed, the Ministry of Foreign Affairs is not the main player in many foreign policy areas. Foreign Minister Prince Saud al-Faisal (a son of King Faisal) and many diplomats are aware of the limitations of Saudi Arabia's foreign policy-making and follow-up machinery, as a result of the personalized nature of diplomacy and of capacity issues. The latter, at least, is being addressed through more meritocratic recruitment, training and deployment, alongside a study being undertaken by McKinsey on ways to improve the system.<sup>28</sup> King Abdullah has instigated a shift in the foreign policy-making process, seeking to empower the bureaucracy of the foreign ministry under Prince Saud and the intelligence services under Prince Muqrin, King Abdulaziz's widely respected youngest son. But this process remains in its very early stages. Saudi Arabia's foreign policy system still lacks advanced strategic capacity, operational skills and experience of sustained implementation.

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On Yemen, especially in the current crisis, the Ministry of Foreign Affairs has a fairly limited voice. Indeed, as one Saudi analyst put it: ‘Yemen is not about foreign policy, it's about national security – it's about intelligence, security, tribalism and informal contact.’<sup>29</sup>

Several official bodies deal with Saudi–Yemeni relations, but none matches the clout of the real power centre made up of a few key princes and the king in a fluctuating constellation. The Saudi–Yemeni High Coordinating Council is a regular gathering of mid- and lower-level politicians and civil servants, including in some cases the foreign ministers, dealing with detail and practical questions, including on development projects; it does not shape overall policy. The Saudi–Yemeni Border Committee has dealt likewise with specific follow-up questions of border demarcation and security; and the Saudi *Majlis al-Shura* subcommittee on Yemen has little real impact.

The Yemen portfolio was long formally managed by Crown Prince Sultan, who is also deputy prime minister and minister of defence.<sup>30</sup> For decades, he handled payments to his network of contacts and informers in Yemen, generating resentment in many quarters in the country about perceived Saudi ‘meddling’. The Special Office for Yemen Affairs, a small intra-family committee established and headed by Sultan, remained the main locus of Yemen policy and patronage throughout the 1980s and 1990s, a role that was attenuated from 2000. Its annual budget was believed to be \$3.5 billion per year until then, but was reduced following that year's border agreement. In early 2011, the number of people thought to be receiving subsidies still remained in the thousands, but in April recipients were notified that payments were being terminated by order of the royal court.<sup>31</sup> Sultan's increasing ill-health meant the initiative had increasingly shifted to other actors within the House of Saud, becoming diffuse and lacking a clear strategy and coordination.<sup>32</sup> Partly in reflection of Sultan's *de facto* removal from the policy scene, the financing operations of the Special Office were assumed to be closing down in May.

Abdullah had already played a decisive role in steering the negotiations that concluded the 2000 border agreement. The latter represented a striking turn-around in

28 Authors' interviews with Saudi and Western diplomatic officials in Riyadh, Doha and London, January 2011.

29 Authors' interview, Riyadh, January 2011.

30 He negotiated the 1965 US arms deal in response to Egyptian violation of Saudi Arabia's territorial integrity during the Yemeni civil war. See Rachel Bronson, *Thicker Than Oil: America's Uneasy Partnership with Saudi Arabia* (Oxford University Press, 2008).

31 Authors' interviews with recipient of Special Office funds, April 2011.

32 Authors' discussions with Saudi and other observers, Riyadh, January 2011.

relations: during the 1994 civil war, Saudi Arabia had been sympathetic to the southerners. The King was long prepared to deal with Saleh less abrasively than either Sultan or Nayef were, although there is no indication that he ultimately became any less disenchanted with the Yemeni leader.

In recent years, the interior ministry under Prince Nayef has taken an increasingly prominent role in shaping management of Yemen policy. This was reinforced by his appointment as second deputy prime minister in 2009 (leading him to be seen by many as the next Crown Prince) and by Sultan's incapacitation from late 2010. During the Houthi conflict in 2009, an informal and temporary coordination committee of key princes was formed.<sup>33</sup> Alongside Nayef, his son, Deputy Interior Minister Mohammed bin Nayef, who oversees the kingdom's counter-terrorism programme, has become increasingly central, while intelligence chief Prince Muqrin (who is close to King Abdullah) has also played a significant role with regard to cross-border activity and the al-Qaeda aspect. In addition, Prince Khalid bin Sultan has had a fluctuating influence, taking an early lead with the operations on the border in 2009, although the response to this within the country was mixed.

Effective coordination remained lacking, as illustrated also by Abdullah's unilateral decision in 2010 to give President Saleh \$700 million, against the wishes of Nayef and others.<sup>34</sup> With the eclipse of Sultan and the King's extended absence for surgery and recuperation in late 2010 and early 2011, strategy formulation – let alone concerted implementation – appeared to be in suspension.<sup>35</sup> While fundamental change in this situation awaits the post-Sultan era, the escalating crisis in Yemen in April did at last force the Saudi decision to help ease a transition from the Saleh era, and the decision to close the Special Office suggests a possible reorientation in the channels of transnational patronage.

Their earlier anger over President Saleh's stance on the 1990–91 Gulf War did not predispose Saudi decision-makers to great liking of the Yemeni ruler. In the 2000s he and the closest members of his regime also became seen as responsible for many of the country's problems, as well as for squandering much of the money Saudi Arabia had channelled towards him and his government.<sup>36</sup> In addition to bilateral aid spending by the Saudi Fund for Development, the Ministry of Interior has overseen its own community-based development projects and, in 2009, Prince Mohammed bin Nayef complained to a senior US envoy that cash payments to Yemen 'tended to end up in Swiss banks'.<sup>37</sup> Yet Saudi Arabia remained cautious about the danger of weakening the Yemeni state (and it now shares with the other GCC states a declared commitment to Yemen's unity). As of April 2011, however, Saleh's removal in a controlled transition process had become seen as necessary to pre-empt political and territorial disintegration, which would benefit AQAP.

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There is a recognition that, since the border settlement of 2000, Saudi Arabia largely withdrew and left its Yemeni contacts to wither. Moreover, the generational transition means that many of the most important personal relationships have evaporated, not least after Sheikh Abdullah al-Ahmar's death in 2007. While the Saudi policy elite is confident that the tribes of Yemen's North as well as some key players in the South remain a known quantity, with personal channels amenable to reactivation, it seems

33 Authors' interviews with Saudi and diplomatic sources, Riyadh, January and April 2011.

34 Authors' interview with Saudi source, April 2011.

35 Authors' interviews with Saudi and Western diplomatic sources, Riyadh, January 2011.

36 Authors' discussions with academics and officials, including members of the royal family, Riyadh, January 2011. See also US embassy in Sana'a dispatch released by Wikileaks, 28.12.2009 (with comment from US embassy Riyadh), <http://www.thepressproject.gr/cablegate/details.php?id=9536>.

37 Wikileaks. ref. 09RIYADH670 – Special Advisor Holbrooke's Meeting With Saudi Assistant Interior Minister – 2009-05-17 1.

clear that there is less understanding of new and emerging actors.<sup>38</sup>

#### The other GCC states

Yemen also arose as a priority issue for the other five GCC member states, especially for Oman and the UAE. But apart from Qatar's mediation initiatives and a collective agreement to give aid, they did not develop a clear policy line until their collective decision in April 2011 to put forward a transition plan.

**Oman's** foreign policy since the mid-1970s has borne the overwhelming stamp of Sultan Qaboos, along with that of the highly pragmatic Minister of State for Foreign Affairs, Yusuf bin Alawi. It has also been characterized by a long history of semi-isolation from the rest of the Arab world and openness to the wider world, and the perceived need to pursue a pragmatic neutrality in the light of Iran's potential threat. As regards Yemen, one must add the particular history of relations with the former Marxist South, whose remote al-Mahra province borders Oman. South Yemen served as a sanctuary and jumping-off point for Omani rebels until the end of the Omani civil war in 1975. Yet in the 1980s and early 1990s Oman became Yemen's only friend in the GCC, with frequent exchanges even shortly after Kuwait's liberation, when the others still blamed Sana'a for failing to support the international coalition against Iraq. The border was demarcated in 1995. In the late 2000s, Omani forces were moved to the border to try to control illegal migration. At the same time, Oman has made statements in support of eventual Yemeni membership of the GCC, although it is not clear whether this represents a genuine wish.

The **United Arab Emirates** long lacked a coherent federal foreign policy, as the individual emirates (not least Dubai) retained much autonomy. But especially in Abu Dhabi there is a strong connection of historical kinship to Yemen, dating back to pre-Islamic times. In recent years a clearer overall federal foreign policy has started to emerge

as a result of the growing confidence of Foreign Minister Sheikh Abdullah bin Zayed Al Nahyan, from Abu Dhabi's ruling family, complemented by the effects of the Dubai financial crisis. Dubai does retain its 'back channels' but has had limited direct involvement with Yemen.<sup>39</sup> For the UAE, long a major aid donor to the country and employer of many Yemenis in its police force, Yemen is now said to have overtaken Afghanistan as its second most important security concern after Iran. Although the final months of 2010 and early 2011 saw policy-makers still urgently casting around for ideas on how best to approach the Yemeni conundrum, the UAE has now become a focused player in exploring both economic and political aspects of a possible solution to the country's problems and in helping to shape a GCC consensus.<sup>40</sup>

**Bahrain** has few resources to deploy and the ruling Al Khalifa are particularly fearful of Iran, which once claimed it as a province, and of the 'Shia dimension' (the Shia comprise a majority of its population). The country has little of substance to offer on Yemen and has not yet formulated a policy on the subject – except to join the GCC framework.

Key distinguishing factors shaping *Kuwait's* foreign policy since 1990 have been its experience of the Iraqi invasion and of Yemen's reluctance to support the international operation to expel Iraqi forces, which put Kuwait's relations with Sana'a under strain for a long time. A slow improvement over the past decade accelerated somewhat in the last few years and relations had become fairly cordial again by 2010, although Kuwait continues to resist Yemeni membership of the GCC. While joining its fellow members in the April 2011 GCC initiative, it has not become a 'thought leader' on the Yemen question.

**Qatar's** foreign policy has been made by the emir and the prime minister, with a very small group of close advisers and without the benefit of sustained and in-depth follow-up (including on financial commitments).<sup>41</sup> Qatar traditionally followed the Saudi line on general foreign

38 Authors' discussions with a range of Saudi sources, Riyadh, April 2011.

39 Authors' discussions with academics and senior diplomats in the UAE, January 2011.

40 Authors' discussions with local and Western observers in the UAE, January and April 2011, and London, January 2011.

41 Authors' discussions with local and Western observers and officials, Doha, January 2011.

policy matters, but this changed following the 1995 accession of Sheikh Hamad bin Khalifa Al Thani, who overthrew his father and positioned Qatar both more assertively and in counterpoint to Saudi Arabia, regionally and internationally.<sup>42</sup> Riyadh was blamed for tolerating a counter-coup attempt in 1996. This led Qatar to draw closer to the United States by granting it rights to host the largest US military base in the region at al-Udaid, which became the new headquarters of US Central Command (CentCom). This move was complemented by a range of policies that built links with states and movements of all persuasions, including Iran; by the promise of wider political participation; and by sponsorship of the Al-Jazeera satellite TV station to protect the regime's ideological flank.

Qatar has played a constructive role in the Friends of Yemen, and became perhaps the GCC's most publicly proactive player as the political crisis deepened

Both the emir's personal inclination and Qatar's constitution, together with the aim of building Qatar's 'brand', predisposed it to proactive involvement in regional conflict resolution and peace-making, including a willingness to take risks.<sup>43</sup> It has come closer than any other state in the region to initiating significant constructive intervention in Yemen in its role as mediator in the northern civil war. Some analysts have suggested that Qatar's early

initiatives were in part aimed at pre-empting a Saudi role and that Saudi unhappiness at the Qatari role may have had a disabling impact during early stages of the conflict.<sup>44</sup> However, the high-level relationship between Doha and Riyadh has improved markedly since 2009, and the Qataris have improved their 'stakeholder management' by better consultation with Riyadh.

Qatar has played a constructive role in the Friends of Yemen, and became perhaps the GCC's most publicly proactive player as the political crisis deepened. Yet Al-Jazeera's coverage of street protests in Yemen brought staff intimidation and even death threats. In February 2011, President Saleh phoned the emir to complain about Al-Jazeera's coverage. In April he reacted angrily at the Qatari prime minister's revelation that the GCC states were offering a plan to allow the Yemeni president to step down – withdrawing the ambassador from Doha and labelling the statement unacceptable interference in internal Yemeni affairs.<sup>45</sup> On 28 April he was quoted as having 'reservations about signing if representatives of Qatar are present' at the signing of the mooted transition deal in Riyadh – a stance swiftly and publicly condemned by the GCC.<sup>46</sup>

#### The role of the GCC

The GCC remains an organization that is distinctly inter-state rather than supra-state. Its secretariat is small, without a budget of its own, except for its own running costs or when all six governments agree to establish a common project.<sup>47</sup> Even so, it has begun to show its collective mettle in free trade negotiations with the EU, in recent discussions on aid to Yemen, and, in April 2011, in taking a collective stand on the way out of Yemen's political crisis by explicitly urging President Saleh to stand down.

- 42 Steven Wright, 'Foreign Policies with Global Reach: The Case of Qatar', *The Kuwait Programme on Development, Governance and Globalisation in the Gulf States*, 2010 (<http://www.lse.ac.uk/collections/LSEKP/foreignpolicies.htm>); and Mehran Kamrava, 'Royal Factionalism and Political Liberalisation in Qatar', *Middle East Journal*, vol. 63, no. 3 (Summer 2009), pp. 401–20.
- 43 Authors' discussions with diplomats, Doha, January 2011; Wright, 'Foreign Policies with Global Reach'. Article 7 of the constitution states: 'The foreign policy of the State shall be based on consolidating international peace and security by encouraging the settlement of international disputes peacefully.'
- 44 Authors' discussions with local observers, Doha, January 2011.
- 45 'Saleh calls Qatar Emir, attacks Aljazeera', *Almotamar.net*, Saba, 27 January 2011, <http://almotamar.net/en/8090.htm>; 'GCC urges Saleh to go', *Financial Times*, 10 April 2011. See also Human Rights Watch, 'In the Name of Unity – The Yemeni Government's Brutal Response to Southern Movement Protests', 2009.
- 46 AFP, 2 May 2011; President Saleh's interview with *Russia Today* TV, quoted in *Gulf News*, 29 April 2011.
- 47 See for instance Baabood, 'Dynamics and Determinants', pp. 146–48; and Gerd Nonneman, 'EU-GCC Relations: Dynamics, Patterns and Perspectives', in *The International Spectator* (Rome: Istituto Affari Internazionali), vol. XLI, no. 3 (July–September 2006), pp. 59–74.

The GCC's role in Yemen followed the vagaries of overall Gulf–Yemeni relations. It stopped funding the development of Aden port in 1992, and in 1994 laid much of the blame for the civil war on the North. In the past few years, however, the GCC has come out in support of Yemen's continued unity. Aid remains bilateral, but at least the official part is now considered within a GCC framework. Ultimately all key decisions need to be agreed at head-of-state level and go through the countries' relevant ministers – especially foreign affairs and finance. Disbursement, implementation and follow-up also happen at the national level. But the GCC Secretariat, and in particular the department of international economic relations, has come to play a significant role as a forum for coordination, including informal consensus-building within as well as between national bureaucracies of member states. Full political coordination on the Yemeni crisis, however, only emerged in March and April 2011.<sup>48</sup>

Yemen has long sought GCC membership. Although the Council in 2001 expressed support in principle for eventual membership, there is little likelihood of this in practice. The rationale for the GCC's creation lay in a common threat perception and the similarity of the six states' political structures and cultures, economies and foreign policy orientations. Quite apart from lingering resentment over Yemen's policy in the Kuwait crisis (while on the Yemeni side there remains resentment over the 1990 expulsion of Yemeni workers from the GCC states), the country is an outlier on all these criteria. As a populous, poor, heavily armed society with only partial central government control, Yemen is viewed as too problematic ever to become a full member.<sup>49</sup> That does not preclude other levels of association: in 2001, Yemen was granted membership of the GCC's four non-political committees, and it has been participating in GCC discussions on health and aspects of economic integration.

In 2006, the British government hosted a donors' conference in London, at which the Gulf states pledged more than \$3.7bn in development aid for Yemen, including

\$2.5bn in bilateral aid and \$1.2bn managed through regional organizations, to be spent by 2010. The London pledges amounted to a fourfold increase on previous levels of GCC aid spending in Yemen. This followed from the recognition that Yemen was underfunded relative to its need, receiving just \$12 per person in annual development assistance before the 2006 conference.

A joint committee, composed of representatives of the GCC finance ministries and development agencies, as well as Yemen's Ministry of Planning and International Coordination (MOPIC), allocated the 2006 pledges to specific projects. These consisted mainly of physical infrastructure projects, including the construction of dams, power plants, roads, medical facilities and educational institutes. A number of Gulf states pledged to support Yemen's Social Fund for Development, an innovative quasi-governmental body that delivers community services to meet local needs. Qatar also made money available as scholarships for nearly half a million Yemenis to study at foreign universities.

Four years later, many of the 'big-ticket' infrastructure projects had become stuck in bureaucratic limbo, with the money committed in principle but without the work getting under way. Despite their pledge to quadruple aid spending in Yemen, the Gulf states had not authorized parallel increases in resources for their own development agencies to oversee these sums of money. Yemen's MOPIC was similarly overstretched and confronted a stark skills shortage. The Yemeni government, paralysed by corruption, factional rivalry and growing political tension even before the 'Arab Spring', had not inspired confidence in the Gulf donors that it could design suitable projects and manage them effectively. In some cases, foreign companies simply proved unwilling to bid for tenders on the proposed construction projects.

In February 2010, Yemen and the Gulf donors met in Riyadh to try to speed up delivery on the existing big-ticket projects, and to pave the way forward for the next round of pledges. Suggestions to encourage faster aid

48 Authors' interviews with diplomatic sources and at the GCC Secretariat, Riyadh, January 2011.

49 In a poll of 25,000 *AlArabiya.net* readers in December 2010, 80% thought Yemen joining would be bad for the GCC; see <http://www.alarabiya.net/articles/2010/12/15/129746.html>.

dispersal included capacity-building measures in Yemen's ministries, better sector-level coordination and the identification of small, 'ready-to-go' quick-impact projects. Efforts to release the Gulf donors from their initial commitments in order to start afresh and reallocate the funds to projects with a better design specification could not be agreed.<sup>50</sup>

‘The Friends of Yemen process did provide some stimulus for improved aid effectiveness by establishing a new momentum and focus on Yemen policy among member states’

The Friends of Yemen process did not offer a formal mechanism for coordinating the disbursement of aid or the resolution of contractual disputes. Member states' foreign ministers, rather than ministers for international development, attended the two meetings in 2010. However, the Friends of Yemen process did provide some stimulus for improved aid effectiveness by establishing a new momentum and focus on Yemen policy among member states. By January 2011, a new solutions-based dialogue was beginning to emerge about the 'what' and 'how' of spending the Gulf states' aid money in Yemen, in parallel with efforts to increase workers' access to GCC labour markets.<sup>51</sup>

One proposed solution was for the GCC Secretariat to open an office in Sana'a. Before the current political crisis, staff recruitment was under way, along with a discussion about the mandate for the office, which was expected – at the very least – to act as a 'clearing house' for information and to facilitate better relationships between the Yemenis, the Gulf donors and the Arab development funds. The Gulf donors were considering proposals to outsource their bilateral spending to specialist contractors, who would supervise

the construction of large-scale infrastructure projects in Yemen, and some Gulf donors were also expected to contribute to a new multilateral donor trust fund under the management of the World Bank. All plans have been suspended, however, pending the outcome of the crisis.

## Regional security

Two of Yemen's current internal security challenges – al-Qaeda in the Arabian Peninsula and the Sa'dah war – exemplify the Gulf states' perceptions of transnational threats emanating from Yemen. They also reveal the transnational nature of the response to these threats, both through formal state-to-state relations and through the practice of transnational patronage, which sustains complex intersecting informal networks at several levels, involving multiple non-state actors. Saudi Arabia plays a dominant role in both respects, contributing to competing domestic narratives about authority, legitimacy and religious identity, which resonate on both sides of the border.

### Al-Qaeda in the Arabian Peninsula

Al-Qaeda in the Arabian Peninsula first emerged in the limelight as al-Qaeda's Saudi branch from 2003, refocusing jihad from the 'external' to the 'internal' enemy – i.e. the Al Saud ruling family.<sup>52</sup> As the violence in 2004 began hitting the local and Muslim population alongside foreign targets, the Saudi government began to combine increasingly effective methods of intelligence and control with the use of tribal and kinship networks to co-opt or pressure AQAP members and sympathizers, and a 'hearts and minds' campaign mobilizing Islamic scholars. The strategy included the much-noted reintegration programme for former jihadists, combining religious discussion with a variety of activities and help for them and their families. The great majority of those passing through the programme have steered clear of active support for violent activity thereafter.<sup>53</sup> The government was able largely to delegitimize the movement's ideology

50 Authors' discussions at the GCC Secretariat, Directorate of Economic Affairs, January 2011.

51 Jessica Forsythe, 'GCC Labour Markets: Opportunities and Obstacles for Yemeni Workers', Chatham House, MENAP Programme Paper, forthcoming 2011.

52 Roel Meijer, 'The Limits of Terrorism in Saudi Arabia', in Aarts and Nonneman (eds), *Saudi Arabia in the Balance*, pp. 271–311, at p. 278.

53 Discussions with Saudi observers, Riyadh, 2008–09; Christopher Boucek, 'Saudi Arabia's Soft Counter-Terrorism Strategy', Carnegie Papers, no. 97 (Washington, DC: Carnegie Endowment), September 2008.

and tactics, helped by prominent Islamist government critics publicly turning against AQAP,<sup>54</sup> which by 2005 found its room for manoeuvre drastically curtailed.<sup>55</sup>

Al-Qaeda's presence in Yemen dates back to the early 1990s, when associates of Osama bin Laden returned from Afghanistan. The bombing of the *USS Cole* in Aden in 2000 was one of a series of attacks on foreign and government targets that had begun with an attack on American targets in Aden in 1992. Following the routing of the Taliban in Afghanistan, a number of Yemeni, Saudi and other al-Qaeda figures moved to Yemen, where a security crackdown and a modest de-radicalization programme kept the threat contained. Until 2006, al-Qaeda in Yemen appeared not to have considered the Yemeni government a priority target, while President Saleh's regime seemed occasionally ambivalent, especially after 2002, about tackling the jihadi tendency head-on as long as it was not itself threatened. Several factors changed this equation. American pressure on the government was ratcheted up; Yemen's economic problems and its need for aid increased; the effective defeat of the jihadist campaigns in Iraq and Saudi Arabia brought an influx of fighters into Yemen; and, critically, in February 2006 there was a major prison break of 23 leading jihadi activists in Yemen, several of whom had been previously released from Guantánamo and including bin Laden's Yemeni former secretary in Afghanistan, Nasir al-Wuhayshi.

From this point on, al-Qaeda gradually reconstituted itself in Yemen. In 2008 a spate of attacks showed that a new phase had begun, and in January 2009 it was announced that the Saudi and Yemeni operations had merged under the AQAP name, with Nasir al-Wuhayshi as its leader, Said al-Shihri, a Saudi, as his deputy, and Qasim al-Raymi, another Yemeni bin Laden associate, as military commander. In a video message from AQAP, Prince

Mohammed bin Nayef, in charge of the Saudi counter-terrorism efforts, was denounced and the overthrow of the Al Saud proclaimed a central aim. Seven months later the prince survived a suicide assassination attempt, and for the first time AQAP claimed responsibility for an attempt on the life of a member of the Saudi royal family.<sup>56</sup>

Under al-Wuhayshi's leadership, AQAP has adopted a strategy of direct confrontation with President Saleh's regime, successfully targeting dozens of security and intelligence officers. It continues to strike Western interests in the country, notably attempting to kill two senior British diplomats in 2010. AQAP also claimed responsibility for two unsuccessful international aviation terrorist plots, the Christmas Day 2009 Detroit plane bomb and parcel bombs in October 2010.

While AQAP still has limited appeal for Yemeni society, its room for manoeuvre and local tolerance for it have been increased by limited central control and widespread resentment towards the regime's policies and corruption. AQAP has also adapted its tactics to avoid the mistakes of its earlier Saudi incarnation.

In 2010 the CIA announced that the threat to the American homeland from AQAP surpassed that from al-Qaeda in Afghanistan or Pakistan.<sup>57</sup> The number of AQAP operatives is far outstripped by those involved in Yemen's northern insurgency and the southern separatist movement, but it includes a small number of Western-born Muslims and converts, drawn in part to the radical Yemeni-American cleric Anwar al-Awlaqi. AQAP also produces sophisticated English-language propaganda aimed at British and American readers, encouraging small-scale, low-tech attacks in the West.

The United States provided \$150m in military aid to Yemen during 2010, accompanied by a 'major buildup of intelligence and lethal assets'.<sup>58</sup> Prior to Washington's

54 E.g. Sheikh Salman Al-Awda; see [http://www.islamtoday.com/showme2.cfm?cat\\_id=29&sub\\_cat\\_id=1521](http://www.islamtoday.com/showme2.cfm?cat_id=29&sub_cat_id=1521).

55 Authors' discussions with Saudi observers in Riyadh and Europe, 2004–09; Meijer, 'The Limits of Terrorism in Saudi Arabia'; Thomas Hegghammer, 'Terrorist Recruitment and Radicalization in Saudi Arabia', *Middle East Policy*, vol. 8, no. 4 (Winter 2006), pp. 39–60; Hegghammer, 'Jihad, Yes, But Not Revolution', *British Journal of Middle Eastern Studies*, vol. 36, no. 3 (December 2009), pp. 395–416. See also the 2007 polling evidence presented in <http://www.terror-freetomorrow.org/upimagestft/TFT%20Saudi%20Arabia%20Survey.pdf>.

56 This was the fourth attempt on the prince's life. The bomber was Saudi national Abdullah al-Asiri, brother of AQAP's chief explosives technician, Khalid al-Asiri. AQAP's own take was set out in its magazine *Sada al-Malahim*, no. 11, October 2009, [http://www.archive.org/details/Almalaahm\\_11](http://www.archive.org/details/Almalaahm_11).

57 'CIA sees increased threat from al-Qaeda in Yemen', *Washington Post*, 24 August 2010.

58 'U.S. drones on hunt in Yemen', *Washington Post*, 7 November 2010.

belated policy shift in April 2011 to calling for President Saleh to step down, that sum had been set to rise to \$250m in 2011.<sup>59</sup> Security assistance was channelled to elite units under the command of Saleh's son Ahmed and three nephews, Tariq, Yahya and Ammar. British and American military trainers were stationed in Sana'a and in four new provincial counter-terrorism camps, and the US Joint Special Operations Command, at least until the American policy shift, also helped to plan operations with Yemeni troops.<sup>60</sup>

President Saleh tried repeatedly to downplay the extent of American support but his consent to the use of US cruise missiles against AQAP was exposed in a State Department diplomatic cable published by Wikileaks, quoting him as telling General David Petraeus in January 2010: 'We'll continue saying the bombs are ours, not yours.'<sup>61</sup> Missile strikes were halted a few months later, after a mistaken hit on a deputy governor in Marib province.<sup>62</sup> In autumn 2010, the US deployed Predator drones to hunt for AQAP operatives, and a strike on 5 May killed two brothers in Shabwa province,<sup>63</sup> but the group's leadership remains intact.

Saudi intelligence bosses established their own 'web of electronic surveillance and spies' to penetrate AQAP, while relying on traditional measures of tribal patronage to encourage Yemen's sheikhs 'to eject the extremists'.<sup>64</sup> Despite public emphasis on good cooperation with Sana'a on counter-terrorism and intelligence-sharing, there was growing frustration in Riyadh, and by 2010 Saudi counter-

insurgency and intelligence leaders had concluded that Yemen's Political Security Organization (PSO) was 'compromised'.<sup>65</sup>

The Saudis' biggest counter-terrorism success to date allegedly involved a tip-off from Saudi national Jabir al-Fayfi.<sup>66</sup> A former Guantánamo detainee and graduate of Mohammed bin Nayef's rehabilitation centre, al-Fayfi surrendered to the Saudi authorities (or was handed over to them after capture in Yemen) following a period spent in the AQAP network.<sup>67</sup> The information he allegedly provided enabled the Saudis to alert the United States about the October 2010 parcel bomb plot.<sup>68</sup> Earlier in 2010, Saudi informers, succeeding where Yemen's PSO had failed, negotiated the release of two German children who had been held hostage for a year in the border province of Sa'dah.<sup>69</sup>

#### The Sa'dah (or 'Houthi') war

Sa'dah province was an important base for Yemen's last Imam during the 1962–67 civil war. Following the Imam's defeat, the Saudi government began to establish a network of religious schools throughout northern Yemen and Saudi-sponsored Salafism became a 'significant local force, competing with traditional identities'.<sup>70</sup> Saudi-educated cleric Sheikh Mubqil al-Wadi'i played a prominent role in the propagation of Salafism in Yemen. A convert from Zaydism, he founded a Salafi madrasa, Dar al-Hadith, in the village of Dammaj near the Saudi border. The Zaydis viewed the establishment of this madrasa and the

59 'U.S. Pursues Wider Role in Yemen', *Wall Street Journal*, 16 November 2010.

60 'Britain and US send more special forces to aid War on Terror', *The Times*, 8 January 2011.

61 See <http://cablegate.wikileaks.org/cable/2010/01/10SANAA4.html>. Reportedly, 200 civilians and 40 terrorists were killed in four cruise missile strikes in a 12-month period starting in December 2009. See also 'US attacks al-Qaeda in Yemen; civilian casualties in secret cruise missile strikes', *The Times*, 9 December 2010.

62 'U.S. Pursues Wider Role in Yemen'.

63 'U.S. deploying drones in Yemen to hunt for Al-Qaeda, has yet to fire missiles', *Washington Post*, 7 November 2010; 'U.S. drone strike in Yemen is first since 2002', *Washington Post*, 5 May 2011.

64 'U.S. sees complexity of bombs as link to Al Qaeda', *New York Times*, 30 October 2010. See also 'Saudi dominate Yemen security help', Reuters, 18 January 2010; Wikileaks, 09RIYADH670 - Special Advisor Holbrooke's Meeting with Saudi - 2009-05-17 1.

65 Authors' interviews, Riyadh, January 2011.

66 Bombs tip-off 'came from former al-Qaeda member', BBC News, 1 November 2010.

67 Gregory Johnsen, 'Saudi Disinformation?', 18 October 2010. See <http://bigthink.com/ideas/26148>.

68 US analyst and blogger Gregory Johnsen disputes this claim, arguing 'that al-Fayfi couldn't have been the intelligence link that led to the discovery of the bombs as AQAP knew he was "captured" or "arrested" ... and AQAP should have known that any information he had was compromised.' See Initial Notes on AQAP's Statements, 5 November 2010, <http://bigthink.com/ideas/26242>.

69 Authors' discussions, Riyadh, January 2011.

70 Laurent Bonnefoy, 'Salafism in Yemen: A "Saudisation"?', in al-Rasheed (ed.), *Kingdom Without Borders*, pp. 245–62.



spread of other Salafi schools in Sa'dah as an 'attempt to weaken Zaydi social and political influence', and responded by founding their own educational trust, the 'Believing Youth'.<sup>71</sup> Rising tension between the two religious communities, intersecting with local, regional and global politics, led to the start of armed conflict between government forces and the followers of a local Zaydi leader in 2004.

The rebels are led by the Houthi family, who stand accused of wanting to replace the republic with the Imamate. This is denied by the Houthis, who have criticized President Saleh's regime for being corrupt, too close to the United States, and siding for political reasons with Wahhabi-Salafism against the local community and traditions. Clashes between the rebels and the army began after demonstrations outside the Great Mosque in Sana'a in 2004, when Zaydi worshippers, fresh from Friday prayers, chanted anti-American slogans. The security forces' attempt to arrest ringleader Hussein al-Houthi in Sa'dah province sparked the first spell of fighting. The ensuing small-scale revolt gradually grew into an erratic conflict, and thousands of suspected Houthi supporters have been arrested or disappeared.<sup>72</sup> In 2007, Qatar began mediating a peace deal but a ceasefire fell apart the following year, with two further bouts of fighting ensuing.

In late 2009, the Houthis extended their insurgency into Saudi territory and killed a border guard, justifying their actions on the grounds that Saudi Arabia was allowing the Yemeni army to launch attacks from its territory.<sup>73</sup> Saudi Arabia responded by deploying ground and air forces, under the command of Assistant Minister of Defence and Aviation Prince Khaled bin Sultan. Targets for Saudi Air Force opera-

tions were presented by Yemen to an ad hoc Saudi–Yemeni military committee, headed by Prince Khaled.

Western sources contradicted Saudi media claims that Prince Khaled's military activity did 'not cross into Yemeni territory'.<sup>74</sup> France and the United States provided the Saudis with satellite imagery to improve precision bombing, ostensibly to avoid civilian casualties; the US also supplied 'stocks of ammunition'.<sup>75</sup> In a meeting on 6 February 2010, Khaled told the US ambassador to Saudi Arabia that the Saudi military had to hit the Houthis 'very hard in order to "bring them to their knees" and compel them to come to terms with the Yemeni government'.<sup>76</sup> He acknowledged that the Saudi military had suffered '130 deaths and the Yemenis lost as many as one thousand' but said he expected a peace deal 'within a week'. The ceasefire was announced ten days later.

There are contrasting narratives about the Saudi intervention. Some Western analysts agree with the Houthis' argument that the Saudis used their border incursion as a pretext to come to the aid of the Yemeni army, which was struggling to defeat the rebels. Many Yemeni political analysts and some Saudi observers believe Prince Khaled's campaign was 'poorly planned and executed'. The high fatality rate among Saudi soldiers – including 'many apparently from friendly fire' – is seen as an embarrassment, particularly as Saudi Arabia deployed 'massively disproportionate force' against 'lightly armed Houthi guerrillas'.<sup>77</sup> Houthi videos of captured Saudi soldiers were a public relations disaster, and King Abdullah was reportedly angry that the military had failed to prove itself 'more capable, given the billions invested in modernization'.<sup>78</sup> Some suggest that the operation was in part linked

71 President Saleh initially supported the Zaydi revival movement but around 2000 he back-tracked and started shutting down Zaydi revivalist madrasas. See Human Rights Watch, 'Invisible Civilians: The Challenge of Humanitarian Access in Yemen's Forgotten War', HRW, Washington, DC, November 2008.

72 Human Rights Watch, 'Disappearances and Arbitrary Arrests in the Armed Conflict with Huthi Rebels in Yemen', HRW, Washington, DC, October 2008.

73 See <http://wikileaks.ch/cable/2009/12/09RIYADH1687.html>. Houthis claim they had pushed the Yemeni army from Jabal Dukhan, a strategic mountain on the border, and agreed with the Saudis that the Yemeni army would not be allowed to take up positions there again. As the army returned, so did the Houthis; Saudi border posts opened fire, killing one or two. For a timeline of the military conflict, see AEI Critical Threats, 'Tracker: Saudi Arabia's Military Operations Along Yemeni Border', 7 January 2010; see <http://www.criticalthreats.org/yemen/tracker-saudi-arabia%E2%80%99s-military-operations-along-yemeni-border>.

74 'Dazzling new weapons require new rules for war', *Washington Post*, 11 November 2010. See also <http://wikileaks.ch/cable/2009/12/09RIYADH1687.html>.

75 Ibid.

76 Wikileaks, 10RIYADH159, released 07.12.2010, subject: (S) Saudi Arabia: Renewed Assurances On Satellite Imagery. See also 'Yemen rebels say Saudi jets using phosphorus bombs', AFP, 2 November 2009.

77 <http://wikileaks.ch/cable/2009/12/09RIYADH1687.html>.

78 Ibid.

to domestic Saudi politics and the ‘rehabilitation’ of Prince Khaled in the light of his father’s illness and the looming generational transfer of power. It is certainly striking that the Ministry of Interior, responsible for security and Yemen, was not involved.<sup>79</sup>

‘Houthi videos of captured Saudi soldiers were a public relations disaster, and King Abdullah was reportedly angry that the military had failed to prove itself “more capable, given the billions invested in modernization”’

However, the campaign also enjoyed significant public support in Saudi Arabia and was ‘spun’ by the media as ‘a heroic and successful struggle to protect Saudi sovereignty’.<sup>80</sup> Some satisfaction is derived from the fact that there have been no further incursions since the intervention, and that Saudi Arabia was able to turn the episode to its advantage by securing the border area. There is now a semi-permanent military complex around the southern Saudi city of Najran. Nearly 80 border villages have been evacuated and the villagers are being re-housed in 10,000 purpose-built units. Visible security improvements have been reported, including earthen berms, concertina wire, floodlights and thermal cameras.<sup>81</sup> These measures serve Saudi Arabia’s longer-term objective of containing AQAP, as well as constraining cross-border flows of drugs, weapons and illegal migrants.

One Saudi analyst claimed the military deployment against the Houthis also served to send ‘a message to our strategic competitor, Iran’.<sup>82</sup> Some Saudis allege that the

Houthis are trying to bring the Zaydis closer to Twelver Shi’ism, with the support of Iranian clerics. Since 2007, President Saleh has done his part to stoke these claims. Western diplomats argued there was no evidence of any Iranian role in the conflict, and members of the Saudi Special Office for Yemen Affairs noted to their US interlocutors that they knew Saleh was exaggerating such involvement to them.<sup>83</sup> Still, in the months leading up to the 2010 ceasefire at least one Western government claimed to see some tentative signs of Iranian activity in Sa’dah.<sup>84</sup>

In 2010, Qatar resumed its mediation between the Houthis and the Yemeni government, and sought to assist with the implementation of ceasefire terms. Hundreds of Houthi prisoners were released but reconstruction efforts were hampered by President Saleh’s reluctance to authorize large flows of funds to the region, and to grant humanitarian agencies access to Houthi-controlled areas. In March 2011, following General Ali Mohsin’s defection and the draw-down of troops from Sa’dah, the ceasefire was superseded by events, leaving the Houthis and their allies in control.

The Houthis say that their influence now extends throughout an area ‘the size of Lebanon’, spanning the governorates of Sa’dah, Hajjah, Amran and al-Jawf, where in certain parts they claim to be providing services and forms of community justice. Houthi sources refer to this *de facto* state of autonomy as exceptional, arguing that they ultimately seek substantial regional administrative powers under the control of a reformed and legitimate state. While Saudi elites retain concern about the radicalizing ideology of some Houthi elements, their key aim remains to contain the conflict and secure the border. The outcome of the Sa’dah conflict is ultimately tied to the current political transition and longer-term process of forging an inclusive, stable political settlement in Yemen.

79 Authors’ interviews and confidential discussions in Saudi Arabia, January 2011.

80 <http://wikileaks.ch/cable/2009/12/09RIYADH1687.html>.

81 ‘Saudi border with Yemen is still inviting for Al Qaeda’, *New York Times*, 26 October 2010.

82 Authors’ discussions, Riyadh, January 2011.

83 US State Department cable from Sana’a, 9 December 2009, <http://www.wikileaks.ch/cable/2009/12/09SANAA2279.html>.

84 Authors’ interviews, Riyadh, January 2011. The Iranian government denies involvement.

## Conclusion

The international community and the GCC states are united on the need for a managed transfer of power in Yemen. However, the current stalemate reveals the GCC's limited leverage to negotiate a transition and, beyond that, to enforce implementation of any deal. In addition, the absence of grassroots pro-democracy protestors from the negotiations limits their role in shaping the new dispensation. Given that popular grievances over corruption and political exclusion have underpinned the street protests, the prospect of immunity for President Saleh and the re-arrangement of established elites at the apex of the system is likely to store up further difficulties in the medium term – even if it proves possible to contain the protestors' anger and prevent ongoing violence by security forces under the command of President Saleh's son and nephews during the transition process.

Meanwhile, the functions of government are paralysed, commodity prices are rising and the risk of conflict

between rival military factions remains high. There is considerable scope for the GCC states to increase their humanitarian assistance, and to play a more prominent role within the United Nations' 'cluster system' for emergency response. Coordinated development aid channelled to visible use in transparent ways will only become viable under a new political structure, but practitioners are likely to confront familiar challenges, including low capacity within Yemen's civil service and disagreements over immediate priorities.

The gap between the longer-term objectives of the 'comprehensive approach' and the primacy of external short-term security imperatives – not least with regard to AQAP – will continue to influence Yemen's internal political dynamics and risks damaging the prospects for future stability. In this context, it may be worth exploring the relative advantages of the divergent counter-terrorism operational approaches of Western states on the one hand and GCC states on the other.

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